



Plots with potential

This purpose of this guide is to encourage you to assess the untapped potential of your property and help you achieve the living situation you want for the future.

Owning a house on a large plot of land is a privilege. That's why we want to encourage you with this guide to to check whether your home has untapped potential and what opportunities it may open up to you. Whether you have questions or want to book a consultation, we will gladly use our experience to support you.



C. Walde

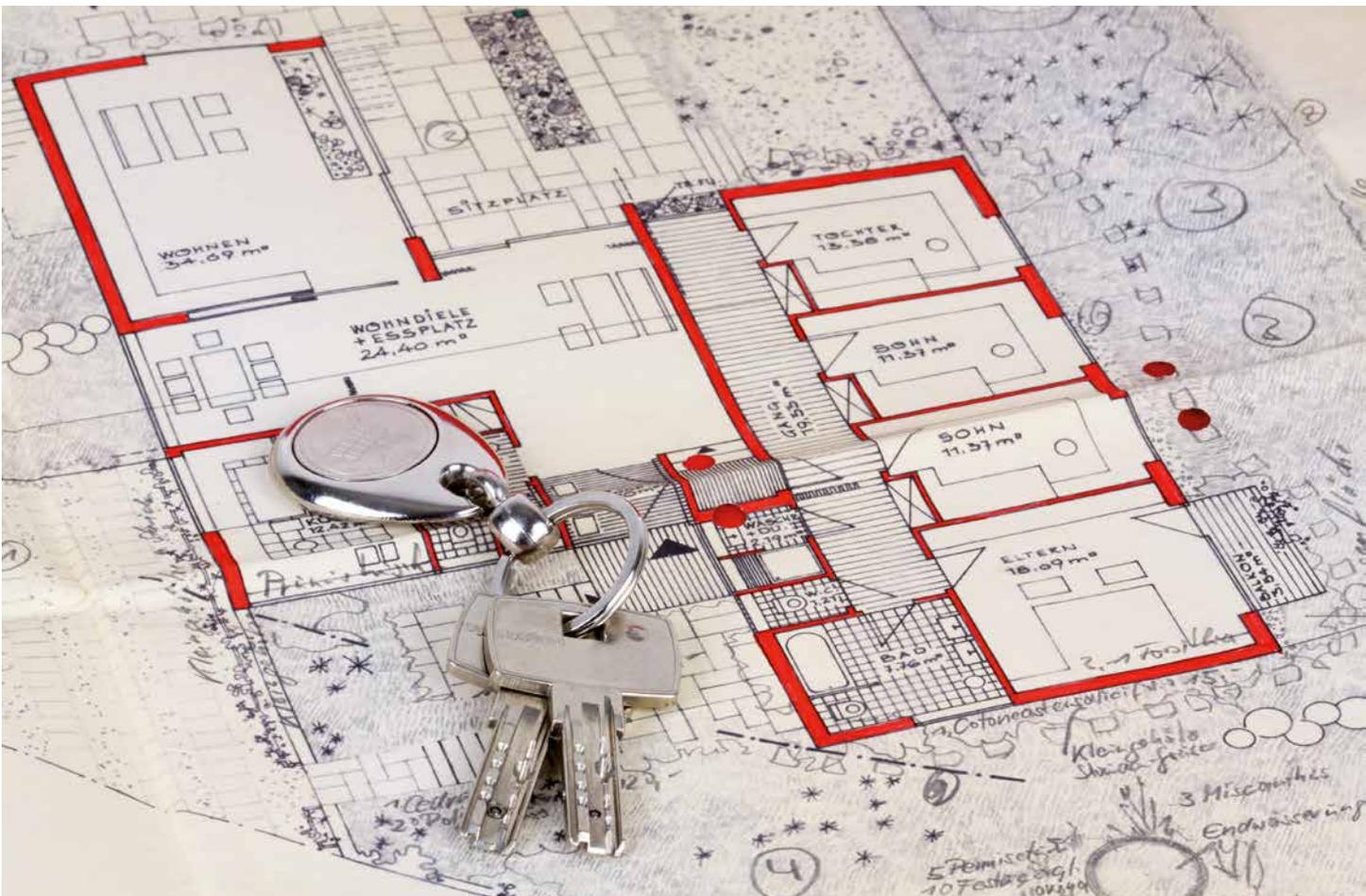
Claudio F. Walde
CEO



Larger plot, older property: lots of untapped potential

Our desire to own our own home has continued to grow in recent years and prices are rising relentlessly in line with demand. Property remains a highly sought-after, rare asset. Transactions are not taking long and properties are changing hands in record time.

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Older detached houses often turn out to be real treasures

Older properties often have a lot of land around them in relation to the size of the house. If you own a property like this, we recommend assessing the building and design options. Because many owners don't realise that some of these houses are real treasure troves, because the legally permitted use of the plot has not been maximised. For you as an owner, this offers attractive options for your future life plans or with a view to inheritance regulations or a sale.

Housing requirements change with age

Owners of houses with surrounding land are often baby boomers. The children have moved out, the house and the associated upkeep become unmanageable. However, it lacks much of what might meet one's needs in this new stage of life.

When selling a property, you can now make more than ever in terms of sales proceeds. Depending on your situation and life stage, it may make sense to sell your detached property or at least parts of it and invest the proceeds in a new project that will eventually become your home. New ideas often come into play that you would never have thought of before – especially with our expert advice to guide you.

Tip: At present, there are lots of benefits to selling property. Amongst other things, you can benefit from the high increase in value in recent years.

Clarify the maximum possible use of your plot

Most owners do not know how much of their plot can be built on and to what extent it has been used. Depending on the building and zoning regulations and the available space for expansion, you can start off by considering the following options:

- Grow old at home and continue to enjoy your detached house with its large garden
- Make use of its as of yet untapped scope for utilisation
- Sell all or part of the plot

Tip: Have the potential of your plot assessed by experts – in addition to the residential zone and utilisation rate, potential future changes and new planning procedures are also important.

Most people want to remain independent in later life and be able to look after themselves. How and where would you like to live in later life? It's important to have a clear idea of this and to plan accordingly. If staying in your own home is your priority, ask yourself: can my property be adapted to meet my needs as I age? What renovations would be necessary? Can these renovations be financed through better utilisation of the property?



Tapping into existing potential

The basic potential for living space on a plot of land can be determined relatively quickly. If your plot is being underutilised, we can conduct studies of how to utilise its potential for you together with external partners. Perhaps you would like to consider a project on your property? There are different ways to achieve your dream home in this situation: replace the existing property with a new build for several generations to live together or go for

an investment property with multiple apartments for personal use or sell them as commonhold apartments.

What options do you have?

If you are in the privileged position of owning an older detached house on a large plot of land, you should carefully consider what options the property gives you for the future. Determining the potential of the property and plot is key to knowing your options.

Walde will gladly help you do this and show you the various options available to bring to life your vision of how you want to live in the future. Find out more about the economic potential of your property and create a sound basis for your considerations and decisions.

Tip: Try converting it into an apartment building in which the penthouse apartment is designed to be accessible for all ages with direct lift access. This means your new home will be adapted to your needs in later life and you will still be living in familiar surroundings.



How untapped potential affects property value

The market value of an older detached house in an attractive suburban community in the Zurich area, for example, is estimated at CHF 1,500,000 – CHF 500,000 for the house and CHF 1,000,000 for the land.

A survey indicates that thanks to the current building and zoning regulations, an apartment building with up to seven commonhold apartments and with a sales value of around 10 million francs can now also be built on the plot.

After deducting the construction costs of around CHF 4 million for the demolition and new construction and an estimated profit for the investor, the property has a market value of CHF 4.5 million.

The potential value of CHF 3 million must be factored into negotiations with potential buyers.

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“A thorough evaluation of the property's potential is crucial for determining the appropriate next steps.”

Ramona Ruh
Head of Investment
Properties

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Interview



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Building and Zoning Regulations (BZO) sometimes regulate how a plot of land may be used or what can be built on it and how big it can be. Martin Hirs answers the most important questions.

Building and Zoning Regulations (BZO) protect both public and private interests and must be adapted from time to time due to dynamic population growth and changing use requirements. When and how often is this the case?

BZO have a planning period of around fifteen years. Regulations are reviewed every ten to fifteen years to determine whether they need to be revised. For example, revisions may be required as a result of new regional development plans, in order to meet the minimum density specified by modern requirements. Or because the local council wants to promote, preserve or prevent a certain type of development. As a result, the utilisation coefficient for individual properties may also change.

What criteria does the utilisation coefficient actually depend on?

The key factors are the building height, the desired development type, the local sensitivity, the access and the structure of an area.

And what influence does the trend towards increased density have in terms of utilisation?

The regional management plan guides local development by stipulating minimum residential densities, thus helping to ensure that districts are developed to high standards. Under certain circumstances this can mean that more or higher buildings may be built on a plot of land, for example a detached house may be added to with an extension or replaced by a small apartment building or an existing apartment building may be extended.

How do these types of changes affect property prices?

Permitted utilisation is an influential factor in relation to property prices and can result in increases in value. However, the location has a far greater effect. In prime locations, the highest prices are often paid for properties with the lowest utilisation coefficient. For example, due to having an unobstructed view, being in a peaceful setting, etc.

“Going without help from experts is a costly experiment”

Martin Hirs, Councillor for Zollikon,
President of the Building Authority

Who can builders and homeowners contact to find out the utilisation coefficient, any planned changes and the potential of their property?

In order to be able to seriously assess the potential of a particular property, I recommend seeking expert advice from a specialist, such as an architect. Those who are interested can go online* and view the utilisation coefficient and other parameters that determine a property's potential, such as building lines, safety regulations, etc. in the cadastre of public legal restrictions on land ownership (ÖREB-Kataster). You can of course also contact the local building authority at any time.

How much does it cost to get this information, and what form will I receive it in?

The ÖREB-Kataster online consultation is free. Most building authorities will also provide information over the phone for free. Costs are usually only incurred when submitting a planning application.

Older houses in particular often have utility and hobby rooms that would now be suitable as living areas, studios, offices, etc., but cannot be used due to the utilisation coefficient. Are there ways to “convert” them?

If the aim is to make the best possible use of existing buildings, the structural volume coefficient can be introduced at local level as a measure of utilisation. This refers to the cubic capacity instead of the surface area. However, there are limits in terms of residential living standards. For example, an owner cannot build an apartment in the basement of their house that is only lit by lightwells.

What are the most common mistakes made by potential or active developers?

Going without help from experts to reduce costs is usually a costly and unsuccessful experiment. Nowadays, there are so many public and private regulations that inexperienced developers are simply overloaded with information. Furthermore, changes to project when building is underway are always costly and should be avoided if possible. You need to plan well first, and only then start to build. First and foremost, it is essential to obtain basic information such as plans, regulations under public law and restrictions under private law according to the land register for the property in question and to determine the possible potential.

The same applies to apartment buildings

The recommendations and tips in this guide also apply to older apartment buildings located on underutilised plots. Many apartment buildings already have the right to undertake additional building work in the loft or can be extended by several storeys. There is always the question regarding which of the available options is the best solution for long-term personal needs while ensuring the best possible return. Walde will gladly support you in analysing and exploring the various options.

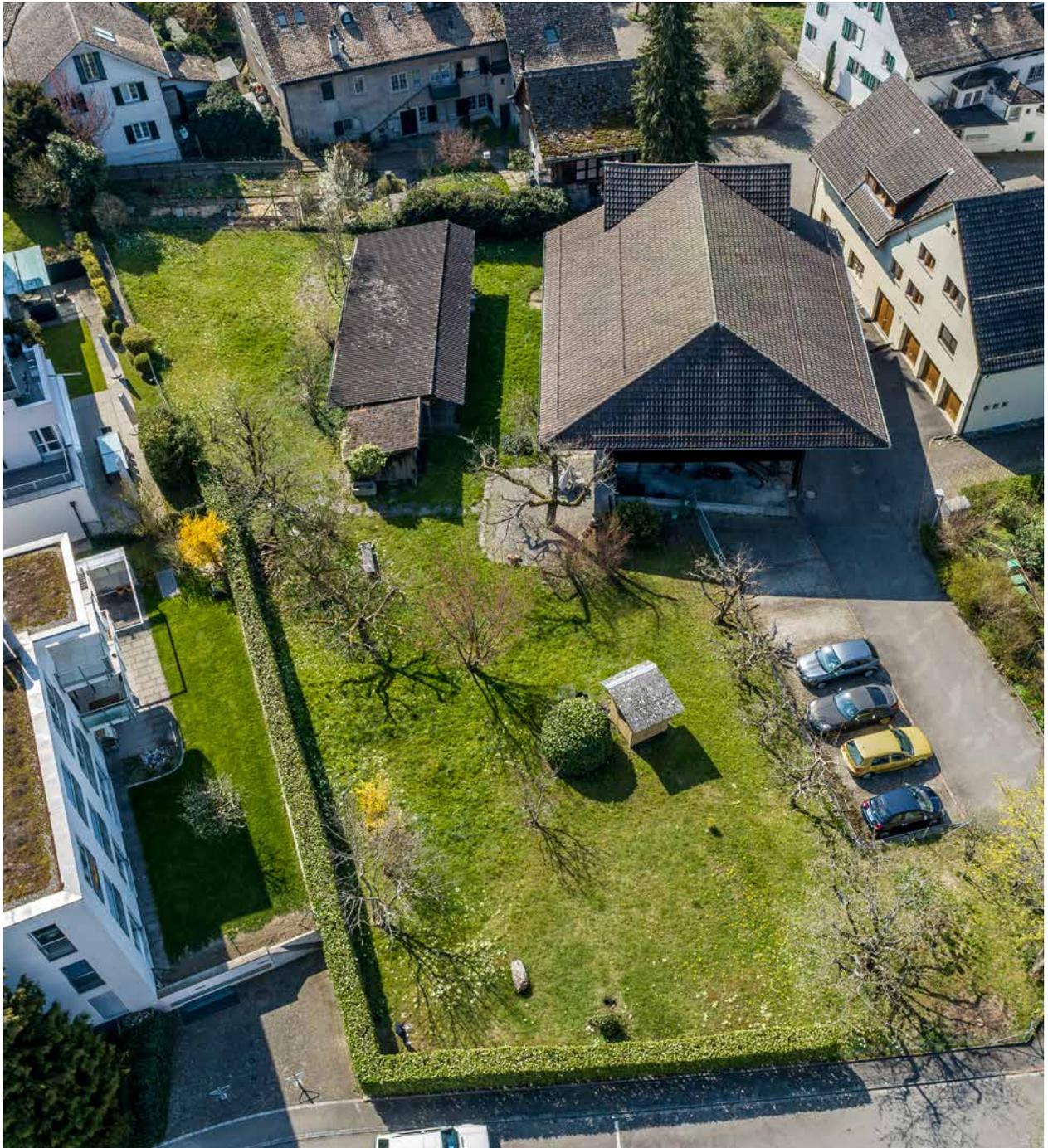


*Website maps.zh.ch



“Lots of old properties have small or large hidden assets in the form of unutilised value potential.”

Leslie Kempter-Schibler
Head of New Build Properties



What exactly are Building and Zoning Regulations?

Building and Zoning Regulations (BZO) regulate the permitted design and utilisation of properties or, in other words, what can be built where. These include the number of storeys a building may have and the minimum distances from the plot boundary that must be observed. The most important values for homeowners are the utilisation coefficient, which defines the usable area

in relation to the plot area and the structural volume coefficient, which refers to the cubage and describes the maximum permitted volume of the building.

The actual utilisation of older detached homes in particular is often far below the legally permitted utilisation. These houses have untapped potential, which makes the property and the land attractive and valuable.





Case study

“It was my home too”

“Perched majestically above the lake”.
“Historical 5.5-room detached house...
1,035 m² plot... Complete renovation or
several options for a new build possible...”

Hansjörg
Stahlin

Sale of a
detached house
in Oberrieden

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When Hansjörg Staehlin first saw the advert in the newspaper, he was gripped by a feeling of light sorrow. The advert was for his parents' house in Oberrieden ZH, which he had decided to sell and which Gert Fröbe was once also interested in. But in the end it wasn't the German character actor known for playing the villain Auric Goldfinger in the James Bond film of the same name who ended up owning the charming house from the 1950s. The lucky ones were Staehlin's parents.

This anecdote tells us that this house on its spacious grounds must have been special. That's precisely what it was later on for Hansjörg Staehlin. He only spent a small part of his childhood at this home, having spent most of his time living with his parents and his sister in France, Argentina, Brazil, Spain and Belgium. However, in 1981 the family moved back to their home in Switzerland. His parents also spent the rest of their lives there. Now the property was officially up for sale again as a renovation project or as an investment property. It wasn't easy for Hansjörg Staehlin to part with it: it was "his" home too.

The decision involved various considerations: modernise and adapt it for later on in life, tackling a new build project together with your sister who lives in Australia? Or sell it? Hansjörg Staehlin sought out advice and assessed all the options. The siblings justifiably decided to sell the property. Not least because it had considerable added value due to its underutilisation. Carrying out a new build project themselves was too risky for the siblings.

The property was also expected to fetch a good sales price, which suited their individual life plans. Since making their decision, the sale has been successfully completed by Walde. The new owner has acquired the house and the plot with around 40% of the space available for expansion as an "investment property". They have since built a small apartment building with three apartments.

After the diggers had finished up, Hansjörg Staehlin and his partner uncorked a good bottle of red wine "in the ruins", as he says, "in what was left of the house after demolition", and toasted to the memorable time he had spent in the recently demolished house. The sadness was gone. This was replaced by a feeling of gratitude, happiness and relief. He is "utterly delighted" to have made the right decision for him and his sister.

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"Owners of large plots of land and older properties are usually surprised at the options available to them."

Mattia Bonasso
CSO and Head of
Limmattal & Aargau Region

Food for thought

When is it worth modernising a house?

- If the building work isn't an inconvenience
- If the funding is secured
- If it is clearly stipulated during any inheritance planning that an heir wants to assume ownership of the house

When is it worth replacing a detached house with an apartment building?

- If you enjoy working on your own property project
- If the required equity can be raised
- If you want to stay in a familiar setting and the detached house is no longer the ideal arrangement for your lifestyle
- If you are considering a multi-generational home with your children or an apartment in a retirement community
- If you want to top up your pension with additional rental income

When is it worth selling?

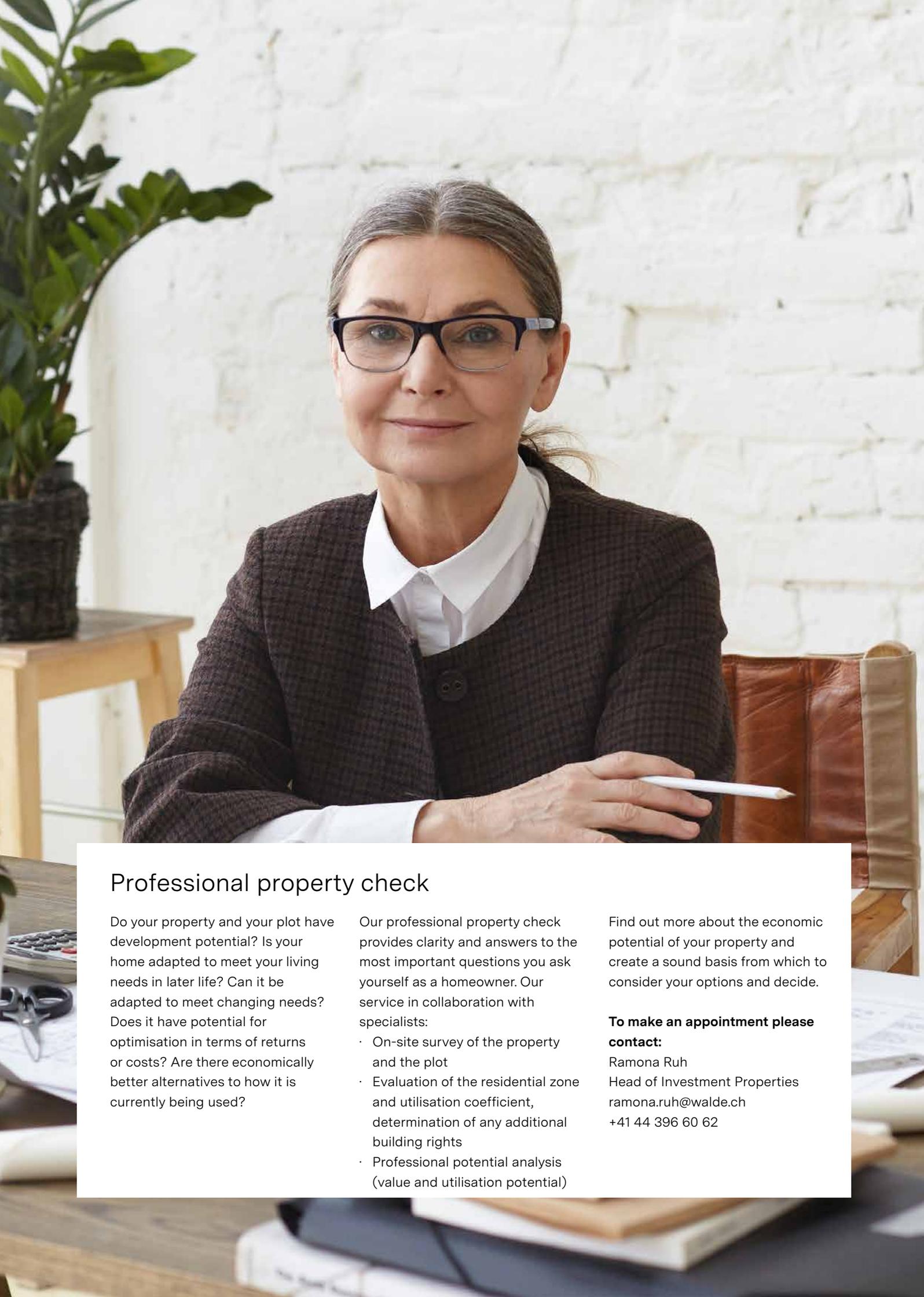
- If the house no longer meets your requirements and converting it is not possible
- If you would prefer an apartment that will be easy to maintain to a house that has become impractical
- If you cannot or do not want to bear the financial and tax risks of replacing the building (e.g. an apartment building)

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Notes

Interested in a non-binding and free initial consultation? Please contact us at any time at:

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Professional property check

Do your property and your plot have development potential? Is your home adapted to meet your living needs in later life? Can it be adapted to meet changing needs? Does it have potential for optimisation in terms of returns or costs? Are there economically better alternatives to how it is currently being used?

Our professional property check provides clarity and answers to the most important questions you ask yourself as a homeowner. Our service in collaboration with specialists:

- On-site survey of the property and the plot
- Evaluation of the residential zone and utilisation coefficient, determination of any additional building rights
- Professional potential analysis (value and utilisation potential)

Find out more about the economic potential of your property and create a sound basis from which to consider your options and decide.

To make an appointment please contact:

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Our team has already helped many people find their ideal home. You, too, can benefit from our experience.

Get in touch.

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