Buying and Selling Real Estate

Buying and selling real estate in Switzerland is an important financial step that requires careful planning and a sound understanding of the legal framework conditions.

Market understanding and planning

- **Conduct market analysis:** Gain an overview of current price trends as well as supply and demand in various Swiss regions using the latest data and statistics.
- **Develop plan for purchase price financing:** Create a comprehensive financial plan that takes into account your personal wealth situation. Think about what assets are available for your real estate purchase and make sense to be used for this purpose. Gather information about financing options as well as the conditions of Swiss banks and consider the usual equity[1] requirement of at least 20%.
- **Establish financial planning of running costs:** Plan your finances carefully taking into account income, interest-rate developments, ancillary costs, and personal requirements. This includes making a detailed list of all ancillary costs such as notary fees, transfer taxes, land register[2] and broker fees.

[1] Share of equity in total capital
[2] Public register of property rights

Real estate search and viewings

- **Define search criteria:** Define your priorities regarding location, size, price, and special features.
- **Schedule viewings:** Organize viewings to obtain a personal impression of the property and the condition it is in. Carefully examine the building's substance and potential need for renovation.

Purchase processing

- **Offer and negotiations:** Gather advice on how to make an offer and conduct negotiations.
- **Purchase contract:** Get detailed information about the drafting and signing of the purchase contract, preferably including a notary.
- **Land register:** Seek guidance on how the transfer of ownership will be entered into the land register and handled by the relevant office.

Sales process

- **Appraisal:** Request guidance on how to determine a realistic sales price. Also consider consulting a real estate expert.
- **Marketing:** Find effective strategies and channels to present your property in the most favorable way possible.
- **Sales negotiations and conclusion:** Use instructions to lead the negotiation process and to ultimately conclude the sale.

Legal and tax considerations

- **Property restrictions (Lex Koller):** Seek detailed explanations regarding regulations for non-Swiss citizens.
- **Purchase tax and fees:** Gain an overview of the applicable taxes and fees, which vary by canton.
- **Tax aspects of a sale:** Keep in mind information about potential tax liabilities, including property gains tax.

Sales transactions create additional costs

Transfer taxes: Transfer taxes differ by canton and are due when registering in the land register.

Notary and land register fees: Every purchase must be certified by a notary and entered into the land register. Depending on the canton, the amount of fees due differs.

Mortgage note: If the purchase is financed with a mortgage among others, the creation of a mortgage note usually costs between 0.1% to 0.3% of the mortgage note value.

Pension withdrawals: If the purchase is financed using pension savings (pillar 3a or pension fund savings) among others, taxes on the capital fall due at the time of withdrawal.

Insurance costs: As the owner of a residential property in Switzerland, you must and should insure your home.

Conclusion

The purchase and sale of real estate in Switzerland require comprehensive preparations as well as an understanding of the local market and the legal conditions. Careful planning and professional guidance are key to minimizing risks and designing a successful process.

smzh-Tipp

Burak Er
Head Research &
Advisory Solutions

Based on his years-long experience, Burak Er recommends that it is worth consulting with experts who can guide you through all the steps of the purchase and sales process:

The Swiss real estate market can be complex and challenging, particularly considering the many legal, financial, and tax aspects. The experienced advisors from smzh ag provide valuable insights and support. With our professional support, we help you minimize risks and take the best decisions considering your personal needs.

smzh for you

- **Financing advice:** We develop an optimal financing strategy, clarify viability and loan-to-value, and identify the best partner for your financing.
- **Legal certainty:** Our experts examine the purchase contract and accompany you throughout the entire purchase process, from the appointment with the notary to the property transfer.
- **Efficient payment settlement:** We coordinate the creation of the promise to pay and on-time provision of the means of purchase.
- **All-round support:** We support you every step of the way to ensure that your real estate purchase is sound, seamless, and successful.

Call us at
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or make an appointment online.

About us

smzh ag is an independent financial services provider offering holistic, transparent, and sustainable advice in the areas of finance & investments, pension & insurance, mortgages & real estate, as well as tax & law.

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