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Marketbeat

Office

H1 2026

Geneva | Switzerland

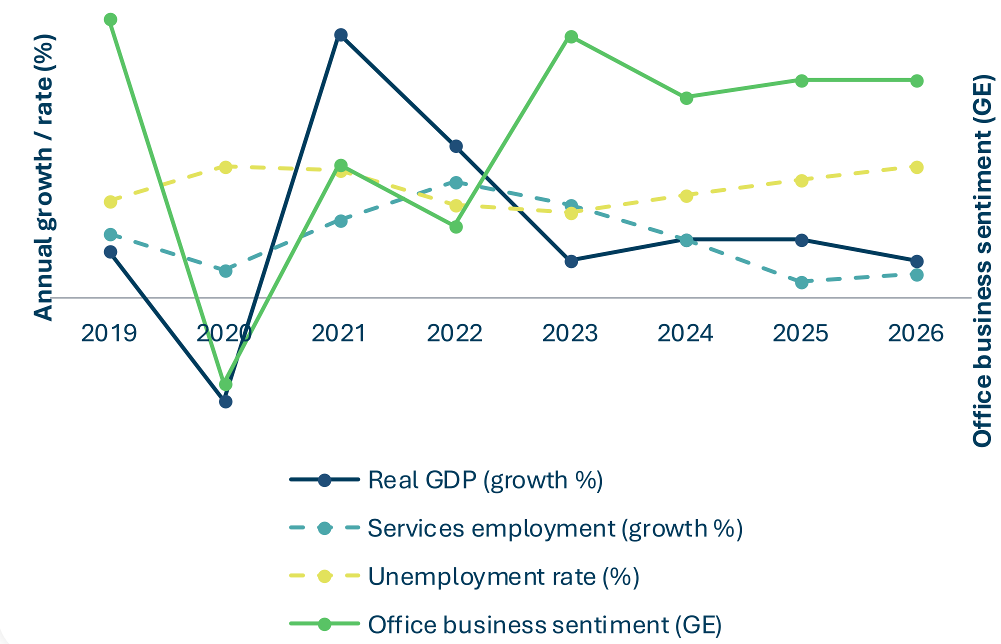
Economic Overview

The Swiss economy is running out of steam. After the strong post-Covid rebound (+4.2% GDP growth in 2021), growth has lost momentum: around +1% per year since 2023, and the Federal expert group has just cut its 2026 forecast to +0.9%, well below the historical average of 1.8%. **The war in the Middle East, rising energy prices, a strong franc, US tariff policy and subdued global demand are weighing on export industries and investment**. Activity levels continue to grow, but at an increasingly slower pace.

The labour market, long very resilient, **is starting to ease**. Services employment is still growing, but ever more slowly (from +2.7% in 2022 to +0.4% in 2025), and unemployment is edging up: from 2.0% in 2023 to 2.8% in 2025, with 3.1% expected in 2026. Services-sector business sentiment is following the same pattern: a clear rebound in 2024, followed by a pullback in 2025.

In Geneva, the situation is tighter than elsewhere: **unemployment there is well above the national average,** at 5% in early 2026 — one of the highest rates in the country. Sentiment among Geneva's services businesses is following the same trend.

Overall, the economy is proving resilient to recession risk, in a context marked by moderate growth and still-elevated uncertainty.



Sources: OCSTAT, KOF

General Overview

Leasing

- **Confirmed rebound in demand in Q2 after a wait-and-see Q1** — the leasing recovery driven by improved occupier visibility and smoother decision-making.
- **Pont-Rouge heading towards a shortage** : very constrained supply of recent space, near-zero vacancy in the best buildings — upward pressure on rents.
- Large city-centre floor plates, a rare breed: **sharp scarcity of large floor plates**, a shortage of quality space meeting current standards, and limited consolidation options.
- Nations, a market still seeking balance: fragmented demand, leasing conditions under pressure.
- **Airport sector left out of the recovery** : limited demand, structurally weaker appeal.

Investment

- Marked decline in office investment volume in H1 2026, **85% driven by a single institutional deal** (Grand-Pré 64-66).
- Downward trend from the CHF 1.5bn peak in 2021 to CHF 429m in 2024, before rebounding to CHF 770m in 2025 — **a post-rate-peak normalisation rather than a structural collapse.**
- Median gross yield rose markedly, from 3.45% in 2022 to 5.85% in 2024, amid rising interest rates. **This trend reversed in 2025, with yields easing back to 4.41% alongside falling interest rates.**
- Supportive financing environment: 10-year rate at 0.31% (well below the 1.57% peak at end-2022), SNB policy rate at 0.00% — **a backdrop favourable to a volume recovery despite investors' current caution**

164 M
Transaction volume *in CHF*

4,90 M
Stock *in m²*

6,6 %
Vacancy rate

3,0 %
Gross prime yield

Key Indicators H1 2026

Demographics & Economy		Employment & Services		Leasing Market	
City Population	**210'585**	Jobs (Canton)	**449'000**	Office Stock, City	**2'616'000 m²**
Canton Population	**538'509**	*1-year growth*	*+ 1,0 %*	Office Stock, Canton	**4'982'000 m²**
1-year growth	*+1,3 %*	Services Jobs	**323'000**	Pipeline	**42'000 m²**
Cantonal GDP (forecast)	**+1,4 %**	*1-year growth*	*+1,6 %*	Availability Rate	**6,6 %**
Inflation (YoY)	**0,4 %**	Unemployment Rate	**5,0 %**	Prime Rent ($CHF/m^2/yr$)	**1'050**

Sources: OCSTAT, FAO, BCGE, FSO, spg partner

Leasing

After a relatively quiet Q1, held back by uncertainty linked to the war in the Middle East that made some companies hesitant to commit**, the Geneva office market regained momentum in Q2**, driven by several large transactions.

Pont-Rouge remains the market's main driver. MSC's occupation of a building on Rue de la Gabelle, together with JP Morgan's arrival at the Alto building with a lease of around 9,000 m^2, confirm the area's appeal to major occupiers. While close to 5,000 m^2 theoretically remains vacant, this space should be absorbed quickly at the current pace, likely within the next 12 to 24 months.

In the city centre, leasing activity picked up in Q2. The scarcity of units over 500 m^2 is becoming increasingly acute. This structural shortage is pushing up rents in the best locations and limiting options for large occupiers.

Conversely, **the Airport sector remains subdued** and has yet to benefit from the pickup seen elsewhere in the market. The **Étang district is, however, a notable exception**, with several major commitments. BCGE notably chose to move from tenant to owner-occupier of a 10-storey administrative building (over 12,000 m^2, 650 staff), thereby reducing available stock on the leasing market. The area has also benefited from the arrival of large institutional occupiers, such as Edmond de Rothschild in the Étang district. These moves confirm the growing appeal of certain peripheral office hubs to major institutions, despite still-limited demand across the Airport sector as a whole.

Lastly, the **Nations district continues to face the fallout from restructuring in the NGO sector** and uncertainty over international funding. Despite downward pressure on rents, demand remains insufficient to absorb existing availability, raising longer-term questions about the conversion of some buildings.

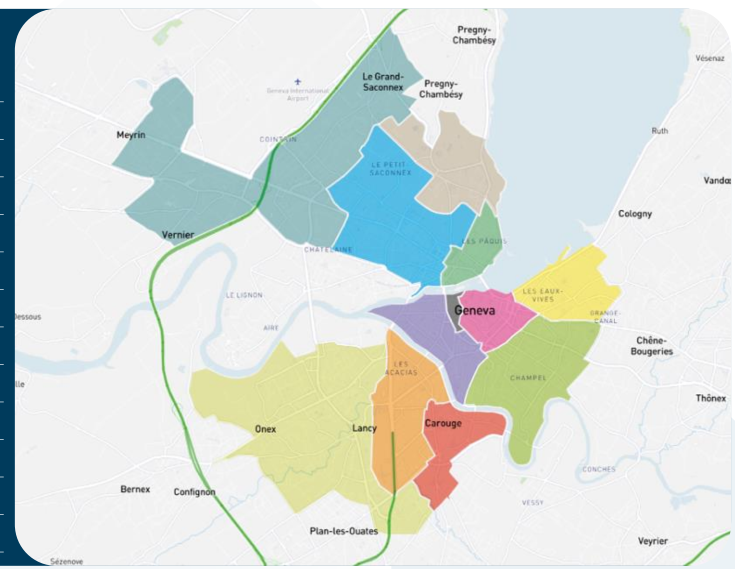
OUTLOOK FOR 2026/2027

		Left Bank	Right Bank
Supply	**CBD**	↘	→
	City	→	↗
	Periphery	→	→
Demand	**CBD**	→	→
	City	→	↘
	Periphery	→	→
Rents	**CBD**	↗	→
	City	↗	→
	Periphery	→	→

City = Geneva city perimeter, including the PAV and Nations sectors.

SUBMARKET INDICATORS

	Rents CHF/m^2/yr	Availability % of stock
CBD – Left Bank	650 – 1'050	3,0 %
Banking District	550 – 725	3,5 %
CBD – Right Bank	425 – 750	5,0 %
Eaux-Vives	450 – 650	3,0 %
Champel	400 – 550	3,0 %
Nations	375 – 560	6,5 %
Servette – Petit-Saconnex	300 – 400	5,0 %
Plainpalais	350 – 550	3,5 %
Carouge	250 – 500	5,5 %
PAV (Praille-Acacias-Vernets)	300 – 580	2,5 %
Lancy - Onex	250 – 375	12,0 %
Airport - Vernier - Meyrin	250 – 460	14,0 %



Investment

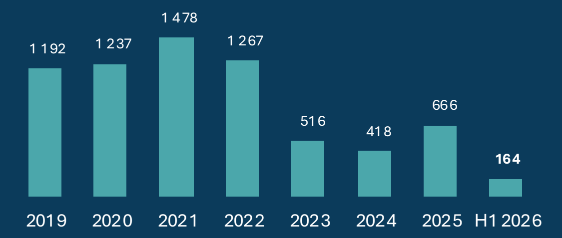
The Geneva office investment market recorded **a sharp decline in H1 2026**, with CHF 164 million in recorded transactions. This volume was largely driven by a single institutional deal accounting for 85% of the period's total (Rue du Grand-Pré 64-66, Servette, CHF 140 million). The remainder consisted mainly of smaller deals, including several strata-title units below CHF 3 million.

On the financing side, **easing rates are a supportive factor for buyers**. The yield on 10-year Swiss Confederation bonds stood at around 0.31% at end-June 2026, against a peak of 1.57% at end-2022, while the SNB policy rate remains unchanged at 0.00%. This is helping to **improve financing conditions** and narrow the gap between sellers' and investors' expectations.

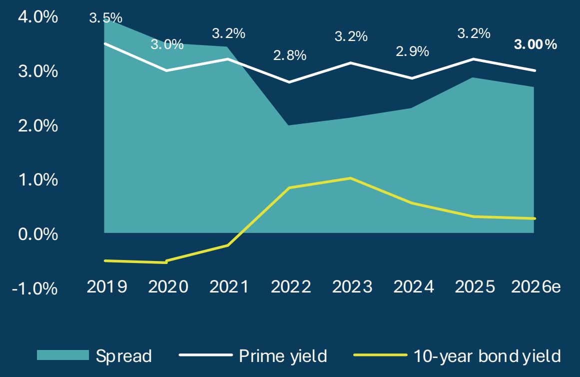
That said, **this monetary easing has not yet triggered a significant recovery** in transaction activity. Volumes remain below the CHF 1.5 billion peak reached in 2021, reflecting a more cautious approach among institutional investors amid uncertainty over leasing demand, repositioning needs and asset-quality requirements.

Geneva therefore remains a defensive office market, but one marked by **strong differentiation between assets**. Prime buildings retain strong appeal, while secondary assets require larger price adjustments to reflect their risk profile.

TRANSACTION VOLUME
(IN CHF MILLIONS)



ESTIMATED GROSS PRIME YIELD



TOP 5 TRANSACTIONS IN H1 2026

	Address	Sector	Buyer	Seller	Price CHF
1	Rue du Grand-Pré 64-66	Servette	ALLREAL OFFICE AG	AXA LEBEN AG	140'000'000
2	Route de Suisse 154	Versoix	CHATEAU VERSOIX S.A.R.L	ALIMENTA INTERNACIONAL SA	10'750'000
3	Avenue Blanc 46 (pour 103/1000)	Sécheron	TURKISCH-ISLAMISCHE STIFTUNG FUR DIE SCHWEIZ	CHU CHEN Kuang / CHU CHEN Edouard / RUBOVSZKY Elise	2'800'000
4	Chemin de Blandonnet 2 (pour 25,84/1000)	Aéroport	GS TECHNICS AG	RI REALIM SA	2'250'000
5	Avenue Krieg 7 (pour 53,7/1000)	Florissant	POULE POSITION SARL	GARZON Antonio	2'200'000

As of 30.06.2026 (source: FAO)

We get your point

Our teams are here to help

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