



# Purchase and renting of Swiss residential property by foreigners

**Foreign investors remain highly interested in Swiss multi-family houses as an investment alternative. The vacancy rate for Swiss residential property is very low in an international comparison, and demand for rental properties and residential rents are very high. This trend is boosted by cheap financing and the stability of the Swiss currency.**

## The key to a Swiss residential property

The prohibition on the acquisition of real estate by foreigners currently only applies to the acquisition of residential property and only concerns foreigners who are not resident in Switzerland. Foreigners with EU or EFTA nationality have the right to apply for a Swiss residence permit and have the same rights as Swiss citizens once they take up residence in Switzerland. They can acquire and rent residential and commercial property without any restrictions. Foreigners with another nationality are only allowed to acquire a principal residence for own use. Interestingly, a foreigner who took up residence in Switzerland and leaves the country later is not obliged to sell the Swiss property.

## Carte blanche for commercial property

Foreigners may buy and rent commercial property in Switzerland without any restrictions.

Apartments in commercial buildings can only be acquired if they account for a subordinate share of the total property.

## Basic rules for rents

Tenants in Switzerland are protected against improper notice to quit and rent increases. Notable rent increases are in realty only possible after a renovation. Although the new owner can demand a rent increase in order to earn a sufficient return on his investment, the calculation of the rent may not be based on an excessive purchase price. The situation is different for new rentals, where the landlord can fix the rent freely according to the current market situation. The initial rent is seldom opposed by the tenant.

## Conclusion

The key to the purchase and renting of Swiss residential property by foreigners is a residence permit and transfer of domicile to Switzerland.



Dr. Armin Zucker  
 Verband der Geschäftsmieter  
 POB 1432 CH-8032 Zürich  
 telephone +41 44 396 91 00  
 fax +41 44 396 91 01  
[info@geschaeftsmieter.org](mailto:info@geschaeftsmieter.org)  
[www.geschaeftsmieter.org](http://www.geschaeftsmieter.org)