

Swiss Real Estate Market Spotlight 2018

The market in rented accommodation has eased throughout Switzerland. Prices are falling, advertising times are lengthening, but not in the cities of Zurich, Basel, Bern and Geneva. The commercial space market has now reached the bottom, prices are stabilising and advertising times are shortening for office and retail space. This is shown by our evaluation of over 5 million pieces of supply data from www.immodatacockpit.ch.

- [Rent index for existing homes](#)
- [Rent index for as-new homes](#)
- [Rent index for office and commercial space](#)
- [Advertising time index for existing homes](#)
- [Advertising time index for as-new homes](#)
- [Advertising time index for office and retail space](#)

Housing market

Pressure in the rented accommodation market continues to ease **throughout Switzerland**. After a long phase of decline, prices stabilised somewhat in the second half of 2017. Less expensive homes have gone up in price whereas more expensive ones have fallen again. Overall, prices for rented accommodation have shown further falls, with no change in this trend in sight. This is also shown by advertising times. Advertising times are a good early warning indicator of the relationship between supply and demand and hence of future price movements. And the trend for advertising times is slightly increasing. So prices will continue to fall throughout Switzerland.

This nationwide trend towards easing does not apply to the cities. Here the movement is in precisely the opposite direction. Prices have gone up in all the major cities. The price increase is most obvious in **Zurich** in existing and as-new homes. Advertising times have now shortened. However, they stabilised in the second half of the year, most clearly in the less expensive homes. The pressure on prices remains high!

In **Basel** too, prices have risen in all segments, this being least obvious in the expensive homes. But advertising times have also lengthened. So easing of prices is to be expected in 2018.

Bern is also showing rising prices in the overall market and in as-new homes. Less expensive homes are affected more and expensive ones less so. However, advertising times are stable and hence so is pressure on prices.

Geneva is the exception. 2017 saw almost no price increase. More expensive homes in particular did go up in price but less expensive ones, on the other hand, have even suffered a mini-price collapse with a fall of over 5% over the course of the year. Advertising times have scarcely changed in that time. They are showing a slight upward easing tendency. So further falls in rents are expected for 2018.



Market in retail space

The prices of office and retail space were slightly downward **throughout Switzerland**. After a significant fall in retail space in the second quarter, the market stabilised. Is this a turnaround? Very likely, since advertising times are also down in the second half year, both in office space and retail space! Prices probably will not fall much more in 2018 but will make up a little ground again.

Zurich clearly reflects the noticeable price rise throughout the country in office and retail space. And this is with shortening advertising times.

Basel has already completed the turnaround. Price movements in 2017 were upward and advertising times were reducing. This easing is more marked in retail space than in office space.

In **Bern**, the turnaround is also evident, albeit less marked. With shortening advertising times, prices for office space will also follow suit here in 2018.

Whereas office rents in **Geneva** are still falling, the turnaround has already begun in retail space. Advertising times also have a clear message here: rising prices in 2018.

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