



La Punt
Chamues-ch
Madulain
Zuoz
S-chanf

Market report 2023

The essentials of the property market

- Prices of single-family houses have peaked
- Boom in owner-occupied apartments
- Low 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 and the wide plain of La Plaiv stretching from La Punt Chamues-ch to S-chanf, 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, 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.

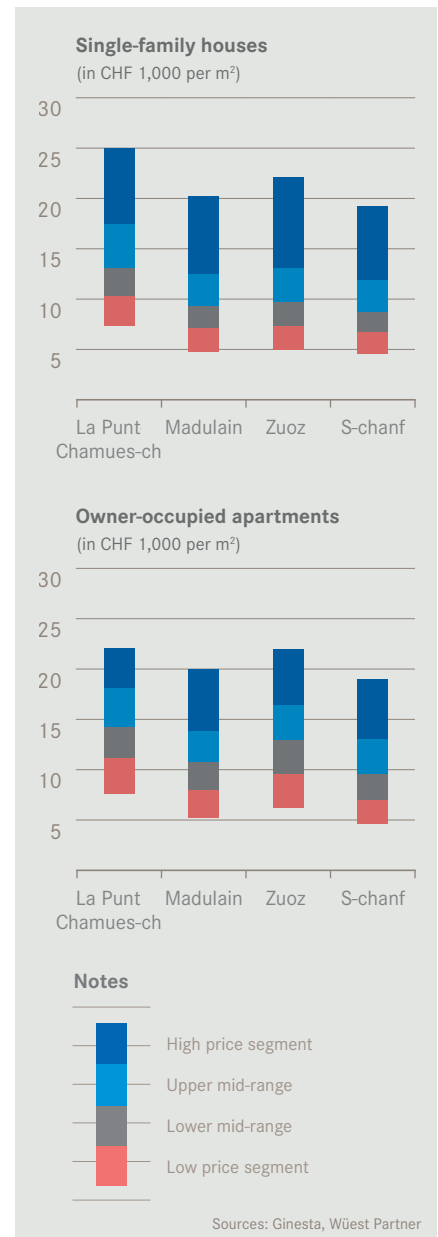
About 17,000 people live in the Upper Engadine all year round, and many more flock to the region during high season. With about 13,000 hotel beds (of which 5,000 in St. Moritz alone and almost 2,000 in Pontresina) and 7,000 beds in 1,800 holiday apartments, there is no shortage of choice for holidaymakers.

In 2021, the Upper Engadine registered more than 1.5 million overnight stays in total (hotels only, excluding holiday apartments), of which 80% were in the core zone from the lakeside municipalities extending across St. Moritz, Celerina and Samedan to Pontresina. This more than made up for the decline during the pandemic, achieving a very good result in comparison with previous years. The summer season in 2022 finally brought increased numbers of foreign guests back to the high mountain valley, in particular to St. Moritz.

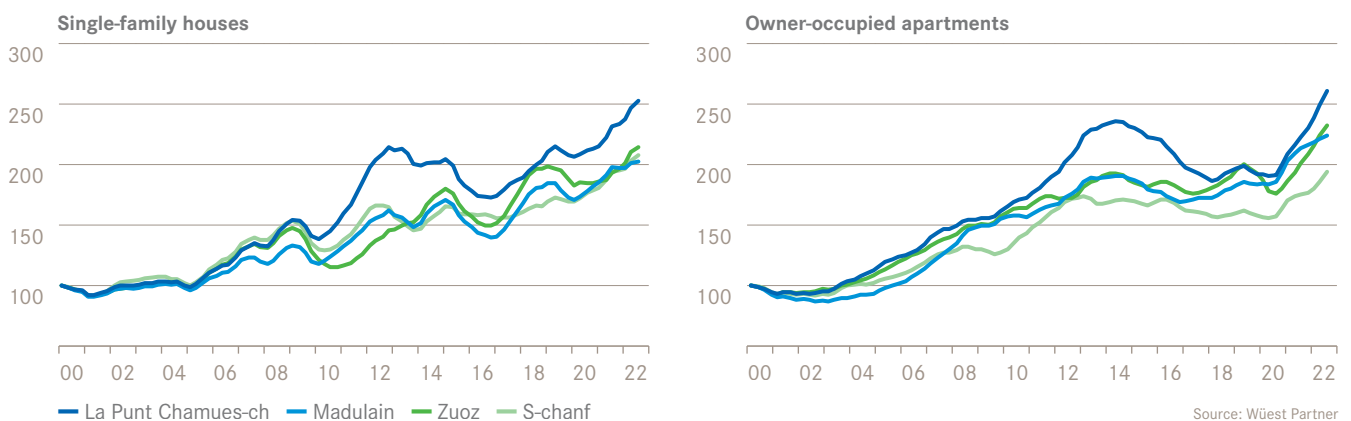
Demand boost due to the pandemic

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, the proportion is as high as 80%. In the larger municipalities of Pontresina, Samedan and St. Moritz, which have a higher proportion of local residents, typical holiday homes make up 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, only moderate new construction activity has taken place. 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. This trend intensified due to changes in travel behaviour during the pandemic, with domestic demand for holiday homes in the Upper Engadine higher than ever before.

Property prices (ranges)



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



High demand in the La Plaiv municipalities

Residential property stays in vogue

The 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.

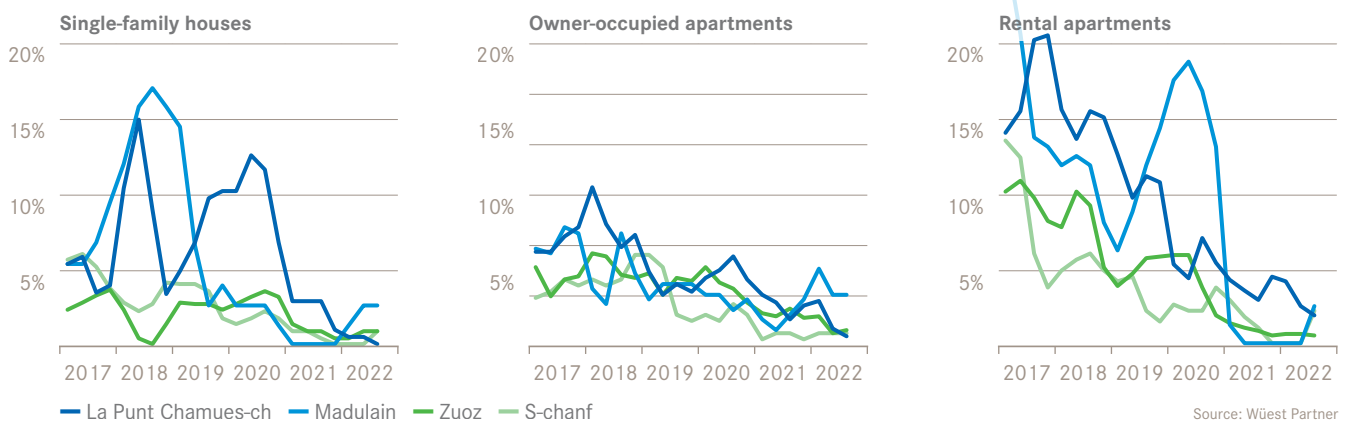
For owner-occupied apartments, prices of high-end properties are about CHF 12,000/m² in S-chanf, more than CHF 14,000/m² in Madulain, up to CHF 17,000/m² in Zuoz and CHF 18,000/m² in La Punt Chamues-ch. For luxury apartments, the price range rises by another CHF 2,000 to CHF 4,000/m², and even more in parts of La Punt Chamues-ch. Single-family houses, which rarely come on the market and are usually older properties, sell for about CHF 12,000/m², in Zuoz CHF 15,000/m² and in La Punt Chamues-ch CHF 17,000/m². For high-end houses and rarities, figures are considerably higher: up to CHF 18,000/m² in Madulain and S-chanf, about CHF 25,000/m² in Zuoz and La Punt Chamues-ch, and occasionally even higher. The second home market is very strong, with a continual upward trend in prices since 2020 and even a major upsurge in the last few quarters – for owner-occupied apartments, increases of 15% in Madulain, 20% in S-chanf and 30% in La Punt Chamues-ch and Zuoz. The situation for single-family houses is similar. Since the turn of the millennium, prices for owner-occupied apartments have risen by 90% in S-chanf, 120% in Madulain, 130% in Zuoz and more than 160% in La Punt Chamues-ch. The trend for single-family houses has been comparable, with increases of about 100% in Madulain, Zuoz and S-chanf, and 150% in La Punt Chamues-ch.

In the primary home market too, the supply of properties for sale remains very limited with demand affected by the increase in residency by foreigners. Prices have thus also increased significantly, if not to the same degree as in the second home market.

Low supply rates

We consider markets to be intact and efficient with a supply rate of up to 6%-8%. Residential property is considerably below this level in parts. The rate in La Punt Chamues-ch, Zuoz and S-chanf for single-family houses and owner-occupied apartments is currently about 1% or lower. Only in Madulain is it somewhat higher at 3%, due to completed construction projects and a few houses temporarily on the market. The picture is similar for rental apartments, where the supply rate is no higher than 2.5% in any of the La Plaiv municipalities.

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	692
Annual growth rate	0.9%
Real estate market (residential)	1,209
Proportion of rental apartments	13.8%
Proportion of owner-occupied apartments	77.1%
Proportion of single-family houses	9.1%
Proportion of second homes	71.0%
Approved residential units (total)	10

Madulain	
Inhabitants	205
Annual growth rate	-0.5%
Real estate market (residential)	432
Proportion of rental apartments	10.8%
Proportion of owner-occupied apartments	79.0%
Proportion of single-family houses	10.2%
Proportion of second homes	77.7%
Approved residential units (total)	0

Zuoz	
Inhabitants	1,209
Annual growth rate	0.8%
Real estate market (residential)	1,600
Proportion of rental apartments	24.3%
Proportion of owner-occupied apartments	68.1%
Proportion of single-family houses	7.6%
Proportion of second homes	66.1%
Approved residential units (total)	1

S-chanf	
Inhabitants	706
Annual growth rate	1.3%
Real estate market (residential)	579
Proportion of rental apartments	27.3%
Proportion of owner-occupied apartments	50.5%
Proportion of single-family houses	22.2%
Proportion of second homes	39.4%
Approved residential units (total)	2

Outlook: the market remains robust – pandemic and second home initiative drive up prices

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. The legislation permits some exceptions, but overall the new legislative framework has led to very little new construction, which has caused an extreme supply shortage with strongly increased demand. This excess demand has reduced slightly as a result of market uncertainty, the geopolitical situation and interest rate rises over the last few months, but it still remains high. Even with slightly declining demand, there is still a strong imbalance. Rising interest rates and the current outlook for the real economy and inflationary trends have so far had only a marginal impact on this market situation. However, additional uncertainty and/or greater interest rate increases could certainly affect the property market in the near future.



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