



Flims
Laax
Falera

Market report 2024

The essentials of the property market

- Single-family houses more expensive than ever before
- Further rise in prices for owner-occupied apartments
- Slight increase in supply rates in all market segments

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White Arena remains in demand

Four localities, one mountain paradise

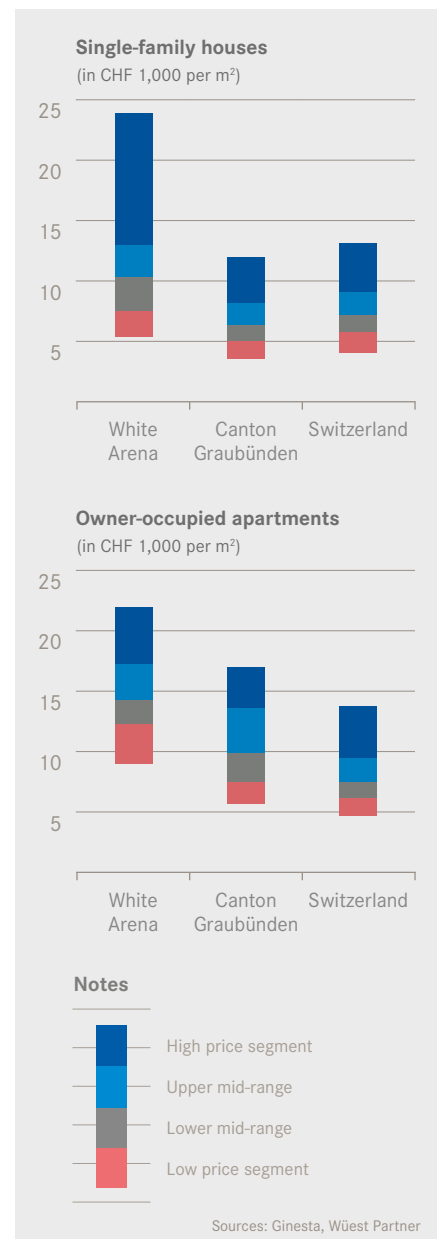
Flims-Laax-Falera-Sagogn is an innovative, dynamic and family-friendly area surrounded by breathtaking nature and with facilities that offer something for everyone. In winter, it boasts one of the largest and most reliably snowy ski resorts, with 224 km of pistes, five snow parks, a pro kicker line, the world’s biggest half-pipe, 62 km of cross-country trails, and a total of 28 lifts, of which 70% are situated at more than 2,000 metres above sea level. In summer, the tourist destination boasts major attractions such as the Tectonic Arena Sardona, which is a UNESCO World Heritage Site, the Rheinschlucht, also known as the ‘Swiss Grand Canyon’, the Caumasee lake and the golf course in Sagogn.

This holiday region has more than 6,000 permanent residents, over 8,000 second homes and a wide selection of hotels. During the pandemic years of 2020 and 2021, the area experienced a strong upturn in the summer season in particular, driven by a surge in domestic demand. This trend normalised in 2023, as Swiss residents rediscovered the joys of international travel. The last winter season brought the lowest snowfalls since records began. Nevertheless, thanks to enhanced snow-making capacities, at least 120 kilometres of ski slopes in very good condition were available to skiers throughout the winter.

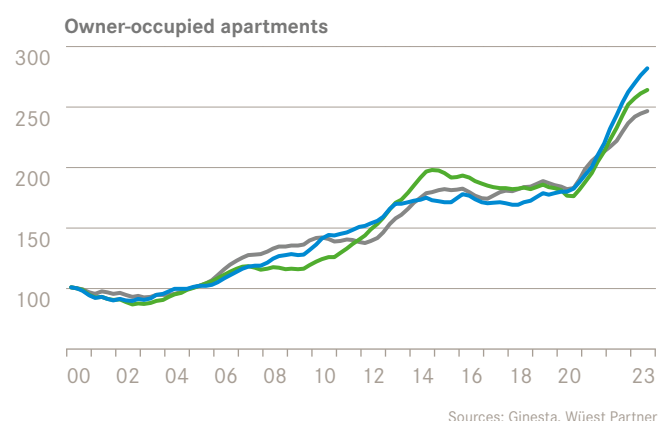
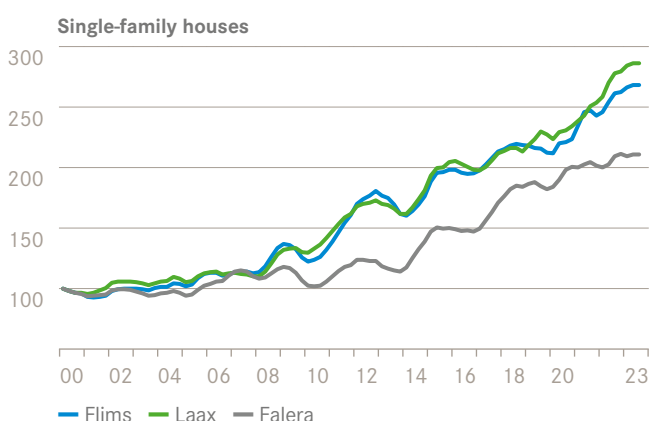
Second Homes Act and intact demand stabilise prices

The property stock generally exhibits the typical structure of a popular holiday region. Flims has a high number of owner-occupied apartments. These account for 70% of the overall supply, with a particular emphasis on the medium size category. Laax and Falera have even higher proportions of around 80%. Sagogn has a high percentage of single-family houses, which account for just over 20% of all properties. Since the implementation of the Second Homes Act in 2016, new construction activity has been only moderate. Over the past decade, the total stock has grown by just 1% per year at most. At the same time, the decreasing interest of foreign purchasers seen in many areas has only had a minor effect on market growth, since the region attracts primarily domestic buyers. Although the transaction volume has decreased compared to its peak and transaction times have increased slightly, the reduced supply, low construction activity and solid demand continue to prop up the market. Prices in the mid-range segment in good locations have therefore risen further.

Property prices (ranges)



Residential property: transaction price growth (index Q1 2000 = 100)



Residential property is booming

Accelerated price increases in owner-occupied apartments

The continued popularity of the Flims-Laax-Falera-Sagogn holiday region is also reflected in the real estate market and the achievable selling prices per square metre of living space. For owner-occupied apartments in the high-end segment, prices now reach up to CHF 17,000 per square metre. Luxury apartments fetch up to CHF 22,000/m². For single-family houses, which rarely come on the market and are usually older properties, prices per square metre of living space are around CHF 13,000. Very exclusive properties can sell for up to CHF 24,000/m², especially in Flims and Laax. Prices for exclusive rarities are even higher.

The second home market is robust. After a brief sideways trend from 2015 to 2018, transaction prices for owner-occupied apartments continued to rise, and the stronger momentum since the start of 2020 has driven them to new record highs. In the last four years, prices have increased by 65% in Flims, 45% in Laax, 40% in Sagogn and 35% in Falera. Since the turn of the millennium, the price increase is as much as 180% in Flims, 160% in Laax, 140% in Falera and 130% in Sagogn. In the single-family house segment, the upward price trend continued steadily without interruption. In the past four years, increases have amounted to 45% in Sagogn, 40% in Laax, 40% in Falera and 35% in Flims. Since the turn of the millennium, prices have risen by 170% in Flims, 180% in Laax, 110% in Falera and 90% in Sagogn.

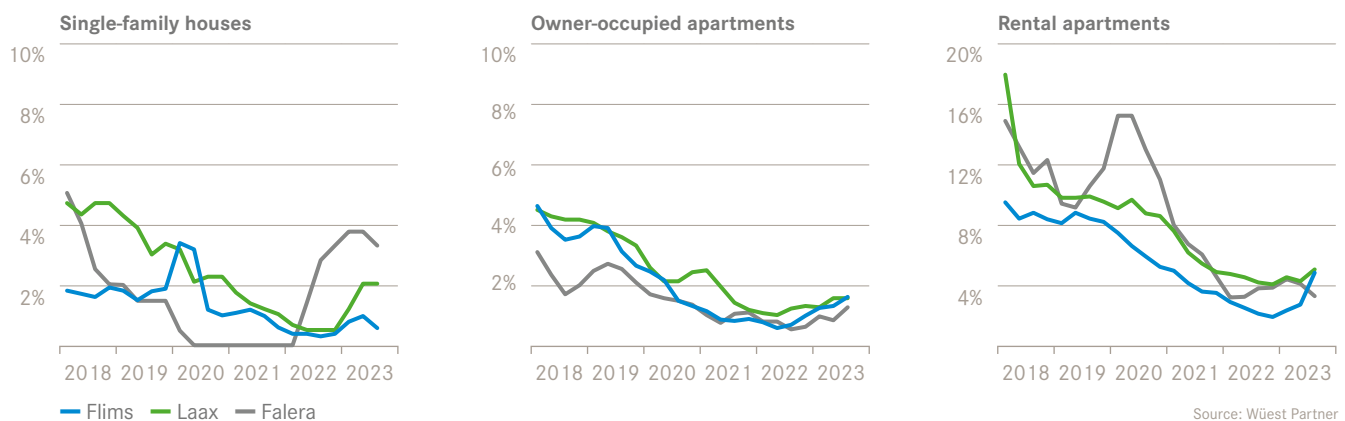
Supply rates remain low

We consider markets to be intact and efficient with a supply rate of up to 6–8%. Evidently, this criterion is fulfilled in all municipalities of the White Arena. Although supply rates have increased slightly, they remain low. For owner-occupied apartments, the rate is just below 2%; for single-family houses, depending on the municipality it varies between 1% and 3%. Depending on the locality, supply ratios in the rental apartment segment are around 3–5%, which means supply is slightly higher than for residential property. The supply of properties for sale is also extremely limited in the primary housing market, and it is becoming increasingly difficult for locals to buy a home.

Figures for Flims-Laax-Falera

| Flims | |
|--|-------|
| Population | |
| Inhabitants | 2,917 |
| Annual growth rate | -0.2% |
| Proportion of foreigners | 26.2% |
| Real estate market (residential) 5,224 | |
| Proportion of rental apartments | 21.2% |
| Proportion of owner-occupied apartments | 69.1% |
| Proportion of single-family houses | 9.8% |
| Proportion of second homes 70.5% | |
| Approved residential units 47 | |
| In apartment buildings | 43 |
| In single-family houses | 4 |
| Laax | |
| Population | |
| Inhabitants | 2,001 |
| Annual growth rate | 0.6% |
| Proportion of foreigners | 18.6% |
| Real estate market (residential) 4,145 | |
| Proportion of rental apartments | 14.8% |
| Proportion of owner-occupied apartments | 77.7% |
| Proportion of single-family houses | 7.5% |
| Proportion of second homes 72.8% | |
| Approved residential units 46 | |
| In apartment buildings | 44 |
| In single-family houses | 2 |
| Falera | |
| Population | |
| Inhabitants | 637 |
| Annual growth rate | 1.8% |
| Proportion of foreigners | 13.0% |
| Real estate market (residential) 1'361 | |
| Proportion of rental apartments | 6.7% |
| Proportion of owner-occupied apartments | 85.4% |
| Proportion of single-family houses | 7.9% |
| Proportion of second homes 79.0% | |
| Approved residential units 6 | |
| In apartment buildings | 6 |
| In single-family houses | 0 |

Supply rate (number of properties on the market in relation to the total stock)



Source: Wüest Partner

Outlook: Market remains robust – high price level is well supported

On 11 March 2012, the Swiss electorate voted in favour of the second home initiative. In municipalities where second homes account for more than 20% of the housing stock, no new units may be approved. The legislation permits some exceptions, but overall the new legislative framework means that there has been very little new construction. This has caused an extreme supply shortage amidst rising demand over the past three years. Following the end of the pandemic, and as a result of market uncertainty, the geopolitical situation and interest rate rises, demand has now settled back to levels seen in 2019. Demand therefore remains high but is no longer at a euphoric level. With supply still at historically low levels, the high prices are well-supported. We therefore expect market prices to remain stable or increase slightly in the coming months.



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Ginesta Immobilien AG
Via Nova 33
CH-7017 Flims
Tel. +41 81 254 37 70
www.ginesta.ch
graubuenden@ginesta.ch

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