

HIGHER IMPUTED RENTAL VALUE

DUE TO REEVALUATION OF PROPERTIES IN THE CANTON OF ZURICH



Dear Customers

>> The new cantonal tax guidelines for residential property shall come into force from the **2026 tax period – not 2025 as originally planned.**

This is due to the findings of the Zurich Administrative Court and the Zurich Tax Appeals Court, according to which the property tax values of some properties are considerably lower than the effective market value.

This means that the existing directive from 2009, according to which the property tax values of properties may not be lower than 70% of the market value and the imputed rental values may not be lower than 60% of the market rent, is no longer legally compliant - according to federal law.



Taxpayers will therefore now receive the new property valuations at the beginning of 2027 together with their 2026 tax return form.

>> **The most important changes compared to the previous directive:**

- The imputed rental value of single-family homes is rising by an average of 11%
- The imputed rental values for condominiums increase by an average of 10 %
- Property tax values increase by an average of 48%
- Derivation rates are now defined individually for each municipality. This allows better account to be taken of the different regional developments in property prices in relation to rents.
 - o For single-family homes between 1.7 and 3.5 % (previously a uniform 3.5 %)
 - o For condominiums between 2.1 and 4.2 % (previously 4.25 %)

>> **What are the effects?**

There will be a higher tax burden for homeowners. According to estimates by the cantonal tax office, the canton and municipalities are expecting additional revenue of CHF 170 million.

Due to the higher tax burden, it can be assumed that there will also be an increase in hardship cases. The Government Council is therefore seeking to **reintroduce a hardship rule.**

We are happy to answer any questions you may have on this topic. It is best to get in touch with your personal consultant from our team.

Kind regards

The Expertinum Team
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