

Analysis of the Real Estate Market of the City of Zurich

Planning to move to Zürich in 2023

- Where should we look for an apartment ?
- Should we look to buy or to rent an apartment ?
- Is there any differentiation between the type of apartment and the area ?



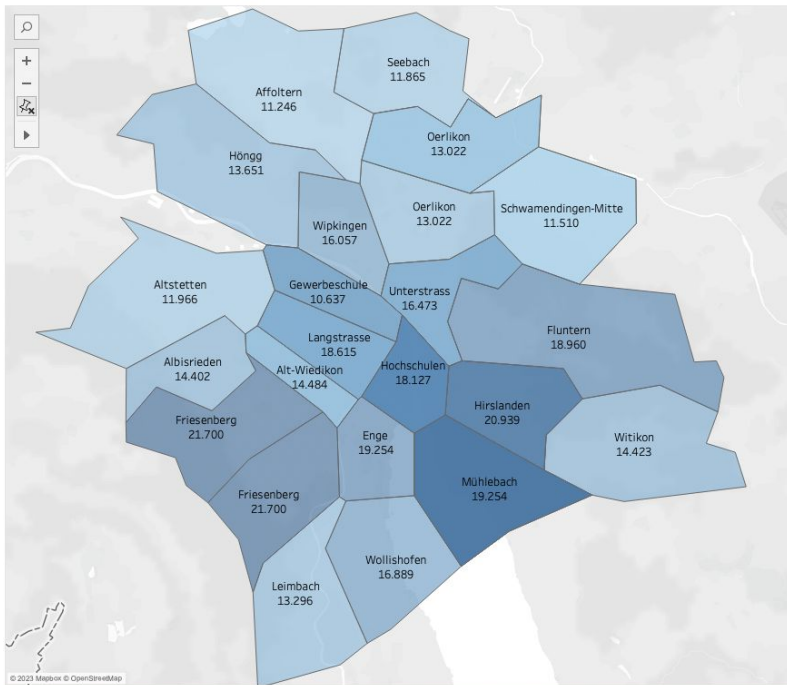
Google (2023) Zürich / Switzerland. Available at: <https://www.google.de/maps> (Accessed: 5 Jan 2023).

Why is buying an option to consider?

- swiss tax system: based on income and fortune
→ to lower your tax: lower your fortune with having a high debt
- good investment: 80% increase from 2009 to 2021
- infinite mortgage: only a small part of the property price needs to be reimbursed within 15 years (13%!)

Comparison **Buying** vs. **Renting** per city Neighbourhood

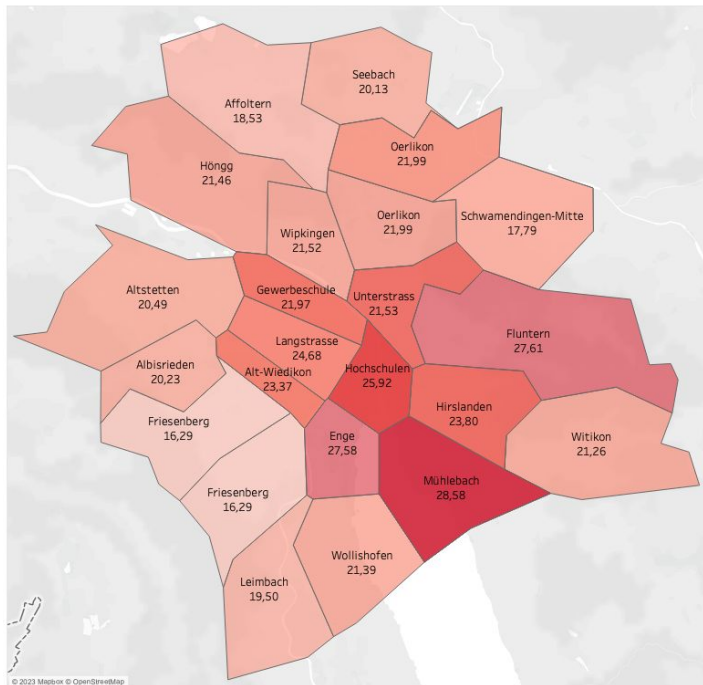
Average Apartment Price Per City Neighbourhood [FrSqM]



Avg. apartment price FrSqM predicted 2022

9,480 23,994

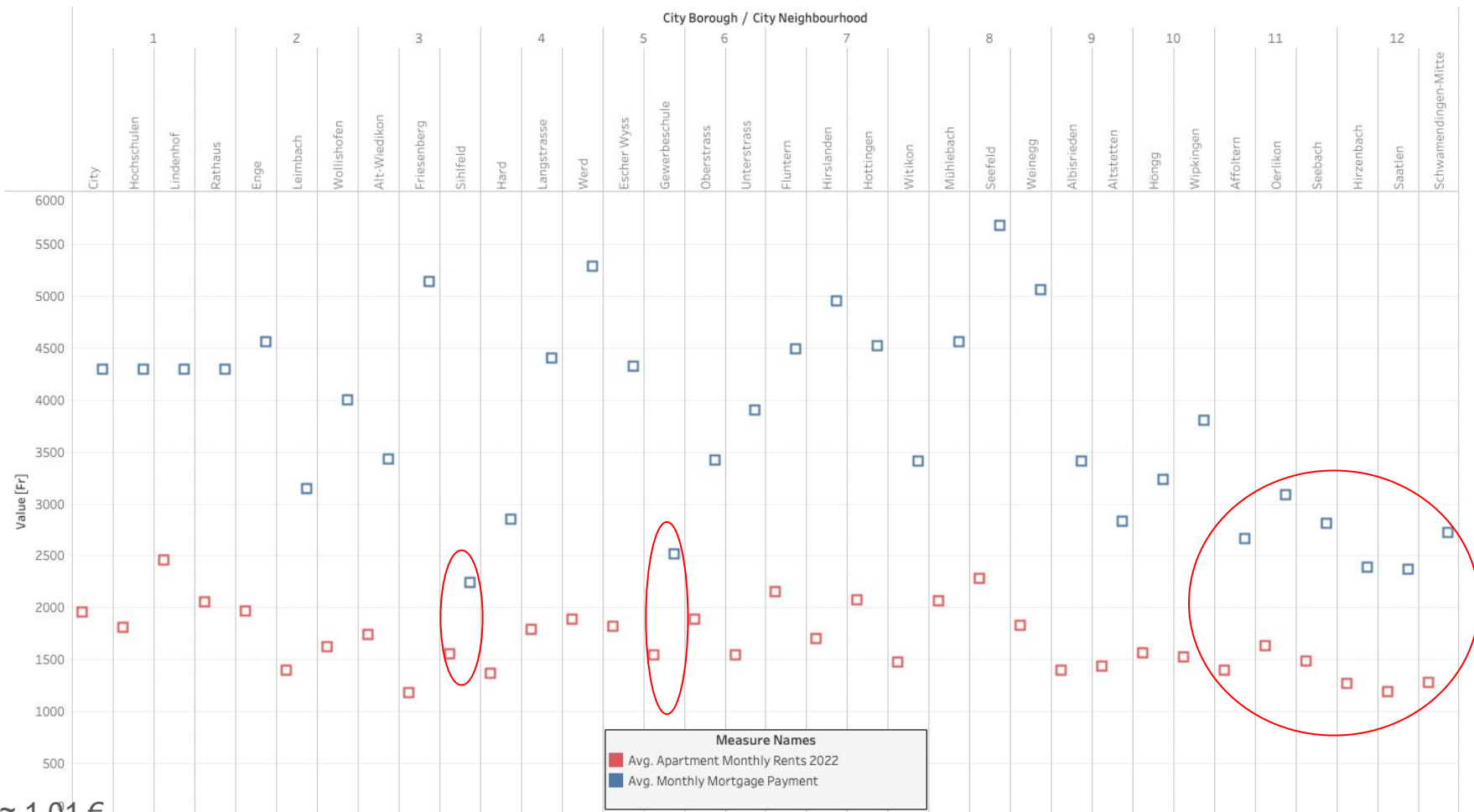
Average Rent Per City Neighbourhood [FrSqM]



Avg. Mean Rent

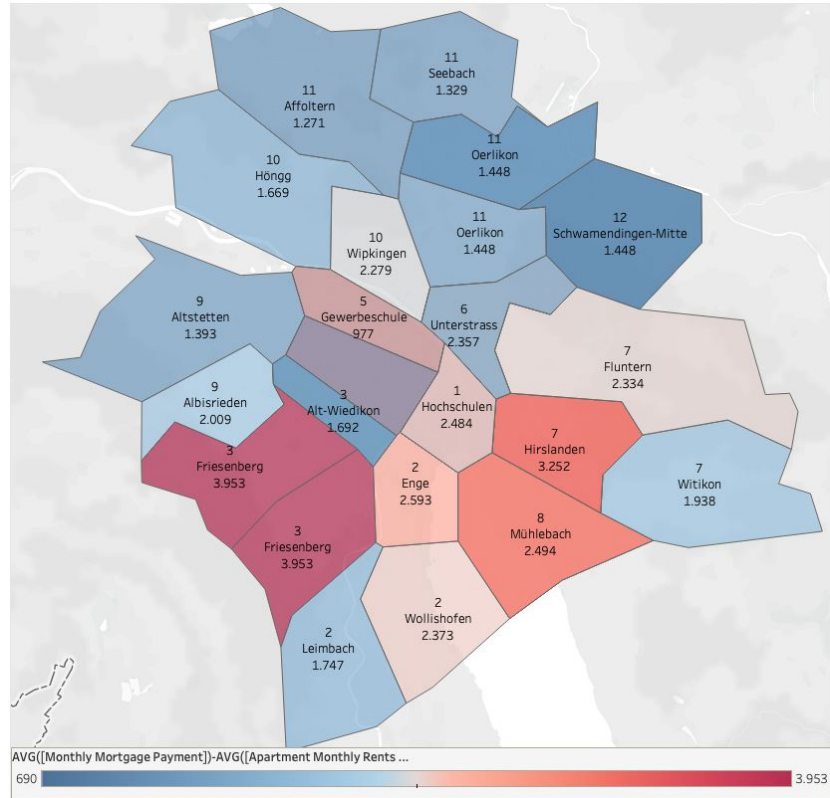
15,94 32,05

Comparison Monthly Rent vs Monthly Mortgage Payment for 3-room apartments



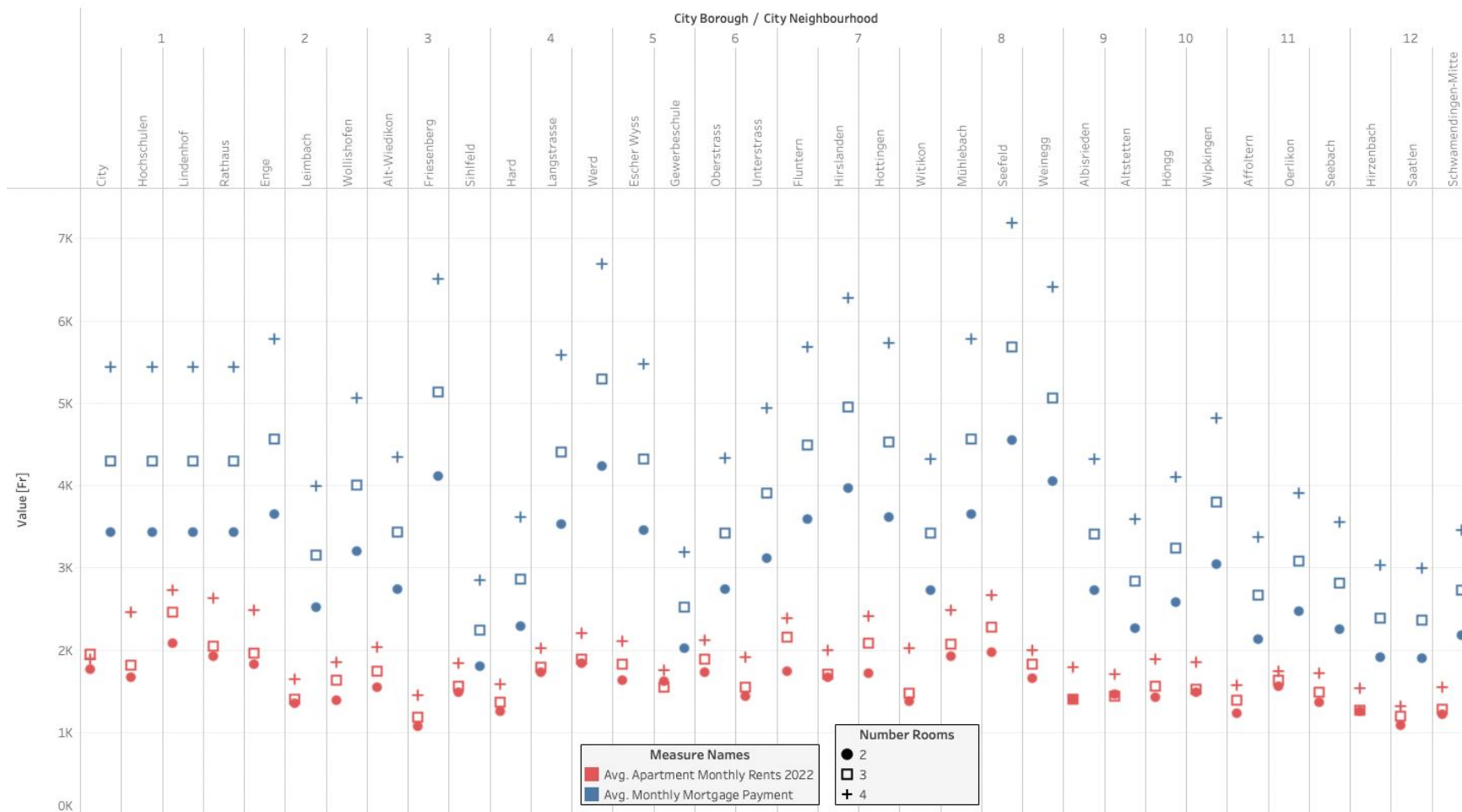
1 Fr ≈ 1.01 €

Difference Monthly Mortgage - Monthly Rent, for 3-room apartments [Fr]



1 Fr \approx 1.01 €

Comparison Monthly Rent vs Monthly Mortgage Payment for apartments



Key Findings

- Renting is much cheaper than buying (min. 1000 Fr. Difference)
- Buying: concentrate on the neighbourhood “Sihlfeld” and the Kreis 9-11-12
- Buying: concentrate on small 2-room apartments

How to improve and continue the analysis?

- diversify the mortgage inputs
- getting more data and more accurate data on apartment prices and rents
- taking into account the tax savings that would result from buying a property

Thank you for your attention

Datasets

- 1) Rental prices of the city of zurich for April 2022 for 2, 3, 4-room apartments
- 2) prices of sold apartments and houses for 2008 - 2021 per square meter.
 - a) prices for 2022 were predicted based on the prices for 2021 and the inflation rate of 2021

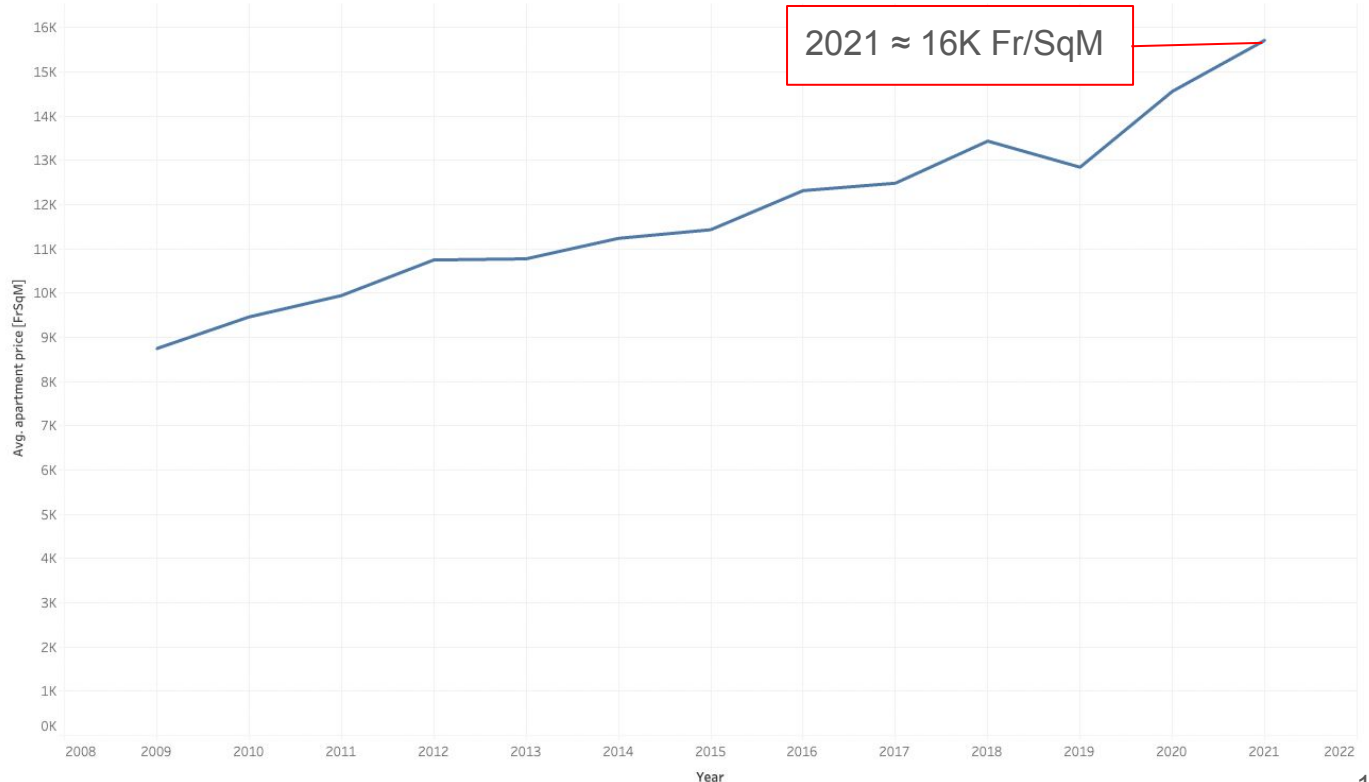
Evolution of average apartment prices in Zurich 2009 - 2021

1 Fr \approx 1.01 €

2009 - 2021:

increase of 80%

in 12 years !



Europe: Prices by City of Price per Square Meter in € to Buy Apartment in City Centre (Buy Apartment Price) - Top 10

Rank	City	Price per Square Meter to Buy Apartment in City Centre
1	Zurich, Switzerland	18166.49
2	Geneva, Switzerland	16445.47
3	Lausanne, Switzerland	13931.29
4	London, United Kingdom	13642.23
5	Paris, France	12501.97
6	Munich, Germany	12162.54
7	Luxembourg, Luxembourg	12031.85
8	Stockholm, Sweden	10142.61
9	Frankfurt, Germany	9816.67
10	Basel, Switzerland	9414.18
13	Amsterdam, Netherlands	8558.92
14	Hamburg, Germany	8500.00
17	Berlin, Germany	8120.79
43	Lisbon, Portugal	5484.39
44	Madrid, Spain	5414.15
53	Barcelona, Spain	4855.02

Source: https://www.numbeo.com/cost-of-living/region_prices_by_city?itemId=100®ion=150&displayCurrency=EUR, Accessed on 5 Jan 2023.

Mortgages in Switzerland

- Financing of a property price is divided into 3 parts:
 - **own capital** = min. **20%** of property price
 - **1st mortgage**: no reimbursement = max. **67%** of property price
 - **2nd mortgage**: reimbursement in 15 y. = max. **13%** of property price