



## Your questions... answered

How are modernisation costs determined? How does Liiva calculate a property's market value? How can you influence your property's energy rating? Questions like these always arise where residential property ownership is concerned, but don't worry... Liiva's got you covered. Here are the answers to some frequently asked questions from our Liiva customers.

### How does Liiva estimate a property's market value?

Liiva uses what's known as a **hedonic valuation method** when calculating the basic market value. The basis for this is data from **IAZI**, a reputable Swiss real estate service provider. Banks also use this method for their valuations. The market value is calculated using **data from the property profile**, such as the address, property type, year of construction and net living space. Liiva also requests additional information when doing so. The range is currently 15% above and 15% below the appraised value.

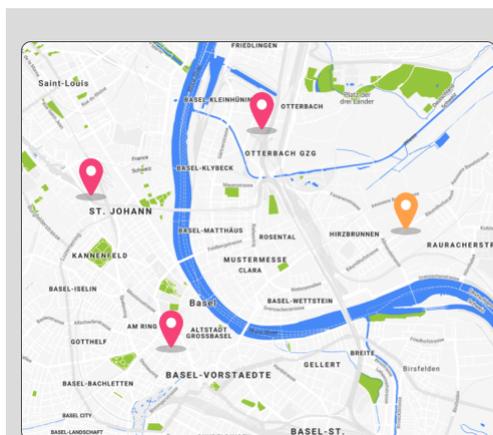
**Let's start adding basic property data**

Address  
Sandacherweg 1, 8606 Greifensee

Property type ⊕

Construction Year ⊕

Net living space (m<sup>2</sup>) ⊕



### What is a hedonic valuation method?

A hedonic valuation method is a statistical procedure that compares a property with similar properties in a similar location, meaning that the estimated price is determined by the market. This method is very popular in the real estate sector and many banks also use it when approving mortgages. The challenge here is that the statistical values are based on previous purchase and sale transactions of properties in the area. In turn, this means that the market value can be estimated more accurately in areas where the number of transactions is higher.

### How does Liiva calculate modernisation costs?

The Liiva Modernisation Planner provides you with a free investment proposal, including information on when and how much to invest. To achieve this, we use the data in your Liiva profile, as well as general market data for the maintenance of the individual parts of the building, such as the kitchen and the bathroom. If no such data is available, Liiva makes an estimate. There are strong regional differences, which is why we currently calculate based on the national average. The corresponding construction standard also plays a role in the calculation. Here, you select between 'standard, modern or luxurious' and we estimate the costs for an equivalent replacement. When modernisation is due, Liiva bases its calculations on the average life span of building components as defined in current market studies.

## Rebuild, renovate, or modernise?

Even though these terms are often used interchangeably, rebuilding, renovating, and modernising are actually three completely different things.

- **Rebuilding** means repairing or removing damage. This could be damage caused by damp, mould, holes in the roofing or cracks in the façade.
- **Renovation** does not mean repairing defects, rather improving the *aesthetics* of the building. Examples of this are painting and/or wallpapering the interior walls or laying new flooring.
- **Modernising** means improvement – this covers not only the damage and improving the building's aesthetics, rather it brings all elements of the property to the most current standard. This increases the utility value and saves on running costs, for example by installing new thermal insulation windows or an energy-saving heating system.

Liiva can help you establish as early as possible which modernisations should be carried out and when, i.e. not only when certain aspects of the building are in desperate need of repair/replacement, rather as soon as the end of the average service life is reached.

## How does Liiva know how much energy my property uses?

The address is the first clue, as the location plays a major role when calculating the energy balance. Other factors, such as the year of construction and the size, are also important. Liiva can generate four outcomes based on this data:

- **Energy Consumption (kWh per year):** Energy consumption is measured in kilowatt hours (kWh). One litre of fuel corresponds to 10 kWh; a kilogram of wood 4 kWh. The average Swiss household (four people) consumes approx. 4,500 kWh per year.
- **Energy Costs (Swiss francs per year):** In Switzerland, depending on the region and the tariff, one kilowatt hour of electricity costs between 10 and 40 cents. The electricity costs for a Swiss family of four are approx. 932 francs per year.
- **CO<sub>2</sub> Emissions (kg per year):** If you use electricity, you'll contribute to CO<sub>2</sub> emissions. One kilowatt hour of electricity releases approx. 197g CO<sub>2</sub> into the atmosphere, whereas an average Swiss household produces on average 887kg of emissions per year. Heating and hot water consumption, therefore, have the greatest savings potential for households.
- **Energy Class (A-G):** Liiva's energy classification is based on the cantonal energy certificate for buildings (GEAK), which ensures compliance with a standardised building energy certificate throughout Switzerland. It divides the energy class of both the building shell and building services into seven categories, the meanings of which can be viewed on the [geak.ch](https://www.geak.ch) website.

The construction standard of various building components have an influence on the energy classification. These include the roof, the attic, the skylight, the façade, the windows, the front door, any solar panels installed, the heating and the basement ceiling.

## High energy consumption – what do I do?

Is your property's energy assessment low? Don't worry! The Liiva Modernisation Planner clearly shows you how to optimise your property's energy balance and also provides a timetable and an estimated cost. This will help you protect both the environment and your own finances in the long term – it's a classic win-win situation.

If you have any questions, please don't hesitate to contact us on [support@liiva.ch](mailto:support@liiva.ch). Your Liiva Team

