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Property | Switzerland

# Investors take a view

*A favourable economic climate is drawing foreign developers to Swiss mountain resorts, writes Haig Simonian*

**F**or buyers seeking spectacular surroundings Switzerland has always been a sure bet. But as house prices in much of Europe and the US have withered in the recession, money is now talking as loudly as scenery in Switzerland's favour.

Developers have heard the message. The past three years have seen a surge in big schemes as foreign groups in particular have sensed demand from purchasers seeking a second home-cum-nest egg.

Not every project has taken off. In Brans, near Vevey, a \$370m (£24m) plan by investors for 300 chalets collapsed with the ski resort operator's demise. Recently, a \$370m accommodation and spa package at Adliswil in the Bernese Alps was scrapped after a U-turn by Kiewit's investors.

Elsewhere, however, the headlines are busy. At Bürgenstock, a breathtaking or else serene Lake Geneva, a quiet resort sign that still stands is spending \$370m on new hotels and residences. Above Vevey on Lake Geneva, a Kazakh billionaire is launching \$170m on a luxurious tourist-residence transformation. Most ambitious of all, at Andermatt in the very heart of the alps, Grosvenor, the British Republic's first non-Swiss-based developer, is pouring \$170m into what it hopes will be the biggest mountain resort around.

Politically, tensions may still exist in Switzerland's relationship with the European Union - of which it is arguably the most prominent non-member. But economically, distance from Brussels has proved the Swiss well. The mountain has been mild, while the main, a traditional haven, has this year gained against the dollar, appreciated by 14 per cent against the euro and surged compared with sterling.

"Tension, always a strong Swiss inducement, has become more compelling than ever. While neighbours push us away, Swiss law remains low. Switzerland, the tiny country that covers Bürgenstock, has the country's strongest value. "And there's planning more cuts," says Bruce Schöpfer, the local face of the Quatt developers.

All three projects are also playing an increasingly vital role for property purchasers by foreigners. Grosvenor's scheme in Andermatt has secured complete occupation and Mont-Noir, the site above Vevey whose Swiss Development Group is seeking a benefit from some liberalisation, says Nicola Garzanti, SDG's chief executive.

All three schemes inevitably also play an increasingly traditional marketing message of safe investment amid sweeping scenery. "You'd be pushed to find a better view anywhere," says Garzanti pointing towards Lake Geneva, the Dents du Midi mountains and the Rhine valley beyond.

A focus on service accommodation is the other unifying trend. All offer links to neighbouring railway routes, providing owners with concierge services and gourmet cuisine. Kempinski is on call at Mont-Noir, while Andermatt is linked to the Chedi hotel. Health is another priority: Bürgenstock has a facility for post-operative rehabilitation and cosmetic surgery, also available at Mont-Noir.

Each project also has distinguishing features. Andermatt, for example, is the only one with downhill skiing. Bürgenstock and Mont-Noir, by contrast, are more urban in location. Both are within easy reach of city shopping, while offering hiking and lake-based waterports. Bürgenstock even runs a nine-hole golf course - although Andermatt's building an 18-hole rival.

Scale and exclusivity are also different. Mont-Noir is by far the smallest of the three. But while conversion of the former

Hotel de Pare will involve just 24 Belle Époque-style residences, SDG's sights are set high - prices start at \$100,000 for 200 sq m, rising to \$1.5m for the largest of the three penthouses, at almost 600 sq m.

Bürgenstock's transformation is at an earlier stage. Buyers can choose between 30 flats in the former Grand Hotel of 1855 or 38 units divided between three blocks of "Panorama Residences".

Andersatt, meanwhile, will offer a wider range of accommodation: 100 apartments in 42 blocks, along with 25 villas. The first two blocks and the Chedi units were on sale in Switzerland this summer and the UK, Germany and Italy followed last month. Apartments in the Hirschi and Stöckli buildings vary from 65 sq m to 230 sq m, while the Chedi residences vary from one-bedroom flats of 56 sq m to flats more than five times that size. Further two buildings have not gone on the market. Grosvenor is not publishing prices. But resort spokesperson Urs Ineichen reveals average prices per square metre in the two initial blocks are \$171,000.

So far, 11 of the 27 village apartments have been sold, and a similar number of the 116 Chedi units. The first residents should move in around Christmas 2013 - although the exact date depends on how quickly building proceeds. While Switzerland has lots to offer buyers, lands where one can see construction times are predictable.





**Buying guide**

**Pros**

- Traditionally safe investment with modest but steady price rises
- Friendly tax regime
- Easy access, cosmopolitan environment. Sophisticated financial services

**Cons**

- Bürgenstock scheme still needs only on paper
- Mont-Noir's luxury comes at a price
- Current Andermatt village offers little, though that may improve

● **€100,000** would buy nothing at any of the three developments  
 ● **€1m** would buy one-third of the cheapest Mont-Noir residences, a 16 more at Bürgenstock, and have a little change for the smallest apartment in Andermatt

● Bürgenstock: [www.gdgroup.ch](http://www.gdgroup.ch)  
 ● Mont-Noir: [www.sdg.ch](http://www.sdg.ch)  
 ● Andermatt: [www.anderstatt-estate.ch](http://www.anderstatt-estate.ch)

For buyers seeking spectacular surroundings, Switzerland has always been a sure bet. But as house prices in much of Europe and the US have withered in the recession, money is now talking as loudly as scenery in Switzerland's favour.

Developers have heard the message. The past three years have seen a surge in big schemes as foreign groups in particular have sensed demand from purchasers seeking a second home-cum-nest egg.

Not every project has taken off. In Bruson, near Verbier, a SFr250m (£164m) plan by Intrawest for 300 chalets collapsed with the ski resort operator's demise. Recently, a SFr100m accommodation and spa package at Adelboden in the Bernese Alps evaporated after a U-turn by Kuwaiti investors.

Elsewhere, however, the bulldozers are busy. At Bürgenstock, a breathtaking terrace above Lake Lucerne, a Qatari sovereign real estate fund is spending SFr350m on new hotels and residences. Above Vevey on Lake Geneva, a Kazakh plutocrat is investing SFr155m on a luxurious hotel-to-residences transformation. Most ambitiously of all, at Andermatt in the very heart of the Alps, Orascom, the initially Egyptian- but now Swiss-based developer, is pouring SFr1.5bn into what it hopes will be the hottest mountain resort around.

Politically, frictions may still exist in Switzerland's relationship with the European Union – of which it is arguably the most prominent non-member. But economically, distance from Brussels has served the Swiss well. The recession has been mild, while the franc, a traditional haven, has this year gained against the dollar, appreciated by 12 per cent against the euro and surged compared with sterling.

Taxation, always a strong Swiss inducement, has become more compelling than ever. While neighbours push levies up, Swiss tax remains low. Nidwalden, the tiny canton that covers Bürgenstock, has the country's third-lowest rates. "And they're planning more cuts," says Bruno Schöpfer, the local face of the Qatari developers.

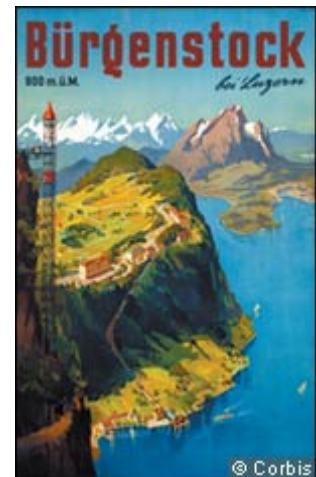
All three projects are also playing on more relaxed rules for property purchases by foreigners. Orascom's scheme in Andermatt has secured complete exemption and Mont-Pèlerin, the site above Vevey where Swiss Development Group is working, is benefiting from some liberalisation, says Nicolas Garnier, SDG's chief executive.

All three schemes inevitably also play on Switzerland's traditional marketing message of safe investment amid sweeping scenery. "You'd be pushed to find a better view anywhere," says Garnier, pointing towards Lake Geneva, the Dents du Midi mountains and the Rhône valley beyond.

A stress on serviced accommodation is the other unifying trend. All offer links to neighbouring luxury hotels, providing owners with concierge services and gourmet cuisine. Kempinski is on call at Mont-Pèlerin, while Andermatt is linked to the Chedi hotel. Health is another priority: Bürgenstock has a facility for post-operative rehabilitation and cosmetic surgery, also available at Mont-Pèlerin.

Each project also has distinguishing features. Andermatt, for example, is the only one with doorstep skiing. Bürgenstock and Mont-Pèlerin, by contrast, are more summer locations. Both are within easy reach of city shopping, while offering hiking and lake-based watersports. Bürgenstock even runs to a nine-hole golf course – although Andermatt is building an 18-hole rival.

Scale and exclusivity are also different. Mont-Pèlerin is by far the smallest of the three. But while conversion of the former Hôtel du Parc will involve just 24 Belle Epoque-style residences, SDG's sights are set high: prices start at SFr4.2m for 200 sq m, rising to SFr24m for the largest of the three penthouses, at almost 600 sq m.



An Otto Ernst poster of Bürgenstock

Bürgenstock's transformation is at an earlier phase. Buyers can choose between 30 flats in the former Grand Hotel of 1873 or 30 units divided between three blocks of "Panorama Residences".

Andermatt, meanwhile, will offer a wider range of accommodation: 490 apartments in 42 blocks, along with 25 villas. The first two blocks and the Chedi units went on sale in Switzerland this summer and the UK, Germany and Italy followed last month.

Apartments in the Hirsche and Steinadler

buildings vary from 86 sq m to 239 sq m, while the Chedi residences vary from one-bedroom flats of 96 sq m to lofts more than five times that size. A further two buildings have just gone on the market. Orascom is not publishing prices. But resort spokesperson Ursi Ineichen reveals average prices per square metre in the two initial blocks are SFr15,000.

So far, 11 of the 27 village apartments have been sold, and a similar number of the 119 Chedi units. The first residents should move in around Christmas 2013 – although the exact date depends on how quickly building proceeds. While Switzerland has lots to offer buyers, harsh winters can make construction times unpredictable.

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## Buying guide

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### Cons

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- Mont-Pèlerin's luxury comes at a price
- Current Andermatt village offers little, though that may improve
- €100,000 would buy nothing at any of the three developments
- €1m would buy one-third of the cheapest Mont-Pèlerin residence, a bit more at Bürgenstock, and leave a little change for the smallest apartment in Andermatt
- Bürgenstock: [www.qdhp.ch](http://www.qdhp.ch)



Audrey Hepburn with her first husband, Mel Ferrer, in Bürgenstock in 1959

●Mont-Pèlerin: [www.sdg.ch](http://www.sdg.ch)

●Andermatt: [www.anderlatt-swissalps.ch](http://www.anderlatt-swissalps.ch)

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