

Immigration and Housing Prices in Switzerland

Bachelor's Thesis

University of Zurich

Department of Banking and Finance

Supervisor: Prof. Dr. Steven Ongena

Author:

Stefan Philipp Fahrner

Abstract

This thesis examines the relationship between immigration and housing prices in Switzerland for the period between 2009 and 2014. OLS results suggest that a 1% increase in an area's initial population through immigration leads to a price reduction of 1.20% for single-family homes and 1.13% for condominiums. These results, however, could suffer from various endogeneity problems and should not be viewed as the causal effect of immigration on housing prices. The results stand in contrast to an earlier study that examines the same relationship for the period 2001-2006. Possible reasons for the differences are discussed in this thesis.