

# The mountains are calling

UBS Alpine Property Focus 2021



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**UBS Alpine Property Focus**

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# Editorial

Dear reader,

Since the adoption of the second-home initiative in 2012, the price trend for vacation destinations in Switzerland has lagged that of the market for owner-occupied homes as a whole. Holiday home ownership has been challenged by a number of factors: the growing penchant for short vacations abroad, easy access to vacation rentals thanks to the online commercial rental portals, and a generally out-of-date supply of second homes. The pandemic-triggered economic downturn in 2020 did not bode well either. Holiday homes are luxury goods, so demand for them falls disproportionately with declining income.

However, last year saw the steepest rise in prices for Swiss holiday homes since 2012. The coronavirus-induced restrictions on leisure activities gave people the time and inclination to plan the purchase of a holiday home. Travel restrictions also promoted a trend of connecting with local vacation resorts, and many households discovered the potential attraction of owning a holiday home. The obligation to work from home also abruptly lowered the dependency of the place of residence on the workplace, and boosted the demand for owner-occupied homes in less central regions. Increased demand and the limited supply of holiday homes created the perfect storm for a striking price boom.

You will find out in this report if—and how long—the current price momentum will last for the holiday home market. We also analyze the real estate markets in more than 30 Swiss holiday destinations using a broad range of indicators. In addition, we will examine several top Alpine holiday destinations outside of Switzerland.

We hope you find it an interesting and informative read.



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# The revival of the holiday home market

**Prices for holiday homes in the Alps increased considerably last year. Demand was fueled by the travel restrictions imposed in the wake of the pandemic and the rise in the number of people working from home. The market is expected to consolidate in the medium term. However, the recent shortage of supply is likely to prevent major falls.**

As in previous years, Engadin/St. Moritz is the most expensive tourist destination in the Alps. An upmarket holiday home here costs nearly CHF 17,000 per square meter, which is a good 7% above the previous year's figure. It is followed in second place by Gstaad, which saw prices increase by almost 5% over the previous year to CHF 16,500 per square meter. Verbier comes in third, with a 9% year-over-year price increase. The other resorts in the top five most expensive Alpine tourist destinations are the Austrian winter sports center Kitzbühel and Courchevel in France, with square meter prices of around CHF 13,500.

## Swiss holiday resorts feature the biggest price increases

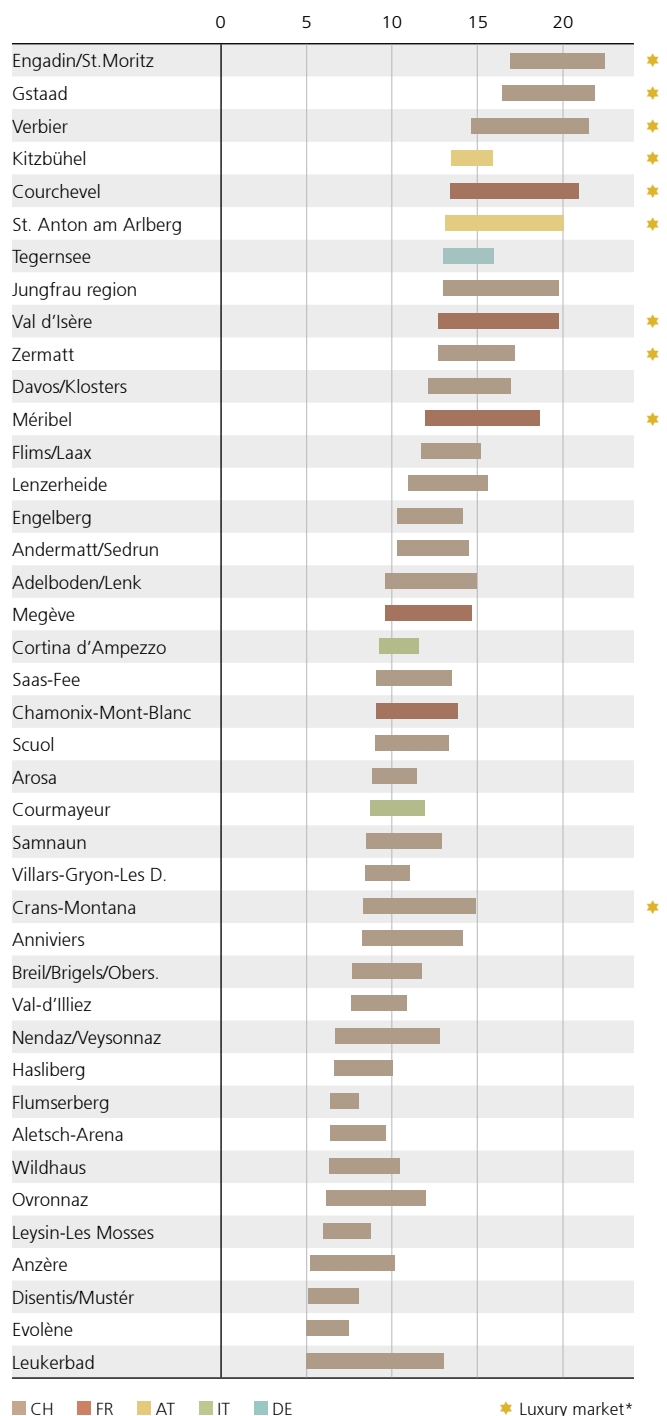
On average, second home prices across all Alpine destinations rose by more than 3% last year, which is around double the previous year's figure. The accelerated price increases were driven by the Swiss destinations, where holiday home prices climbed by nearly 4% relative to the previous year; this compares with a figure of just over 1% in 2019. By contrast, the price momentum eased considerably in the Austrian and German destinations, where prices increased by just under 3%. The top French destination recorded price increases of 2.5%, which is comparable with 2019. Holiday home prices in the top Italian destinations even fell by 1%, thereby continuing to decline.

## Expensive is becoming more expensive

The gap between the high-priced and cheaper Swiss destinations widened further in 2020. Prices rose by an average of 8% in all Swiss destinations with square meter prices of more than CHF 10,000. The tight supply of advertised owner-occupied homes, which is falling overall, also contributed to the sharp price increases. In the cheaper destinations—especially in the cantons of Valais and Vaud—supply averaged two and a half times greater and even continued to increase. The average price increase there was only just under 2%.

## Price overview of the holiday destinations

The bars show the range of prices for holiday homes in the upmarket segment, in thousand CHF/m<sup>2</sup>



\* Locations with a high-end segment with no price ceiling

Sources: UBS

### Holiday homes as beneficiaries of the coronavirus crisis

Last year's price increase in the Swiss market for second homes was the sharpest since 2012. Given that economic conditions did not improve following the economic collapse and higher unemployment, the higher price rises reflect a shift in preferences among Swiss households. The pandemic-related restrictions on leisure activities also gave people the time and inclination to research and plan the purchase of a holiday home.

#### *The mountains are calling*

With foreign travel more difficult last year, more Swiss citizens took their vacations at home than in previous years. In the first three quarters of 2020, the number of overnight stays in holiday homes increased by more than 20% over the previous year. People planning vacations became better acquainted with local holiday resorts, while more households discovered the potential attractions of owning a holiday home.

Working from home also raised the awareness of the advantages of having one's own holiday home in Switzerland. Frequently working from home lowers the dependency of the place of residence on the workplace, thus encouraging the demand for owner-occupied homes in less central regions. The option to relocate the home office to the mountains was a particular advantage of purchasing a holiday home.

### *Internationally attractive*

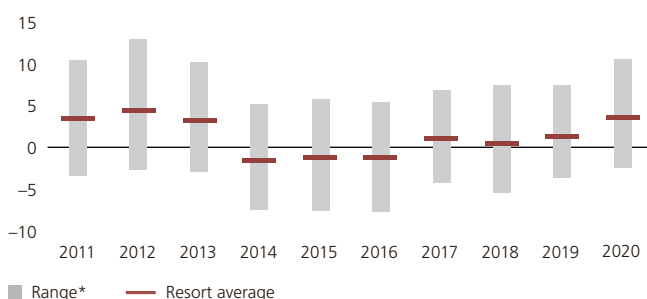
Foreign buyers were also attracted to Swiss holiday homes. Swiss real estate generally enjoys a reputation as a safe investment, making it even more sought-after in times of economic uncertainty. In the last five years, prices for holiday homes in Austria and Germany have also risen considerably compared with Switzerland, offsetting in part the price and exchange rate disadvantage of Swiss holiday homes.

### *Demographic trends spark demand*

The average buyer of a holiday home is 50 to 55 years old. Thoughts of retirement and the freedom of choice this offers regarding domicile are a frequent motive for buying a home in the mountains. The 50 to 55 age group has grown significantly by around 100,000 persons (15%) in the last decade and is currently the largest age cohort of Switzerland's total population. This group also has relatively large financial resources. So demographic trends also support the market for holiday homes.

## Booming holiday apartment markets

Swiss holiday destinations, Price change year-over-year, in percent

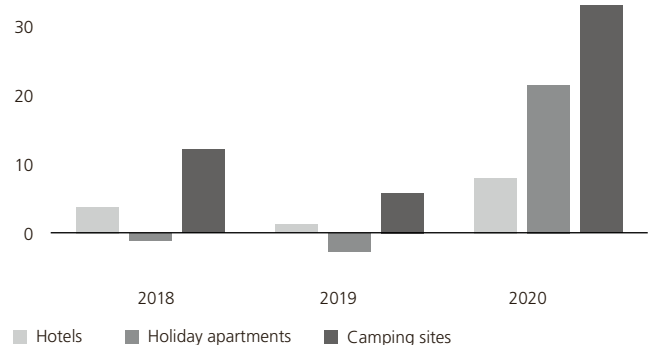


Sources: Wüest Partner, UBS

\* Range: 10 to 90 percent quantile of all rates of change in prices in the year in question

## Strong demand for staycations in Switzerland

Change in overnight hotel stays\* and in overnight stays in holiday apartments and on camping sites\*\* of Swiss nationals in Switzerland, in percent compared with the previous year



Sources: BFS, UBS

\*Only in the tourist regions of Valais, Bern and Graubünden

\*\*Holiday apartments and camping sites: Total of 1Q to 3Q 2020, as data for 4Q 2020 is not yet available

**Deep market liquidity is supporting prices**

The strong price trend also benefited from the very low supply—especially in the German-speaking holiday regions. On the one hand, almost no new second homes have been built in the tourist regions since the adoption of the second-home initiative in 2012. Last year, building permits issued in the vacation destinations amounted to only 0.3% of existing housing stock and these were mainly for primary homes. The figure is around two-thirds lower than the country average and is at its lowest level for years in the mountains. Average vacancy rates also fell accordingly in the holiday destinations. On the other hand, owners of holiday homes are likely to have deferred planned sales last year, as they would have wanted to use their properties again during the coronavirus crisis.

**Boom slowing down in the medium term**

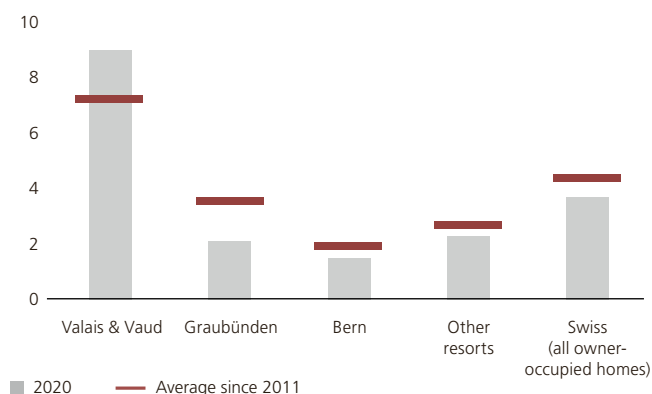
Prices in the Swiss holiday home market will continue to rise this year, as well. Ongoing robust domestic and international demand is coupled with a persistently short supply of holiday properties.

Nonetheless, the run on holiday homes is expected to ease in the medium term with the attendant market consolidation. For one, the demand for holiday homes will taper off on the back of higher prices and therefore a lower level of affordability. Many purchase decisions have probably been brought forward too. In addition, potential buyers who cannot find a suitable holiday home right now will likely abandon their plans as soon as working from home is no longer mandatory and it is easier to travel abroad again.

The supply of available homes is also expected to rise again. Underestimated maintenance costs, overestimated rental income from the tourist market or simply the desire for more variety on holiday may prompt the most recent spontaneous buyers to rethink their plans and put their properties back on the market. However, the prevailing halt to the construction of holiday homes should prevent a sharp increase in supply, which will favor real asset preservation over the long term.

**Fewer holiday apartments advertised in Graubünden and Bern**

Relative to stock of owner-occupied homes, in percent



Sources: Wüest Partner, UBS

# What does a holiday apartment cost?

A holiday apartment offers a wealth of advantages. It is always available for spontaneous breaks and can be used as a primary residence after retirement, for example. A tenant household can also realize the dream of owning their own home. Real estate also promises long-term gains in value, and mortgage interest currently has a minor impact on the budget. However, an owner-occupied home also generates substantial costs that need to be considered. The anticipated costs are listed in the right-hand column.

Owners of holiday apartments generally spend 11 weeks a year on average in their second home. This low effective occupancy means that the costs per “holiday apartment” week are relatively high and can reach up to CHF 3,000. Potential buyers can compare these expenses with the cost of an average of “hotel holiday” week.

In order to meet increasingly stringent CO<sub>2</sub> targets, homeowners will face the issue of replacing heating systems in the coming years. Although the proportion of holiday apartments with oil heating is clearly below average, many homes have installed electric heating that is outdated and needs to be replaced. Installing a central heat distribution system could easily cost more than CHF 50,000 for a single-family house. Unlike a primary residence, it is hard to make a return on modern and ecological heating systems such as heat pumps in a holiday apartment; too little energy is used due to the low operating life.

## Sample calculation: New holiday home, price of CHF 1 million, annual costs in CHF, the figures are approximate

Cost of capital	10,000 – 15,000
Mortgage costs, opportunity cost on equity	
Operating costs	1,400 – 2,600
Heating, electricity, water, insurance	
Maintenance costs	3,300 – 5,500
Home, building, environment	
Annual provisions for investments	4,100 – 5,900
Replacing building services, heating, elevator, renovating the façade, floor, kitchen etc.	
Imputed rental value	1,000 – 1,500
<b>Total per year</b>	<b>20,000 – 30,500</b>
<b>Total per occupancy week</b>	<b>1,800 – 2,800</b>

# Key results



The overview table of the holiday home markets (see page 9) covers 31 destinations in Switzerland. It is complemented by a total of ten top holiday destinations in France, Austria, Italy and Germany. The list is not exhaustive. The holiday home markets are sorted by price level. Other selection criteria are market size and data availability.

The price level is expressed in Swiss francs (EUR/CHF exchange rate 1.08); price changes, on the other hand, are reflected in local currency. Due to the limited data availability, the analysis of the indicators for the renting perspective, population growth and restrictive supply is only carried out for Swiss destinations.



## Overview of the holiday home markets in the Alps

2021 year-over- ranking year	year-over- ranking	Holiday destination	Prices Price in CHF/m <sup>2</sup>	Performance p.a.			Location characteristics			Market outlook			
				1Y	5Y	10Y	Market- size	Accessibility	Tourist facilities	Holiday home occupancy	Renting perspective	Population growth	Restrictive supply
+	1	▶ Engadin/St. Moritz	16,900	7.1	1.8	0.8	★★★★	★★★	★★★★★	★★★★★	★★	★★★	★★★★★
+	2	▶ Gstaad	16,500	4.8	5.8	2.2	★★★	★★★	★★★★★	★★★★★	★	★★★	★★
+	3	+2 ▲ Verbier	14,600	9.1	1.4	0.0	★★★	★★★★	★★★★★	★★★	★★	★★★★	★★★
+	4	-1 ▼ Kitzbühel	13,500	1.8	4.5	-	★★★	★★★★★	★★★★★	★★★★★	n/a	n/a	n/a
+	5	-1 ▼ Courchevel	13,400	2.9	3.1	2.8	★★★	★★★	★★★★★	★★★	n/a	n/a	n/a
+	6	▶ St. Anton am Arlberg	13,100	2.0	3.9	-	★	★★★★	★★★★★	★★★★★	n/a	n/a	n/a
+	7	▶ Tegernsee	13,000	4.5	8.7	8.6	★	★★★★★	★★	★★★★★	n/a	n/a	n/a
+	8	+2 ▲ Jungfrau region	13,000	8.0	3.3	2.4	★★★	★★★★	★★★★★	★★★★★	★★★★★	★★★	★★★★
+	9	-1 ▼ Val d'Isère	12,700	4.1	3.8	2.2	★★	★	★★★★	★★★★★	n/a	n/a	n/a
+	10	+1 ▲ Zermatt	12,700	9.2	2.8	1.6	★★	★★★	★★★★★	★★★★★	★★★★★	★★★	★★
+	11	+2 ▲ Davos/Klosters	12,100	11.7	2.4	2.9	★★★★★	★★★★	★★★★★	★★★★★	★★	★★★	★★★
+	12	-3 ▼ Méribel	11,900	2.5	2.6	2.6	★★★	★★★★	★★★★★	★★★★★	n/a	n/a	n/a
+	13	+1 ▲ Flims/Laax	11,700	11.0	0.1	3.2	★★★★	★★★★	★★★★★	★★★★★	★★	★★★★★	★★★★★
+	14	-2 ▼ Lenzerheide	10,900	0.9	-2.8	2.2	★★★	★★★★	★★★★★	★★★★★	★★	★★★	★★★★
+	15	+3 ▲ Engelberg	10,300	10.0	1.2	3.1	★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★
+	16	+3 ▲ Andermatt/Sedrun	10,300	6.2	4.4	4.7	★★	★★★★	★★★	★★★★★	★★	★★★	★★★
+	17	▶ Adelboden/Lenk	9,600	2.6	0.0	1.8	★★★	★★★★	★★★	★★★★★	★★	★★★	★★★★
+	18	-2 ▼ Megève	9,600	1.0	1.2	2.2	★★★★	★★★★★	★★★	★★	n/a	n/a	n/a
+	19	-4 ▼ Cortina d'Ampezzo	9,200	-2.3	-2.1	-	★★★	★★★	★★★★★	★★★	n/a	n/a	n/a
+	20	+1 ▲ Saas-Fee	9,100	-1.4	0.5	0.7	★★	★★★	★★★★	★★★	★	★	★★★
+	21	+1 ▲ Chamonix-Mont-Blanc	9,100	2.2	3.3	2.7	★★★★	★★★★★	★★★★★	★★★	n/a	n/a	n/a
+	22	+2 ▲ Scuol	9,000	3.0	1.0	2.2	★★	★★★	★★★	★★★★★	★★	★★	★★★★
+	23	+3 ▲ Arosa	8,900	4.7	2.7	1.8	★★	★★	★★★★	★★★★★	★★★	★	★★★★
+	24	-4 ▼ Courmayeur	8,700	0.0	-1.3	-	★★★	★★★	★★★	★★	n/a	n/a	n/a
+	25	▶ Samnaun	8,500	-4.9	3.0	-0.8	★	★★	★★★	★★★★	★★	★★	★★
+	26	+1 ▲ Villars-Gryon-Les Diablerets	8,500	3.6	0.9	-0.4	★★★	★★★★★	★★★	★★	★★★	★★★★★	★★★★★
+	27	-4 ▼ Crans-Montana	8,300	-0.8	-2.4	0.0	★★★★★	★★★★	★★★	★★	★★	★★★★	★★★
+	28	▶ Anniviers	8,300	7.0	0.1	1.5	★★★	★★★	★★★	★★★	★★	★★★	★★★★★
+	29	+1 ▲ Breil/Brigels/Obersaxen	7,700	9.6	0.0	2.0	★★	★★	★★	★★★★★	★★	★★	★★★★
+	30	-1 ▼ Val-d'Illeiez	7,600	3.2	0.5	0.6	★★★	★★★★★	★★★★★	★★	★★★	★★★★★	★★★
+	31	+2 ▲ Nendaz/Veysonnaz	6,700	0.0	-1.7	0.8	★★★★	★★★★	★★★★★	★★	★★	★★★★	★★★★
+	32	▶ Hasliberg	6,600	2.4	2.5	2.4	★	★★★★	★★	★★★★★	★★★★★	★★★	★
+	33	-2 ▼ Flumserberg	6,400	-3.0	1.8	2.3	★★	★★★★★	★★	★★★★	★	★★★★★	★
+	34	+2 ▲ Aletsch-Arena	6,400	6.8	2.1	1.2	★★	★★★	★★★	★★★★	★★★	★★	★★★★
+	35	-1 ▼ Wildhaus	6,300	2.4	1.6	1.8	★★	★★★★	★★	★★★★★	★★	★★★★	★★★★
+	36	+1 ▲ Ovronnaz	6,200	4.8	0.9	1.8	★	★★★★	★★	★★	★★	★★★★★	★★★
+	37	-2 ▼ Leysin-Les Mosses	6,000	-0.2	-1.2	-0.5	★★	★★★★★	★★	★★	★★★	★★★★	★★★
+	38	▶ Anzère	5,200	-0.2	-1.3	0.3	★★	★★★★	★★	★★	★★	★★★★	★★★
+	39	+2 ▲ Disentis/Mustér	5,100	3.4	1.1	0.1	★	★★	★★	★★★★★	★★	★★	★
+	40	▶ Evolène	5,000	-0.3	-1.5	-0.7	★	★★★★	★★	★★★★	★★★	★★★	★★★★
+	41	-2 ▼ Leukerbad	5,000	-2.7	-0.8	-1.3	★★	★★★	★★	★★	★★	★	★★★★

★★★★ Well above average    ★★★ Above average    ★★★★★ Average    ★ Below average    ★ Well below average    n/a No information

Sources: UBS



### Prices

The prices stated per square meter (single-family houses and condominiums) are offer prices and relate to an up-market standard. The data cannot distinguish between the use of a property as a primary residence or holiday home.

The rates of change in prices are annualized and are also based on the upmarket residential property segment. Historical price data is widely available in Switzerland, France and Germany. Price growth in Austria and Italy is estimated for the last five years only because of a lack of data.

*Real estate prices rose last year in three-quarters of all analyzed Alpine destinations. The easily accessible Swiss destinations of Davos/Klosters, Flims/Laax and Engelberg featured the greatest increases of more than 10%. Prices in other expensive destinations in Switzerland, such as Zermatt, Vernier or Engadin/St. Moritz, also posted growth rates in the high-single-digit percentage range. Other Alpine countries were not able to keep pace with the strong price momentum of the Swiss holiday destinations. Holiday homes in German Tegernsee and French Val-d'Isère rose by around 4%. Prices in the top Austrian destinations increased only slightly and continued to fall in the Italian markets for holiday homes, although the decline was weaker there.*

*The gap between the high-priced and cheaper Swiss destinations widened further in 2020. Prices rose by an average of 8% in all destinations with square meter prices of more than CHF 10,000. The average price increase in cheaper Swiss destinations was only just under 2% and prices even fell slightly in more than a third of these destinations. Samnaun and Flumserberg recorded the strongest corrections of almost 5% and 3%, respectively.*

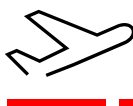


### Market size

The number of existing holiday homes determines the market size. On average, the market size is around 4,500 units in all regions.

*The total number of holiday homes ranges between just over 550 in Samnaun and roughly more than 10,500 units in Davos/Klosters or Crans-Montana. Chamonix-Mont-Blanc and Engadin/St. Moritz are among the largest holiday home markets with nearly 9,000 properties.*

### Accessibility



The indicator measures how long it takes to travel to airports or airfields, regional centers and large metropolitan areas using private transport or public transport. The trend toward shorter, and therefore more frequent, holiday and weekend trips generally favors easily accessible destinations. Proximity to regional centers makes it potentially easier to rent a second home to locals, while a local airfield is decisive for demand in the luxury segment.

*Accessibility in Kitzbühel, Megève, Tegernsee, Chamonix and Engelberg is optimal thanks to their close proximity to metropolitan areas and airports. These destinations are also easily reached using public transport. Traveling to Val d'Isère, on the other hand, involves a relatively long journey.*



### Tourist facilities

The indicator measures the number of ski slopes and facilities, as well as cross-country ski trails, and also takes into account the certainty of snow in the regions. The indicator is positively influenced by the choice of summer activities (e.g., lifts open in the summer, golf courses, range of water sports or proximity to a glacier). The same applies to outstanding tourist attractions such as the Jungfraujoch, the Matterhorn or Aiguille du Midi/Mont-Blanc.

The tourist facilities help to classify the destination but are not a decisive argument for or against buying a holiday home. While a broad range of tourist facilities is important for some buyers of holiday homes, others prefer rather quieter locations. When calculating the indicators, the short distances between the individual destinations are not taken into account, so the tourist facilities could be much greater depending on the location.

*The broad variety of tourist facilities differs only moderately among the destinations and is estimated as high in all top destinations. Engadin/St. Moritz, Zermatt, Chamonix and Courchevel offer the widest range of tourist facilities, while Tegernsee has relatively fewer options. The cheaper destinations can hardly match the top destinations in this category. The average skiing area of this group of holiday home markets, for example, is only half as big as in the top locations.*



### Occupancy

The term occupancy refers to the residential vacancy rate in the respective municipalities, not to the second homes' bed capacity utilization. The indicator is calculated using the vacancy rates on a cut-off date (number of advertised properties) and the official vacancy rates, if these are available. Second homes advertised as for sale or for long-term rental are counted as being empty.

*In the Alpine holiday destinations we analyze, the strong demand for holiday homes drove down vacancies slightly from 3.1% to 3.0%. The vacancy ratio fell most—by more than 0.5 percentage points—in the Austrian Alpine destinations; around 2% of the housing stock there is currently advertised. The supply of available properties remains high in the Italian Alps, despite the decline. Roughly 4% of all properties there are for sale. The number of properties for sale in the German Tegernsee region remains very low, below 1%. Vacancies in the French Alps, on the other hand, were slightly higher. A good 3% of properties there are not used or for sale. However, the range is considerable. Val d'Isère has practically no empty homes, while the vacancy rate in Megève is nearly 6%.*

*The vacancy rate in all Swiss holiday resorts has fallen only slightly on average, from 3.0% to 2.9%. Vacancies were highest in the Valais Alps, where nearly 5% of all homes are empty or looking for new buyers. Ovronnaz or Crans-Montana stand out with vacancy rates of nearly 10%. Vacancy rates in Graubünden and the Bernese Oberland, on the other hand, are considerably lower. The average vacancy rates in these regions are just above 1% and even declined last year. Engadin/St. Moritz and Gstaad feature the highest vacancy rates there, at just under 2.5% and 1.3%, respectively. All in all, vacancy rates tend to be higher in the cheaper destinations than in the high-priced areas.*



### Renting perspective

On the one hand, the renting perspective is assessed on the basis of the attainable return on a home offered for short-term holiday rental. The indicator uses figures from the Airbnb booking platform, while average tourist frequencies and hotel prices are used to complement the analysis. On the other hand, the option of permanent renting to locals is taken into account, using return indicators and population trends. The analysis has a medium-term horizon and assumes that the travel restrictions imposed by the coronavirus crisis will be lifted. Rental profit is overestimated overall given the current restrictions on tourist traffic.

*Engelberg, the Jungfrau region and Zermatt—locations with top international attractions—offer above-average yields on short-term rentals. In contrast, the weak market for primary residences in Saas-Fee is depressing the renting perspective. The high prices lower the profitability of rentals in Gstaad. However, high revenues and occupancy rates cannot be expected for rentals in the typical one-day destination of Flumserberg.*



### Population growth

A growing population generally supports a municipality's finances. This in turn raises the scope for infrastructure investment, which at the same time makes a destination more attractive for owners of second homes. Generally speaking, the current population trend is likely to remain intact over the next few years. Population growth benefits from location factors such as an attractive tax environment, a prosperous regional economy and good connections to regional centers.

*The permanent population in Engelberg and Flims/Laax should continue to grow. Growing demand for primary homes is also expected in the lower Valais holiday resorts of Ovronnaz and Val-d'Illeiez, as well as the Vaud destination of Villars-Gryon. These regions should also benefit dis-*

*proportionately from the growing trend of working from home. The outlook for the primary residence market in Saas-Fee, Leukerbad or Arosa, on the other hand, is below average. These destinations suffer from outward-migration and do not have easy access to the centers. The income tax burden in Saas-Fee and Leukerbad is also relatively high.*



### Restrictive supply

The Second Homes Act has severely restricted the construction of new holiday homes. However, the greater the share of primary residences that are not subject to any restrictions on use in a municipality, the greater the potential for new second homes in the future. Furthermore, if current levels of primary home construction exceed expected population growth, the probability of existing housing stock being repurposed goes up, therefore increasing the supply of second homes.


*The potential for new second homes is relatively high in most Valais destinations. Supply is more flexible thanks to a large number of primary residences, a lack of municipal restrictions on use and high availability of construction zones. The potential for new second homes in many Graubünden destinations, however, is low. The supply of second homes is restricted by the low probability of repurposing in Engadin/St. Moritz, as well as the flourishing market for primary residences in Flims/Laax. In Gstaad, however, there is little standing in the way of expanding supply. A high level of construction activity and potential repurposing represents a risk for future price growth there. The same goes for Disentis/Mustér and Flumserberg.*


# The 10 most expensive Swiss vacation destinations


- 14 Engadin/St. Moritz
- 15 Gstaad
- 16 Verbier
- 17 Jungfrau region
- 18 Zermatt
- 19 Davos/Klosters
- 20 Flims/Laax
- 21 Lenzerheide
- 22 Engelberg
- 23 Andermatt/Sedrun

# Engadin/St. Moritz



 **1st**  
Price ranking

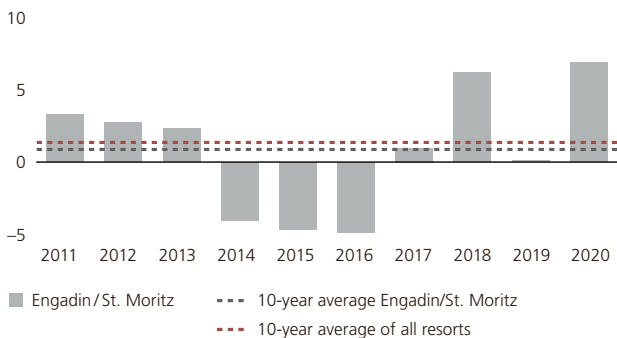
 **16,900**  
/m<sup>2</sup>

 **+7.1**  
% y/y



## Price trend

In percent compared with the previous year



## At a glance

### Location characteristics

Market size  
★★★★★

Accessibility  
★★★

Tourist facilities  
★★★★★

### Market outlook

Occupancy  
★★★★★

Renting perspective  
★★

Population growth  
★★★

Restrictive supply  
★★★★★

## In brief

The second-home initiative triggered a short-lived construction boom in 2012 in Engadin/St. Moritz\*. This drove up vacancies, and price corrections occurred until 2016. Strong economic growth and the recovery in demand from abroad instigated the trend reversal from 2017 onward, as vacancies fell and prices for holiday homes recovered. Prices rose by as much as 7% last year to reach a new high. At present, buyers of holiday homes in Oberengadin can expect to pay nearly CHF 17,000 per square meter. The price level in the upper segment is even as high as CHF 25,000 per square meter.

\* Destination includes the municipalities of St. Moritz, Silvaplana, Celerina/Schlarigna and Pontresina.

## Price levels


Range, in CHF thousand /m<sup>2</sup>, 2020




The price level of an owner-occupied home depends on its location and quality, among other things. The location and quality can be characterized as follows: poor, average, good and very good.

The ranges denote the range of prices between an average and a very good location and quality. The red line depicts the price level for good quality (high standard).

# Gstaad

 **2nd**  
Price ranking

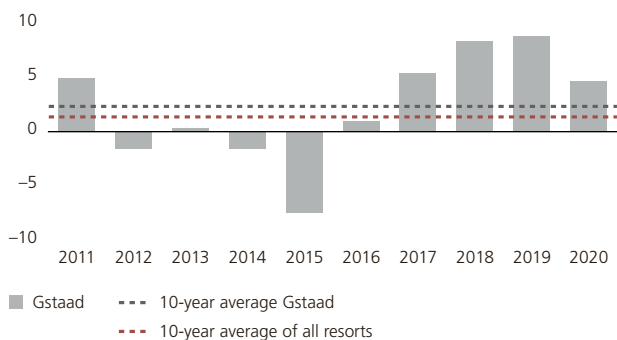
 **16,500**  
/m<sup>2</sup>

 **+4.8**  
% y/y



## Price trend

In percent compared with the previous year



## At a glance

### Location characteristics

Market size

★★★★

Accessibility

★★★

Tourist facilities

★★★★★

### Market outlook

Occupancy

★★★★★

Renting perspective

★

Population growth

★★★

Restrictive supply

★★

## In brief

Prices have soared overall by more than 30% since 2016. This represents the sharpest increase among all Swiss holiday destinations. A holiday home in the high-priced segment in Gstaad\* currently costs at least CHF 16,500 per square meter. The square meter price of more than CHF 30,000 in the luxury segment is one of the highest in the Alps. Prices of holiday homes increased by another 5% last year. Price increases in the single-family house segment were particularly dynamic. In response to the booming market, there has been a noticeably large increase in reconstruction investment in recent years in the destination of Bern.

\* Destination includes the municipalities of Saanen, Lauenen and Gsteig.

## Price levels

Range, in CHF thousand /m<sup>2</sup>, 2020




The price level of an owner-occupied home depends on its location and quality, among other things. The location and quality can be characterized as follows: poor, average, good and very good.


The ranges denote the range of prices between an average and a very good location and quality. The red line depicts the price level for good quality (high standard).

# Verbier



 **3rd**  
Price ranking

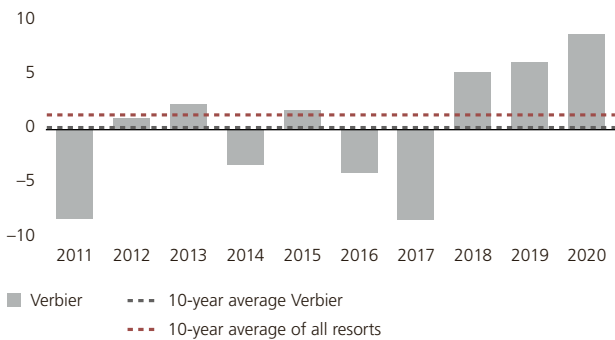
 **14,600**  
/m<sup>2</sup>

 **+9.1**  
% y/y



## Price trend

In percent compared with the previous year



## At a glance

### Location characteristics

Market size



Accessibility



Tourist facilities



### Market outlook

Occupancy



Renting perspective



Population growth



Restrictive supply



## In brief

The market for holiday homes in Verbier is very international. The appreciation in the Swiss franc since 2019 impacted the market heavily and led to a marked rise in the number of vacancies, especially in the high price segment. Prices for holiday homes in Verbier corrected by more than 20% between 2011 and 2017. However, lower prices and dynamic economic growth in recent years led to a trend reversal, enabling prices for holiday homes to make up for the recent losses. Buyers can currently expect to pay at least CHF 14,600 per square meter. On the other hand, the prices for luxury properties are twice as high.

## Price levels

Range, in CHF thousand /m<sup>2</sup>, 2020



The price level of an owner-occupied home depends on its location and quality, among other things. The location and quality can be characterized as follows: poor, average, good and very good.

The ranges denote the range of prices between an average and a very good location and quality. The red line depicts the price level for good quality (high standard).



# Jungfrau region



8th  
Price ranking



13,000  
/m<sup>2</sup>

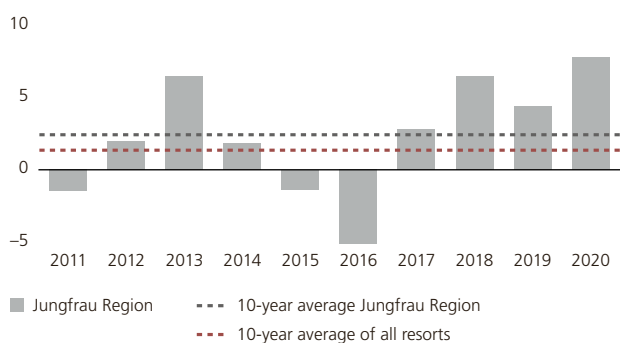


+8.0  
% y/y



## Price trend

In percent compared with the previous year



## Price levels

Range, in CHF thousand /m<sup>2</sup>, 2020



The price level of an owner-occupied home depends on its location and quality, among other things. The location and quality can be characterized as follows: poor, average, good and very good.

The ranges denote the range of prices between an average and a very good location and quality. The red line depicts the price level for good quality (high standard).

## At a glance

### Location characteristics

Market size



Accessibility



Tourist facilities



### Market outlook

Occupancy



Renting perspective



Population growth



Restrictive supply




## In brief


The Jungfrau region\* is one of the most popular international tourist attractions in Switzerland. It has seen an above-average increase in tourist flows—if we exclude the collapse in 2020 due to the coronavirus crisis—meaning a higher-than-average income return could be achieved on short-term rentals. Combined with a persistently short supply of properties, this benefited price dynamics. Prices increased last year by 8% over the previous year and are now already 25% above the 2016 figure. Holiday homes in the high-priced segment cost almost CHF 13,000 per square meter.


\* Destination includes the municipalities of Grindelwald and Lauterbrunnen.

# Zermatt



 **10th**  
Price ranking

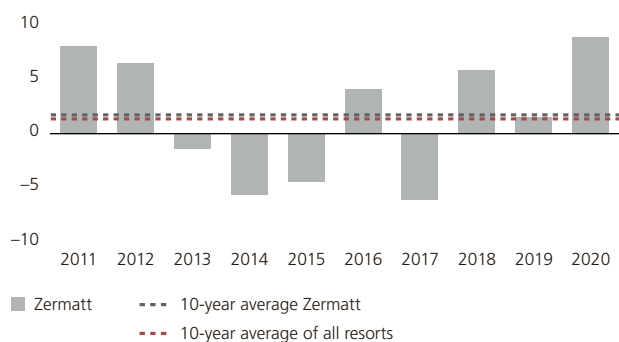
 **12,700**  
/m<sup>2</sup>

 **+9.2**  
% y/y



## Price trend

In percent compared with the previous year



## At a glance

### Location characteristics

Market size



Accessibility



Tourist facilities



### Market outlook

Occupancy



Renting perspective



Population growth



Restrictive supply



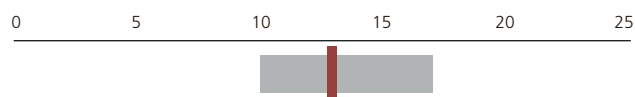
## In brief

The cost of buying a holiday home in Zermatt\* is more than CHF 12,700 per square meter. Prices increased last year by as much as 9% and are now almost 20% above the 2017 figure. The price increases in the Mattertal destination can be partly attributed to a relatively low supply of properties. Thanks to its unique Alpine backdrop, rental prospects in Zermatt are relatively good in both the winter and summer season. However, given that it is located a considerable distance from the centers, the village will not benefit as much from the working from home trend.

\* Destination includes the municipalities of Zermatt and Täsch.

## Price levels

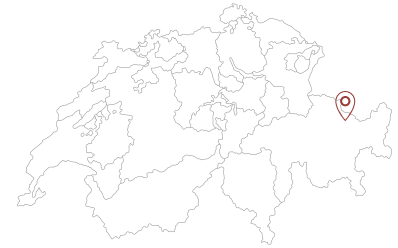
Range, in CHF thousand /m<sup>2</sup>, 2020





The price level of an owner-occupied home depends on its location and quality, among other things. The location and quality can be characterized as follows: poor, average, good and very good.


The ranges denote the range of prices between an average and a very good location and quality. The red line depicts the price level for good quality (high standard).

# Davos/Klosters



 **11th**  
Price ranking

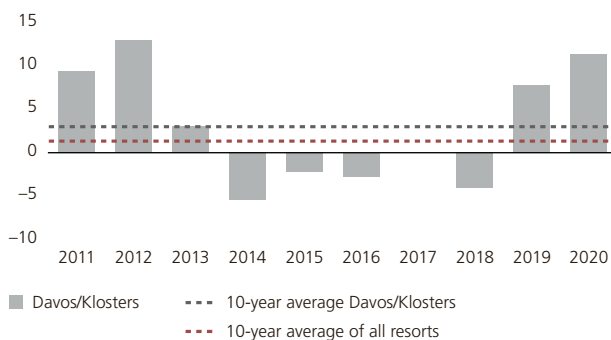
 **12,100**  
/m<sup>2</sup>

 **+11.7**  
% y/y



## Price trend

In percent compared with the previous year



## At a glance

### Location characteristics

Market size  
★★★★★

Accessibility  
★★★★

Tourist facilities  
★★★★

### Market outlook

Occupancy  
★★★★

Renting perspective  
★★

Population growth  
★★★

Restrictive supply  
★★★

## In brief

The prices for holiday homes in Davos/Klosters\* fell by around 15% between 2014 and 2018, accompanied by a sharp rise in the vacancy rate. However, prices for high-quality properties increased by 8% in 2019 and by just short of 12% last year—the highest value of all analyzed destinations. At present, buyers of holiday homes can expect to pay over CHF 12,000 per square meter. However, the market is divided. A high share of older properties is dampening the outlook. Consequently, the supply of advertised homes remains high.

## Price levels

Range, in CHF thousand /m<sup>2</sup>, 2020




The price level of an owner-occupied home depends on its location and quality, among other things. The location and quality can be characterized as follows: poor, average, good and very good.


The ranges denote the range of prices between an average and a very good location and quality. The red line depicts the price level for good quality (high standard).


\* Destination includes the municipalities of Davos and Klosters-Serneus.

# Flims/Laax



 **13th**  
Price ranking

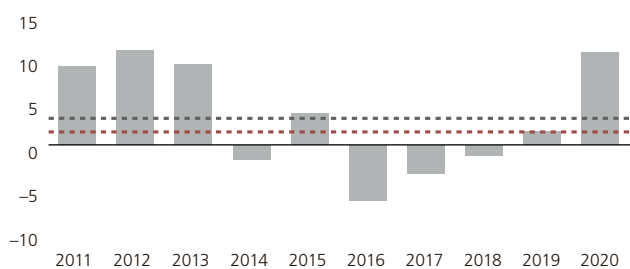
 **11,700**  
/m<sup>2</sup>

 **+11.0**  
% y/y



## Price trend

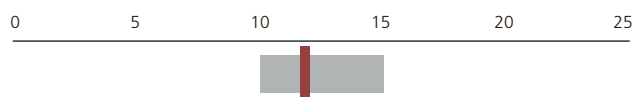
In percent compared with the previous year



■ Flims/Laax    - - - 10-year average Flims/Laax  
 . . . 10-year average of all resorts

## Price levels

Range, in CHF thousand /m<sup>2</sup>, 2020



The price level of an owner-occupied home depends on its location and quality, among other things. The location and quality can be characterized as follows: poor, average, good and very good.

The ranges denote the range of prices between an average and a very good location and quality. The red line depicts the price level for good quality (high standard).

## At a glance

### Location characteristics

Market size

★★★★★

Accessibility

★★★★★

Tourist facilities

★★★★★

### Market outlook

Occupancy

★★★★★

Renting perspective

★★★

Population growth

★★★★★

Restrictive supply

★★★★★


## In brief


Strong construction activity and very long selling times in some cases for many managed apartments has kept the price trend in Flims/Laax\* in check for several years. A falling tax burden, combined with good accessibility to workplaces, makes the destination attractive for new residents, particularly in light of the growing demand for "living in the countryside." Prices of holiday homes also increased by 11% in 2020 and currently cost around CHF 11,700 per square meter.


\* Destination includes the municipalities of Flims, Laax and Falera.

# Lenzerheide



 **14th**  
Price ranking

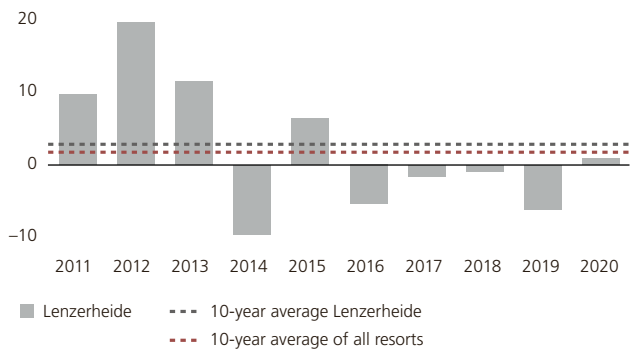
 **10,900**  
/m<sup>2</sup>

 **+0.9**  
% y/y



## Price trend

In percent compared with the previous year



## At a glance

### Location characteristics

Market size



Accessibility



Tourist facilities



### Market outlook

Occupancy



Renting perspective



Population growth



Restrictive supply



## In brief

Prices for holiday homes in Lenzerheide\* soared by more than 50% between 2010 and 2013. However, a sharp increase in the number of holiday homes available immediately after the launch of the second-home initiative and an (overly) expensive fit-out standard limited further price increases in some cases. Prices of holiday homes there have lagged behind other Swiss destinations in the last five years. However, the supply of available homes fell significantly last year and prices increased slightly. Good quality holiday homes currently cost almost CHF 11,000 per square meter.

\* Destination includes the municipalities of Vaz/Obervaz, Churwalden and Lantsch/Lenz.

## Price levels

Range, in CHF thousand /m<sup>2</sup>, 2020





The price level of an owner-occupied home depends on its location and quality, among other things. The location and quality can be characterized as follows: poor, average, good and very good.


The ranges denote the range of prices between an average and a very good location and quality. The red line depicts the price level for good quality (high standard).

# Engelberg



 **15th**  
Price ranking

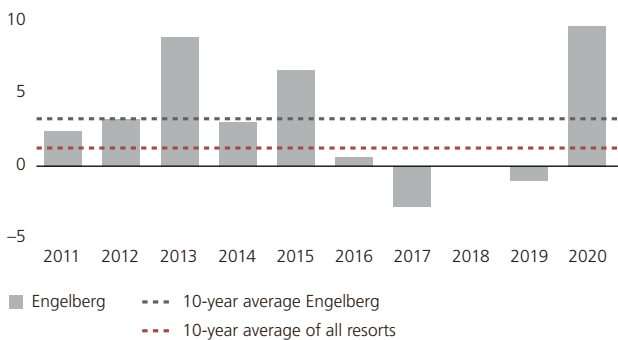
 **10,300**  
/m<sup>2</sup>

 **+10.0**  
% y/y



## Price trend

In percent compared with the previous year



## At a glance

### Location characteristics

Market size  
★★

Accessibility  
★★★★★

Tourist facilities  
★★★★

### Market outlook

Occupancy  
★★★★★

Renting perspective  
★★★★★

Population growth  
★★★★★

Restrictive supply  
★★★

## Price levels

Range, in CHF thousand /m<sup>2</sup>, 2020



The price level of an owner-occupied home depends on its location and quality, among other things. The location and quality can be characterized as follows: poor, average, good and very good.


The ranges denote the range of prices between an average and a very good location and quality. The red line depicts the price level for good quality (high standard).


## In brief

Buyers of holiday homes in Engelberg can currently expect to pay around CHF 10,300 per square meter. The sharp price increase of 10% in 2020 brought the four-year period of stagnation to an end. Several factors likely drove the dynamic price trend. Its location not far from many big Swiss cities makes it an attractive destination for those working from home. The ongoing housing costs are also very low compared with other analyzed destinations. In addition, a relatively attractive rate of return can be achieved from renting out a holiday home. The market is practically sold out right now.

# Andermatt/Sedrun



 **16th**  
Price ranking

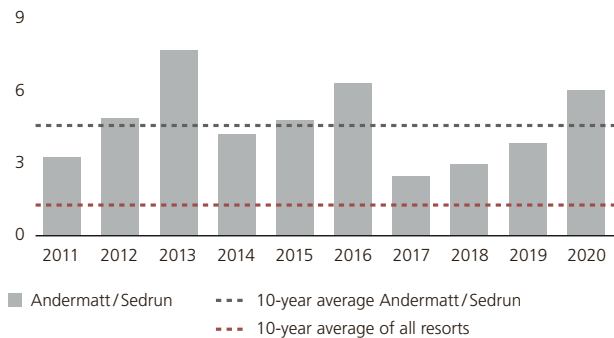
 **10,300**  
/m<sup>2</sup>

 **+6.2**  
% y/y



## Price trend

In percent compared with the previous year



## Price levels

Range, in CHF thousand /m<sup>2</sup>, 2020



The price level of an owner-occupied home depends on its location and quality, among other things. The location and quality can be characterized as follows: poor, average, good and very good.

The ranges denote the range of prices between an average and a very good location and quality. The red line depicts the price level for good quality (high standard).

## At a glance

### Location characteristics

Market size



Accessibility



Tourist facilities



### Market outlook

Occupancy



Renting perspective



Population growth



Restrictive supply



## In brief

A holiday home in Andermatt/Sedrun\* currently costs more than CHF 10,000 per square meter. The region has the highest price momentum among all other analyzed Swiss destinations. Prices have increased there by almost 60% since 2010. Intensive construction activity and international marketing campaigns were decisive factors in spurring the price increases. The region also expanded its tourist facilities. Nonetheless, the supply of available homes has remained high for several years. The next few years will show how sustainable current prices are.

\* Destination includes the municipalities of Andermatt, Tujetsch, Hospental and Realp.

# Appendix

2021 ranking	Vacation destination	Country: Region	Size	Ski slopes	Height (above sea level)		Nearest large airport	
			Number of second homes	Distance in km	Capital	Highest point	City	Travel time
1	Engadin/St. Moritz	CH: Graubünden	8,700	>250	1,800	3,300	Zurich	3h 10min
2	Gstaad	CH: Bern	4,500	150–250	1,100	3,000	Geneva	2h 0min
3	Verbier	CH: Valais	6,100	>250	1,500	3,300	Geneva	1h 50min
4	Kitzbühel	AT: Tirol	5,800	150–250	800	2,000	Munich	2h 0min
5	Courchevel	FR: Savoie	5,200	>250	1,900	3,200	Lyon	2h 20min
6	St. Anton am Arlberg	AT: Tirol	1,800	>250	1,300	2,800	Zurich	2h 10min
7	Tegernsee	DE: Bavaria	1,100	<50	700	2,200	Munich	1h 5min
8	Jungfrau region	CH: Bern	5,500	150–250	1,000	3,000	Zurich	2h 10min
9	Val d'Isère	FR: Savoie	4,200	>250	1,900	3,500	Lyon	2h 50min
10	Zermatt	CH: Valais	4,400	>250	1,600	3,900	Geneva	2h 40min
11	Davos/Klosters	CH: Graubünden	10,700	>250	1,600	2,800	Zurich	2h 0min
12	Méribel	FR: Savoie	6,400	>250	1,500	3,200	Lyon	2h 0min
13	Flims/Laax	CH: Graubünden	7,600	150–250	1,100	3,000	Zurich	1h 50min
14	Lenzerheide	CH: Graubünden	6,700	150–250	1,500	2,900	Zurich	1h 50min
15	Engelberg	CH: Obwalden	2,700	50–100	1,000	3,000	Zurich	1h 10min
16	Andermatt/Sedrun	CH: Uri	2,300	100–150	1,400	3,000	Zurich	1h 40min
17	Adelboden/Lenk	CH: Bern	5,300	150–250	1,400	2,400	Basel	2h 10min
18	Megève	FR: Haute-Savoie	7,300	>250	1,100	2,400	Geneva	1h 10min
19	Cortina d'Ampezzo	IT: Belluno	5,600	100–150	1,200	2,900	Venedig	2h 0min
20	Saas-Fee	CH: Valais	2,800	150–250	1,800	3,600	Geneva	2h 40min
21	Chamonix-Mont-Blanc	FR: Haute-Savoie	8,900	100–150	1,000	3,300	Geneva	1h 10min
22	Scuol	CH: Graubünden	3,200	50–100	1,300	2,800	Zurich	2h 50min
23	Arosa	CH: Graubünden	4,300	150–250	1,700	2,900	Zurich	2h 10min
24	Courmayeur	IT: Aostatal	4,900	<50	1,200	2,800	Geneva	1h 40min
25	Samnaun	CH: Graubünden	600	150–250	1,800	2,900	Zurich	3h 20min
26	Villars-Gryon-Les Diablerets	CH: Vaud	6,900	100–150	1,300	3,000	Geneva	1h 25min
27	Crans-Montana	CH: Valais	10,600	100–150	1,500	2,900	Geneva	2h 10min
28	Anniviers	CH: Valais	4,500	150–250	1,500	3,000	Geneva	2h 10min
29	Breil/Brigels/Obersaxen	CH: Graubünden	3,500	150–250	1,300	2,400	Zurich	2h 10min
30	Val-d'Illeiez	CH: Valais	4,400	>250	1,100	2,300	Geneva	1h 20min
31	Nendaz/Veysonnaz	CH: Valais	8,200	>250	1,400	3,300	Geneva	1h 10min
32	Hasliberg	CH: Bern	1,500	50–100	1,100	2,400	Zurich	1h 25min
33	Flumserberg	CH: St. Gallen	2,800	50–100	1,200	2,200	Zurich	1h 20min
34	Aletsch-Arena	CH: Valais	3,500	100–150	1,900	2,900	Milan	2h 30min
35	Wildhaus	CH: St. Gallen	2,000	50–100	900	2,300	Zurich	1h 25min
36	Ovronnaz	CH: Valais	1,600	<50	1,300	2,400	Geneva	1h 40min
37	Leysin-Les Mosses	CH: Vaud	2,300	100–150	1,400	2,300	Geneva	1h 25min
38	Anzère	CH: Valais	2,200	50–100	1,500	2,400	Geneva	2h 0min
39	Disentis/Mustér	CH: Graubünden	1,200	50–100	1,200	2,800	Zurich	2h 20min
40	Evolène	CH: Valais	1,600	100–150	1,400	3,000	Geneva	2h 0min
41	Leukerbad	CH: Valais	2,800	50–100	1,400	2,600	Geneva	2h 10min



# Sources

Variable	Sources:
Real estate prices (current and historical)	Wüest Partner (Switzerland; Éditions Callon (France); Nomisma (Italy); immi.at, immobilienscout24.at, UBS (Austria); Bulwiengesa, UBS Germany)
Apartment rental prices	Wüest Partner
Market size	ARE (Switzerland); Insee (France); Istat (Italy); Statistik Austria, Statistik Tirol, Statistik Vorarlberg (Austria); Statistik Bayern (Germany)
Conversion potential of primary homes	Details provided by the destinations
Accessibility using private transport	Google Maps
Accessibility using public transport	Google Maps, SBB, rome2rio.com
Occupancy (vacancy rates)	BFS, comparis.ch (Switzerland); Insee, seloger.com (France); immobiliare.it, casa.it (Italy); immosuchmaschine.at, immobilienscout24.at, immodirekt.at (Austria); immobilienscout24.de (Germany)
Ski slopes, ski facilities and cross-country ski trails	Official websites, including details provided by the destinations, Bergfex, myswitzerland.ch
Altitude of ski resort	Official websites, including details provided by the destinations, Bergfex
Snow certainty	Official websites, including details provided by the destinations, skiresort.de, snowplaza.de, skigebiete-test.de
Thermal baths	Official websites, including details provided by the destinations and thermal baths, swiss-therme.ch
Golf courses	Official websites, including details provided by the destinations and gold courses, Swiss Golf
Facilities open in the summer	Official websites, including details provided by the destinations
Building applications and approvals	Docu Media
Construction zones	Federal Office for Spatial Planning (ARE)
Reconstruction investment	Swiss Federal Statistical Office (BFS)
Overnight stays and hotel rooms	Swiss Federal Statistical Office (BFS)
Hotel prices	Hotelleriesuisse
Airbnb rental statistics	AirDNA
Population growth and forecasts	Federal Statistical Office (BFS), UBS
Tax burden	Federal Tax Administration (ESTV)
Regional economic potential	UBS

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