

Samedan

MARKET REPORT 2020

The essentials of the property market

- Solid demand
- Price decline halted for owner-occupied apartments
- Good range of single-family houses



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Upper Engadine continues to set the bar

Picturesque localities, one mountain paradise

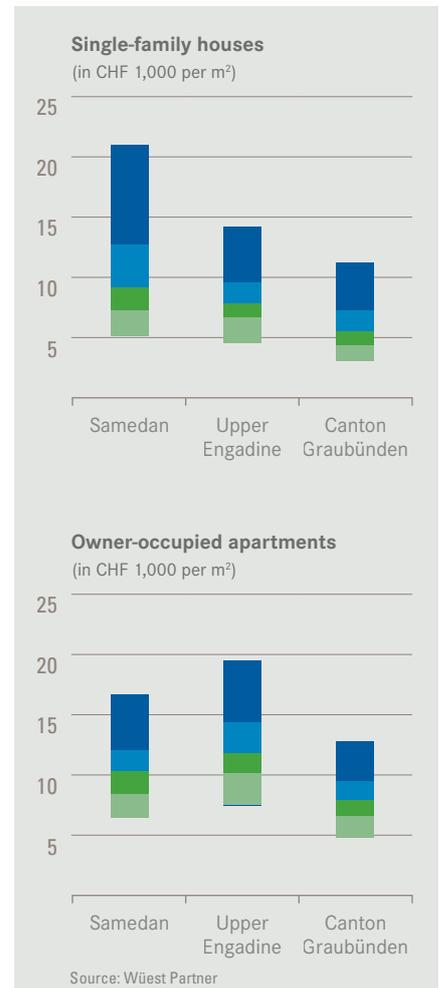
Thanks to the unique harmony of its lake landscape, the Upper Engadine holiday region is popularly known as the ‘ballroom’ of the Alps. In winter, one of the largest and most diverse ski areas attracts visitors with a total of 88 pistes and more than 200 km of cross-country trails. In summer, 580 km of hiking trails, 400 km of mountain bike trails, two 18-hole golf courses and other local attractions offer plenty of variety.

About 18,500 people live in the Upper Engadine all-year round, and many more flock to the region during high season. With 12,500 hotel beds (of which 5,200 alone can be found in St. Moritz and 2,400 in Pontresina) and 5,000 beds in holiday apartments, there is no shortage of choice for holidaymakers. In 2018, the Upper Engadine registered more than 4.4 million overnight stays in total (hotels and holiday apartments), of which 80% (hotels) and 60% (apartments) were in the core zone of the Silvaplana-Samedan-Pontresina triangle, which also encompasses St. Moritz and Celerina.

Apartment stock growing only slowly

The property stock 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 Celerina and Silvaplana, the proportion is as high as 80%. Only in Samedan, where there is an above-average proportion of primary residences, do typical holiday homes make up just over half the stock. The proportion of single-family houses is low in all municipalities. New construction has been moderate over the past 10 years, with the total stock growing by just 1% per year at most. The very good summer and winter seasons in the last two years have had a noticeably positive effect on demand. Interest from foreign buyers (in particular from Italy) had been dwindling for years, which led to a market shift as domestic demand increased significantly at the same time. Today, about 60% of guests now come from Switzerland.

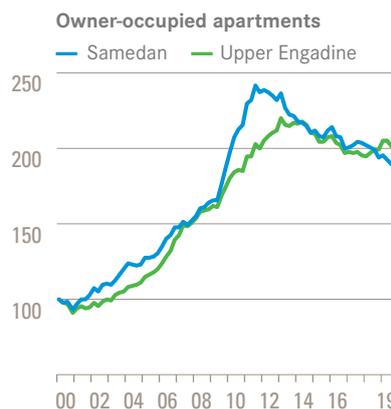
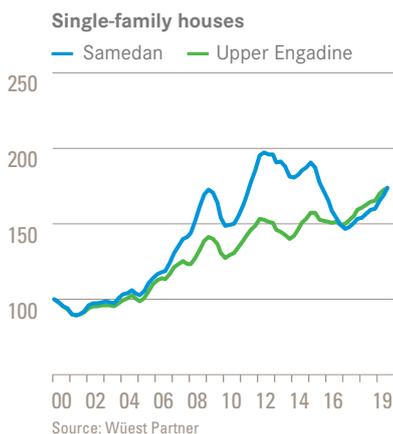
Property prices (ranges)



Notes



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



New builds well absorbed

Single-family houses changing hands at good prices

In many ways, Samedan serves as the centre of the valley: in addition to the rail hub, airport, shopping facilities and diverse sporting activities, the municipality is also home to many locals, which is reflected in the above-average number of rental apartments in the property stock. This also has an effect on the achievable selling prices, which are about 15%-25% lower than in the famous neighbouring municipalities. Owner-occupied apartments in the high-end category sell for between CHF 12,000/m² and 15,000/m². Single-family houses change hands for CHF 12,000/m² on average, while luxury rarities can occasionally fetch up to CHF 20,000/m².

After a long boom, during which transaction prices rose steadily, a correction set in at the time of the vote in favour of the second home initiative and lasted for several years. In the single-family house segment, this trend reversed a few quarters ago. Prices are currently still 10% below the highs of 2012, although there is now a longer marketing period in the high-end category. In the owner-occupied apartments segment, new construction activity had increased significantly at the time of the vote, before falling sharply due to the ban on construction of new second homes. Although demand has remained intact, prices have been falling steadily. The downward trend has slowed somewhat and owner-occupied apartments are currently changing hands for 25% below the record levels. We are expecting prices to stabilise at this level. Since the turn of the millennium, prices have risen by a total of 75% for single-family houses and 90% for owner-occupied apartments.

Moderate supply rate for owner-occupied apartments

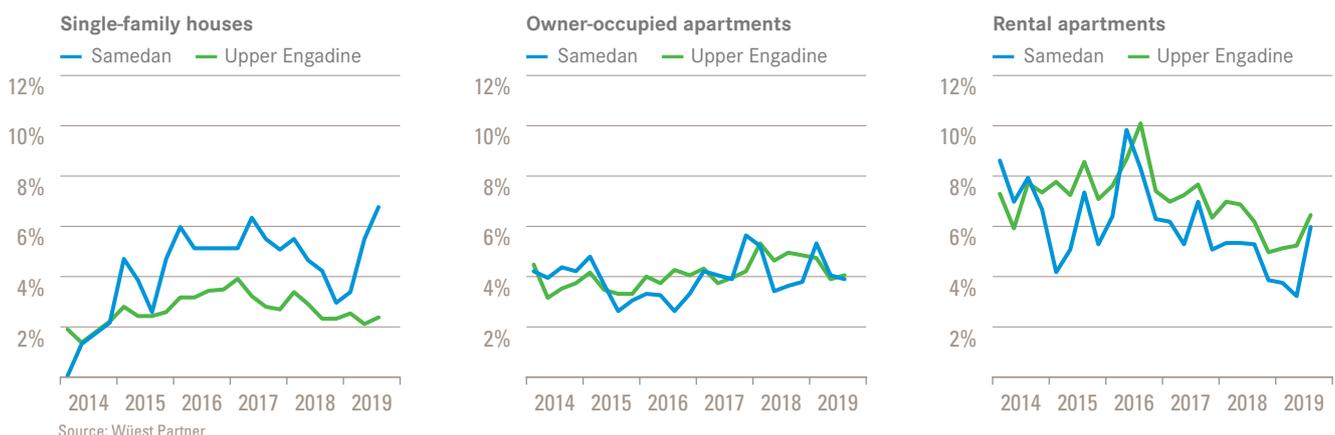
We consider markets to be intact and efficient, with a supply rate of up to 6%. At 3.9%, this criterion is fulfilled across all segments for owner-occupied apartments in Samedan. The rate has been hovering around the 4% mark for several quarters. In contrast, the supply rate for single-family houses has increased significantly in recent months and at 7.6% is above the long-term average. Several houses from a total stock of just 80 properties are currently seeking a new owner.

Figures for Samedan



Samedan	
Population	
Inhabitants	2,924
Annual growth rate	-1.1%
Proportion of foreigners	23.4%
Real estate market (residential) 2,366	
Proportion of rental apartments	41.9%
Proportion of owner-occupied apartments	53.1%
Proportion of single-family houses	5.0%
Approved residential units 11	
In apartment buildings	7
In single-family houses	4

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





Outlook: the market remains robust

The second home initiative and its consequences

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. However, the legislation allows some exceptions for an increase in the supply of second homes. Apartments managed for use by tourists are permissible. The conversion of protected or landmark buildings is also possible within the building zone. In addition, second homes can be built as part of the expansion and construction of hotels. Outside the building zones, properties recognised as worthy of protection can be converted. The new legislative framework has now resulted in a supply shortage and corresponding pressure on prices, particularly for new builds. However, the general economic situation and prosperity levels also remain determining factors. After all, a holiday property is a luxury asset and is bought only if the environment allows it.



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We look forward to hearing from you

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