



# REAL ESTATE

# 7

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Although Switzerland has many different types of real estate available for commercial purposes, there is a shortage of residential real estate, especially in city centers, much like in other international cities. People looking for suitable properties to rent or buy will find the Internet and newspapers very useful. Even individuals resident in foreign countries can purchase commercial real estate in Switzerland without prior authorization. When it comes to residential property, however, they are subject to certain restrictions.

## 7.1 LOOKING FOR THE RIGHT PROPERTY

### 7.1.1 Residential and Commercial Real Estate

The Internet and newspapers are the most important sources of information when you are searching for a suitable property. Local acquaintances can also be a big help. The range of real estate on offer includes apartments, single-family and multi-family residences, offices and commercial properties, and even parking lots and garages – for renting or buying.

Another good source of information are the websites of real estate fiduciary agencies. You can find them through real estate search portals or via the website of the Swiss Real Estate Association SVIT, for example. Municipalities' websites are also useful: many of them now include information about future building projects, including both rental properties and properties for sale.

The cantonal economic development agencies support investors in all administrative matters and offer assistance in finding construction sites or other real estate.

[www.svit.ch](http://www.svit.ch)  
Swiss Real Estate Association (SVIT)

[www.alle-immobilien.ch](http://www.alle-immobilien.ch)  
[www.homegate.ch](http://www.homegate.ch)  
[www.immoscout24.ch](http://www.immoscout24.ch)  
[www.comparis.ch](http://www.comparis.ch) > Property  
[www.acheter-louer.ch](http://www.acheter-louer.ch)  
[www.immogalaxy.ch](http://www.immogalaxy.ch)  
Residential properties

[www.s-ge.com/realestate](http://www.s-ge.com/realestate)  
Commercial properties (in cooperation with Swiss Circle)

### 7.1.2 Temporary Accommodation / Furnished Apartments

The range of available hotels and vacation accommodation in every price category is very broad in Switzerland, due to the fact that Switzerland is a tourist destination. The best starting point for anyone searching for appropriate accommodation is again the Internet. The Switzerland Tourism website “MySwitzerland.com” gives you a good overview.

Furnished and serviced apartments are expensive. There are real estate providers and firms specializing in expatriate services that can offer assistance. There is no nationwide overview of all providers, so it is a good idea to search online using keywords such as serviced apartments, furnished studio apartments, temporary housing, or holiday or vacation apartments.

[www.myswitzerland.com](http://www.myswitzerland.com) > Accommodation  
Hotels and vacation accommodations

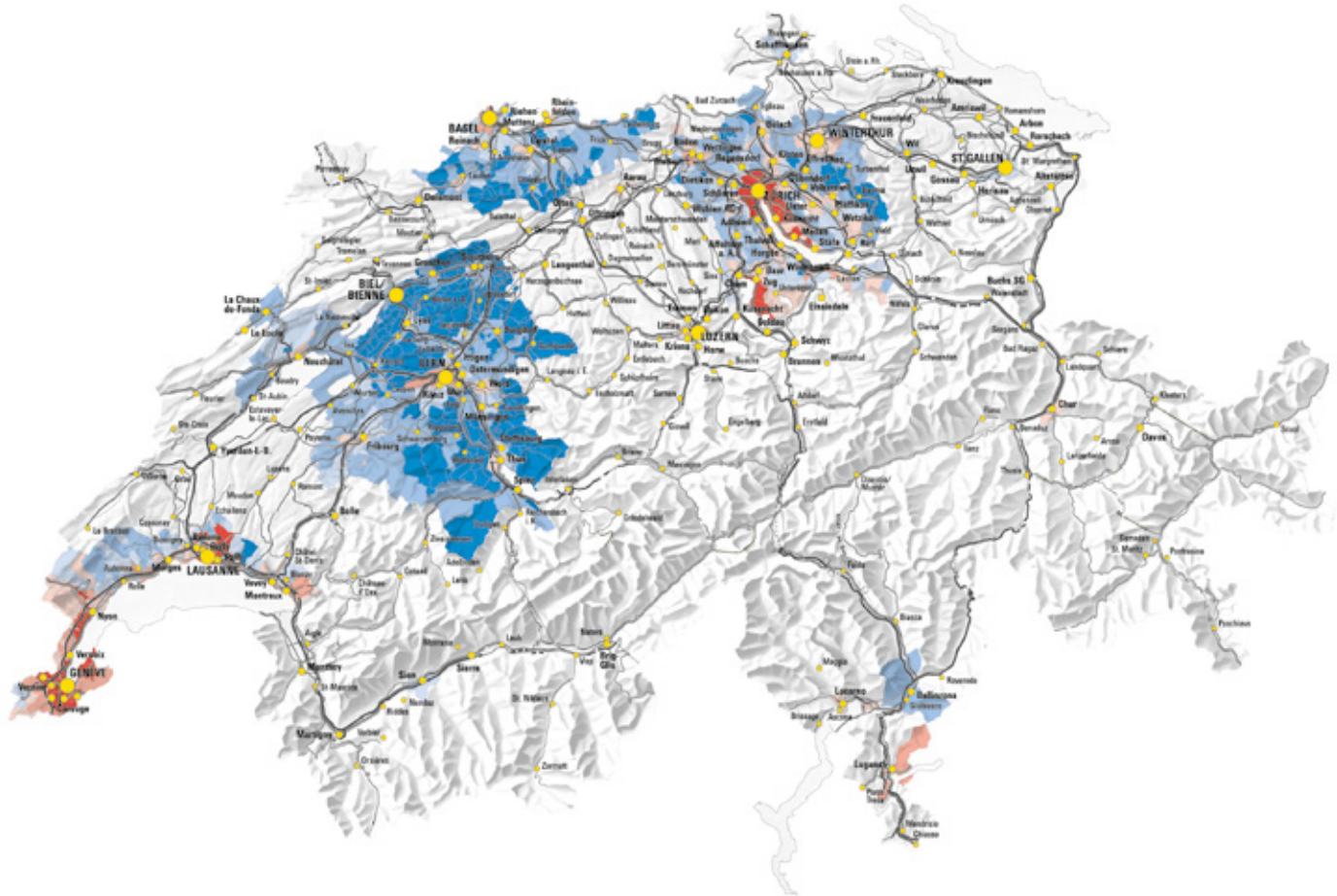
[www.xpatxchange.ch](http://www.xpatxchange.ch) > Moving  
Relocation agencies, providers of furnished and serviced apartments

## 7.2 COMMERCIAL REAL ESTATE

### 7.2.1 Renting

#### Market Prices for Office Space (last updated: 4th quarter of 2019)

(FIG. 19)



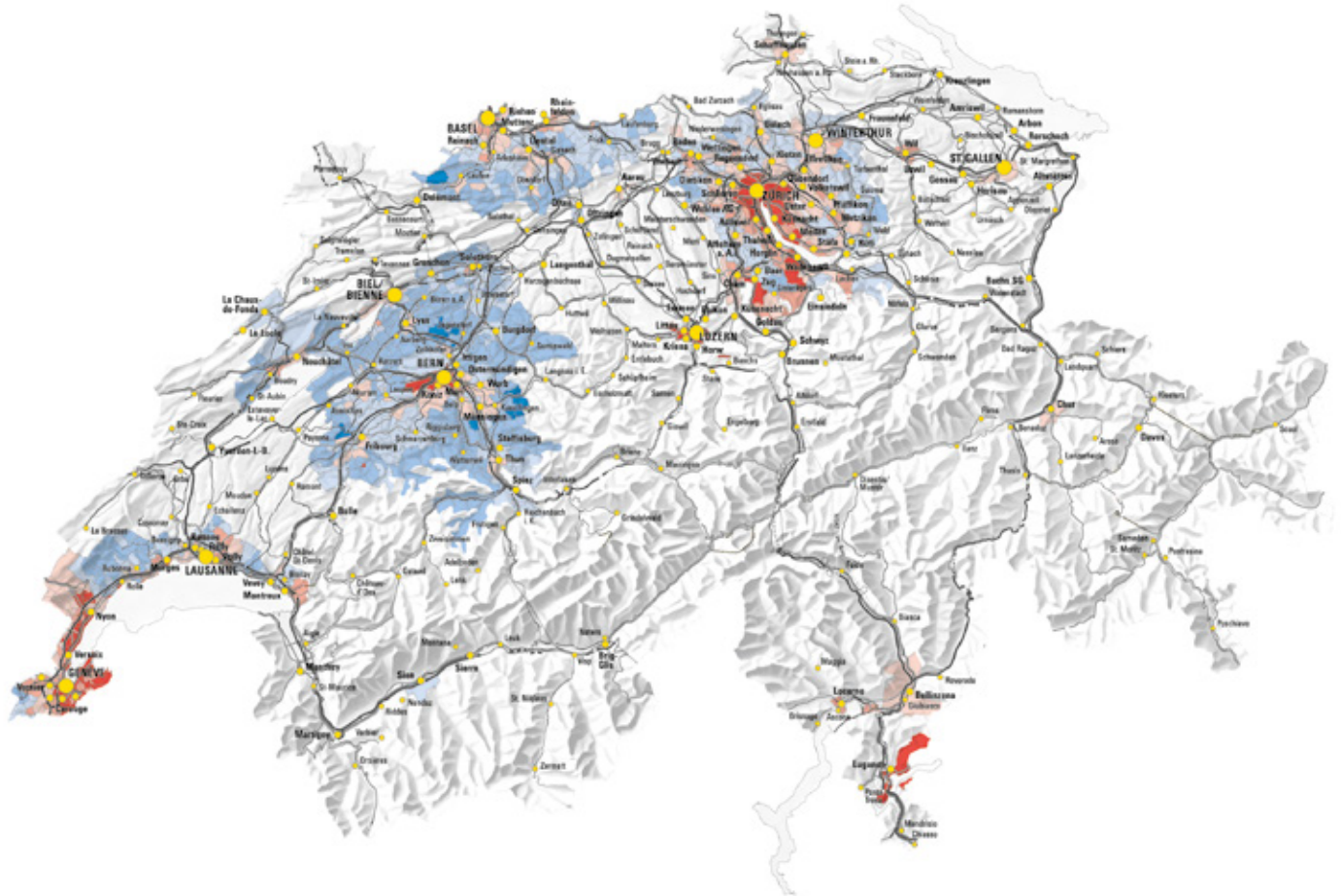
Source: Wüest Partner, source map: swisstopo, 2020

Net rent (CHF) per square meter of useful space and year (median)  
Major cities: data for whole city

- Over 320
- 280 to 320
- 250 to 280
- 200 to 250
- 150 to 200
- Under 150

**Building Land: Market Prices for Commercial Buildings**  
(last updated: 4th quarter of 2019)

(FIG. 20)



Source: Wüest Partner, source map: swisstopo, 2020

In CHF per square meter  
(average location, undeveloped, with roads and services)

- Over 1,500
- 1,000 to 1,500
- 500 to 1,000
- 250 to 500
- 150 to 250
- Under 150

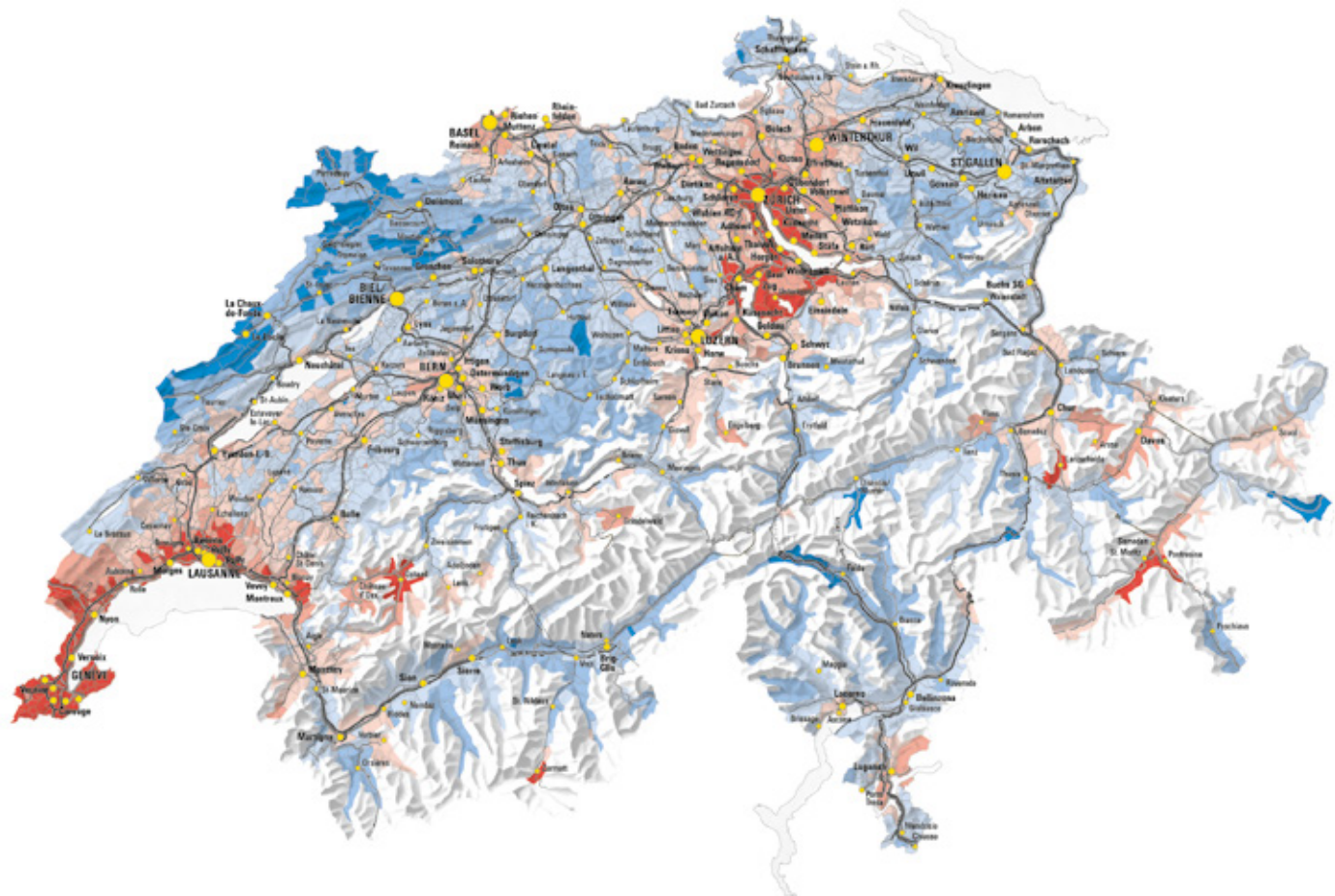
**7.2.2 Buying**

Individuals residing in other countries may purchase commercial real estate in Switzerland. EU/EFTA citizens who are resident in Switzerland have the same rights as Swiss nationals in terms of the purchase of real estate and do not require permission. Nationals of third countries and persons who are resident abroad may purchase real estate with some restrictions.

## Market Prices for Rented Accommodation

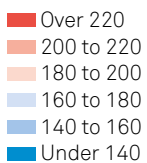
(last updated: 4th quarter of 2019)

(FIG. 21)



Source: Wüest Partner, source map: swisstopo, 2020

Net rent (CHF) per square meter  
Main useful space and year (median)



## 7.3 RESIDENTIAL REAL ESTATE

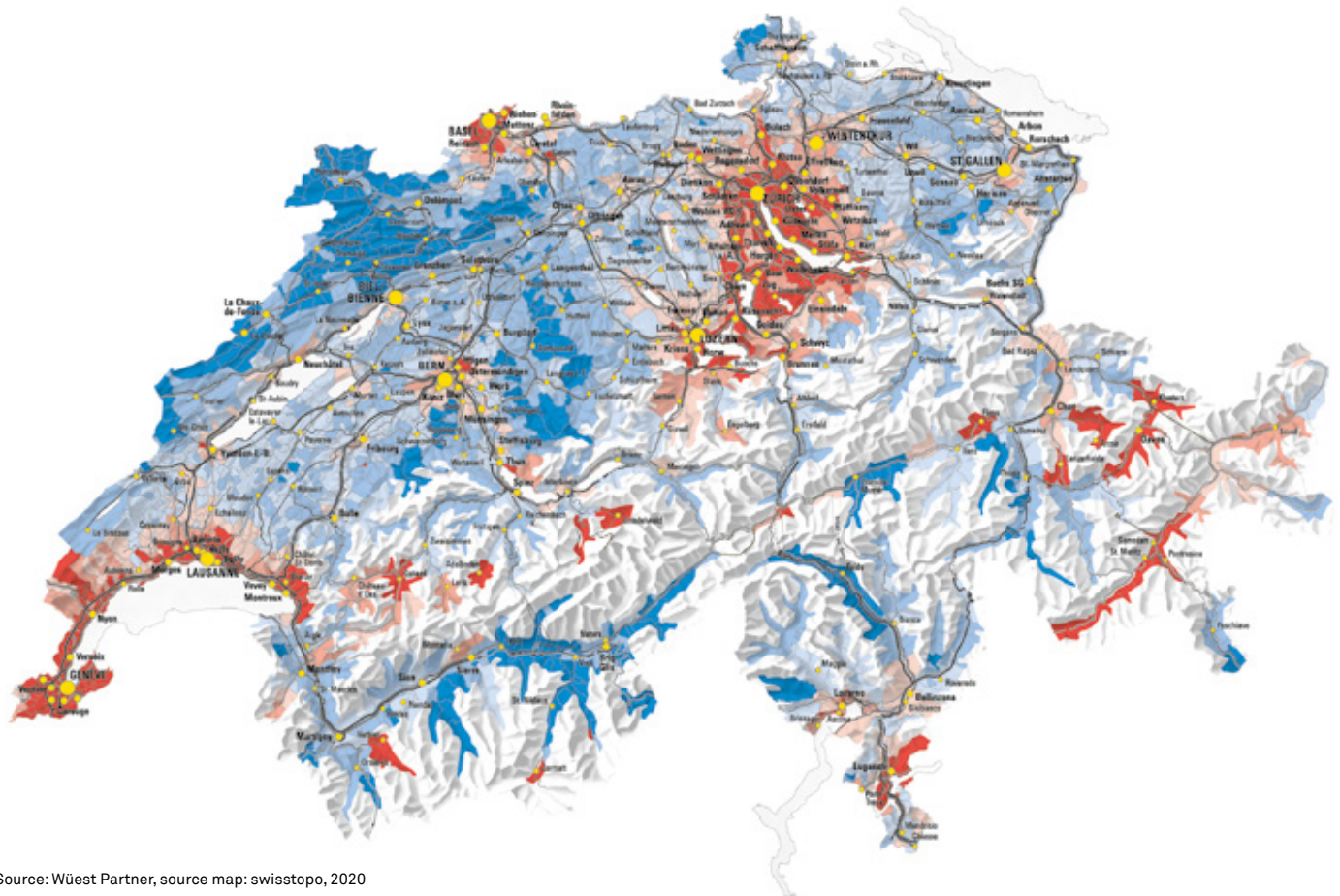
### 7.3.1 Renting

Two out of three people in Switzerland live in rented accommodation. Demand is high and availability scarce, especially in cities and large urban areas. Since 2003, the vacancy rate has been varying around the 1% mark (2019: 1.66%). It therefore takes some patience and luck to find the right place to live.

A number of factors can affect rents. The cantons with the highest rents are usually prime locations within reach of major urban centers. Another factor that explains high rents is a low tax burden.

**Market Prices for Owner-Occupied Accommodation**  
(last updated: 4th quarter of 2019)

(FIG. 22)



Source: Wüest Partner, source map: swisstopo, 2020

In CHF per square meter of usable space

- Over 8,000
- 7,000 to 8,000
- 6,000 to 7,000
- 5,000 to 6,000
- 4,000 to 5,000
- Under 4,000

**7.3.2 Buying**

The acquisition of residential property by individuals resident abroad is subject to certain legal restrictions (see 7.5). In 2017, the home ownership rate in Switzerland was about 38%. It is especially high among families with children, older people, and people with higher incomes.

Once the right property has been found, the next step is to sign a contract of sale. This contract forms the basis for any real estate acquisition and must be drawn up and notarized by a notary. It obliges the seller to transfer the property and the buyer to pay the agreed purchase price. The contract also describes the property and stipulates the date on which the property will be handed over and the securing of any capital gains tax on the property.

Before signing the contract, it is advisable to check the land register to see whether any rights and encumbrances are associated with the land on which the property stands or will be built. By providing proof of interest, you can obtain detailed information in the form of an extract from the land register, for which there is a fee. The information recorded in the land register can be complex. Although a right-of-way is easy for the layperson to understand, the situation is much more complicated when it involves building law or regulations applying to condominiums. In these cases, it may be advisable to consult an expert. The notary who handles the sale can also provide further information. The contract of sale, which must always be publicly notarized, represents the actual underlying transaction and is required for subsequent registration in the local land register. Ownership actually passes to the buyer when the land register entry is made. There is no centralized land register for all of Switzerland; each canton maintains its own register under the supervision of the Federal Office of Justice.

[www.ch.ch](http://www.ch.ch) > Homeownership in Switzerland > Homeownership: getting information  
Information about the land register

[www.grundbuchverwalter.ch](http://www.grundbuchverwalter.ch)  
Swiss Land Register Administrators Association

[www.hausinfo.ch](http://www.hausinfo.ch) > Finances and taxes > Purchases and sales  
Additional costs for condominiums

## 7.4 BUILDING PERMITS

Buildings and structures may only be erected or altered with the consent of the appropriate authorities. The construction project must first comply with the municipality's zone use plan, and then must also meet other requirements based on planning law and environmental regulations (water, air, waste, and noise) or requirements in the interests of public health and safety.

The building permit process takes an average of three months. Submitting a planning application (application for a building permit) is basically a standardized process. In addition to the project plans, a number of other forms and types of evidence must be submitted, depending on the particular project. It is in the owner's interest to obtain a legal building permit as quickly as possible since the owner must bear the financing costs during the planning and building permit phases. The typical building permit process has four stages:

- a) Notification of the authorities, consultation
- b) Submission of planning application, preliminary examination, additional investigation (environmental impact assessments, historic preservation, etc.)
- c) Application review, public notification (publishing a notice and staking out the extent of the structure), issue of the building permit (including conditions and deadlines)
- d) Period in which objections to the project can be submitted, construction approval

The purchase of land for residential construction is subject to the provisions described in 7.5.

[www.ch.ch](http://www.ch.ch) > Homeownership in Switzerland > Planning application and building permit  
Planning applications and building permits

## 7.5 PURCHASE OF REAL ESTATE BY PERSONS ABROAD

The acquisition of real estate in Switzerland by persons abroad is restricted by law and may require a permit. However, the permit requirement basically applies only to the purchase of vacation homes and residential property that will not be used directly by the party in question. As such, foreign nationals resident in Switzerland may purchase both residential and commercial properties.

### 7.5.1 No Permit Required

No permit is required for real estate that is used for the pursuit of a business activity, i.e. a professional, commercial, or industrial activity (with the exception of land for the construction, trade, or letting of housing). The concept of business activity is very broad. It applies not only to the classic forms of trade, industry, and commerce but also to the financial and services sectors. It therefore covers self-employed professionals such as IT specialists and hotel owners, as well as the operation of a trade or service center and even industrial production. The acquisition of an interest in real estate companies engaged in the buying and selling of such properties is also possible. Residential property can also be acquired under the "business establishment" heading if it is necessary for business purposes (such as accommodation for caretakers or technicians whose permanent on-site presence is required) or if separation from the business property would be impractical or unreasonable.

**Foreign nationals resident in Switzerland may purchase both residential and commercial properties.**

### 7.5.2 Permit Required

A permit is required for the purchase of non-commercial real estate by the following groups:

- Foreign nationals who reside outside Switzerland.
- Non-EU/non-EFTA nationals resident in Switzerland who do not have a permanent residence permit.
- Companies whose head office is located outside Switzerland (even if the owner is a Swiss citizen).
- Companies that have their legally registered and actual head office in Switzerland but are controlled by non-Swiss nationals who reside outside Switzerland. This is the case if foreigners hold more than one third of the company capital, have more than one third of the voting rights, or have provided significant loans.
- Buyers who purchase a piece of property for the account of a person abroad (fiduciary transaction).

The permit requirements apply not only to the transfer of real estate ownership requiring land register entries but also to any legal transaction that gives a non-resident actual control over any real estate for which a permit is required. For this reason, these groups are not allowed to invest directly in the housing market or conduct real estate dealings involving residential properties.

### 7.5.3 Reasons for Permit

Permission for the acquisition of properties for which a permit is required may be granted in the following cases on the grounds provided for by law:

- Banks and insurance companies licensed in Switzerland for acquiring real estate in compulsory enforcements and liquidation proceedings if the real estate is encumbered with a mortgage in their favor.

- Insurance companies for actuarial reserves for domestic business.
- The real estate acquisition is used by a Swiss company for the purposes of retirement plans for employees working in Switzerland.
- The property will be used specifically for a charitable purpose.
- Heirs or legatees must sell the property within two years (unless there are close ties with the property that merit protection).
- Hardship: a permit may be granted for a vacation home or a hotel condominium unit if the seller is in financial difficulty and has offered the property without success to individuals who are not required to obtain a permit.
- Certain cantons only: the acquisition of a vacation home by an individual abroad in a tourist resort.
- Certain cantons only: an individual not resident in Switzerland may receive a permit to purchase a second home in a location with which he/she has close economic, scientific/academic, or cultural ties.
- Certain cantons only: acquisition of real estate for the construction of subsidized housing.

### 7.5.4 Enforcement

Enforcement of the law is primarily the responsibility of the canton in which the real estate is located. The authority designated by the canton decides whether or not a transaction requires a permit and whether or not a permit should be granted. Under certain conditions, persons abroad can also be permitted to purchase a vacation home. However, ownership of real estate in Switzerland does not entitle a foreign owner to a residence permit.

## Permit Requirements for Different Groups

(FIG. 23)

GROUP	NO PERMIT REQUIRED FOR PURCHASE OF...
<b>All persons</b>	<b>Commercial Real Estate</b>
Citizens of member states of the European Union (EU) and the European Free Trade Association (EFTA) whose main residence is in Switzerland (usually with EU/EFTA B residence permit or EU/EFTA C permanent residence permit)	All types of real estate and property
Non-EU or non-EFTA citizens who have the right to permanently reside in Switzerland (with a C permit)	All types of real estate and property
Non-EU or non-EFTA citizens whose main residence is in Switzerland, who do not yet have the right to permanently reside in Switzerland (usually with a B permit)	Main residence
Companies headquartered in Switzerland controlled by persons who do not require a permit	All types of real estate and property
EU and EFTA cross-border commuters (with EU/EFTA G permit)	Second home in the area of employment

Source: Federal Office of Justice (FOJ)