

## Media Release

Zurich, 7 November 2024

# Residential property prices rise, rents fall

**Both single-family homes and condominiums were being advertised at higher prices in October. In contrast, there was an easing in asking rents.**

The asking prices for residential property offered for sale increased last month. Condominium prices rose by 1,0% in October, while single-family homes were advertised at 0,4% higher values. Over the last twelve months, price expectations for condominiums have risen by 3,2%, while those for single-family homes have risen by 2,4%. This is according to the Swiss Real Estate Offer Index, which is calculated by the SMG Swiss Marketplace Group in collaboration with the property consultancy IAZI.

## Those who can afford home ownership will fare more favourably again

"The home ownership market is being boosted by improved conditions: mortgage financing costs have fallen noticeably, and there is a good chance that this trend will continue in the near future," says Martin Waeber, Managing Director Real Estate at SMG Swiss Marketplace Group. The fact that housing costs in a home can be lower again is also documented by the following example: a condominium with a typical living space of 100 square meters has a market price of just under CHF 900,000 due to the average price per square meter of CHF 8,944 (index level as of October 31 2024). If this property is financed with a maximum possible loan-to-value ratio of 80% (borrowed capital of CHF 720,000), this results in monthly expenses of around CHF 2,200. Compared to a similar rental apartment, these costs often no longer represent an additional burden. There are also other advantages to owning a home, such as freedom of design or independence from rent increases.

"Although the prices for residential property are at a very high level, buying your own home can reduce housing costs. In addition, the signs are good that the improved conditions will lead to an increase in the construction of condominiums in the near future, thereby increasing the supply," Waeber continued. "However, the conditions for buying single-family homes are noticeably more difficult due to the price level and the limited availability," Waeber concluded.

### In addition to the leaves on the trees, rental prices are also falling

October brings at least a temporary relief in rental prices in all regions. The values for advertised apartments in Switzerland have fallen by 2,8%. Over a year, there is practically no change, with a decrease of 0,2%. Depending on the region, the trend in October deviates from the national average: while the reductions in the Greater Zurich region (-6,8%), in Central Switzerland (-5,5%), in Ticino (-3,1%) and in Eastern Switzerland (-1,2%) are significant, there is little movement in Northwestern Switzerland (-0,9%), in the Espace Mittelland (-0,6%) and in the Lake Geneva region (-0,1%). The next few months will show to what extent these noticeable shifts merely represented a short-term fluctuation.

As at 31 October 2024

#### **Purchase offers for single-family houses throughout Switzerland (CHF/m<sup>2</sup>)**

	01.10.2024	31.10.2024	Change	in %
<b>Month</b>	7572.3	7604.5	+32.2	+0.4%
	31.10.2023	31.10.2024	Change	in %
<b>Year</b>	7425.5	7604.5	+179.0	+2.4%

#### **Purchase offers for condominiums throughout Switzerland (CHF/m<sup>2</sup>)**

	01.10.2024	31.10.2024	Change	in %
<b>Month</b>	8859.8	8944.2	+84.4	+1.0%
	31.10.2023	31.10.2024	Change	in %
<b>Year</b>	8663.2	8944.2	+281.0	+3.2%

#### **Rental offers throughout Switzerland (CHF/m<sup>2</sup> per year)**

	01.10.2024	31.10.2024	Change	in %
<b>Month</b>	282.7	274.7	-8.0	-2.8%
	31.10.2023	31.10.2024	Change	in %
<b>Year</b>	275.3	274.7	-0.6	-0.2%

The values may contain rounding differences.

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### **About the Swiss Real Estate Offer Index**

The Swiss Real Estate Offer Index is the world's first hedonic index that is calculated and updated in real time. It is compiled in cooperation between the online real estate marketplace ImmoScout24 and the real estate consultancy IAZI AG (Zurich) and includes the development of offer prices for residential property as well as offer rents. Thanks to its continuous updating and its methodology, the index allows the timely monitoring of developments on Switzerland's largest real estate platform.

Its advantage: As a leading indicator for market developments, the Swiss Real Estate Offer Index offers new perspectives in risk management. While other indices serve as a decision-making aid with a time lag of at least three months, this index offers absolutely up-to-date information. Combined with one's own assumptions for the near future in the real estate sector, this results in a management tool with timely informative value. Thanks to its immediacy, frequency and direct reference to the latest listings, the index also contributes to increased transparency on the Swiss real estate market.

### **About SMG Swiss Marketplace Group Ltd.**

SMG Swiss Marketplace Group Ltd. ([swissmarketplace.group](https://www.swissmarketplace.group)) 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](https://www.alle-immobilien.ch), [immostreet.ch](https://www.immostreet.ch), [home.ch](https://www.home.ch), [publimmo.ch](https://www.publimmo.ch), [acheter-louer.ch](https://www.acheter-louer.ch), CASASOFT, IAZI), Automotive (AutoScout24, MotoScout24), General Marketplaces ([anibis.ch](https://www.anibis.ch), [tutti.ch](https://www.tutti.ch), [ricardo.ch](https://www.ricardo.ch)) and Finance and Insurance ([finance-scout24.ch](https://www.finance-scout24.ch), [moneyland.ch](https://www.moneyland.ch)). The company was founded in November 2021 by TX Group AG, Ringier AG, La Mobilière and General Atlantic.