Where is Switzerland's cheapest place to live?



Image Caption: The franc stretches further in Appenzell Inner Rhodes (swiss-image)

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**While Switzerland may not be known for its low cost of living, a study has revealed the most affordable place to set up home.**

Inhabitants of canton Appenzell Inner Rhodes, in the east of Switzerland, enjoy the highest levels of disposable income after tax and fixed costs such as housing. Geneva residents have less in their pockets than people in any other region.

The survey by Credit Suisse bank measured a range of expenses - from tax rates, social security payments, health insurance premiums to utility bills, house prices and rent – in a number of communities.  
  
It found the cost of living varied enormously depending on where people chose to reside. For example, individual cantons and local municipalities have the power to set their own tax rates.  
  
The rural canton of Appenzell Inner Rhodes again topped the list as the most inexpensive place to live, as it did in 2006 when the survey was last conducted.   
  
The report said the canton was "the most appealing place to live for the broad middle classes" thanks to relatively low real estate prices, moderate tax rates and the country's lowest health insurance premiums.  
  
Geneva remained rooted to the bottom of the league table of the 26 cantons owing to high property prices and hefty taxes. Obwalden climbed five places to second after slashing taxes in 2007 while Zug fell 13 places to 18 as the cost of real estate rocketed in the past two years.

**Foreign influence**

The influx of wealthy foreigners has made a big impact on the demographic landscape in Switzerland. The Credit Suisse report said that more people have left Zug since 2006 than any other canton, but the population has been rising thanks to its international attraction.  
  
"Zug has the lowest tax rate in Switzerland so it is more attractive for foreigners with high incomes despite the high cost of property," Credit Suisse senior economist Thomas Rühl told swissinfo.   
  
"In tourist regions, such as Valais and Graubünden, there are a lot of second homes owned by both foreigners and Swiss, and that has substantially increase real estate prices and rents."  
  
The disparity in the amount of disposable income enjoyed by inhabitants has increased the trend of people moving cantons for financial reasons.  
  
The survey gave a hypothetical example of a family with two children and a gross income of SFr156,600 ($133,000 ) living in a bought home.

**Commuter trend**

The report calculates that such a family would have SFr36,800 left over from taxes and fixed costs in the community of Bettingen, canton Basel City, but SFr61,400 if it lived in Rheinfelden, canton Aargau.  
  
Thomas Rühl told swissinfo that economic necessities had led to an increase in the number of people moving address and opting to commute into work.  
  
"There has been a dramatic increase in the number of commuters in the last 40 years," he said.   
  
"This is a direct result of the financial optimisation of households. If someone can increase their disposable income they will move to another canton and this has happened on a very large scale."  
  
swissinfo, Matthew Allen in Zurich