

# St. Moritz

## MARKET REPORT 2020

The essentials of the property market

- Prices for single-family houses on the rise again
- Good supply of owner-occupied apartments
- Suvretta transactions at maximum prices

## Upper Engadine continues to set the bar

### Picturesque localities, one mountain paradise

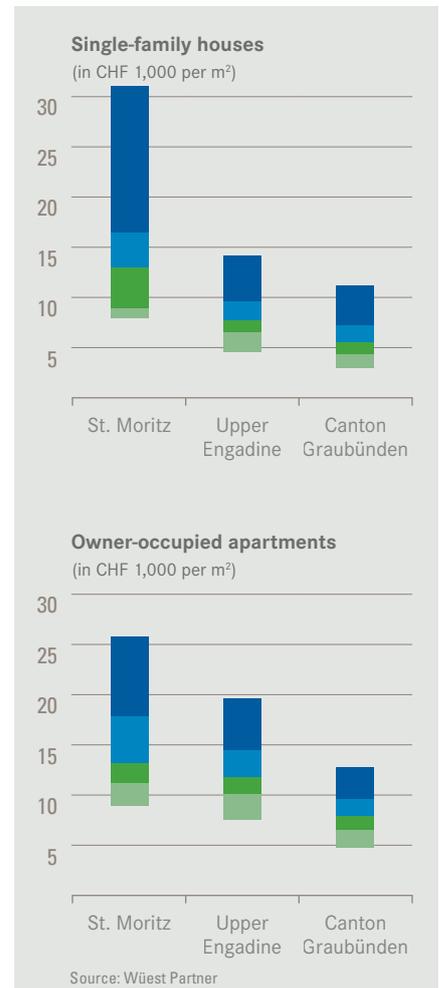
Thanks to the unique harmony of its lake landscape, the Upper Engadine holiday region is popularly known as the ‘ballroom’ of the Alps. In winter, one of the largest and most diverse ski areas attracts visitors with a total of 88 pistes and more than 200 km of cross-country trails. In summer, 580 km 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 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, in particular 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.

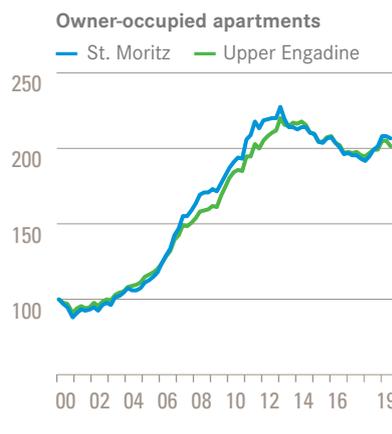
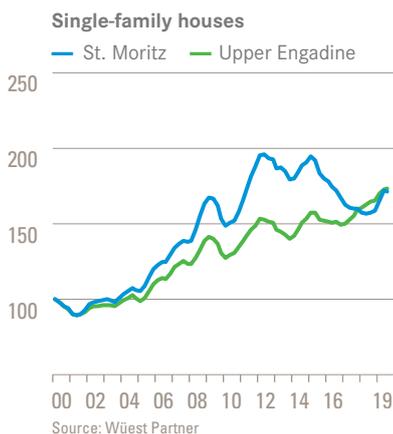
## Property prices (ranges)



### Notes



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



## Top-quality locations

### Highest price level in Graubünden

St. Moritz has cemented its reputation as a vibrant luxury holiday destination. This continued appeal is also reflected in the dynamic real estate market. St. Moritz still has the highest prices in the region. Owner-occupied apartments in the high-end category sell for up to CHF 18,000/m<sup>2</sup>. Luxury properties change hands for up to CHF 25,000/m<sup>2</sup>, while exclusive rarities can fetch even more. Prices in St. Moritz-Bad tend to be more moderate. The price level in Champfèr/Silvaplana is about 20% lower, at CHF 15,000/m<sup>2</sup> for high-end properties and CHF 21,000/m<sup>2</sup> for luxury apartments. The few single-family houses placed on the market in St. Moritz generally sell for around CHF 20,000/m<sup>2</sup>, but luxury properties in good locations can fetch more than CHF 30,000/m<sup>2</sup>. The Suvretta hillside continues to be one of the most popular villa areas in Switzerland. Prices start at CHF 30,000/m<sup>2</sup> and can be as high as CHF 60,000/m<sup>2</sup> for very exclusive properties.

The second home market is robust. After a correction phase in recent quarters, transaction prices for single-family houses have risen again and are currently around 12% (St. Moritz) and 10% (Champfèr/Silvaplana) below the highs reached in 2015. In the owner-occupied apartments segment, transaction prices have stabilised since 2018 and in St. Moritz are about 10% below the previous record levels. Generally speaking, prices have doubled in all market segments since the turn of the millennium, with the exception of single-family houses in St. Moritz, which have seen an increase of more than 70%. We expect prices to stabilise at this level over the coming months, since demand for second homes remains strong.

### Moderate supply rates

We consider markets to be intact and efficient, with a supply rate of up to 6%. At 2.7%, this criterion is fulfilled across all segments for single-family houses in St. Moritz. For owner-occupied apartments, however, the rate lies around the threshold at 6.1%.

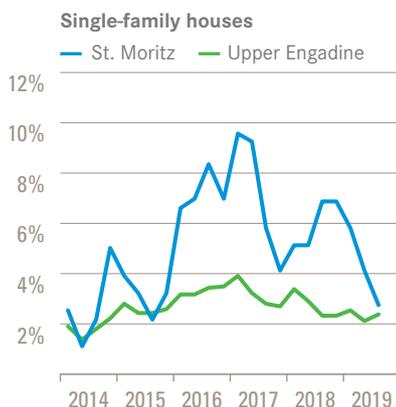
Several properties are on the market in the Suvretta area. Due to the high price structure, the marketing period takes longer before a transaction is finalised. Prices paid tend to vary and remain among the highest in Switzerland.

## Figures for St. Moritz

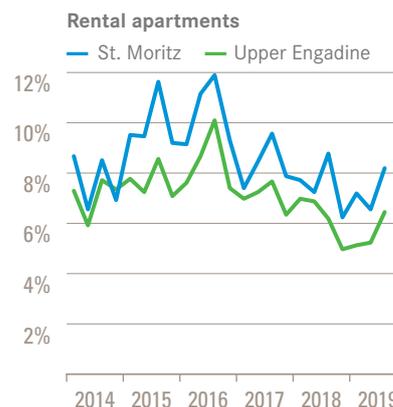
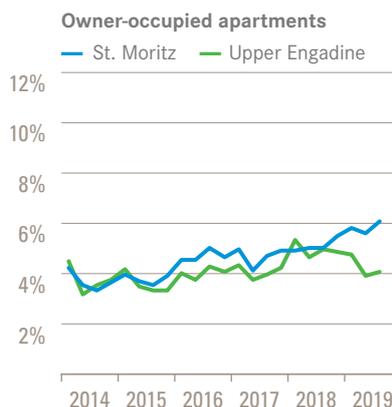


St. Moritz	
<b>Population</b>	
Inhabitants	4,928
Annual growth rate	-1.3%
Proportion of foreigners	40.6%
<b>Real estate market (residential)</b>	
	<b>5,383</b>
Proportion of rental apartments	29.5%
Proportion of owner-occupied apartments	65.1%
Proportion of single-family houses	5.4%
<b>Approved residential units</b>	
	<b>25</b>
In apartment buildings	25
In single-family houses	0

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



Source: Wüest Partner





## 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, in particular 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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