Introduction

ALPINE SKI PROPERTY INVESTMENT INSIGHTS

As economic and political conditions within the European and Global markets continue to shift, the property market in the Alps presents a range of exciting opportunities...

With Europe undergoing significant changes, including the negotiation of BREXIT and turbulent currency fluctuations, the landscape of the Alpine property market is facing its own forces of change too, and many resorts and regions are coming out on top.

Some Alpine resorts have responded to these shifting global and European economic conditions better than others, by investing heavily in their Winter and Summer infrastructure and diversifying their markets, whilst other resorts are suffering from decreasing skier numbers and an ageing populations.

The ski market, one of the most important components of the Alpine economy, is growing and evolving as skier demographics transform. Similarly, and particularly in Austria, the summertime market is looking stronger than ever.

In this 2017/2018 edition of our Alpine Ski Property Investment Insights, we examine the current key trends in the ski and summer markets, as well as the Alpine property market. We also take a look at the most successful and popular resorts, as well as the best up and coming locations, to ensure you can start your Alpine property search with confidence.

Over the next few pages, we will round-up the latest key trends set to influence the Alpine property market this upcoming season, and will explain why, in 2017/2018, joining the Austrian property market is the intelligent investor’s business decision.
Purchasing Alpine property is becoming more than just a luxury lifestyle choice...

The Alps hold great appeal amongst property investors from all over the world. Hosting 44% of all global ski visitors, covering an area of 191,000 square kilometres and spanning seven countries, the Alps are by far the world’s most popular destination for winter sports and snowy getaways.

The region outplays its competitors, like the North American ski regions, by capturing over double the amount of skier visits. With evidence of the region’s enduring popularity so strong, it is no surprise that the Alps are also the most intensely equipped region in the ski industry, with more than 10,000 lifts.

Austria and France come top of class in terms of skier visits in the Alps, and are the only countries to have more than 10 resorts that generate over 1 million skier visits per season. Both countries top the ‘most lifts’ list, each with about 3,000. Austrian ski resorts have been consistently improving since their development in the 1930s. With more than 7 billion Euros invested into the country’s ski resorts since the millennium, Austria showcases the most modern lift infrastructure in the industry.

Recording stable annual growth in ski visits of 2.25% per year since 2000, Austria is close to reaching the same level of skier visits as experienced in France - yet comes up trumps with lower costs of skiing, lower property prices, and dual seasonality. Swiss resorts have been experiencing steady declines in attendance, due to its ageing population and high costs. Foreign skiers have been increasingly opting for cheaper resorts denominated in Euros.

Next, we will take a look at the key trends occurring within the ski market this year.

The Weather & The Economy

A multitude of factors work to affect the strength of the Alpine ski market in any year, and always first and foremost is the weather & economic condition. There is evidence to suggest that skier visitor numbers decline during warm ski seasons and also during economic downturns. These factors are cyclical though, and have not had an impact on average skier visiting trends over long periods of time.

Expansion of a younger generation of skiers

Total skier visits across the major global markets decreased by 1.6% last year, and evidence suggests that this decline is down to an ageing skiing population in Europe. The large baby boomer demographic is now at the upper end of skiing age, and are beginning to explore more non-ski and soft-ski options, such as spas, sledding, and Alpine walking.

Nonetheless, in 2017/2018 we are likely to see the expansion of generation Y (age 20-35) clipping into their skis, as their wealth and propensity to ski increases. The Alpine ski industry has, on the whole, adapted well to this exciting change in skier demographic.

Austria in particular, has invested over 7bn EUR in ski resort infrastructure since 2000, and has been able to secure the most modern lift infrastructure in the industry. Finishing touches such as heated ski lifts, complete with Wi-Fi, are attractive to this technologically switched-on generation. New build ski

Worldwide Distribution of Major Resorts

(Source: Laurent Vanat, 2017)
property in Austria is no different, with many developers incorporating features such as personal property Apps, and fully-managed rental schemes with guaranteed incomes, to attract this younger generation of buyers.

Switzerland, on the other hand, has been badly affected by these changes in skier demographics within the market, and has seen overnight stays in winter resorts drop by 1.5m per year, and foreign guests on the slopes has also dropped below 50%. This is likely because Switzerland holds less appeal amongst younger generation Y, due to the slow-down in resort investment, and its unfavourable currency position.

**Ski Culture**

Despite the decline of baby-boomers on the pistes due to their ageing population, a strong skiing culture is still highly established throughout the Alps. The Austrians and the Swiss have the highest participation rates – over 35% of their populations are active skiers, which results in a lovely atmosphere within both country’s resorts.

On top of this, Austria is also 2nd in the list of countries with the most foreign skiers (after Andorra), highlighting the importance of winter tourism for their economy. Formerly, Switzerland also would be in top 3 in the list of countries with the most foreign skiers, however in recent years, the proportion of foreign skiers has declined rapidly.

Austria in particular has a very strong ski culture and remains the only country where local schools still attend ski weeks on a regular basis.

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**Austria comes up trumps with lower costs of skiing, lower property prices, and dual seasonality**
Summer Market Trends

As healthy and active lifestyles are becoming more of a priority, mountains - rather than beaches - are on trend.

A savvy investor knows that greater numbers of tourists means fewer empty periods, higher returns, and ultimately a more attractive asset. Alpine resorts with a summer focus, such as Chamonix in France, Villars in Switzerland, or Zell am See in Austria are seeing growing visitor numbers as families head to the Alps in the Summer to try out new activities like rock climbing, paragliding, golfing, hiking, sailing, and mountain biking… to name a few.

Austria, with up to 8 glaciers open between June and September, comes top of class for summer ski options. Italy and France have 3 each, and Switzerland has 2 glaciers open during the Summer. The USA and Canada have only 1 each.

Some consider the “summer lull” experienced in some high altitude resorts to be a downside to investing in the Alpine region. Val d’Isere and La Plagne, for example, suffer when infrastructure and amenities close entirely during their cold summer months. However, it is only really the high-altitude and purpose-built ski resorts found in France that are affected.

The Summer market, which has always been strong in Austria due to its favourable altitude, has developed even more in recent years. Mid-altitude resorts are buzzing all year round. Ski lifts run all day, offering access to green pastures, hiking routes, and beautiful mountain huts. Tourists and homeowners are drawn by mountaineering, beautiful flower meadows, and stunning Alpine lakes. Resorts like Bramberg and Neukirchen offer a broad range of activities from tree top zip-lines to beer and food festivals, which has already furthered demand in the summer months.

Austria enjoys two peak seasons a year and offers investors excellent year-round rental returns, unlike some purpose-built Winter resorts which can only provide Winter returns.

Finding a mid-altitude balance is key for buyers who are interested in both Winter and Summer pursuits

The Alpine Summer market is thriving in Austria, which boasts warm lakes and green pastures
Alpine Property Market

For the world’s wealthy, an Alpine property is a key component of any global property portfolio, but increasingly these properties are being bought not just as lifestyle acquisitions, but as assets that can provide investment return as well.

Positioned within only a few hours travel of several well-connected international airports and large European cities, the Alps boast a superb second home property market that is within easy reach. Whilst all of the Alpine resorts have Winter sports in common, each village has its own personality. As such, property trends, laws, and prices vary significantly between each of them. In this section, we will outline these recent trends in the Alpine property market, and will examine some key differences between resorts, as well as shedding some light on a typical buyer profile.

**Recent Trends Overview**

Generally, Switzerland has the most expensive ski property in the Alps, and the resorts here also have the highest cost of skiing & living. Nonetheless, prices in Switzerland have continued to grow due to economic growth, low interest rates and safe-haven appeal to foreigners. As a result, ski property in Switzerland has remained largely unattainable, with prices as high as 20,000 EUR/sqm. Meanwhile, the Swiss franc decoupling from the Euro in January 2015 has had long standing repercussions, and Swiss ski property has become even more expensive for foreign purchasers.

French ski resorts, however, have experienced declining property prices in recent years, due to a faltering economic recovery. Ski property prices have once again stabilised and prime ski properties in the most premium resorts sell for around €18,000/sqm. British buyers are key in the French property market, and it is currently unknown how the turbulent GBP will affect the market next season.

Austrian ski property, on the other hand, arrived on the global stage later than its French and Swiss counterparts. Average Austrian prices are 28% below the Alpine average, but will not stay this way for long, and we are seeing property prices growing quickly, as well as demand.

Demand for ski properties in Austria have traditionally been driven by those looking for a ski home to enjoy with their family and friends on a personal level, however, we have recently seen a large growth in buyers interested in making a profit from their ski home. Ski property in Austria make fabulous investments, largely due to the country’s dual-seasonality.

Despite having the lowest entry level ski property in the Alps, Austria also has its fair share of prime ski property. The country hosts some of the most exclusive Alpine resorts such as Lech, Kitzbuhel, Ischgl, and Obergurgl; which are often frequented by royalty. Villages surrounding these resorts, like Warth, boast ‘back door access’ to the most desirable slopes in the Alps, have seen property prices rise the fastest.
**Currency Impacts**

Recent movement in sterling has seen ski property in the Alps become more expensive for GBP buyers in the last year. With the wake of the UK’s EU referendum and the weakening of sterling, we have seen a shift in our buyer demographics. During 2015/2016, almost 60% of Austrian ski property buyers were British. However, in 2016/2017, this number has fallen by over 5%. Nonetheless, EUR buyers are becoming more frequent, with German, Slovenian, and Hungarian buyers entering the scene. Currency factors have also made less of an impact across our non-EUR buyers than expected, and this is largely due to the fact that new-build properties are paid for in stages, across a long period of time.

With evidence of the Alps’ popularity so strong, it is no surprise that the Alpine property market has endured Europe’s economic downturns to transpire as desirable as ever to international investors. The lack of property supply in upmarket resorts along with the sheer levels of wealth amongst homeowners means there has been no hasty responses to the ever-changing economic landscape, and we have actually seen more transactions in 2016/2017 than ever before.
WHAT BUYERS WANT

There are several key, important factors that buyers consider when choosing the right resort and property for them.

Rental Return Potential & Rental Management Concept

Most buyers are interested in renting out their ski property when they are not using it themselves in order to generate a profit, or to at least cover the running costs of their property. Exclusive resorts such as Obergurgl, in Austria can achieve fabulously high room rates in the Winter season, and can thus offer property owners great returns of around 5% per year. Potential buyers are always interested in investing in popular resorts with high rental returns. Additionally, buyers are often keen to invest in a property with a fully managed rental concept in place. In this way, the management team will handle all of the owner’s guest bookings, cleaning, hosting etc., encouraging a hands-free experience for the property owner.

Resort Altitude

The altitude of the resort is another consideration among buyers. Those who are looking for two high seasons a year, boasting excellent winter skiing as well as warm lakes to swim and green fields to hike, might prefer a lower altitude resort with direct access to high altitude skiing.

Accessibility

Travel times are also an important consideration, particularly useful for weekend skiing or hiking escapes.

Resort Atmosphere

Each resort in the Alps is unique, each with its own atmosphere and vibe. Some buyers are more interested in a party scene, like those found in Ischgl, Austria. Families on the other hand might be seeking a resort like Neukrichen, that is quieter and more family orientated. High profile individuals may be searching for exclusivity and security, such as that offered by Lech, which hosts royalty regularly, or Obergurgl.

The Race to Become the Largest Linked Ski Region in Austria

The Arlberg ski region has become Austria’s first to boast over 300km of lift linked slopes, with the introduction of 4 brand new gondola lift systems and €45m of investment last ski season. Now, St Anton and St Christoph, Lech, Stuben, Zurs, and Warth are all comfortably accessible on skis.

The area also enjoys an additional 200 kilometres of marked but ungroomed ski routes, which are not included in its official 340km totals.

With this vast total number of pistes, The Arlberg overtook Saalbach-Hinterglemm-Fieberbrunn, which is not far behind with 270km of slopes. As such, the Arlberg ski region has moved into the World Top 5 in terms of ski resort size, overtaking the long-time claimed 300 kilometres of the Espace Killy shared by Tignes and Val d’Isere.

It is uncertain how long the Arlberg will maintain its position as Austria’s largest, as several other Austrian regions are reported to be working on mergers that could potentially increase their size to over 350-400 km of linked pistes. This is an exciting time of investment and expansion for Austria, which is sure to see more of its top-class resorts in the World Top 5.
AUSTRIA’S PRIME SKI RESORTS

Obergurgl

Obergurgl is a high-end Alpine village, and is particularly popular amongst affluent British skiers. With slopes located at over 3,000m, this resort has one of the longest ski seasons in the Alps and is also one of the most snow sure. The locals here are genuinely welcoming, the village is quaint, quiet and mostly car-free. Ski property has only become available here for the 2017/2018 ski season, and with a loyal following of fans, we expect our Obergurgl properties to sell out fast this season. Click here to take a look.

Kitzbuhel

Kitzbuhel is situated in Austria’s Tyrol province, and is a popular yet exclusive destination in both the Winter and Summer. this lively medieval town is full of chic buildings and cobbled streets which are bursting with traditional Austrian charm, while the outskirts of the town offer a wide selection of modern shops and fine restaurants. Chalets surrounding this historic town come with a high price tag of around 13,000 EUR/sqm. Click here to take a look.

Lech and Warth

Warth is a charming village just 5km from Lech, and has become somewhat of an investment hotspot since it’s ski region was connected to Lech’s a few years ago. Demand for Warth has catapulted, and we have seen a huge leap forward in terms of property value. With another gondola under construction in the town centre, and the expansion of The Arlberg region into one of the World’s Top 5 ski resorts, we expect property values here (currently around 8,000 EUR/m2) to rise closer to those seen in Lech (16,000 EUR/m2). Click here to see our properties for sale.
AUSTRIA’S UP & COMING SKI RESORTS

Schutdorf

Schutdorf is a pretty village just outside Zell am See centre, and only a few moments' drive from the stunning emerald waters of Lake Zell. As property planning regulations become stricter in Zell am See centre, we expect Schutdorf to experience an increase in demand from buyers looking own property in this dual season lakeside resort.

Fieberbrunn

Fieberbrunn was launched into the limelight when it linked to Saalbach-Hinterglemm in 2015. It is now a gateway to one of the largest ski resorts in Austria, boasting 270km of pistes and the most modern lifts in Europe. With its own micro-climate, top-to-bottom skiing is possible from late November and lasting well into April. Property developers here are so confident of excellent rental returns that they are able to guarantee 5% returns on your capital investment. Click here to take a look at our properties for sale.

Neukirchen

Neukirchen is a pretty, traditional village in Salzburgerland, with easy back-door access to the Kitzbühel Alps only 5 minutes away. On top of this, Neukirchen shares a charming 75km of pistes with its neighbouring village, Bramberg, which has recently become an investment hotspot in the region. We are sure that Neukirchen is following in Bramberg’s footsteps, with more properties slowly becoming available to purchase. Click here to take a look.
Ski properties still remain an essential component of an international property portfolio.

Established Reputations

Alpine ski resorts have established reputations as destinations for the World’s wealthy. There are few other global regions which can rival the Alps, and we expect demand to continue rising as the newly wealthy generation Y, and the growing middle class in Asia, begin skiing. This growing demand paired with increasingly restrictive building regulations are pushing prices upward.

Brexit and Beyond

The UK’s decision to leave the EU has not resulted in any falls in enquiries. We have experienced a small decrease in British buyers, due to the fluctuating currency, but these have been replaced with other European buyers. We are confident that Brits will continue to buy homes in the Alps after BREXIT, as it will only become marginally more complex than it is currently. Non-EU citizens, such as US citizens, as well as expats situated in the Middle East and Asia, have been buying property in the Alps for years.

Resort Infrastructure

Resorts which continue to invest and diversify in the infrastructures they have on offer, are likely to continue capturing high skier numbers in the future. The most popular Alpine resorts amongst the new skier demographic are those which are able to attract new, younger visitors for a range of activities.

Austria

Ski property in Austria still offers the best value for money in the Alps, without a compromise on quality, when compared to price points in Swiss and French ski resorts. Austria is increasingly drawing an international audience and we expect property prices to catch up with its Alpine counterparts in the close future.

The Alps hold a firm reputation as a key destination for the world’s wealthy
Alpine Marketing are the leading agency specialising in the sales and marketing of ski property in the Austrian Alps. We have been selling ski chalets and apartments in the Alps for over 10 years. Today, our London based team works hard all year round to find new resorts and developments and offer the finest selection of Alpine properties on the web. We ensure a high quality, specialist service and help buyers throughout their entire purchasing process.

Our extensive portfolio and years of service have enabled us to keep on top of the property market. We pay close attention to our clients and what they are looking for to ensure we find them the property that is right for them. We advise all the top developers and our quality of service and professionalism have ensured successful and long term relations with them.

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