

Zurich, 9 May 2023

Media release

2023 Living Dream Study

Housing and energy costs cause concern, further increase in investment in solar systems

Nine out of ten Swiss are satisfied with their current housing situation, but continuously rising real estate prices and the threat of increases in energy costs are making many owner-occupiers think about investing in solar panels. This is shown by the current Living Dream Study from Helvetia and MoneyPark. This representative survey, conducted in February 2023, once again takes a close look at the Swiss population's housing dreams – and specifically at the energy crisis, which is fueling investments in home ownership and could trigger a solar boom.

Next-door's garden may occasionally look greener, but satisfaction with the housing situation in Switzerland is still very high. Nine out of ten respondents are satisfied or very satisfied with their housing situation. The increasingly high level of satisfaction was already apparent before the pandemic, and continued after a small dip in 2021. However, there are considerable differences between owner-occupiers and renters, especially when it comes to the question of satisfaction. 70 percent of owner-occupiers are "very satisfied", but the figure for renters is only 37 percent.

Popular rural life

The countryside remains the most popular residential environment. 44 percent of respondents say they would prefer to live in the country. This is four percentage points less than last year, but still more people want to live in the country than already live there – in the city it's the other way round. The correspondence between current and preferred living environment is 85 percent in the countryside and 65 percent in the city. Owner-occupiers are still more likely than tenants to live where they want to. In terms of preferred property type, the detached single-family house is still the undisputed front runner. More than half of the respondents (52%) would prefer this type of property – but the terraced or semi-detached house is far behind at seven percent. 25% of people prefer to live in a flat or an apartment building.

Greater sensitivity to housing costs

When it comes to the question of the decisive criteria for choosing or buying a residential property, there is an increased sensitivity to costs, which presumably has something to do with the current economic trend. The rental or purchase price is unchallenged at the top of the list, and at 61 percent it was mentioned even more often than in the previous year (56%).

The outdoor area became the second most important criterion after the outbreak of the pandemic, and it has maintained that position ever since. At 17%, environmental factors are growing in importance – moving up one place compared to the previous year. This is at the expense, of all things, of a separate room for working from home (16%) – which slipped down a place at the end of the pandemic.

As far as the location of the dream property is concerned, peace and quiet (70%) and proximity to nature (61%) continue to be particularly important to respondents, as do good public transport connections (60%). Proximity to the workplace (32%) and a good location for private transport (23%) are each down two places. The tax rate (37%) is now the sixth most important criterion, two places higher than last year. Proximity to medical care (28%) is now a sharp three places higher.

Increased sensitivity to housing costs is also evident when it comes to future housing needs. The promotion of affordable housing is in first place, at 55%. The conversion of commercial or industrial buildings into flats also finds many supporters (41%), while there's a clear urban-rural divide on two topics: "stronger limits on immigration" and "building higher".

The energy crisis is keeping investment in home ownership high

The last few years' studies show that needs are repeatedly affected by external influences. The current living dream study is impacted by an impending electricity shortage and rising energy prices, which affect the way the residential population thinks and behaves. The energy crisis is fuelling planned investments in home ownership even more than the pandemic last year and the year before. "Better life" during the pandemic, with broad investment in the garden and outdoors, is now being followed by the solar boom among owner-occupiers. More than half of the owners surveyed (54%) plan to invest in their homes in the next two years. For just under a third of the respondents (29%) who want to invest, these investments will go into a solar installation to produce electricity or hot water. Compared to the previous year (17%), solar installations have moved up four places – and are now the number one planned expenditure. In the previous year the garden / outdoor area was in first place.

Other winners among planned investments are charging stations for electric cars (10%, as against 5% in the previous year) and battery storage systems for homes, a new entry in 8th place. "Investments in an environmental and self-sufficient energy supply are currently very popular with owner-occupiers", says Jan Kundert, Chief Customer Officer at Helvetia Insurance Switzerland. "In addition to possible financial support from public or private institutions, it's also important to keep an eye on possible adjustments to insurance cover."

CO2 emissions must come down

Respondents are largely in agreement that the energy supply in Switzerland is about to undergo a radical change. 42 percent even believe that the energy needs of a property will be entirely met by renewable sources in 2050. New forms of energy generation and the reduction of energy consumption due to modern technologies, which in turn play an important role in planned energy renovations, will contribute to this.

The will to make one's own property greener has risen sharply since 2020. Back then, 20 percent of the owners surveyed were planning investments to reduce greenhouse gases – today the figure is 31 percent. Most of these (17%) plan to implement the measures within one to three years. Interest has increased significantly, and a large number of respondents still want to find out more about the topic (24%). Among the residents of rented properties, measures have been implemented by only 20% of respondents. In contrast, 44 percent would like their landlords to make corresponding investments.

Reluctance to buy real estate despite the increasing supply

Sentiment in the real estate market remains tense. There is a surprisingly large consensus among the respondents on future price trends. 80 percent think property purchase prices will continue to rise over the next two years. Only ten percent of all respondents anticipate stagnation at the current level, and only nine percent expect prices to be slightly more favourable in the next two years. A significant fall in prices is expected by practically nobody (1%). This may also explain why 47 percent of the survey participants believe that home ownership will remain financially more attractive in the near future than living in rented accommodation (30% agreement). Persistent rises in property prices have nevertheless reduced the specific intention to buy from 53% to 42% within two years.

The supply side, on the other hand, is moving in exactly the opposite direction: short-term sales intentions are on the rise, especially in the city. Five percent of owner-occupiers are planning to sell within the next three years – two percentage points more than the previous year. Not to take profits from increases in value in recent years, though (only 1% of respondents gave this reason), but because homes are now too large (32%), retirement is imminent (25%) or they simply want to live somewhere else (18%). "Continuing high demand and record-high property prices make this look like a good time to sell", says Martin Tschopp, CEO of MoneyPark. "The value of one's own property, one's personal pension situation and other assets must be considered as a whole in retirement planning, in order to keep an eye on one's financial prospects in old age."

About the Living Dream Study

The Living Dream Study by Helvetia Insurance and MoneyPark is the largest independent survey of the satisfaction and aspirations of the Swiss population regarding their residential situation. Every year since 2015 the study has investigated what "living dreams" in Switzerland actually look like. 1,002 people resident in Switzerland completed a representative online survey in February 2023.

You can find the study at www.moneypark.ch/presse

Contact

MoneyPark media enquiries: Marco Tomasina, Press Spokesman press@moneypark.ch 044 200 75 65	Helvetia media enquiries: Eric Zeller, Press Spokesman media.relations@helvetia.ch 058 280 50 33
--	---

About MoneyPark

MoneyPark is the leading mortgage and real estate specialist in Switzerland, employing around 300 people. This young fintech company offers comprehensive, customized mortgage and real estate solutions with a combination of personal advice and pioneering technology. MoneyPark supports its customers with independent expertise – from the search for real estate to its financing, the ownership phase and its eventual sale. MoneyPark is the largest one-stop shop for finance, with mortgage and pension services from more than 150 providers, among them banks, insurance companies and pension funds. Independent advice is provided in one of around twenty branches throughout Switzerland, by phone or online, regardless of location. MoneyPark offers institutional investors holistic mortgage solutions thanks to a combination of powerful sales and efficient portfolio management.

About Helvetia

Headquartered in St. Gallen, Helvetia Insurance has since 1858 developed into a successful international insurance group with over 12,000 employees and more than 7 million customers. In its home market Helvetia is the leading Swiss all-lines insurer. It has always enabled its customers to seize opportunities and take risks. Helvetia is there for them when it matters. Helvetia is present as the best partner wherever protection needs arise, with insurance, pension and investment solutions from a single source as well as straightforward products and processes. With ImmoWorld, Helvetia offers its customers a comprehensive real estate platform combined with personal advice in all financial matters relating to the search for a home and its purchase, ownership and sale. And Helvetia's experts never lose sight of insurance and pension provision.