

# MARKET REPORT 2021

Useful background to the property market

## Arosa-Lenzerheide

- Detached family homes rarely come onto the market
- Upswing in prices in the market for freehold apartments
- Low stock of properties for sale in all market segments



*Ginesta*  
Immobilien

Top destination in Graubünden

Two distinct localities, one mountain paradise

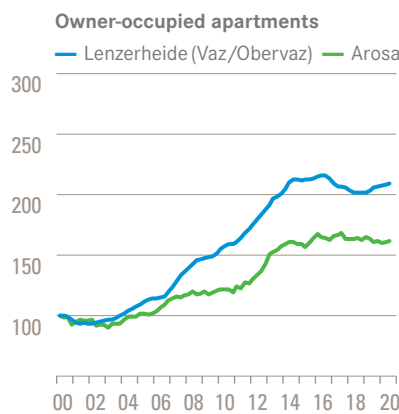
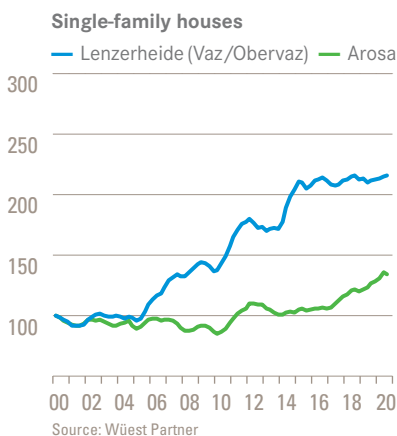
Arosa and Lenzerheide have been linked since the opening of the Urdenbahn aerial tramway in January 2014, the cable car that connects the two resorts. This has resulted in the creation of a snow sports paradise extending to 225 kilometers of pistes with guaranteed snow cover and numerous irresistibly quaint alpine huts in the traditional rustic style. The Arosa Lenzerheide ski region was ranked third in the highly rated BEST SKI RESORT 2020 report. In summer, Arosa-Lenzerheide offers a wide array of outdoor pursuits in the form of walking trails and mountain bike tracks, and around the region’s mountain lakes and tarns.

Altogether, the holiday region has just under 6,000 permanent residents, whereas during peak season the 6,600 secondary residences (in Lenzerheide) plus 4,300 (in Arosa), in addition to a large capacity in terms of hotel beds at 2,000 (Lenzerheide) and 3,500 (Arosa) take the numbers to around eight times as many. By virtue of its easy accessibility, growth in the upper valley of the Lenzerheide has remained broadly distributed, and the locality has evolved into the Number 2 destination in Graubünden behind St. Moritz / Upper Engadine. Arosa has had a loyal following of fans for many years.

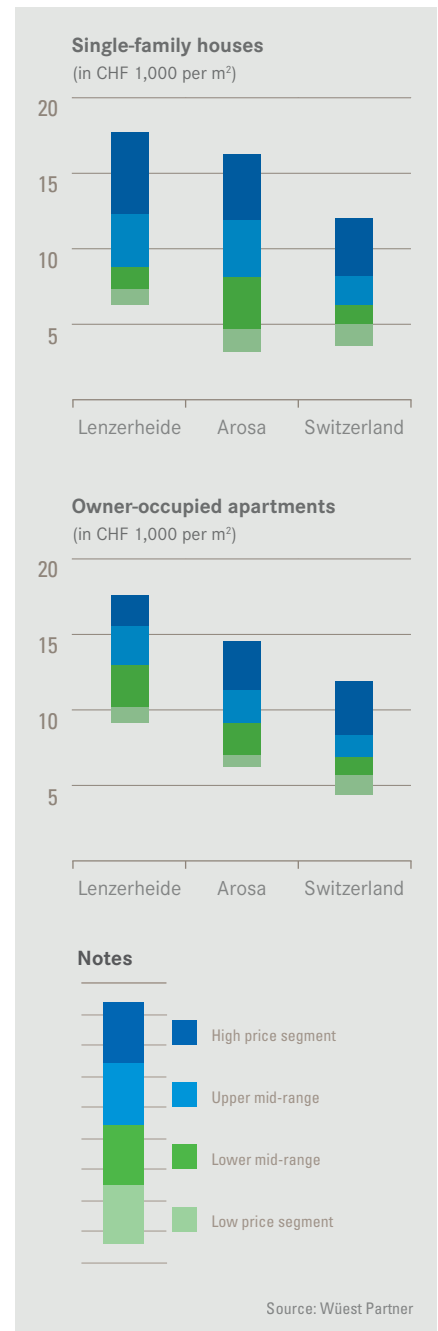
Legislation governing second homes has led to a decrease in new construction

The stock of properties reflects the typical make-up of a popular holiday resort. In Lenzerheide, the number of privately-owned apartments – particularly in the medium size category – is high, counting for almost 70% of the overall inventory. In Arosa, the proportion of privately held properties is also around 60%. The rate of new building has been moderate since the introduction of the law governing secondary residences in 2016. Seen together, the overall stock has grown by a maximum of one per cent per year during the last decade. The good summer as well as winter seasons over the previous years have had a noticeably positive effect on demand. At the same time, the generally falling rate of interest in second homes in the Arosa-Lenzerheide region on the part of foreign buyers has barely had any influence on market development here due to the fact that this region largely depends on demand generated by Swiss nationals. This trend has become even more accentuated by changes in travel behavior during the COVID-19 pandemic.

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



Property prices (ranges)



The progressions indicated in the graph are based on statistical data drawn from the entire demographic constituency of Arosa and include figures for the associated municipalities in Schanfigg. If one were to look at Arosa separately, the curve would be just under that for Lenzerheide and would correlate accordingly.

## The appeal of a second home remains constant

### Detached houses are achieving record prices

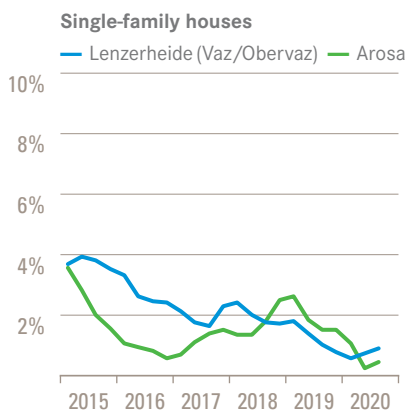
A holiday residence in Graubünden is as much in vogue as it ever was! Sales prices attainable per square meter underscore the ongoing popularity of home ownership in the mountains. Freehold apartments in the prime bracket achieve prices of between CHF 12,000 and CHF 14,000 per square meter; in Lenzerheide the rate is slightly higher at between CHF 15,000 and CHF 17,000 per square meter. Very high-end freehold properties in the luxury bracket in top locations can go for even higher prices. For detached family residences, which rarely come onto the market, the prices per square meter of living space are equally high. For ultra-prime real estate the price scale per square meter goes up to CHF 16,000 in Arosa and as much as CHF 18,000 in Lenzerheide. And the price for one-off, trophy properties is even higher.

Following a brief period of stagnation – directly attributable to the uncertainty arising from the public motion to legally restrict second home ownership – transaction prices for detached homes have begun to see renewed upswing and, in the meantime, have started to reach record levels. In the freehold apartment sector, prices in Arosa are practically at an all-time high. In Lenzerheide, in the wake of a marked increase up until 2016 and a temporary correction thereafter, prices are also only marginally below their all-time high. Generally speaking, prices have seen a distinct increase since the start of the new century. In the Lenzerheide region, market prices for detached residences and freehold apartments have more than doubled. In Arosa, the market has been more stable, with increases of just under 40% for detached homes and around 60% for freehold apartments. We are assuming a moderate increase in transaction prices in the coming months in the light of a consistently good level of demand for second homes.

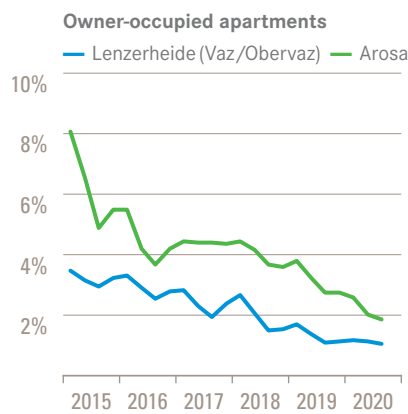
### Decreasing amounts of available stock

In our experience, markets with an available stock quota of up to 6-8% are normally fully functional and efficient. It is demonstrable that this criterion is more than fulfilled in both localities in all segments, with a decreasing tendency over several quarters. In the category of freehold apartments, available stocks are low at 1.9% (in Arosa) and 1.1% (in Lenzerheide), whereas for detached houses the quotas are even lower at just 0.5% (in Arosa) and 0.8% (in Lenzerheide). In the rental property category the quotas have also been falling on an ongoing basis and are currently at 3.3% (in Arosa) and 3.7% (in Lenzerheide) respectively.

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



Source: Wüest Partner

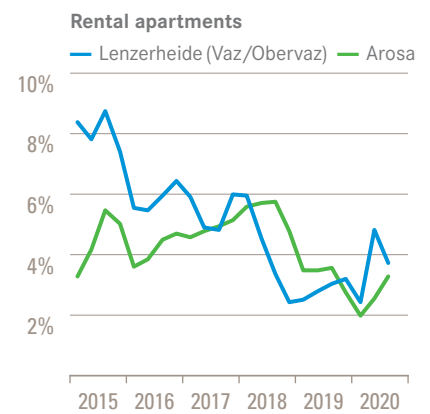


### Figures for Arosa-Lenzerheide



Lenzerheide (Vaz/Obervaz)	
<b>Population</b>	
Inhabitants	2,786
Annual growth rate	0.2%
Proportion of foreigners	22.9%
<b>Real estate market (residential)</b>	<b>5,041</b>
Proportion of rental apartments	13.0%
Proportion of owner-occupied apartments	67.8%
Proportion of single-family houses	19.2%
<b>Proportion of second homes</b>	<b>77.0%</b>
<b>Approved residential units</b>	<b>12</b>
In apartment buildings	4
In single-family houses	8

Arosa	
<b>Population</b>	
Inhabitants	3,145
Annual growth rate	0.4%
Proportion of foreigners	25.2%
<b>Real estate market (residential)</b>	<b>4,895</b>
Proportion of rental apartments	23.1%
Proportion of owner-occupied apartments	59.3%
Proportion of single-family houses	17.6%
<b>Proportion of second homes</b>	<b>73.8%</b>
<b>Approved residential units</b>	<b>0</b>
In apartment buildings	0
In single-family houses	0





## Outlook: The market remains robust – consequences of the legislation governing secondary residences

On 11<sup>th</sup> March 2012, Swiss voters ratified the motion on second home ownership. In communities where the percentage of second homes is above 20%, it is no longer possible to build further secondary residences. However, the law does permit some exceptions to the rule, enabling the number of second homes to expand. This effectively allows the construction of concierge-managed apartments for tourists, as well as the inclusion of secondary residences in the context of a hotel expansion or new-build. It is also possible to re-assign heritage buildings denoted as worthy of protection. In short, the new legislation has resulted in a virtual standstill in terms of new construction. This, in turn, has had a knock-on effect on availability of stock, with corresponding pressure on prices, especially in the freehold sector. Other key factors include low interest rates, the prevailing economic environment, overall levels of affluence, a trend towards portfolio diversification and tangible assets, as well as – more recently – changes in travel behavior dictated by COVID-19. The same principle still holds: a holiday home is a luxury, and is only purchased when underlying economic conditions are favorable.



## Secure your edge in the property market now:

### 1. Subscribe to our newsletter

Keep up to date with all the latest property news for free on your smartphone, tablet or PC.

[www.ginesta.ch/en/magazin/newsletter](http://www.ginesta.ch/en/magazin/newsletter)



### 2. Create search profile

Find your dream property more quickly and easily by saving your individual search profile.

[www.ginesta.ch/en/mein-suchprofil](http://www.ginesta.ch/en/mein-suchprofil)



### Sales, lettings and management

We are a third-generation family business with our head office in Küsnacht and additional offices in Horgen, Chur, St. Moritz and Zurich. For more than 75 years, we have successfully sold, let and managed all types of property. Our team comprises more than 40 people with in-depth real estate expertise in valuation, marketing, rental and management. We are guided by entrepreneurial values and dedicated to providing a personal service to our customers.

### We look forward to hearing from you

**Ginesta Immobilien AG**

**Aquasanastrasse 8**

**CH-7000 Chur**

Phone +41 81 254 37 70

[www.ginesta.ch](http://www.ginesta.ch)

[graubuenden@ginesta.ch](mailto:graubuenden@ginesta.ch)

*Ginesta*  
Immobilien

### Follow us on social media



**Disclaimer:** The information contained in this report is merely general market commentary. This document may not be reproduced either in whole or in part without the written consent of Ginesta Immobilien AG. Copyright Ginesta Immobilien AG 2020. **Sources:** Ginesta; graphics: Wüest Partner (data as at Q3 2020); figures: Wüest Partner, Federal Statistical Office (population and apartment stock, data as at 2019), Office for Spatial Development (proportion of second homes, data as at 2019), Baublatt information service (building permits up to Q3 2020); other sources: Credit Suisse and our own estimates. Photographs: Arosa Tourismus/Nina Mattli, Arosa.