



**Celerina
Pontresina
Samedan
Bever**

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, 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.

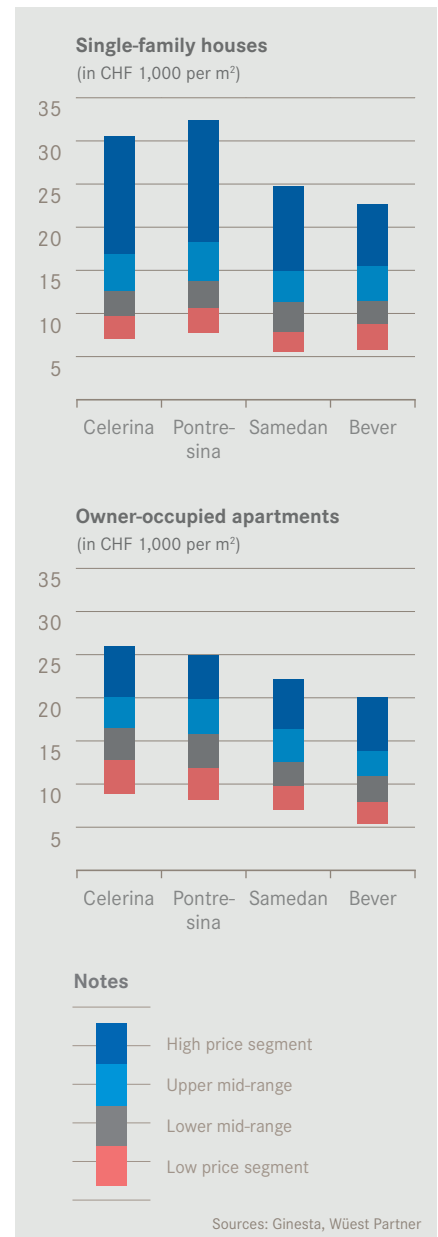
About 17,000 people live in the Upper Engadine all year round, and many more flock to the region during high season. With around 13,000 hotel beds (of which 5,000 alone in St. Moritz and almost 2,000 in Pontresina) and 7,000 beds in 1,800 holiday apartments, there is no shortage of choice for holidaymakers.

In 2021, the Upper Engadine registered more than 1.5 million overnight stays in total (hotels only, not including holiday apartments), of which 80% were in the core zone from the lake-side 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 to previous years. Excluding the municipality of St. Moritz, which has a disproportionately high dependence on foreign guests, the increase was even higher still. The summer season finally brought increased numbers of foreign guests back to the high mountain valley too, especially to St. Moritz.

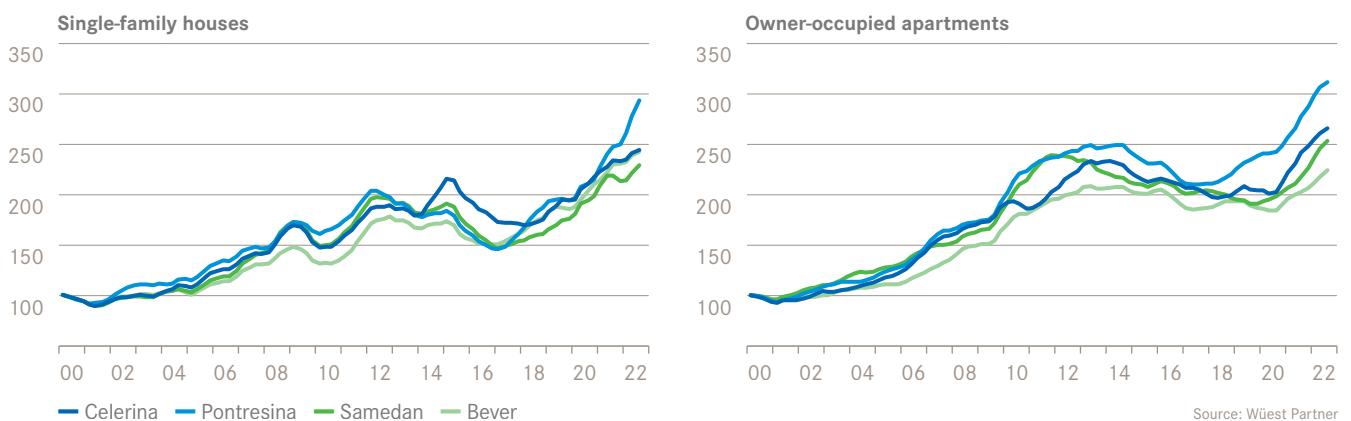
Demand boost due to the pandemic

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 Celerina and Silvaplana, 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 domestic demand

Residential property is booming

The four municipalities at the heart of the Upper Engadine continue to be extremely popular holiday destinations. Celerina boasts the advantage of its proximity to St. Moritz, Samedan acts as a hub for the valley, Bever has an original authenticity and Pontresina offers many hotels and a lively atmosphere even in the mid-season. These advantages are reflected in the real estate market and in the achievable selling prices per square metre.

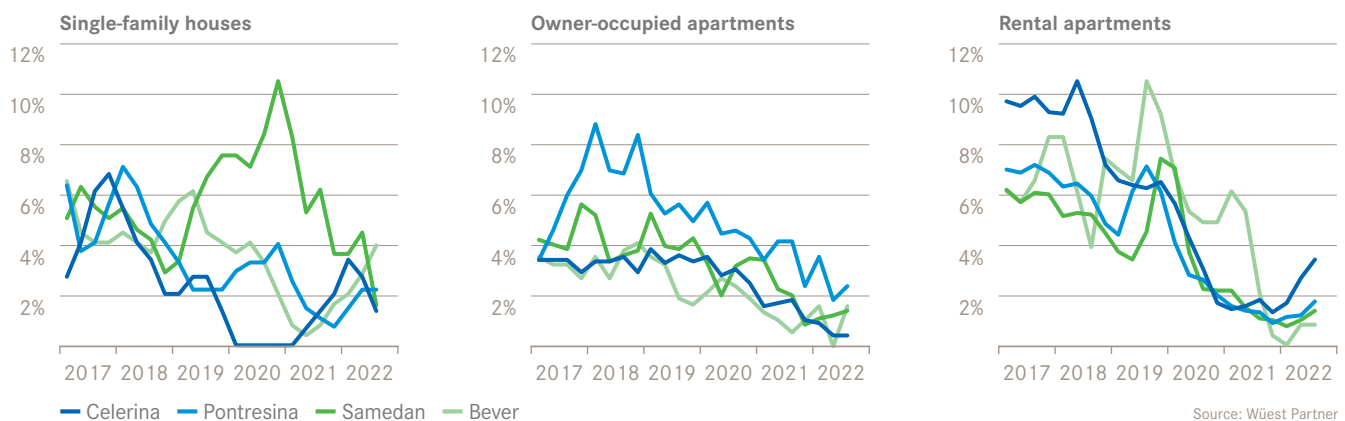
For owner-occupied apartments, prices of high-end properties are about CHF 14,000/m² in Bever, more than CHF 16,000/m² in Samedan and up to CHF 20,000/m² or more in Celerina and Pontresina. For luxury apartments, the price range rises by another CHF 6,000/m² and even more in parts of Celerina. Single-family houses, which rarely come on the market and are usually older properties, sell for about CHF 15,000/m² in Bever and Samedan, CHF 16,000/m² in Celerina and CHF 18,000/m² in Pontresina. For high-end houses and rarities, figures are considerably higher: up to CHF 22,000/m² in Bever, about CHF 24,000/m² in Samedan and well over CHF 30,000/m² in some instances in Celerina and Pontresina. The second home market is very strong, with a steady upward trend in prices since 2017 and even a major upsurge over the last few quarters – for owner-occupied apartments, increases of 20% in Samedan, 40% in Bever and Celerina, and up to as high as 50% in Pontresina. The situation is similar for single-family houses; since the start of 2018, prices have increased with increasing momentum. Since the turn of the millennium, prices of owner-occupied apartments have risen by 120% in Samedan, 150% in Bever, 160% in Celerina and more than 200% in Pontresina. The trend for single-family houses has been comparable.

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.

Falling 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 is currently around 2% or lower in all municipalities and in both segments. In smaller markets such as Bever, the supply rate is more volatile. The picture is similar for rental apartments, where a supply rate of slightly over 3% is found only in Celerina.

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



Source: Wüest Partner

Figures for the central region

Celerina	
Inhabitants	1,475
Annual growth rate	-0.6%
Real estate market (residential)	2,423
Proportion of rental apartments	18.2%
Proportion of owner-occupied apartments	78.6%
Proportion of single-family houses	3.2%
Proportion of second homes	65.8%
Approved residential units (total)	0

Pontresina	
Inhabitants	2,118
Annual growth rate	-2.8%
Real estate market (residential)	2,314
Proportion of rental apartments	27.7%
Proportion of owner-occupied apartments	65.8%
Proportion of single-family houses	6.5%
Proportion of second homes	57.6%
Approved residential units (total)	9

Samedan	
Inhabitants	2,915
Annual growth rate	-0.3%
Real estate market (residential)	2,777
Proportion of rental apartments	42.0%
Proportion of owner-occupied apartments	52.9%
Proportion of single-family houses	5.1%
Proportion of second homes	47.5%
Approved residential units (total)	2

Bever	
Inhabitants	581
Annual growth rate	-0.5%
Real estate market (residential)	649
Proportion of rental apartments	21.1%
Proportion of owner-occupied apartments	64.8%
Proportion of single-family houses	14.0%
Proportion of second homes	54.7%
Approved residential units (total)	0

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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