



St. Moritz

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
- Suvretta transactions at very high prices

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Upper Engadine continues to set the bar

Picturesque localities, one mountain paradise

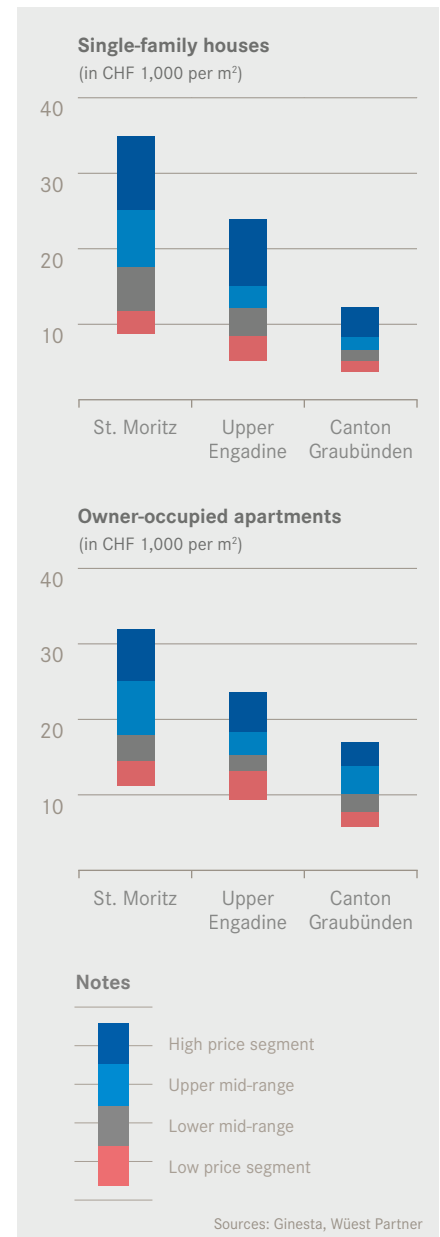
Thanks to the unique harmony of its lake landscape, the Upper Engadine holiday region is popularly known as the ‘ballroom’ of the Alps. In winter, one of the largest and most diverse ski areas attracts visitors with a total of 350 km on 88 pistes, more than 220 km of cross-country trails and 13 natural ice rinks. In summer, 580 km of hiking trails, 17 climbing parks, 400 km of mountain bike trails, two 18-hole golf courses and other local attractions offer plenty of variety. About 17,000 people live in the Upper Engadine all year round, and many more flock to the region during high season. With around 13,000 hotel beds (including 5,000 in St. Moritz alone and almost 2,000 in Pontresina) and 7,000 beds in 1,800 holiday apartments, there is no shortage of choice for holidaymakers.

Tourism in the Upper Engadine is booming, and visitor numbers are higher than at any time since 2010. In 2022, the Upper Engadine registered over 1.7 million overnight stays in total (hotels only, not including holiday apartments), of which more than 90% were in the core zone from the lakeside municipalities extending across St. Moritz, Celerina and Samedan to Pontresina. This exceeded the previous year’s result by more than 14%, and in St. Moritz, the increase was almost 35% compared to 2021. Guests from Switzerland represented approximately 60% of overnight stays, while the high mountain valley was particularly popular with foreign visitors from Germany, Belgium, the USA, Italy and the United Kingdom. The number of guests from Asia is still considerably lower compared to pre-pandemic times.

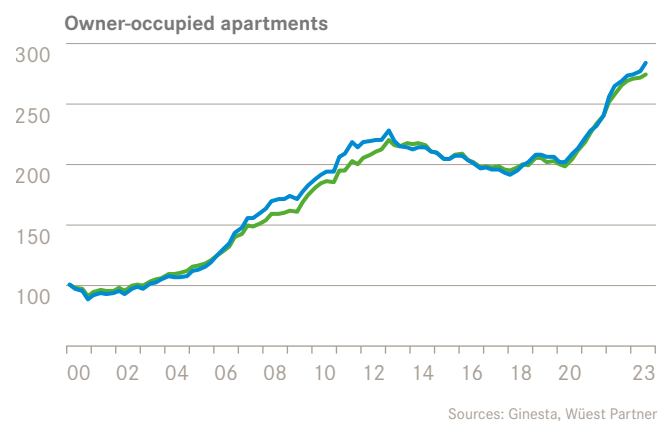
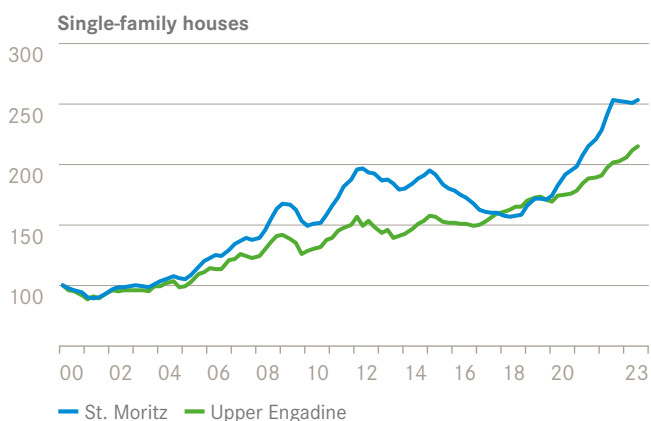
Second Homes Act and intact demand stabilise prices

The property stock generally exhibits the typical structure of a popular holiday region. Owner-occupied apartments, particularly those in the medium-size category, account for more than two-thirds of the overall supply; in Silvaplana, Celerina, La Punt Chamues-ch and Madulain, they make up as much as around 80%. In the larger municipalities of Pontresina, Samedan and St. Moritz, which have a higher proportion of local residents, typical holiday homes account for just over half the stock. The proportion of single-family houses is low in all municipalities. Since the implementation of the Second Homes Act in 2016, construction activity has been only moderate. Over the past decade, the total stock has grown by just 1% per year at most. Interest from foreign buyers had been dwindling for years, which led to a market shift as domestic demand increased significantly at the same time. 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)



Top-quality locations

Highest price level in Graubünden

St. Moritz maintains its reputation as a world-class holiday destination. This appeal is unchanged and is reflected in the dynamic real estate market. St. Moritz continues to have the highest prices in the region and also in German-speaking Switzerland overall. Owner-occupied apartments in the high-end segment sell for up to CHF 25,000 per square metre. Luxury properties change hands for up to CHF 32,000/m², and exclusive rarities go for even more. Prices in St. Moritz-Bad tend to be more moderate. The price level in Champfèr is somewhat lower, at CHF 20,000/m² for high-end properties and CHF 25,000/m² for luxury apartments.

The few single-family houses placed on the market in St. Moritz, which are usually older properties, generally sell for at least CHF 25,000/m², and luxury properties in good locations go for more than CHF 35,000/m². Rarities on Via Brattas and Via Tinus can change hands for up to CHF 55,000/m². The Suvretta hillside continues to be one of the most popular villa areas in Switzerland. Prices start at CHF 40,000/m² and can reach as much as CHF 75,000/m² for very exclusive properties or rarities.

The second home market is robust. After a brief correction period from 2015 to 2018, transaction prices continued to rise, and the stronger momentum since the start of 2020 has driven them to new record highs. For single-family houses, prices have increased by 45% in the past four years, and by more than 150% since the turn of the millennium. The situation is similar for owner-occupied apartments, with increases of 40% since 2020 and almost 200% since the turn of the millennium.

Supply rates remain low

We consider markets to be intact and efficient with a supply rate of up to 6–8%. All market segments are considerably below this level, although the rate for owner-occupied apartments has risen slightly. Overall, supply rates remain low, with both single-family houses and owner-occupied-apartments averaging around 2.5%. The rate for rental apartments is even lower, as demand has consistently been above average for years.

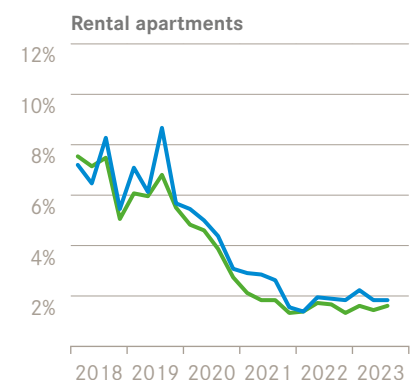
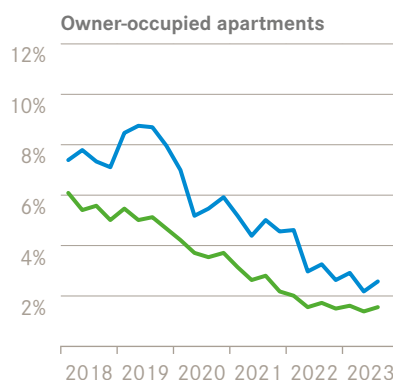
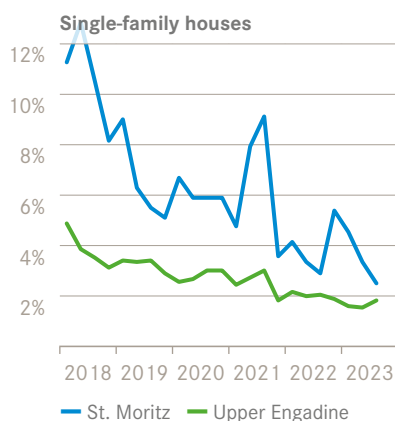
The supply of properties for sale also remains very limited in the primary housing market. Demand is being affected by the increase in occupation by non-residents and locals are finding it increasingly hard to buy a home.

Figures for St. Moritz



St. Moritz	
Population	
Inhabitants	4,924
Annual growth rate	-0.7%
Proportion of foreigners	42.4%
Real estate market (residential)	
	5,794
Proportion of rental apartments	44.8%
Proportion of owner-occupied apartments	51.0%
Proportion of single-family houses	4.2%
Proportion of second homes	
	55.5%
Approved residential units	
	7
In apartment buildings	0
In single-family houses	7

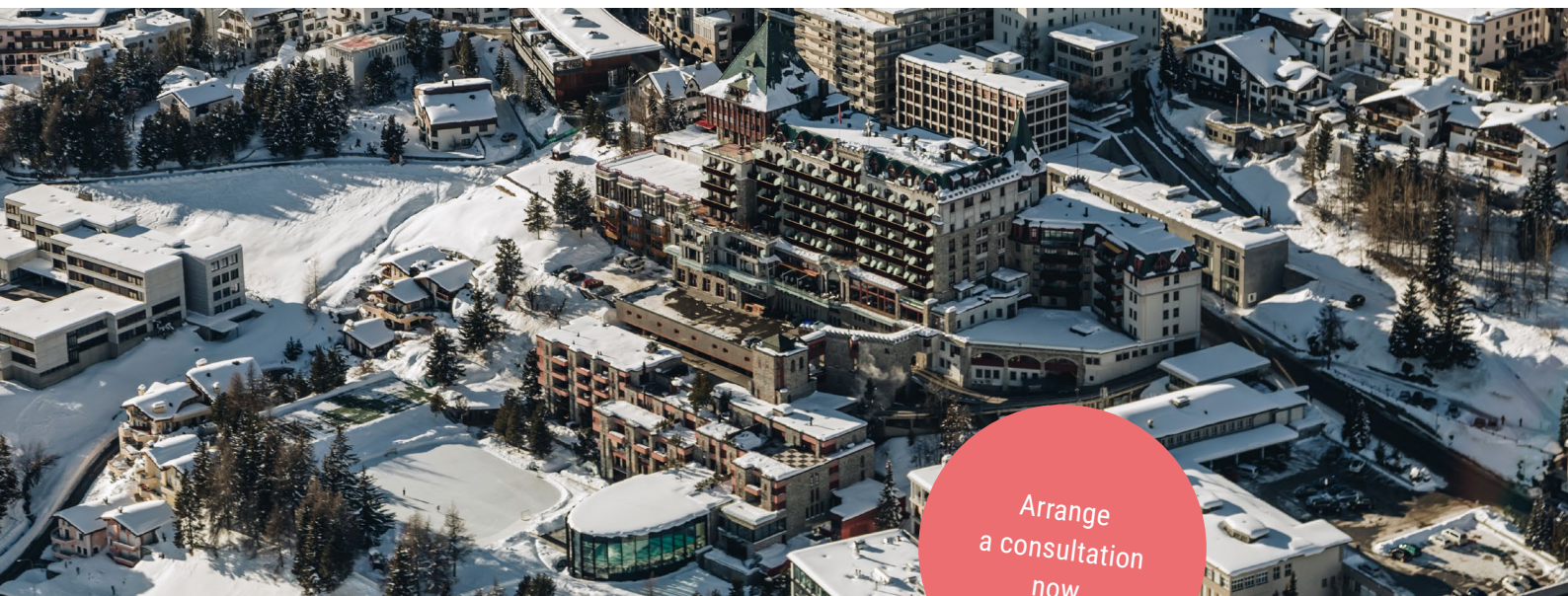
Supply rate (number of properties on the market in relation to the total stock)



Source: Wüest Partner

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

On 11 March 2022, 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 led to 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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