

## Switzerland: Top prices for residential property in Gstaad

- Scarce supply in prime locations leading to ever-growing valuations
- Record prices of up to 60,000 CHF (approx. 49,200 euros) per sqm

**Hamburg/Gstaad, 22 December 2011.** The residential property market in the winter sports resort of Gstaad in the Bernese Highlands is one of the most exclusive on earth. The traditional chalet village was even left virtually unscathed from the international economic and financial crisis. “Overall there was a little less activity on the market, as the majority of those who own prestigious second homes are not placed in a position where they are forced to sell their properties, even during turbulent times on the capital markets. Rather, they’re interested in holding on to their real estate as a stable asset,” commented Antonia Crespi, Office Manager at Engel & Völkers in Gstaad. “The market – especially in desirable areas such as Oberbort – is being impacted by a distinct lack of available properties,” Ms. Crespi added.

This development is being propped up still further by the general trend towards crisis-proof investments in tangible assets, coupled with strict building regulations and limits to new construction projects in Gstaad that arise as a result.

### **Premium real estate often only on market for matter of days**

With regard to exclusive chalets with very high-quality appointments in prime locations, Engel & Völkers Gstaad is registering prices of between 15.0 million CHF (approx. 12.3 million euros) and 40 million CHF (approx. 32.8 million euros). At top addresses in the Alpine village, the high excess demand is leading to new record price tags of up to 60,000 CHF (approx. 49,200 euros) per sqm. The average time-to-market for second homes in good and very good locations is currently six to 12 months, according to Ms. Crespi. “In some cases however, particularly special properties in very attractive locations are finding a new owner within the space of just a few days. Provided that the properties are offered at the appropriate price.”

In addition to detached residences built in the chalet style typical for Gstaad, freehold apartments with interiors upwards of 200 square metres and located within close proximity to the village centre are also in very high demand. Here, prices per square metre for properties with a first-class appointment are between 30,000 CHF (approx. 24,600 euros) and 45,000 CHF (approx. 36,900 euros) per square metre.

Prices in the surrounding districts of Wispile, Gruben, Bissen and the surrounding municipalities of Schönried, Saanen Unterbort, Saanen and Rougemont are also at a very high level. As much as 25,000 CHF (approx. 20,500 euros) per square metre can be reached for freehold apartments here. Authentic farmhouses in the surrounding region with potential for development are among the most desired properties but only very rarely on the market.

### **International buyers dominating the market**

The majority of buyers are looking for real estate for private usage as a second home and as a secure material asset. The well-developed infrastructure in Gstaad makes it possible to reside in or rent a holiday property throughout the entire year. During the winter months, Gstaad boasts one of the finest skiing regions in Switzerland, whilst in summer it impresses with countless opportunities for mountain walks and rounds of golf. Furthermore, institutional investors and building contractors are also investing in high-quality building projects, such as the high-class 7-star Alpina Hotel, which is due for completion around Christmas 2012 and will also encompass private apartments and three chalets.

The market is traditionally dominated by international buyers, primarily from Greece, Italy, Spain and Belgium. Engel & Völkers Gstaad has however also registered a significant increase in enquiries from Swiss nationals, Germans, Austrians, British citizens and Monacans. “Many of our clients are not originally from EU states, coming from countries such as Iran but having their main place of residence in Europe. Some already own a holiday residence on the Côte d’Azur or another second home market in southern Europe and are looking to invest in another stable property in a sought-after ski resort. These clients are usually seeking a real ‘trophy property’,” Ms. Crespí revealed. Clients from Russia on the other hand tend to be mainly interested in rental properties.

### **Central location is a key purchasing factor**

“Many buyers consider a ten-minute drive to the centre of Gstaad as a considerable distance. Residential properties around the legendary Palace Hotel are therefore particularly desirable, affording a unique outlook over the village and the mountains,” said Ms. Crespí. In terms of appointment, a garage and an elevator are often prerequisites, along with an indoor pool, wine cellar and an entertainment room. Particularly discerning clients with sufficient capital resources also give priority to a large living space, ensuring ample space for staff apartments and guest quarters.



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## Press Information

**Captions:**

(Source: Engel & Völkers)

- 1.) Gstaad has an international reputation as one of the world's most exclusive winter sports destinations, while its property market is amongst the most expensive on earth. A current highlight being offered through Engel & Völkers in Gstaad is this approx. 350 m<sup>2</sup> square metre chalet in Rougemont on sale for 20.0 million CHF (approx. 16.7 million euros).
- 2.) Authentic farmhouses in the surrounding region with potential for development are among the most desired properties but only very rarely on the market. This renovated farmhouse in Gsteig with a surface living area of approx. 440 m<sup>2</sup> is being offered through Engel & Völkers Gstaad for 19.0 million CHF (approx. 15.6 million euros).

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\* Source: Franchise Direct „Top 100 Global Franchises Ranking“

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