

Media Release

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Falling interest rates increase the supply of single-family homes – while demand rises at the same time

In the past twelve months, almost 75,000 single-family homes were advertised – 36% more than in the previous period. Although this significantly increased the supply, it only led to a 13% increase in the listing duration. This combination shows that the demand for single-family homes in the Swiss market is not only still there but has actually increased. The easing of mortgage interest rates and, thus, the increased attractiveness of owning a home is likely to have contributed significantly to this. These are the findings of the latest Online Home Market Analysis.

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 for single-family homes for the period from 1 July 2023 to 30 June 2024. The listings evaluated come from several well-known real estate portals and thus include the majority of all online listings during the period under review in Switzerland.

Larger supply was well absorbed by the market

In the current reporting period, the growth in the number of advertised single-family homes increased again compared to the previous period. While it was already up 10% in the previous period, around 36% more single-family homes came onto the market between July 2023 and June 2024 than in the previous twelve months. This increase in supply is primarily due to a stabilisation in mortgage interest rates, which had fallen by around half a percentage point by the end of the reporting period compared to the previous year, taking a five-year fixed-rate mortgage as an example. Accordingly, owners of owner-occupied homes waited until the previous rise in interest rates had eased somewhat before selling. The approximately 20,000 additional single-family homes advertised for sale across Switzerland extended the average listing period from 9 days to 76 days, corresponding to an increase of 13%. This moderate extension of the advertising period in relation to the percentage increase in the number of adverts suggests a growing demand for single-family homes, which, therefore, absorbed the additional supply well.

For **Martin Waeber, Managing Director Real Estate at SMG Swiss Marketplace Group**, the results of the latest study underline the fact that the desire to own one's own four walls is unbroken, even in a tenant country like Switzerland. "The fact that more properties are coming onto the market again as interest rates ease shows that sellers and buyers are observing the market closely and reacting accordingly," says Waeber. However, Waeber concludes that the fact that listing times have not increased as much despite the increase in supply illustrates the efficiency of how these two groups find each other: "These include the property platforms ImmoScout24 and Homegate".

For **Markus Meier, Director of the Swiss Homeowners' Association**, the latest results show that the single-family home market in Switzerland is continuing to grow in terms of volume. "Fuelled by a continuing shortage of housing and the trend of falling interest rates, there is no end in sight to the high demand for single-family homes," says Meier, looking ahead. Meier adds that the fact that price growth has recently slowed despite falling residential construction activity and continuing high demand is encouraging for potential home buyers, especially younger ones.

Significant regional differences in demand for single-family homes

Irrespective of the good absorption of the increased supply throughout Switzerland, there were clear regional differences in this respect. For example, homeowners in the five German-speaking Swiss BfS regions and Ticino had to wait a little longer than before to sell their properties due to the increased supply. In Zurich, for example, the average listing time increased by 19% compared to the previous period, while in Central Switzerland, it was even 23% longer. In contrast, owner-occupied homes in the two western Swiss regions of Vaud/Valais (1% changed hands faster than before) and especially in Geneva (12% changed hands faster than before). Overall, however, the picture has not changed: Single-family homes continue to sell fastest in the major regions of Zurich and Geneva, while the Ticino region is the most patient.

Demand for single-family homes increased in all regions analysed

The combination of changes in listing duration and the number of listings allows conclusions to be drawn about demand in Switzerland as a whole and in the individual regions. For example, sellers in the Vaud/Valais region had to advertise their homes for one day less than before, while at the same time, significantly more single-family homes were advertised here (up 47%). Accordingly, the Vaud/Valais region is clearly in the 'increasing demand' range, a position only surpassed by the Geneva region over the last twelve months. Overall, however, all BfS regions are in the area of increasing demand. This makes it clear that the detached house is not an outdated model, but on the contrary, is still in high demand.

For **Peter Ilg, Head of the Swiss Real Estate Institute**, it is always astonishing how robust the demand for single-family homes in Switzerland is. "In recent years, we initially experienced significant price increases for single-family homes – later, marked interest rate increases came into play, now followed by lower interest rates again and a significant increase in supply," says Ilg, summarising the

market to date. None of this has been able to noticeably dampen demand, and detached houses are still selling in a quick six to eight weeks on average in Switzerland, Ilg continues. "This is particularly good news for homeowners who are willing to sell, but also for those who are still looking to buy and who therefore have the considerable financial means to do so," summarises Ilg.

In view of these facts and figures, it is to be expected that single-family homes will remain a solid investment in the future. This will continue to be the case even if more properties come onto the market in the future due to the rising average age of the Swiss population or if their ownership requires additional investment due to energy efficiency regulations.

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.

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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.



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