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ZHAW School of Management and Law

Dream of Homeownership Difficult to Fulfill for Many

For the vast majority of people in Switzerland who want to own their own home, prices are simply too high. They would also like to see greater support for homeowners. Currently, only a few are seriously committed to finding their dream home, as a recent ZHAW study reveals.

Around 80 percent of people in Switzerland who are currently looking to buy their own home or would like to do so in the future find prices too high. A majority also said that they do not have sufficient assets or have not yet found an affordable property. These are the findings of a recent study by the ZHAW School of Management and Law in collaboration with the Federal Office of Housing, the Swiss Homeowners Association, the Fédération Romande Immobilière, and Raiffeisen Switzerland. The study is based on interviews and a representative survey conducted in the second half of 2021 with around 1,000 people in German- and French-speaking Switzerland who do not yet own a home but are, in principle, willing to make the move.

Possibilities not exhausted

The current perception of many people in this country is that homeownership is only feasible for a privileged group," says Dr. Holger Hohgardt from the ZHAW Institute of Wealth & Asset Management. However, three-quarters of those who want to acquire residential property soon or in the long term would like it to be made available to a broader population. Respondents blamed affordability issues primarily on politics and the authorities, followed by the construction and real estate industry and financial service providers.

About half of the people looking to own their homes also want help identifying financing options and determining the maximum affordable purchase price. "Such help has actually been available from financial service providers for a long time. It is, therefore, possible that some interested parties are not taking full advantage of the opportunities available or are not yet seriously committed to buying their own home," explains Dr. Hohgardt. For example, fewer than one-third of those actively seeking homeownership have set up a search subscription on a real estate platform.



Homeownership as a generational issue

In addition, the dream of homeownership depends on your life phase. For example, 46 percent of respondents aged 30–49 are actively looking for a home, while this figure drops to around a quarter for 18–29-year-olds. Fifty-four percent of this age group said that while they would rent again the next time they move, they still plan to purchase their own home in the long term. Family status also plays a role, with over 50 percent of potential owner-occupiers having at least one child. In contrast, three-fifths of 50–69-year-olds want to remain permanent renters. “The younger generation is more likely to envisage homeownership because of the longer time horizon until retirement. Older people who do not already own their homes, on the other hand, often rate their chances as small,” explains Dr. Hohgardt.

Return on investment is a secondary consideration

The principal motives for purchasing an apartment or house are not predominantly financial. Nine out of ten people currently looking to buy their own property cite the desire for a long-term home as the main reason. Other key factors are freedom of design and personal autonomy. “The dream of owning your own four walls is first and foremost about personal values,” says Dr. Hohgardt. In contrast, fewer than 20 percent of property seekers want to invest in residential property to resell it later at a profit.

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