

St. Moritz: Residential property prices reach new highs

- **Valuations in prime locations rise by five percent**

Hamburg/St. Moritz, 31 January 2012. An inseparable combination of winter sports and sophisticated lifestyle – the traditional village of St. Moritz embodies this ethos like hardly any other place. The residential property market is exclusive, accordingly. The attractive location in the middle of the Engadine lakes only adds to this exclusivity, as its natural situation means that space is very limited. Land plots are a scarce commodity here. Along with restrictively managed planning permission and strict stipulations governing new developments, a small yet high-demand market has emerged in the popular Alpine region.

“All these factors have resulted not only in sustained high prices on the property market but even price hikes in the uppermost market segment,” says Chiara Jankolow, Office Manager at Engel & Völkers in St. Moritz. The general trend of investing capital in crisis-proof assets has also sent demand and therefore prices soaring in the exclusive ski resort. Engel & Völkers has registered a five-percent rise in prices over the previous year for homes in prime locations with a very high-quality appointment.

Strong excess in demand in the uppermost market segment

The demand for first-class second homes in St. Moritz is exceeding supply in prime locations. The most desirable addresses are mostly on the “Suvretta-Hang” hillside. Record sums of 40.0 to 80.0 million euros can be fetched here for properties in a traditional chalet style with a particularly high-quality specification. Prices per square metre are reaching new highs of up to 59,000 euros. In addition, residential properties in St. Moritz Village are in strong demand, where homes with a high-end appointment in prime locations such as the Via Tinus, Via Brattas, Via Serlas, or in immediate proximity to the Palace Hotel, can change owners for as much as 20.0 million euros. The price per square metre here can reach up to 34,000 euros for chalets and freehold apartments.

The surrounding municipalities including Sils, Silvaplana, Pontresina, Celerina, Samedan and Zuoz are also profiting from the popularity and image of St. Moritz. In the neighbouring village of Celerina for example, prestigious properties are being sold for as much as 7.0 million euros. The prices per square metre for villas here range from 20,000 to 25,000 euros, with prices for freehold apartments between 13,000 and 21,000 euros.

The average time-to-market for second homes in good and very good locations is, according to Chiara Jankolow, three to six months at present. Provided prices remain realistic, particularly first-class properties often find a new owner significantly quicker however.

Premium location and panoramic views are most important purchase criteria

As with all properties, location in St. Moritz plays a particularly important role when deciding to buy. Particularly sought after are high-quality homes in central yet quiet locations, preferably with unparalleled views over the Alpine panorama. “Quality and exclusive comforts are also key factors. The standards of interested buyers are high,” says Chiara Jankolow. “But there is also a willingness to pay the respective price provided these wishes are fulfilled.” According to Jankolow, the most frequent enquiries are for chalets in a typical Engadine style and modern apartments. In terms of appointment, discerning clients are particularly interested in the use of qualitatively high materials.

90 percent of buyers come from abroad

The majority of buyers are looking for prestigious real estate for private usage as a second home and secure investment. Homeowners in Switzerland who are not permanent local residents must be in possession of a residence permit. The admission restrictions were tightened in August 2011 – particularly in the canton of Grisons, where St. Moritz is located. These restrictive stipulations are intended to make more low-priced property available to local citizens. The market in St. Moritz is nevertheless 90% dominated by international buyers. Engel & Völkers receives interest most frequently from Germany, Italy, Russia and China.

Besides offering one of the finest skiing regions in the world, it is also the excellent infrastructure and the fact that St. Moritz has established itself as an attractive year-round holiday destination that most appeals to local and international guests. It affords the ideal conditions for a long winter sports season, thanks to guaranteed snow and an optimum climate at this altitude. The ski lifts usually operate until the end of May. Thanks to the various hiking trails, many golf courses and St. Moritz Lake, the region is a popular destination during the summer months too. Second homes are therefore high in demand amongst international property buyers throughout the whole year.

The consistently high price level does not scare off potential buyers. “On the contrary. Taking into account the limitations of the market, increases in prices seem more likely. Superior properties in very good locations in St. Moritz will always be a good investment,” Chiara Jankolow believes.

Bildunterschrift:

(Source: Engel & Völkers St. Moritz)

A current highlight on the market is this approx. 210 sqm freehold apartment in St. Moritz Village, with views overlooking Lake St. Moritz.



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* Source: Franchise Direct "Top 100 Global Franchises Ranking"

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