

# Swiss STYLE

The new Chedi Andermatt offers a rare opportunity to invest in a second home in Switzerland.

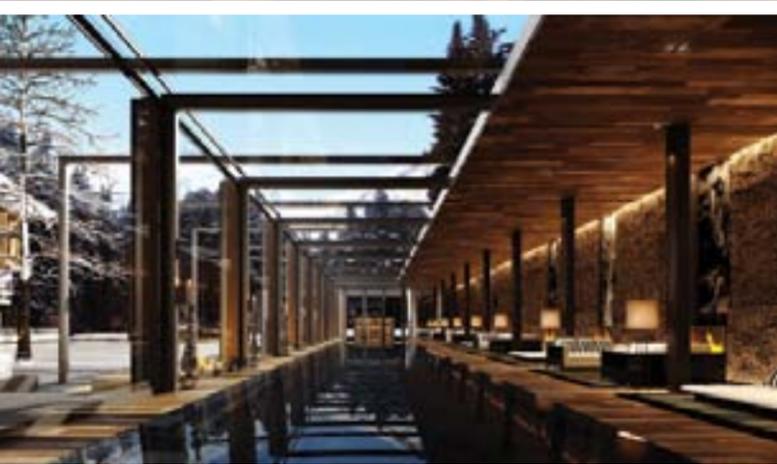
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**I**t has traditionally been regarded as a financial safe haven in times of economic turmoil. But while foreign investors have long been able to utilise Switzerland's impressive business centres, stable currency, and robust economy – getting a grip on the country's property ladder has proved more difficult. Holiday homes in Swiss Alps are among the most sought after by Asia's elite but strict laws place severe restrictions limiting the number of buyers from outside the country. Now a rare opportunity to invest in a second home in one of Europe's most exclusive locations is available to readers of The Reserve.

The Chedi Andermatt is an exclusive 5-star contemporary hotel and residences development nestled in the Urseren Valley in the heart of the Swiss Alps. Buyers will be able to choose from a diverse portfolio including hotel residences, apartments, and even lavish penthouses boasting indoor-outdoor fireplaces and spectacular views.

Proprietors and guests will be able to enjoy two gourmet restaurants, lounges and bars, as well as a state-of-the-art spa and health club. Olivier Croonenberghs, Partner at Swiss Finance & Property AG explains: "Switzerland is a well-run and efficient country with a high GDP per capita, high quality of life, low unemployment rate and one of the lowest debt ratio per GDP among European countries.

"Its banking sector is well developed offering first class wealth management services and it has a strong legal framework. Its currency, the Swiss Franc, has steadily appreciated versus the USD in the last 10 years. It is also a strikingly beautiful and very safe country."»



Opening in December 2013 it will be the centrepiece of the new CHF 1 billion Andermatt Swiss Alps Village development situated in the Gotthard region. At 1444m above sea-level, Andermatt is known for its rugged high peaks, deep canyons, wild waterfalls and quiet mountain lakes.

Four major rivers originate in the region – the Rhine, Rhone, Reuss, and Ticino and the area enjoys some of the finest air and water quality in the world. It has a rich heritage and has enjoyed high profile visitors for centuries including writer Charles Dickens, 19th century English monarch Queen Victoria, German composer Richard Wagner, and Elvis Presley.

But while many have fallen for the region's idyllic charm on holiday, few have been able to own property there. Restrictions due to the 1983 Lex Koller Act meant that typically foreign buyers required a permit to purchase property in Switzerland. Acquiring a permit is a lengthy, expensive and uncertain approval process which requires the agreement of local and divisional authorities.

In addition, the Swiss government recently passed a law stating that only 20 per cent of any town's properties can be second homes. As a result of this new legislation, Mr Croonenberghs believes "The Chedi represents one

of the last possible opportunities to purchase a holiday home in a resort area in Switzerland".

The hotel and residences were granted an exemption, lasting until 2030, to the permit requirement because the developer has committed to building up the Andermatt Swiss Alps Village. This means foreign investors will have the same protection as Swiss buyers and can buy and sell these properties with no restrictions.

Over the next decade the village will be built up to eventually comprise six 4- and 5-star hotels with 850 rooms, 42 buildings with 500 apartments, and 25 exclusive luxury villas. Switzerland has escaped most of the economic problems and debt crisis experienced by its neighbours in the volatile Eurozone. Inflation has fallen to its lowest level in 50 years, interest rates are low, and demand for housing is still increasing.

Swiss real estate prices have shown a positive trend for several years appreciating at an average annual rate of 3-5% in the last 10 years. An independent report by UBS into the Swiss property market said that "investments in real estate will only pay off if prices continue rising and long-term interest rates remain low".

Mr Croonenberghs says there is no reason why the current upward trend should not continue. He explains:

"Continued low interest rates, a positive net immigration, low unemployment rate and a moderate growth in real income constitute the main positive value drivers. Since there are no signs of a change in the current fundamentals, we expect price increases to continue."

Those purchasing apartments could opt to add the apartments to the hotel's rental programme operated by GHM the hotel operator. As The Chedi is a branded resort, it could appreciate in value more rapidly as it offers buyers "name recognition and availability of the five star hotel facilities including 24 hour concierge and room service."

But Mr Croonenberghs insists purchasing a second home in Switzerland will be more than a simple addition to a property portfolio. He said: "This will attract Asian investors increasingly looking for lifestyle experiences as opposed to pure investment plays. The Chedi Andermatt stands for luxury, quality and outstanding personalized service. It will be one of the most luxurious 5 star hotel/residences project in Switzerland offering a lifestyle experience not yet seen in Switzerland."

"The hotel features 24h room service, 24h concierge service, valet parking, free transport to the ski slopes and the village, an in-house ski center, and dedicated ski butlers."

The more adventurous will be able to explore the ice glaciers and hike incredible Alpine passes – there are seven in the area that can be conquered – while novices can spend time training at the ski school, which has English-speaking instructors.

The new Andermatt village will feature a new 18-hole championship golf course, a convention center and a cultural center. There will be a substantial investment of approximately Chf 135 million to upgrade current ski facilities and improve connections between towns to create the fourth largest ski domain in Switzerland totaling 130 kilometers of ski pistes.

Transport connections to Europe are excellent – Zurich is just 90 minutes away while Milan is two hours by car. The private airfield in Buochs is 45 minutes away. The world-famous Glacier Express railway passes through Andermatt, connecting the city to both Zermatt and St. Moritz.

While around half of those currently buying up space at The Chedi are Swiss, the resort is already proving popular with global investors with interest from Europeans, the Middle East, and Asia. Mr Croonenberghs adds: "This is an unprecedented opportunity for international buyers to purchase an extraordinary 5-star Swiss property with no restrictions."®