

## **6 The Housing Market in Zurich's Urban Agglomeration**

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### **6.1 Introduction**

The urban agglomeration of Zurich is the most important urban region of Switzerland in demographic and economic terms. At the onset of the 1100th century it accounts for almost one million inhabitants and nearly 600,000 jobs, the largest share of them in the service sector. The position of the Zurich agglomeration inside Switzerland is dominant regarding international activities and research, as well as transfer and development activities (Rossi and Steiger 1995; Bretschger et al. 1995). Thus the Zurich region is very dynamic in economic terms. It is also a very attractive region as far as immigration of population is concerned. In Swiss terms the Zurich agglomeration knows higher-than-average rates of GDP and population growth (Schuler 2002).

As shown by Table 6.1, the population increase is in fact attributable to the increase of the population in the suburban ring communities. This, in turn, is due to the demographic dynamics of the existing rings as well as to the development of new suburban rings continuously enlarging the urban agglomeration radius (compare footnote 1). In Table 6.2 we analyse the sources of demographic growth in recent years. We observe that in the city both the natural and the migratory component are negative. But in the city, the population decreases mostly because of the negative balance of the natural component. Conversely, in the suburban ring communities the natural component is the one that contributes most to demographic growth. The positive suburban migration balance is larger than the negative migration balance of the city. This means that the suburban communities attract households from the rest of the country and from abroad as well. We finally notice that the largest demographic growth is probably taking place just beyond the current border of the urban agglomeration, in local jurisdictions which by the most recent definition did not belong to Zurich's urban agglomeration. Because

the city centre of Zurich still loses inhabitants the prevailing demographic trend, as far as the internal development of the agglomeration is concerned, is characterised by suburbanisation.<sup>1</sup>

**Table 6.1.** Zurich's urban agglomeration population development 1980–99

	1980	1990	1999	Variation 1980–90 [%]	Variation 1990–99 [%]
Zurich	369,522	365,043	333,486	–1.2	–8.6
I Ring	136,787	135,777	134,566	–0.7	–0.9
II Ring	140,088	154,226	163,815	10.0	6.2
III Ring	59,823	67,567	71,799	12.9	6.2
IV Ring	132,144	145,165	154,613	9.8	6.5
V Ring <sup>a</sup>		72,402	80,752		11.5
Total 5 Rings	838,364	940,180	939,031	12.1	–0.1
Total 4 Rings	838,364	867,778	858,279	3.5	–1.1
Total 5 Rings without Zurich	468,842	575,137	605,545	22.7	5.3
Total 4 Rings without Zurich	468,842	502,735	524,793	7.2	4.4

<sup>a</sup>The fifth ring did not exist before 1990.

Source: Statistical yearbook of the city of Zurich.

**Table 6.2.** Population variation and sources of demographic growth in Zurich's urban agglomeration in the period 1.1.1994 to 31.12.1998

Sources of changes	Zurich city	Suburban ring communities	Urban agglomeration's total
Natural increase	–5,627	13,178	7,551
Net migration	–597	8,553	7,956
Total change	–6,224	21,731	15,507

Source: Statistiques des villes suisses, different years.

The yearly list of the best world cities drawn up by the Personal Consultant Company Mercer in London puts Zurich at the top in the year 2002 (Tages An-

<sup>1</sup> Definition of Zurich's urban area as used in this Chap.: Agglomeration is the term used by the Swiss statistical office to define the functional area around an important urban centre. The main criterion to trace the perimeter of an urban agglomeration is the volume of commuters flowing from the suburban local communities to the main hub. As these flows evolve, the agglomeration perimeter is checked and changed every ten years, when the results of the federal population census are published. In this chapter we have used the definition of the 1990 population census because the results of the 2000 population census have not yet been completely worked out (Schuler and Joye 1994). In order to have more information on the working of the housing market, we also used another definition of Zurich's urban area, namely the perimeter of the Canton of Zurich. The two spatial units are different and they overlap only in part. Finally we observe that today's functional urban region of Zurich ranges beyond the border of the agglomeration of the 1990 census. In order to take account of this reality the Swiss statisticians have defined so-called metropolitan areas, which are even larger than the agglomeration. We did not refer in to the metropolitan area of Zurich simply because official statistics do not publish relevant housing data for this kind of spatial unit.