

Non-Swiss Citizens Purchasing Property in Switzerland – Legal Grounds and Restrictions

*Switzerland has a reputation as a complex and highly regulated property market, especially since each of the 26 Cantons and their regions have different regulations and restrictions relating to the purchase of property. This applies in particular to non-Swiss citizens who wish to purchase property **without having their legal residence in Switzerland**. This brief client publication will highlight the general restrictions for non-Swiss citizens and present some specific restrictions for selected regions.*



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Definition of Non-Swiss Citizens

To live, work or retire in Switzerland, non-Swiss citizens need to apply for a residence permit and, once secured, the properties available to them and the purchase process will be different (easier) from that described hereafter. The following explanations focus on non-Swiss citizens having their permanent residence outside of Switzerland and wish to purchase property in Switzerland. In this case, the federal and cantonal laws on second homes («Second Homes Laws») as well as the specific federal restrictions with respect to non-Swiss citizens («Lex Koller Law») apply.

properties that they are allowed to allocate to their touristic communes for sale to non-Swiss citizens.

| | | | |
|---------------------|-----|--------------------------------|-----|
| Bern | 140 | Appenzell Ausser rhoden | 20 |
| Luzern | 50 | St. Gallen | 45 |
| Uri | 20 | Graubünden | 290 |
| Schwyz | 50 | Tessin | 195 |
| Obwalden | 20 | Waadt | 175 |
| Nidwalden | 20 | Wallis | 330 |
| Glarus | 20 | Neuenburg | 35 |
| Freiburg | 50 | Jura | 20 |
| Schaffhausen | 20 | | |

Possible Areas to Purchase a Property

Vacation Home

Non-Swiss citizens may only buy a residential property as a «vacation home» in a *touristic region* as defined by the respective law, so for the time being, *they cannot purchase a property e.g. in Geneva, Basel, Zurich, Zug*. Non-Swiss citizens are allowed to buy chalets and apartments in most Swiss ski resorts as well as in the south of Switzerland (Tessin), as these regions are considered as touristic regions. The cantons listed in the following table have a contingent of

Second Home

Non-Swiss citizens may also buy a so called «second home» (even if outside of a touristic region) *if they maintain exceptionally close ties to a place that are worthy of protection and the respective canton allows it* (e.g. Zurich, St. Gallen, Graubünden, Basel-Stadt, Luzern, however not Zug and Schwyz). As the requirements are very high, such purchases of second homes are rare. Second homes need to be distinguished from vacation homes, which serve purely vacation purposes, and are to be understood as homes that are - in addition to a main home - relatively often, intensively and regularly used homes for the purpose of safeguarding important interests. Such interests are *mainly economic, scientific, cultural or other important interests*, but not family relations or the mere wish to stay temporarily in Switzerland.

Property Restrictions

Federal Restrictions

Due to the Second Homes Laws and Lex Koller Law, only certain properties are eligible for non-Swiss ownership as second homes or vacation homes:

- The habitable area of the property sold to non-Swiss citizens may not exceed 200m² and the total property area must not exceed 1'000m². The habitable area includes all habitable and heatable rooms including sauna, swimming pool and hobby room, but not balcony, staircase, cellar and attic. Exceptions up to 1'500m² property area or 250m² habitable area can be approved if a corresponding additional need is proven.
- It is not possible for a non-Swiss citizen to acquire a home if the acquirer, spouse or minor child is already the owner of a second home or a vacation home in Switzerland, unless the first property is sold.

- The property can be rented out for short time periods, but year-round rental is not permitted.
- The property may only be acquired by natural persons directly in their name; indirect acquisition via a company is not permitted.
- Building permits being granted for second homes in communes are restricted where second homes already make up 20% of the property stock. Therefore, generally speaking, it is difficult to buy newbuild properties in Switzerland. There are a few notable exceptions, for example, where a special dispensation has been granted by a commune.

Cantonal and Communal Restrictions

Cantons and communes have quite different regulations. The table here below merely includes examples of purchase restrictions applying in some selected regions.

| Canton | Cantonal Restrictions | Region/Commune | Local Restrictions |
|------------|---|--|--|
| Bern | Only 50% of apartments in any building may be sold to non-Swiss citizens. | Gstaad | No local restrictions. |
| | | Wengen & Lauterbrunnen | Non-Swiss citizens may only buy apartments, they cannot buy fully detached chalets. |
| | | Grindelwald | Purchase price must be above CHF 750'000.-. |
| Graubünden | | Davos, Klosters & St. Moritz | Open to non-Swiss citizens, but very few properties eligible. |
| | | Lenzerheide, Arosa, Laax, Flims & Falleria | No local restrictions. |
| Wallis | Non-Swiss citizens may in general not resell their property for 5 years from purchase, unless in the case of ill-health or financial circumstances and the sale generates a profit. | Zermatt | Today off-limits to non-Swiss buyers (only Swiss citizens and B/C permit holders are eligible to buy some properties). |
| | | Saas Fee | No local restrictions. |

Interested in buying a property in Switzerland? We are happy to assist.

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