



La Punt
Chamues-ch
Madulain
Zuoz
S-chanf

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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Upper Engadine continues to set the bar

Picturesque localities, one mountain paradise

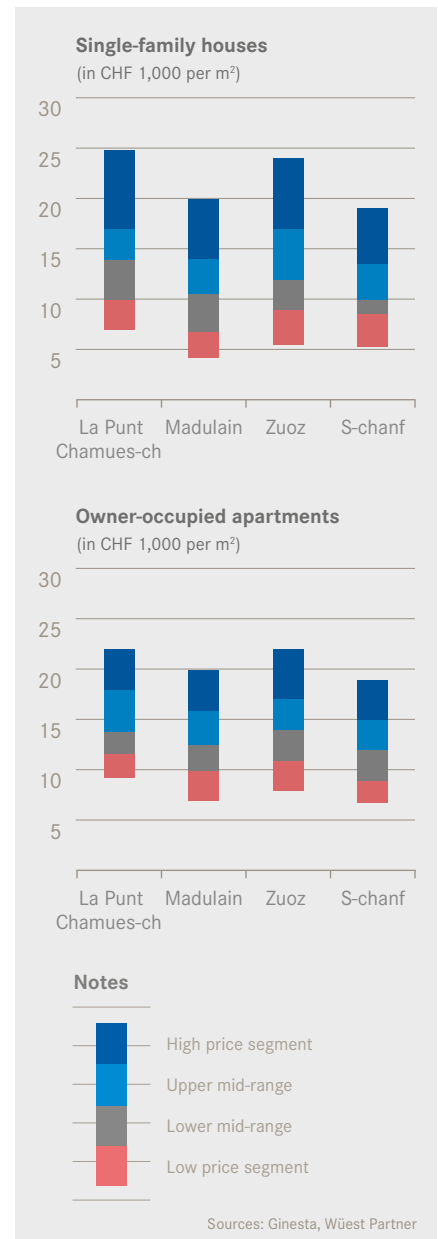
Thanks to the unique harmony of its lake landscape, the Upper Engadine holiday region is popularly known as the ‘ballroom’ of the Alps. In winter, one of the largest and most diverse ski areas attracts visitors with a total of 350 km on 88 pistes, more than 220 km of cross-country trails and 13 natural 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.

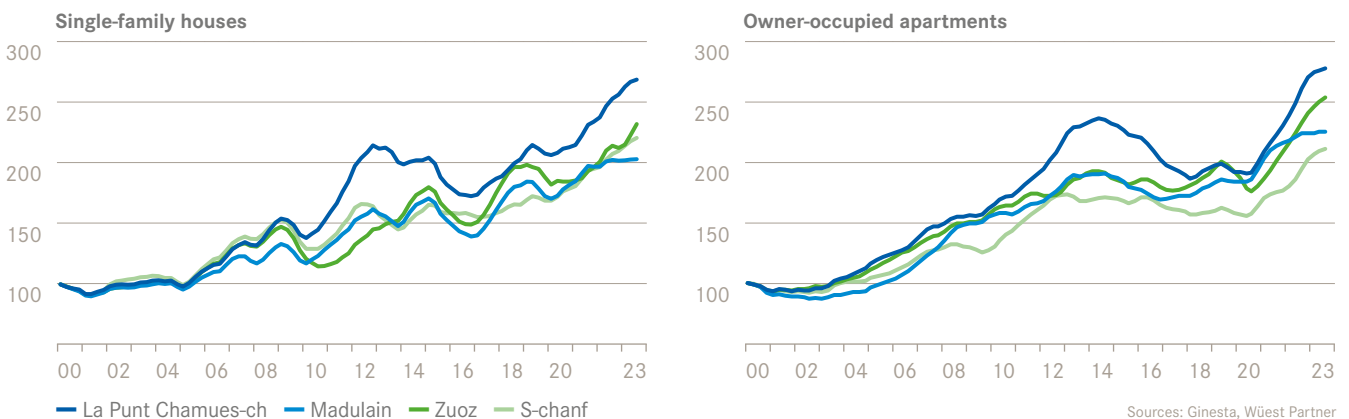
Second Homes Act and intact demand stabilise prices

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 even make up 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)



High demand in the La Plaiv municipalities

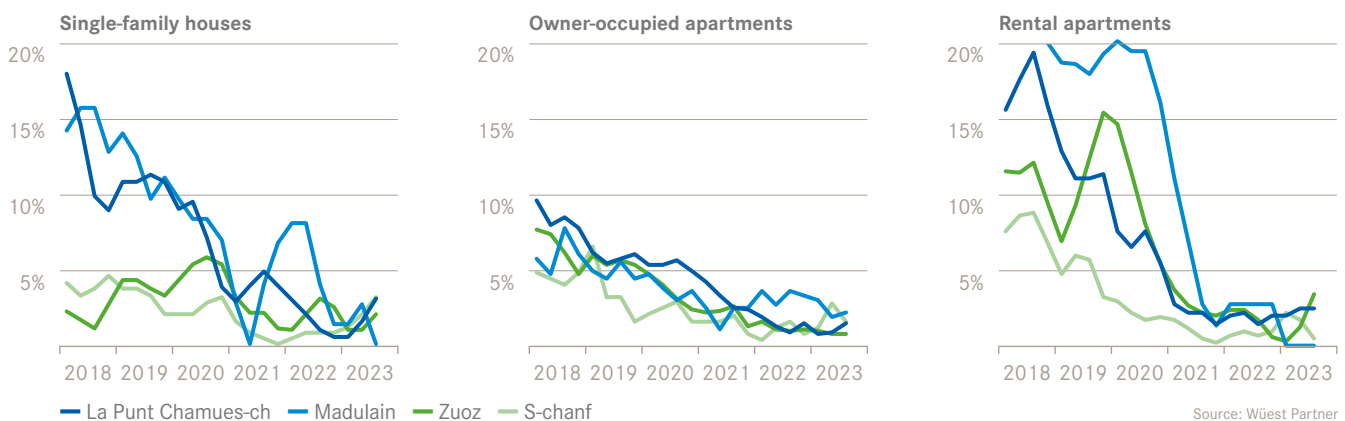
Above-average price increases in La Punt Chamues-ch

The four municipalities of La Plaiv, the north-eastern part of the Upper Engadine between La Punt Chamues-ch and S-chanf, continue to be extremely popular holiday destinations. The beauty of the natural surroundings, the good infrastructure and the generally unspoilt villages with many beautiful old Engadine houses are reflected in the real estate market and in the achievable selling prices per square metre of living space. For owner-occupied apartments in the high-end segment, these are about CHF 15,000 per square metre in S-chanf, more than CHF 16,000/m² in Madulain, up to CHF 17,000/m² in Zuoz and CHF 18,000/m² in La Punt Chamues-ch. For very exclusive apartments, the price range rises by another CHF 2,000 to CHF 4,000/m². Single-family houses, which rarely come on the market and are usually older properties, sell for about CHF 14,000/m² in Madulain and S-chanf and about CHF 17,000/m² in La Punt Chamues-ch and Zuoz. High-end houses and rarities go for considerably more: up to CHF 19,000/m² in S-chanf, CHF 20,000/m² in Madulain, CHF 24,000/m² in Zuoz and CHF 25,000/m² in La Punt Chamues-ch. 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, they have increased by 20% in Madulain, by 25% in S-chanf and Zuoz, and by as much as 35% in La Punt Chamues-ch. For owner-occupied apartments, they have increased by 30% in Madulain, by 35% in S-chanf and Zuoz, and by 40% in La Punt Chamues-ch. Since the turn of the millennium, owner-occupied apartments in Madulain and S-chanf have more than doubled in value. Prices in Zuoz have risen by 150% and prices in La Punt Chamues-ch by 175%. Since the beginning of 2020, single-family houses have increased in value by 20% in Madulain, by 25% in Zuoz and by 35% in La Punt Chamues-ch and S-chanf. Prices have also risen considerably in the primary housing market.

Supply rates remain low

We consider markets to be intact and efficient with a supply rate of up to 6–8%. This rate is currently being seen for residential property across all market segments. Although supply rates have increased slightly, they are still low. The rate for single-family houses is currently between 2% and 3%, with only Madulain trending towards zero. For owner-occupied apartments, it is around 2% on average. The picture is similar for rental apartments, where the supply rate is no higher than 3.5% in any of the La Plaiv municipalities; in Madulain, it is trending towards zero.

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



Source: Wüest Partner

Figures for the La Plaiv region

La Punt Chamues-ch	
Inhabitants	698
Annual growth rate	0.9%
Real estate market (residential)	1,222
Proportion of rental apartments	16.5%
Proportion of owner-occupied apartments	74.6%
Proportion of single-family houses	8.8%
Proportion of second homes	71.6%
Approved residential units (total)	4
Madulain	
Inhabitants	208
Annual growth rate	1.5%
Real estate market (residential)	430
Proportion of rental apartments	8.6%
Proportion of owner-occupied apartments	83.7%
Proportion of single-family houses	7.7%
Proportion of second homes	77.7%
Approved residential units (total)	5
Zuoz	
Inhabitants	1,228
Annual growth rate	1.6%
Real estate market (residential)	1,607
Proportion of rental apartments	20.2%
Proportion of owner-occupied apartments	74.2%
Proportion of single-family houses	5.6%
Proportion of second homes	66.6%
Approved residential units (total)	3
S-chanf	
Inhabitants	705
Annual growth rate	-0.1%
Real estate market (residential)	581
Proportion of rental apartments	35.3%
Proportion of owner-occupied apartments	44.2%
Proportion of single-family houses	20.5%
Proportion of second homes	39.8%
Approved residential units (total)	7

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 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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