

Housing and space

*Dr Alexander Ressos, TEP
Attorney-at-Law (Switzerland), Solicitor (Hong Kong),
Solicitor (England & Wales)*

The shortage of affordable housing is the most pressing domestic problem of the canton and the most likely source of political resistance to its economic model. The canton and the municipalities can act on several levels. They can designate more land for housing, including zones reserved for affordable housing, and increase the density of existing zones where appropriate. They can support housing cooperatives and non-profit housing providers with land, loans and guarantees. They can use the canton's financial reserves to acquire land and build housing directly. Voters have given mixed signals on this course: in 2023 the voters of the town of Zug narrowly approved an initiative for affordable housing, whereas in 2025 the cantonal voters rejected an initiative to finance affordable housing through a higher levy on planning gains.¹

The limits are physical and political. The canton's territory is small, and much of it is protected landscape, forest or farmland. Residents resist densification in their neighbourhoods and the loss of green space. Federal spatial planning law restricts the expansion of building zones.² The canton's growth will therefore depend on its ability to build more housing within existing zones and to cooperate with neighbouring cantons, where many of its workers live. Regional cooperation on housing, transport and planning with the cantons of Zurich, Lucerne, Schwyz and Aargau will become more important.

1 Notes

1. SRF, "Hauchdünne Mehrheit: Stadtzuger wollen mehr bezahlbaren Wohnraum", 18 June 2023, [srf.ch](https://www.srf.ch): the town initiative "2000 Wohnungen für den Zuger Mittelstand" accepted with 50.2 per cent, a margin of 34 votes (40 per cent affordable housing in new dense developments, municipal land acquisitions, 20 per cent of the town's housing affordable by 2040); [watson.ch](https://www.watson.ch), "Mehrwert-Initiative: So hat

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der Kanton Zug abgestimmt", 18 May 2025: the cantonal "Mehrwert-Initiative" (planning-gains levy raised from 20 to 30 per cent, at least half of the revenue for affordable housing) rejected with 73.5 per cent, the counter-proposal with 53.6 per cent. ↩

2. Federal Office for Spatial Development, "Revision Raumplanungsgesetz – 1. Etappe (RPG 1)", are.admin.ch/de/rpg1: revision approved by the voters on 3 March 2013 (62.89 per cent Yes, Swissvotes no. 569), in force 1 May 2014; building zones limited to the expected demand of 15 years, oversized zones to be reduced. ↩

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