



Shape the future
with confidence

Purchasing real estate in Switzerland: a guide for foreign buyers

Essential insights for foreign
buyers looking to buy their
Swiss dream property

Safeguard your investment by
partnering with EY Switzerland to
navigate complex regulations and
avoid costly pitfalls.

Introduction

Switzerland, renowned for its stunning landscapes, charming villages and high quality of life, has long been a sought-after destination for foreigners looking to enjoy the pleasure of owning a vacation home in this picturesque country, as well as to benefit from a stable real estate market with potential rental income. Whether you envision a cozy chalet nestled in the Alps or a modern apartment overlooking one of Switzerland's many lakes, this factsheet will provide you with essential insights to guide your investment journey. It is designed to address common questions from our trusted clients and partners on local practices and relying on our deep industry knowledge.



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The better the question.
The better the answer.
The better the world works.

1

Am I subject to Lex Koller (i.e., am I a “foreign non resident”)?

- **Yes**, if you are an EU/EFTA citizen and you are not resident in Switzerland¹ or if you are resident in Switzerland but do not have a B residence or C settlement permit.
- **Yes**, if you are a non EU/EFTA citizen resident outside Switzerland or resident in Switzerland but without holding a C residence permit.
- **No**, if you are a Swiss citizen (including dual nationals) regardless of your residence, an EU/EFTA citizen resident in Switzerland with a B or C residence permit, or a non EU/EFTA citizen resident in Switzerland with a C residence permit. You must fulfill these residence requirements at the moment of the acquisition.

2

If I am subject to Lex Koller, can I create a Swiss company to acquire the real estate?

- **No**, companies with **incorporated in Switzerland** but controlled by a foreign non resident are considered “foreign non resident” and fall under the restrictions of Lex Koller. Control of a company is defined as (i.) holding more than one third of the share capital of the company or (ii.) having more than one third of the voting rights or (iii.) having granted substantial loans to the company (regarding point iii.), each case is analyzed on its individual facts, and we can support your Lex Koller approval applications).
- Note that a purchaser who is not subject to the Lex Koller but who acquires the property for and on behalf of a foreign non-resident (i.e., fiduciary transaction) is subject to the Lex Koller restrictions. Similarly, the contribution of real estate to a trust is, in principle, subject to Lex Koller restrictions if one of the trustees or beneficiaries is considered a foreign non resident. There is no consistent practice across the Swiss Cantons, and the local land registry will usually request a regulatory confirmation of exemption.

3

Which real estate acquisitions fall under Lex Koller?

- In general, any purchase of residential property (including free building plots in a residential zone) fall under the Lex Koller. Commercial properties are generally excluded from Lex Koller restrictions; however, we recommend seeking legal advice as the qualification is not always clear (e.g., staff accommodation for hotels is usually considered residential property, but exceptions may apply).

4

Can I avoid Lex Koller application by purchasing through a structure or legal arrangement?

- **No**. Lex Koller restrictions apply to any legal transaction that grants a foreign non-resident individual control over a property including direct ownership, granting purchase rights or rights of first refusal, acquisition of shares of a real estate company (including minority shares), exceptional financing of an acquisition or a real estate company, or granting extremely long and irrevocable lease agreements.

¹ The assessment of residence under the Lex Koller follows Article 23 of the Swiss Civil Code, i.e., civil residence and not only tax residence is decisive. Under Swiss civil law, a person cannot have multiple residences at the same time. A person's residence is located at the place where they stay with the intention of permanent establishment. The fact that someone is subject to taxation in a particular location does not automatically mean that their residence, as defined under civil law, is also located there. Any person living in Switzerland should have only one tax residence; however, exceptions may apply and where an individual may have dual tax residence, we recommend consulting our legal specialists.

What are the possible exceptions under Lex Koller?

- See the table hereunder. Further exceptions may apply in the following circumstances: beneficiaries of diplomatic privileges for official needs, legal heirs within the meaning of Swiss law when they inherit a property, or an inter-vivos transfer of real estate to ascendants or descendants as well as to a spouse or registered partner. However, we recommend consulting our legal advisors to confirm that an exception may be granted.

Legal and de facto residence in CH

	EU/EFTA citizen or non EU/EFTA citizen with permit C or B	Non EU/EFTA citizen (permit B)
Main residence*		Owner occupied (no renting out), one unit max., and no limit of habitable area (if plot over 3,000m ² , authorization needed) No need to sell in case of residence change
Secondary residence*		
Vacation home		Admissible only in cantonal designated tourist areas, must apply for a place in the annual cantonal contingent, one vacation home "per family", and may be rented out occasionally Habitable area is limited to 200m ² ; plot area is limited to 1,000m ² (exceptions may apply)

Without legal and de facto residence in CH

	EU/EFTA citizen (permit G) = Cross-border commuters	EU/EFTA citizen or non-EU/EFTA citizen without permit
Main residence*		
Secondary residence*	Admissible only in workplace region, owner occupied (no renting out), one unit max., and no limit of habitable area (if plot over 1,000m ² , authorization needed).	Admissible only in some cantons, must be in a place where the person maintains extremely close long-term relations worthy of protection, and owner occupied. Habitable area is limited to 200m ² , plot area is limited to 1,000m ² (exceptions may apply); and must be sold within two years if violation of requirements.
Vacation home	Admissible only in cantonal designated tourist areas, must apply for a place in the annual cantonal contingent, one vacation home "per family", and may be rented out occasionally. Habitable area is limited to 200m ² ; plot area is limited to 1,000m ² (exceptions may apply).	Admissible only in cantonal designated tourist areas, must apply for a place in the annual cantonal contingent, one vacation home "per family", and may be rented out occasionally. Habitable area is limited to 200m ² ; plot area is limited to 1,000m ² (exceptions may apply).

Color code explanations

No authorization required, usually no confirmation of exemption requested

Must apply for a confirmation of exemption or for an authorization

Not authorized

Residence in CH	Being legally and de facto resident in Switzerland (see also Question 1 above).
Main residence	Dwelling where the person establishes its de facto domicile (center of life with intention to remain permanently).
Secondary residence	Dwelling which is only used sporadically and neither used as de facto domicile nor used as professional or educational purposes (exception for cross-border commuters). Careful, secondary residences are governed by other complementary laws containing purchase restrictions.



6

How long does it take to obtain confirmation of an exemption?

- The time to obtain confirmation of exemption from the relevant authorities to the Lex Koller restrictions depends on the canton as well as on the complexity of the case. One should allow for a minimum of one to three months to obtain the confirmation plus an additional 30 days until a legally binding confirmation has been issued (unless all parties waive their right to appeal).

7

What are the risks of not complying with the Lex Koller restrictions?

- It is worth noting that the notary involved in the transaction reviews the legal requirements to ensure that the Lex Koller restrictions are complied with. Our legal specialists can also assist in reviewing these requirements and assist you to structure the transaction in a compliant manner.
- **The purchase deed** remains ineffective as long as the regulatory authorization has not been obtained or null and void in the event that the regulatory authorization cannot be obtained. Note that the authorization to purchase may be revoked if the condition precedent (i.e., obtention of the regulatory authorization) is not complied with.
- **Regarding criminal consequences:** custodial sentence (max. three years), a financial penalty (the amount depends on the person's total private assets) or a fine up to CHF 50,000.

Why consult us when purchasing real estate in Switzerland?

We are delighted to assist you navigate the complexities of purchasing a property in Switzerland. At EY Switzerland, we understand the intricacies of the Swiss real estate landscape and are here to provide you with the insights and guidance necessary to make informed decisions:

- We have significant **experience in local practices** and can advise where and when exceptions to Lex Koller may be possible.
- We have a vast internal network of **industry experience**, including legal advisors with expertise in real estate and tax practitioners. Our services extend beyond the purchase. We offer **ongoing advisory services** to help you manage your investment effectively and ensure compliance with local regulations.
- With rising property prices and potential restrictions on foreign investments, it's essential to have a **comprehensive market analysis**. We provide in-depth research and data-driven insights to help you identify the best opportunities.
- We can also connect you with the right resources, including external professionals, to facilitate a smooth transaction, help navigate potential challenges and provide ongoing support.

Your dedicated teams

1. EY Real Estate Law Services

Description of Service Line details:

In a fast-evolving regulatory environment, real estate investors and other businesses are increasingly recognizing the importance of obtaining the support of legal experts to navigate complex transactions and legal frameworks. At EY Switzerland, our dedicated team of real estate attorneys provides comprehensive legal services tailored to meet the unique needs of our clients in the real estate sector.

Webpage:

[Real Estate Law Services | EY – Switzerland](#)

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2. EY Private Tax Services

Description of Service Line details:

Amid an ever-shifting tax landscape, EY Private Tax teams are dedicated to supporting your unique ambitions. Whether you are a private business leader, business-owning family or private capital investor, together we can create, preserve and transition long-term value across generations.

Webpage:

[Private Tax Services: Support for private clients and businesses | EY – Switzerland](#)

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