

Media Release

Zurich, 22 April 2024

Condominiums remain in demand, while supply increases

In 2023, a condominium was advertised for an average of 76 days in Switzerland, one day less than in the previous year, although the number of advertisements rose by almost 20% to 83,000 at the same time. This shows that, supported by falling long-term interest rates, demand for condominiums has increased over the past year – but not in all regions, as the current Online Home Market Analysis shows.

The latest edition of the Online Home Market Analysis by the real estate portal ImmoScout24, in collaboration with the Swiss Homeowners' Association and the Swiss Real Estate Institute, analyses the listing data of condominiums for the year 2023. The listings analysed come from several well-known real estate portals and, therefore, comprise the majority of all online listings during the period under review in Switzerland.

The supply increases, but the marketing time decreases

The advertising volume for condominiums, which shrank by almost 6% in the last study for 2022, recovered significantly in the current evaluation for 2023 and recorded robust growth of almost 20%. However, this national expansion of offers did not result in a longer advertisement duration; on the contrary, at 76 days, it even decreased by one day compared to the previous year. This means that there will be increased demand for condominiums across Switzerland in 2023. The reason for this increase can also be found in the fall in long-term interest rates over the last year, especially since around 80% of homeowners in Switzerland finance their property with fixed-rate mortgages. The average interest rate for a five-year fixed-rate mortgage was around 2,9% in the first quarter of 2023, while the value had fallen to around 2,2% at the end of 2023.

For **Martin Waeber, Managing Director Real Estate at SMG Swiss Marketplace Group**, the results of the current study show that little can continue to shake the Swiss real estate market. "Your own four walls – whether in condominiums or as a single-family home – will remain an object of desire for many in 2023," says Waeber. Further, "The fact that demand continues is ultimately due to the particularly scarce commodity in Switzerland, land." Accordingly, the key to success is to bring sellers and searchers together as best and quickly as possible, says Waeber. With a view to the increased supply, Waeber says: "The fact that the supply grew last year can probably also be attributed to certain catch-up effects after fewer properties came onto the market in 2022. At that time, some sellers probably assumed there were fewer chances of a good sale due to the significantly increased interest rates."

The regional gap is getting smaller again but remains relevant

While the duration of advertisements across Switzerland fell slightly by one day, it increased in six of the eight major BfS regions examined. As in the previous period, the two regions of Zurich and Central Switzerland had the shortest tendering times at just under two months. However, this has increased in both regions compared to the previous year, with plus ten days in Zurich and plus seven days in Central Switzerland. Despite the around 20% increase in Zurich (and therefore the highest percentage of all regions), condominiums here still sell the fastest in Switzerland. However, homeowners willing to sell continued to wait the longest in the Vaud/Valais region, especially in Ticino. These are also the two regions in which the duration of advertisements was reduced in 2023, specifically by eight days in Vaud/Valais and even by 16 days in Ticino. As a result, the gap – i.e., the difference between the region with the longest and shortest tendering times – decreased significantly from 100 to 74 days.

Eastern Switzerland is the only region with a slightly declining demand

The combination of the changes in the duration of advertisements and the number of advertisements allows conclusions to be drawn about the demand in Switzerland as a whole and in the individual regions. On this basis, only the Eastern Switzerland region saw a slight decline in demand for condominiums last year. While the number of advertisements increased by around 15%, the simultaneous advertisement duration increased by almost 20%. Instead, demand increased in 2023, particularly in the Vaud/Valais, Ticino and Espace Mittelland regions. Of these, the Vaud/Valais region recorded the greatest increase in demand because, despite a 23% increase in the number of advertisements, the duration of advertisements was shortened by almost 10%. In Northwestern Switzerland, however, the percentage differences in both cases were around 20%, meaning that demand in this region remained virtually unchanged (plus 23% for advertisements, plus 21% for advertisement duration).

For **Markus Meier, Director of the Swiss Homeowners Association**, the results of the current analysis show that owner-occupied residential property is still in high demand, and the market for condominiums in Switzerland is very stable. “Measures are now needed to ensure that the middle classes and especially young families can continue to have access to home ownership in the future,” emphasizes Meier. Housing construction should be made easier instead of hindered by ever new rules and regulations, Meier continued, as excess demand would further and unnecessarily heat up the real estate market.

Peter Ilg, Head of the Swiss Real Estate Institute, interprets the results of the latest online home market analysis, especially in connection with the higher level of interest rates, as follows: “On the one hand, it is pleasing to see that on average in Switzerland the duration of advertisements has not increased despite the new, higher level of key interest rates and that most of the regions examined show robust or even increasing demand.” On the other hand, Ilg continues, the ongoing increase in variable mortgage interest rates in some regions has meant that, in some cases, a lot more patience is needed to sell a condominium. “How the latest key interest rate cut in March 2024 will affect demand

will also depend on how strong this key interest rate cut will be on long-term interest rates and thus on fixed-rate mortgages," says Ilg, looking into the future.

About the Online Home Market Analysis

The Online Home Market Analysis is a semi-annual analysis that reports alternately on the development of the listing periods for condominiums and single-family houses. The analysis covers the whole of Switzerland with the eight major regions studied, with in-depth analyses for suburban communities by price segment. The analysis provides regionally differentiated information on the development of supply and demand for owner-occupied homes, broken down by market segment. ImmoScout24 and the Swiss Homeowners' Association publish the analysis in collaboration with the Swiss Real Estate Institute of the HWZ Hochschule für Wirtschaft Zürich.

Media Contact



Contact SMG Swiss Marketplace Group Ltd.

Fabian Korn, Communications Manager & Media Spokesperson
fabian.korn@swissmarketplace.group
+41 44 711 86 29



Contact Swiss Homeowners' Association

Adrian Spiess, Volkswirtschaftler
adrian.spiess@hev-schweiz.ch
+41 44 254 90 29



Contact Swiss Real Estate Institute

Prof. Dr. Peter Ilg, Head of Institute
peter.ilg@swissrei.ch
+41 43 322 26 84

About SMG Swiss Marketplace Group Ltd.

SMG Swiss Marketplace Group Ltd. is a pioneering network of online marketplaces and an innovative digital company that simplifies people's lives with forward-looking products. SMG Swiss Marketplace Group AG gives its customers the best tools for their life decisions. The portfolio includes Real Estate (ImmoScout24, Homegate, Flatfox, alle-immobilien.ch, Immostreet.ch, home.ch, Publimmo, Acheter-Louer.ch, CASASOFT, IAZI), Automotive (AutoScout24, MotoScout24), General Marketplaces (anibis.ch, tutti.ch, Ricardo) and Finance and Insurance (FinanceScout24). The company was founded in November 2021 by TX Group AG, Ringier AG, La Mobilière and General Atlantic.



About the Swiss Homeowners' Association

The Swiss Homeowners' Association (HEV) is the umbrella organisation for homeowners and landlords in Switzerland. The association has around 340,000 members and over 120 regional and cantonal sections. For over 100 years, the HEV has been consistently committed at all levels to the promotion and preservation of home and property ownership in Switzerland.

About Swiss Real Estate Institute

The Swiss Real Estate Institute is a foundation established by the University of Applied Sciences in Business Administration Zurich and SVIT Schweiz. In addition to research, the institute focuses on teaching and services/consulting for the Swiss property industry.