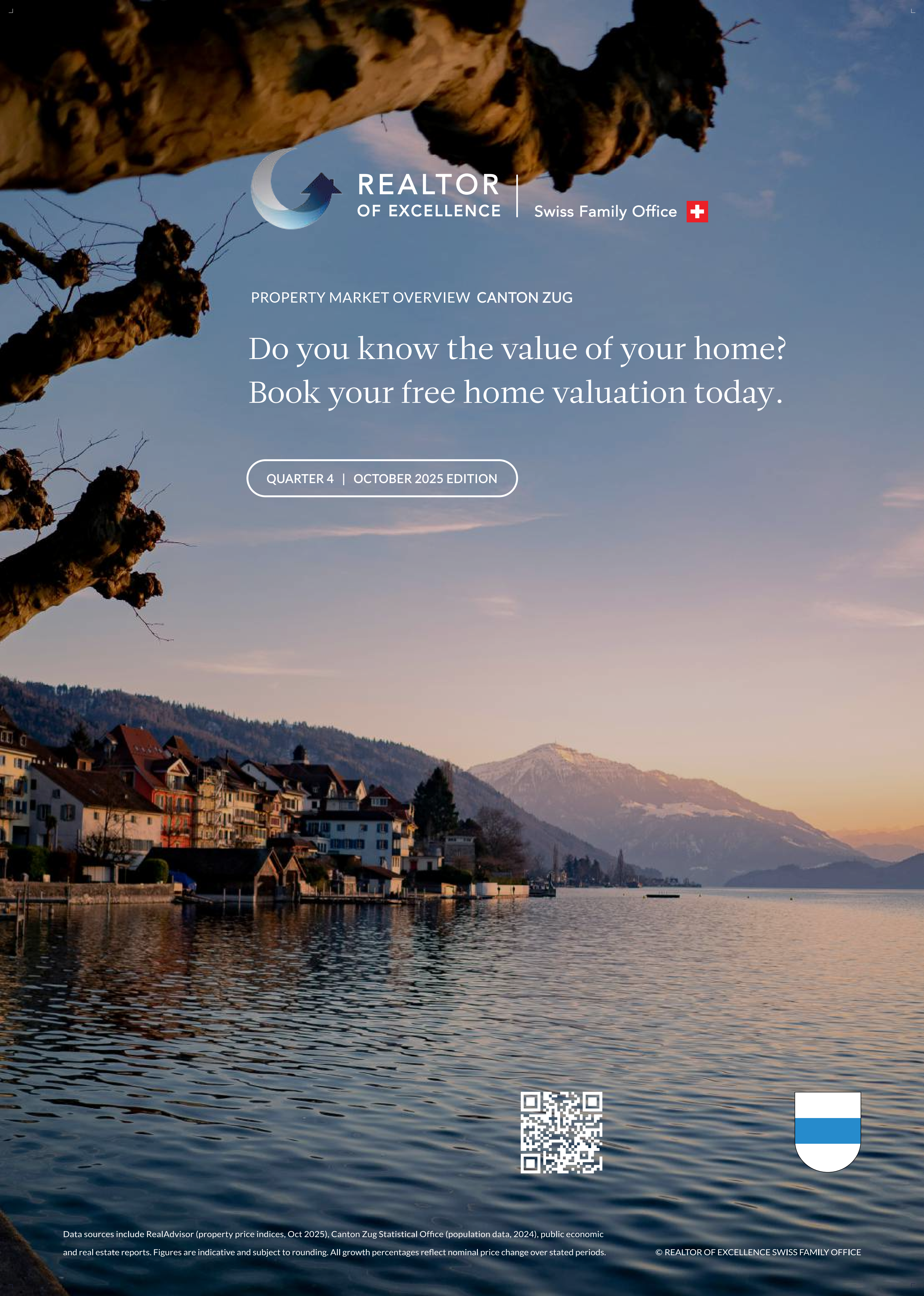

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PROPERTY MARKET OVERVIEW **CANTON ZUG**

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QUARTER 4 | OCTOBER 2025 EDITION

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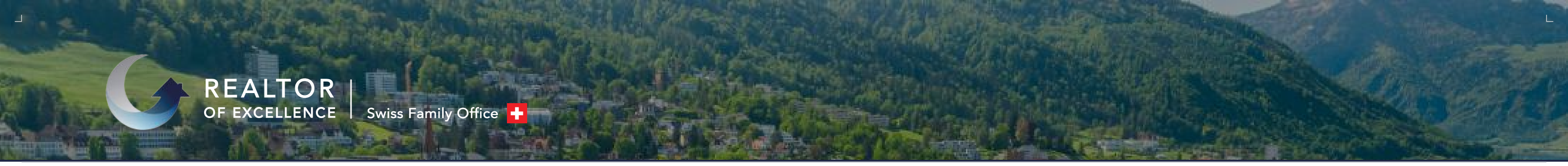

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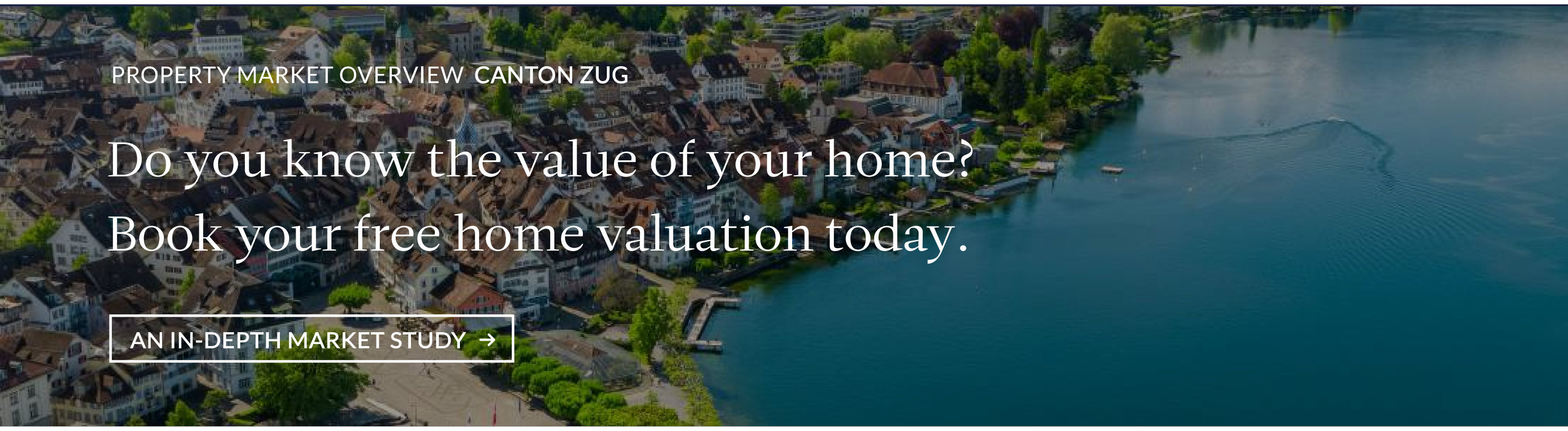

PROPERTY MARKET OVERVIEW CANTON ZUG

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AN IN-DEPTH MARKET STUDY →

Executive Summary

The Canton of Zug remains one of Switzerland's most dynamic real estate markets, known for its strong economy, low taxes, and high international population. Foreign nationals make up approximately 30.5% of Zug's residents as of end 2024. Across the canton's municipalities, 25 year property price appreciation ranges between roughly +140% and +205%, with consistent growth across both houses and apartments. The 2025 outlook indicates continued moderate appreciation driven by sustained demand from expatriates and limited housing supply.

Population Breakdown (end 2024)

Metric	Value
Total residents	133,723
Swiss citizens	92,985
Foreign nationals	40,738
Foreign share (%)	30.5%

Percentage Stats as of October 2025

Foreign Population Share – Selected Municipalities

Municipality	Foreign Share (%)
Zug (city)	37.5
Walchwil	36.4
Hünenberg	20.3
Menzingen	22.9

Percentage Stats as of October 2025

Municipalities (Suburbs) in Canton Zug

Zug, Baar, Cham, Risch, Steinhausen, Unterägeri, Oberägeri, Hünenberg, Menzingen, Walchwil, Neuheim

Property Capital Growth by Municipality

Data from RealAdvisor (October 2025) shows 25 year and 12 month capital growth across Zug municipalities. The following table provides an overview of both long term and recent price dynamics for houses and apartments.

Data sources include RealAdvisor (property price indices, Oct 2025), Canton Zug Statistical Office (population data, 2024), public economic and real estate reports. Figures are indicative and subject to rounding. All growth percentages reflect nominal price change over stated periods.

Property Capital Growth by Municipality

Municipality	25y Houses (%)	25y Apartments (%)	2025 YoY Houses (%)	2025 YoY Apartments (%)
Zug	157.9	195.2	6.0	6.4
Baar	182.2	206.4	5.1	7.2
Cham	173.8	167.9	3.1	5.4
Risch	173.7	191.6	3.6	4.1
Steinhausen	172.4	209.3	4.0	6.3
Unterägeri	162.8	174.1	5.1	6.4
Oberägeri	143.1	141.1	5.9	8.0
Hünenberg	145.7	163.3	2.9	4.7
Menzingen	172.1	178.1	5.7	6.5
Walchwil	158.9	150.5	4.4	6.7
Neuheim	185.3	205.2	5.3	7.0

Percentage Stats as of October 2025

Notes & Sources

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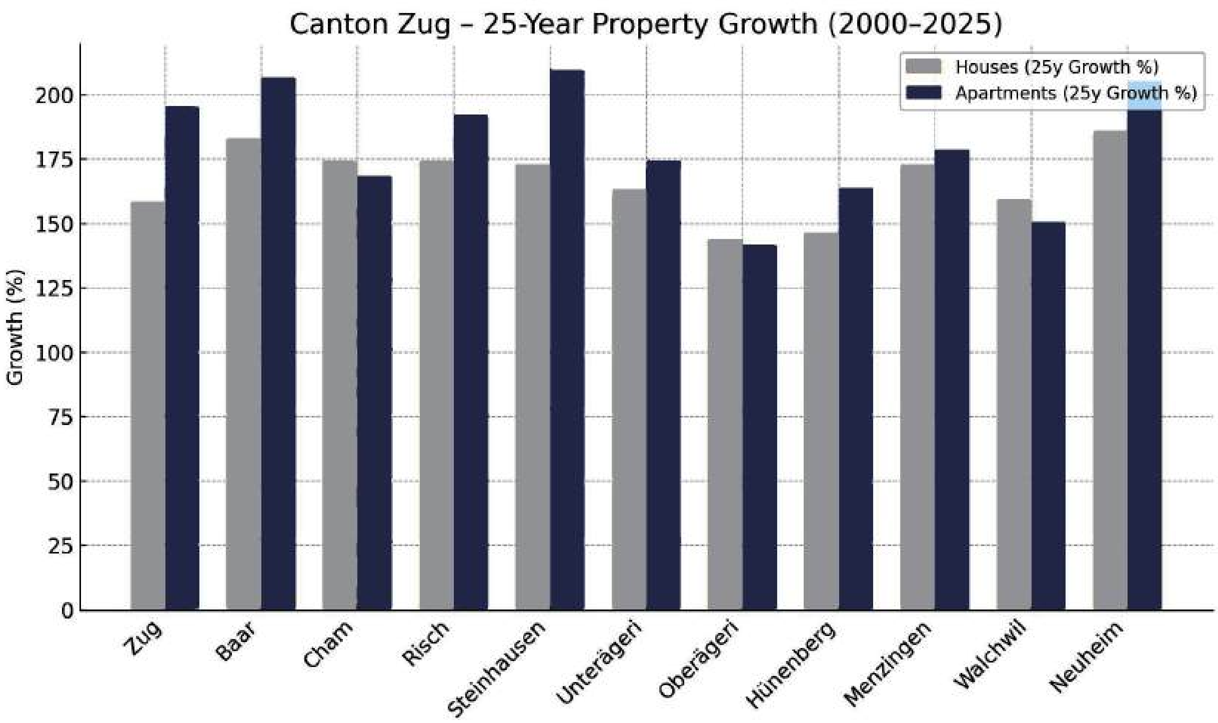

Zug

47.1662° N, 8.5155° E
TOTAL POPULATION OF 30,934
AREA: 21,61 KM² / ELEVATION: 425 M

Zug, Switzerland, is a picturesque lakeside city known for its stunning alpine views, business-friendly environment, and high quality of life. Located in central Switzerland, Zug is a global hub for finance, technology, and the crypto industry, earning it the nickname "Crypto Valley." Despite its small size, the city boasts a charming old town, a scenic lake promenade, and a thriving cultural scene.

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OBERWIL, ZUG 6317, SWITZERLAND

3 Bedroom Family House In Oberwil

FOR SALE | PRICE ON REQUEST

Stylish family home overlooking Lake Zug

A stylish 4.5-room family house in an elevated location directly by Lake Zug, offering unobstructed lake views and perfect western exposure. The bright living and dining area features a gallery, a fireplace, and a modern open kitchen. There are three bedrooms, including a luxurious top-floor master suite with dressing room, wellness bathroom, and a lake-view whirlpool. A private garden with exotic palm trees and a panoramic terrace completes the property.

Property Highlights

- Elegant 4.5-room family house
- Built in 1995 – partially renovated
- Net living area: 180 m² / Plot size: 221 m²
- Directly on Lake Zug, with unobstructed lake views
- Stunning sunsets

3	1995
2	221 m²
2 Carports	Single Family
180 m²	Home

Sarah Wolfisberg +41 79 470 16 19
sarah@roeswiss.ch www.roeswiss.ch

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OBERÄGERI, ZUG 6315, SWITZERLAND

4 Bedroom Apartment With Breathtaking Views

PRICE CHF 3,850,000

Stunning 4-Bedroom Apartment with Breathtaking Views in the Idyllic Hills of Oberägeri

Perched high in the scenic hills of Oberägeri, this stunning 4-bedroom home offers breathtaking panoramic views in a peaceful and idyllic setting. Surrounded by nature, it provides the perfect retreat for those seeking tranquility without compromising on convenience. The spacious living areas are designed to capture the beauty of the surroundings, creating a seamless blend of comfort and elegance.

Featuring a spacious living area with an open kitchen and a central island, this apartment is ideal for families and those who appreciate an open-concept layout. A dedicated pantry adds extra convenience. Two of the bedrooms can be combined creating a larger space, perfect for an atelier or generous office.

Bedrooms	4
Bathrooms	2
	2 Underground Parking Places
	222 m²
	CHF 17,342.34
	Apartments

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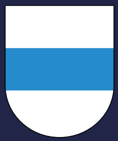

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OBERÄGERI, ZUG 6315, SWITZERLAND

Modern Apartment In Oberägeri

PRICE CHF 3,850,000

Bright & Modern Apartment with Panoramic Lake Views in Oberägeri

This stunning 4-bedroom apartment in the sought-after Erlimatt area offers a unique blend of modern comfort, space, and breathtaking views. With floor-to-ceiling windows in every room, natural light floods the interior, while the 56m² wraparound terrace invites you to enjoy open-air living and unobstructed views of Lake Ägeri. The apartment's smart layout, modern design, and convenient Smart Home system make it both stylish and practical.

Shops, schools, the lake, and public transport are central, making everyday life convenient. At 181m², with two under ground parking spaces and spacious cellar compartment, this residence is perfect for families or anyone seeking refined living in one of Canton Zug's most desirable locations.

4
2
2 Underground Parking Bays
181 m²
CHF 19,281.77
Apartments

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PRIVATE CLIENTS INSIGHT CHANGE IN THE LAW

What does the abolition of the Imputed rental value mean?

ARTICLE BY MATTHIAS HOLZHEY | UBS | 28 SEP 2025 →

The imputed rental value will be abolished following the referendum on September 28.

Read about what will change and the tax implications.

Content Overview

- ✔ The imputed rental value increases the property owners' taxable income and amounts to at least 60% of the market value.
- ✔ Mortgage interest, the cost of value-preserving renovations and specific ancillary costs are tax-deductible from the imputed rental value.
- ✔ The vote on the abolition of imputed rental value took place on 28 September 2025 and was approved with a "yes". As a result, many deduction options are eliminated.
- ✔ The impact of the abolition of the imputed rental value on a household depends primarily on the location, mortgage interest rate, loan-to-value ratio, and renovation needs. To the recommendations and conclusion.

www.ubs.com/ch/en/services/guide/mortgages-and-financing/articles/how-does-the-imputed-rental-value-work

5 Bedroom Home In Unterägeri

Unterägeri, Zug 6314, Switzerland

Switzerland is one of the few countries where owners pay tax on the apartments or houses they occupy. This is going to change. After the abolition of the taxation of imputed rental value had been discussed for decades, the National Council and the Council of States agreed on a fundamental change in December 2024. On 28 September 2025, the Swiss electorate voted on and approved the abolition of imputed rental value with 57,7% votes in favor".

We will show you how the taxation of imputed rental value, which is currently still in force, works, how the burden can be reduced and what the planned reform means for you.

Data sources include RealAdvisor (property price indices, Oct 2025), Canton Zug Statistical Office (population data, 2024), public economic and real estate reports. Figures are indicative and subject to rounding. All growth percentages reflect nominal price change over stated periods.

What is imputed rental value and how is it determined?

The imputed rental value corresponds to a notional amount that owners could earn when renting out their residential property. Owner-occupiers must pay tax on this value as income. According to the Federal Supreme Court, the imputed rental value must be at least 60% and may not exceed 70% of the market rent. It is determined by the cantonal tax authorities. Each canton is free to calculate imputed rental value as it sees fit.

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Sample calculation: how is the imputed rental value calculated?

The Bürgler family lives in the canton of Zurich and would like to find out the imputed rental value of their property. Here’s how they should calculate it:

Position	Calculation	Amount (CHF)
Taxable income (parents 50% each)	–	100,000
Market rent (estimated)	3,000 x 12	36,000
Imputed rental value (70% of market rent)	36,000 x 0.7	25,200
Subtotal taxable income	100,000 + 25,200	125,200
Mortgage	–	850,000
Mortgage interest (1.5%)	850,000 x 0,015	-12,750
Maintenance cost	–	-7,500
Reduced imputed rental value	25,200 - 12,750 - 7,500	4,950
Final taxable income	100,000 + 4,950	104,950

Percentage Stats as of October 2025

Regional differences in the calculation

Swiss cantons have a certain amount of leeway when calculating imputed rental value. This means they can set the imputed rental value higher than the minimum of 60% set by the Federal Supreme Court. In addition, the cantons are free to choose the method for determining the rent used as a basis for the imputed rental value.

A total of eleven cantons use comparative rents as a basis. They calculate the imputed rental value on the basis of the market and local rents: Appenzell Innerrhoden, Appenzell Ausserrhoden, Glarus, Grisons, Lucerne, St. Gallen, Schaffhausen, Schwyz, Ticino, Uri and Valais.

Seven cantons use the individual valuation procedure, which means they calculate the imputed rental value using a hedonic model. In the hedonic valuation, the property value is derived from the actual sale prices of comparable properties: Aargau, Bern, Fribourg, Jura, Nidwalden, Obwalden and Thurgau.

The cantons Basel-Landschaft, Basel-Stadt, Geneva, Neuchâtel, Solothurn, Waadt, Zug und Zurich, on the other hand, have developed their own methods of valuation.

Appeal in case of incorrectly calculated value

The tax authorities periodically reassess the imputed rental value of your property. It may well happen that they mistakenly set the imputed rental value too high. For example, changes to the building or its residential use (e.g. only partial occupancy) are not taken into account. It is therefore worthwhile to check the value in the tax assessment and compare it with previous years. If the imputed rental value has been calculated incorrectly, contact the relevant tax authority directly within the valid period (usually 30 days) to submit a written objection.

How can you reduce your tax burden?

To compensate for the tax, as an owner, you can deduct costs that are directly related to the property from the imputed rental value. These include mortgage interest and maintenance costs. This significantly reduces the effective tax burden.

Each year you can choose whether to claim the effective costs or a lump-sum amount. In most cantons, the overall deduction is between 10 and 20% of the imputed rental value, depending on the age of the property.

Which costs can be deducted from the imputed rental value for tax purposes:

- mortgage interest
- building insurance
- value-preserving renovations: (e.g. new windows or better insulation)
- repairs to the residence (e.g. to the sanitary facilities or painting)
- permanently installed household appliances such as a stove, refrigerator or washing machine
- value-enhancing investments to increase energy efficiency or utilize renewable energies (not in all cantons)

What is the influence of the interest rate?

The tax burden resulting from imputed rental value depends heavily on the interest rates. If mortgage interest rates are low, the deductions for many owners are lower than the tax on imputed rental value. Only with interest above 2% and a loan-to-value ratio of at least 60% do the deductions exceed the tax.

Why was a change of system proposed?

The concept of imputed rental value has been controversial for some time. Introduced in 1934 as an emergency measure to restructure the federal budget, a reform has been discussed for decades. For owners, it seemed absurd to have to pay tax on a “fictitious” income. Other points of criticism were the difficulties in ensuring equal tax treatment, the high level of bureaucracy and the creation of an incentive for borrowing. After repeated criticism, the National Council and the Council of States agreed on a change of system in December 2024, which has now been confirmed by the popular vote. By agreeing to the abolition of imputed rental value, the Swiss electorate has ended a long-standing debate and taken an historic step in tax policy.

Milestones in the history of imputed rental value

Imputed rental value was embedded in Swiss history for over 100 years. In this time, it had undergone a large number of changes.

Milestones in the history of imputed rental value

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One-off war tax

The male electorate and the cantons approved the introduction of a one-off war tax to compensate for loss of revenue during the First World War.

1915

Federal crisis levy

In response to the global economic crisis, a federal crisis levy was charged on total income, including imputed rental value

1934

Military tax

The Federal Council decided to introduce a military tax as part of a financial plan. It remained in place until 1949, and included the taxation of imputed rental value.

1940

Transitional provision

The people and the cantons voted in favor of a transitional provision limited to four years, but rejected a new financial regulation in 1953.

1950 – 1954

Imputed rental value enshrined in the constitution

The people and the cantons approved the application of the military tax from 1959 to 1964. Imputed rental value became enshrined in the constitution for the first time (transition from emergency law to regular law).

1958

Popular initiative by HEV Schweiz (Swiss Homeowners Association): “Home ownership for all”

1999

The proposal put forward by HEV Schweiz (Swiss Homeowners Association) to reduce the imputed rental value for new purchases and to lower the assessment rate in general was rejected (41.3% of the population voted yes)

Referendum on the tax package

Eleven cantons organized a referendum on issues including the abolition of imputed rental value and deduction of mortgage interest. It was clearly rejected (34.1% of the population voted yes).

2004

Housing savings initiatives and popular initiative by HEV Schweiz

The Swiss electorate rejected three initiatives concerning imputed rental value: two housing savings initiatives and the popular initiative by HEV Schweiz “Safe housing for the elderly” (to give homeowners the right to choose the taxation of imputed rental value) (47.4% of the population voted yes).

2012

Hans Egloff motion

National Councillor and President of HEV Schweiz Hans Egloff submitted the motion “Safe living. One-time voting right on imputed rental value”. It was adopted by the National Council in 2014 but rejected by the Council of States.

2013 – 2014

Bill to abolish imputed rental value

Swiss Parliament passed two bills: the federal law on the change to the residential property taxation system and the federal decree on cantonal property taxes on second homes.

2024

Popular vote accepted

2025

The system change in residential property taxation was approved in the popular vote of 28 September 2025. As a result, the imputed rental value for primary and secondary residences will be abolished.

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What reforms did the parliamentary proposal that was put to the vote include?

- **Abolition of imputed rental value:** imputed rental value is eliminated for the main residence and secondary residences.

- **Deductions being discontinued:** No maintenance costs can be deducted for homes that are exempt from imputed rental value. For energy-saving and environmental protection measures as well as demolition costs, deduction is also to be abolished at federal level.

- **Retained deductions:** In the case of rented and leased properties, maintenance costs can still be deducted, as the rental income also remains taxable. For owner-occupied apartments, it should still be possible to claim a deduction from the federal government for the preservation of monuments and historic buildings.

- **Possible deductions at canton level:** deductions for preservation of monuments and historic buildings, and demolition and energy-efficient renovations may continue to be possible at cantonal level, until 2050 in the case of energy-efficient renovations.

- **Deduction of interest on private debt:** This deduction will be limited. If someone owns other properties in addition to the owner-occupied residential property, debt interest can only be deducted on a pro rata basis. This “proportional-restrictive” deduction is based on the ratio of immovable assets (excluding owner-occupied property) to total assets. In addition, mortgage interest can only be partially deducted on the first purchase of residential property.

- **First buyer privilege:** Those who buy residential property for the first time can deduct part of the mortgage interest in the first ten years. This “first buyer deduction” is CHF 5,000 in the first year and CHF 10,000 for married couples. The deduction would gradually reduce by CHF 1,000 every year over a period of ten years.

- **Property tax on second homes:** If the system change comes into force, cantons will be allowed to levy a new tax on second properties. The mountain cantons in particular will suffer a loss of income due to the abolition of imputed rental value taxation, which would need to be compensated for in this way.

More to the Article

https://www.ubs.com/ch/en/services/guide/mortgages-and-financing/articles/how-does-the-imputed-rental-value-work.html

ARTICLE BY MATTHIAS HOLZHEY | UBS | 28 SEP 2025

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