

## **SWITZERLAND**

**Organisation:** Swiss Association of Tenants; SMV, ASLOCA, ASI

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**Tenure structure,** Statistique Suisse, 2014

**Owner occupied housing:** 37%

**Rental housing:** 63%

**(i) social rental:** 4%

**(ii) private rental:** 96%

### **Initial rent – is it free or regulated?**

Initial rent is freely negotiated between the landlord and prospective tenant.

### **Can the tenant challenge the initial rent?**

Yes, tenants can challenge the initial rent in court, if he/she considers the rent unfair, or abusive: the landlord receives an excessive return from his investment. In 2016 the net yield should not exceed 2.25%

A tenant should challenge the rent within 30 days of receiving the keys.

Out of tens of thousands of new contracts, only some 800 challenged their rents.

### **How often can the landlord increase the rent?**

Each time he could cancel the lease - end of lease period.

Increases should be presented on an Official form

No general limitation in size of increase.

### **Motives for increases?**

-Increases in general costs, including official mortgage rates.

-Inflation

-Additional service costs.

-After longer lease periods (5-7 years), and new rent within the range of customary rents in the area.

### **Challenge rent increases?**

Yes, within 30 days, with the court, or Rent Tribunal if there is one in the Canton.

A tenant should challenge a new rent within 30 days, with reasons described for increases of initial rents.

No costs are involved, at the first level. But yes, if the case goes to next level - depends on the Canton.

### **Duration of leases**

The duration of a lease is freely negotiated between landlord and tenant.

The lease is renewable if the contract is not cancelled 3 months before the end of the period.

But basically the duration of the contract is free!

### **Notice periods**

By landlord and tenant: Minimum 3 months before the end of the contract.

The tenant can return the dwelling before the end of the contract, if he proposes to the landlord a new tenant who is solvent and willing to enter the rental agreement on identical terms; in that case a 30 days' notice is sufficient.

**Security deposit**

Usually 3 months' rent. The bank deposit should be in tenant's and landlord's name.

Return of the deposit according to agreement between the tenant and landlord, or maximum 1 year after the termination of lease, if the landlord did not start a procedure against the tenant.

**Other information**

There is an acute shortage of available dwellings in all Switzerland, but especially in cities

Only 1.19% of dwellings available in Switzerland, but 0,34% in Basel, 0,41% in Geneva and 0,78% in Zürich. On the other hand, 2,35% in the Canton of Jura.