

4 June 2025

News release

UBS Alpine Property Focus 2025: In demand, but expensive

According to the new UBS Alpine Property Focus 2025 published by the UBS Chief Investment Office GWM (UBS CIO GWM), St. Moritz in Switzerland has again secured the title of the market with the most expensive holiday homes in the entire Alpine region. Across Europe, prices for alpine holiday homes rose by 2.3 percent over the past four quarters. For 2025, it's expected that prices will continue their upward climb, but at a slower pace.

Zurich, 4 June 2025 – Switzerland is home to the five most expensive markets for holiday homes in the Alpine region. The highest price per square meter is found in the Engadin/St. Moritz area, where a holiday home in the premium segment costs at least CHF 22,300 per square meter (EUR 23,700). Verbier ranks second, with prices starting at CHF 22,100 per square meter (EUR 23,600). Zermatt, Gstaad, and Andermatt complete the top five.

The most expensive location in the French Alps is Courchevel, where premium holiday homes start at CHF 17,900 (EUR 19,100) per square meter. In Austria, Kitzbühel leads the ranking with prices from CHF 13,900 (EUR 14,800) per square meter. Cortina d'Ampezzo – host of the upcoming Winter Olympics – is the priciest destination in the Italian Alps, starting at CHF 11,800 (EUR 12,500) per square meter.

Easing Alpine frenzy

Travel restrictions, the temporary closure of urban leisure facilities during the pandemic, and the rise of hybrid work models triggered a sustained surge in demand for holiday homes from 2020 onwards across the Alpine region. Buoyant stock markets also boosted buyers' willingness to pay. Since 2020, prices for holiday homes in the Alps have risen by around 30 percent on average across the regions analyzed, equivalent to an annual increase of 5.5 percent.

Higher financing costs have only slightly dampened the price boom. In 2024, holiday home prices in the top Alpine destinations analyzed rose by an average of about 2.3 percent. The strongest price increases were seen in the leading French and Italian destinations, which climbed by more than 4 percent on average. In Switzerland's top locations, they rose by just under 3 percent. Only in the Austrian Alps did prices decline – by an average of around 3 percent.

Solid demand, but a muted outlook

Alpine holiday homes remain hugely popular. Young professionals who can work remotely especially value the freedom and quality of life offered by mountainous regions. With summer heatwaves becoming more frequent, Alpine retreats are also gaining appeal. In addition, rising life expectancy makes buying a holiday home more attractive, as the potential period of usage increases.

Maciej Skoczek, real estate economist at UBS CIO GWM and lead author of the study, forecasts: "In the short term, price developments in the Alpine region are likely to further weaken in the coming quarters. The economic outlook for Europe remains subdued, inflation is weighing on household purchasing power, and high financing costs – outside Switzerland – make acquiring Alpine second homes an expensive undertaking."

Focus on Switzerland

Still rising

Current geopolitical turbulences are once again highlighting the appeal of Swiss real estate as a safe investment for international clients. In addition, the sharp fall of mortgage rates is boosting demand for Swiss holiday homes. The supply of holiday homes and new construction activities remain generally low, which continues to support prices.

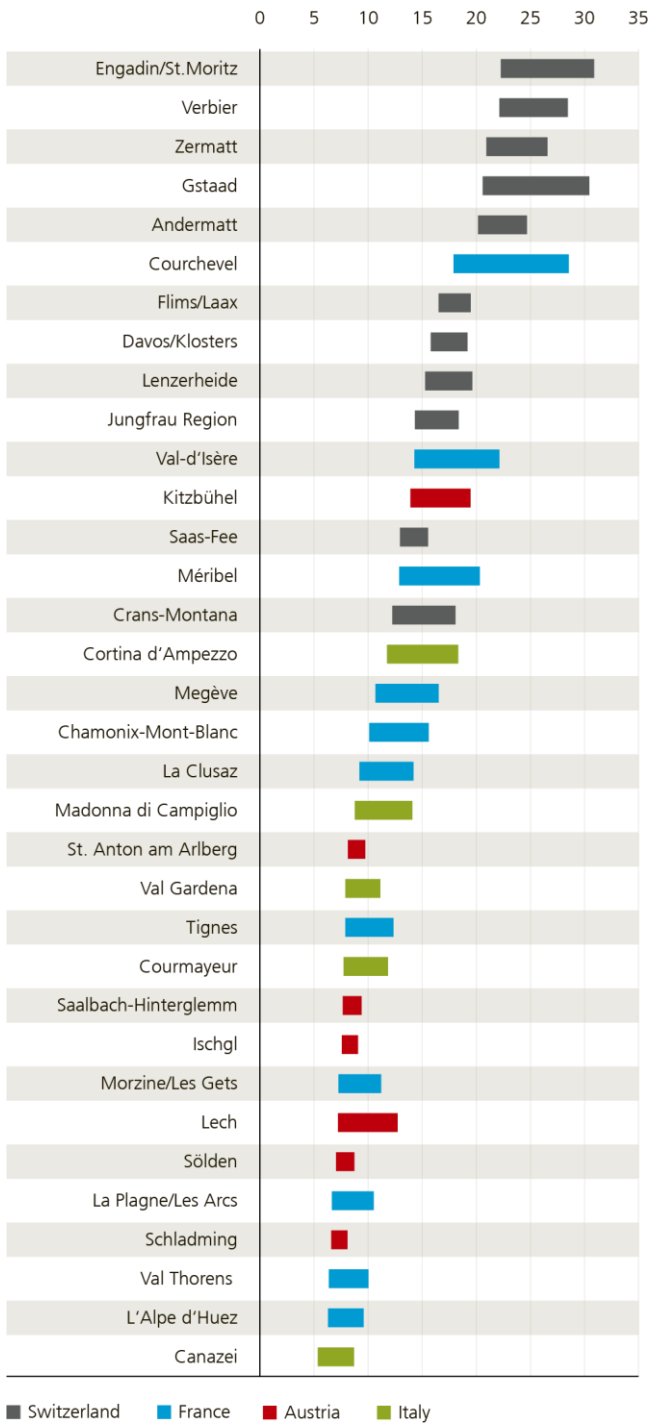
Regionally, however, high price levels are increasingly hitting barriers, and the pace of price increases is expected to slow compared to last year. Early signs of market slowdown due to high prices have been evident for several quarters in Graubünden, where price momentum has cooled significantly year on year. Overall, buyer interest is likely to shift toward more affordable regions.

Regulatory risk in focus

The current short supply situation is expected to ease somewhat in the near future. Since October 2024, the Second Home Act has been relaxed, so more second homes are likely to come onto the market. Legacy properties can now be expanded by up to 30 percent, even if this results in additional units. In the first quarter of 2025, the number of building applications in tourist destinations was already about 10 percent higher than the previous year, reaching the highest level since 2017.

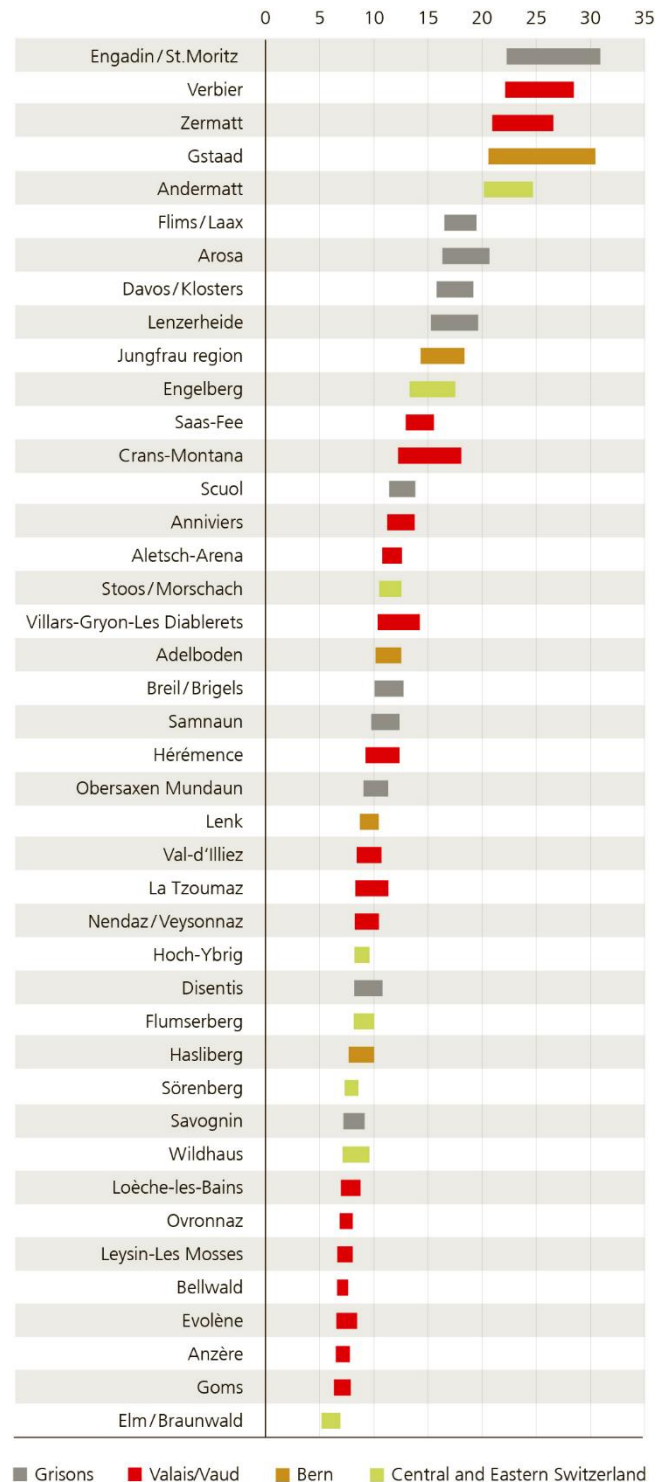
There could also be some relief on the demand side – primarily as a result of regulatory interventions. For example, the Federal Council is considering tightening the Lex Koller, which would further regulate the acquisition of real estate by foreigners. In addition, the planned abolition of the imputed rental value could lead to higher tax burdens for property owners. Finally, the “Initiative for the Future” is clouding the outlook for the luxury segment.

Square meter prices for vacation homes in top destinations of the European Alpine region, in thousand Swiss francs.



Source: UBS

Square meter prices for vacation homes in alpine holiday destinations in Switzerland, in thousand Swiss francs.



Sources: Wüest Partner, UBS

Links

[UBS Alpine Property Focus 2025](#) (Download the report)

[UBS publications and forecasts for Switzerland](#)

UBS Switzerland AG

Contacts

Maciej Skoczek, Economist, Swiss Real Estate, UBS Chief Investment Office GWM
Tel. +41-44-234 68 09, maciej.skoczek@ubs.com

Claudio Saputelli, Head Swiss & Global Real Estate, UBS Chief Investment Office GWM
Tel. +41-44-234 39 08, claudio.saputelli@ubs.com

www.ubs.com/media