Snapshot

OFFICE MARKET

H2 2024

GENEVA | SWITZERLAND

2025 spg partner sa. All rights reserved.

MARCH 2025

Overview

Letting

In 2024, Geneva's office rental market is stabilising after a turbulent post-Covid recovery, with varying dynamics across different sectors.

Both the Swiss and Geneva economies have slowed year-on-year due to the contraction of key trading partners, particularly Germany and China, as well as ongoing geopolitical uncertainties.

While demand remains supported by employment growth, it is now stabilising, with a slower absorption of large office spaces.

Companies have become more selective, favouring smaller office units, often located in renovated or newly constructed buildings.

Despite the delivery of the Kyoto project in the UN district, adding 12,000 sqm of additional office space, Geneva's vacancy rate has still declined to 6.0%, compared to 2023.

This decrease is partly due to the conversion of commercial buildings into residential units and major energy compliance renovations in central areas, which have reduced available office supply.

Investment

Geneva's tertiary real estate investment market experienced a sharp contraction in 2024, with transaction volumes declining by 19% compared to 2023, reaching CHF 419 million, the lowest level in ten years.

In response to new energy regulations and the economic slowdown, investors have adopted a more cautious approach, delaying certain commitments. However, the Swiss National Bank's (SNB) interest rate cuts and easing inflationary pressures present favourable prospects, suggesting a gradual recovery.

260 M
Transactions volume *in CHF*

4.92 M
Stock *in sqm*

6.0 %
Availability rate

3.0 %
Prime gross yield

Key indicators in 2024

Letting

Total stock	4,918,000 sqm GFA
change compared with 2023	*+ 0.3%*
Availability rate	6.0%
Prime rent	CHF 980/sqm p.a.
Pipeline to 2027	260,000 sqm GFA

Investment

Transactions volume 2024	CHF 418,457,762
change compared with 2023	*- 18.9%*
Transactions volume H1 2024	CHF 260,020,145
Transactions volume H2 2024	CHF 158,437,617
Prime gross yield	3.0%

Sources: OCSTAT, SITG and spg partner

2025 spg partner sa. All rights reserved.

Letting

In 2024, the office rental market in Geneva shows a general trend towards stabilisation, while distinct dynamics emerge across different sectors.

The Swiss economy experienced a slowdown in 2024, with GDP growth at 0.8%, compared to 1.2% in 2023. This decline is mainly due to economic contractions among its key trading partners, particularly Germany and China.

Despite this, Geneva's economic outlook remains favourable, supported by employment growth and rising payrolls, which sustain demand for office space, especially in the financial services, public and semi-public sectors, as well as in healthcare and information technology companies.

However, while Geneva-based companies are generally satisfied with business conditions, the rising unemployment rate since 2023 highlights a more complex economic landscape.

Following the peak of 2022, office demand appears to be stabilising, with slower absorption of large spaces. Companies are becoming more selective, favouring smaller office units, typically ranging between 200 and 1,000 sqm, often located in renovated or newly constructed buildings.

The supply side remains dynamic, with nearly 13,000 sqm of new office space added, primarily in the UN district. These projects aim to modernise Geneva's office stock, increasing rental competitiveness in peripheral areas.

A slight decrease in the vacancy rate in certain peripheral zones, such as the Airport and Lancy-Onex, indicates a partial yet fragile recovery.

However, the upcoming delivery of the two Surville towers, offering 15,000 sqm of office space, along with mixed-use developments in the Pont Butin area, could exert additional pressure on these sectors.

Meanwhile, the Central Business District (CBD) has seen a slight increase in available office space, with new units entering the market, particularly in the banking district. This has led to a modest rise in the vacancy rate in this area.

However, the observed market activity is not fully reflected in current vacancy rates, as several transactions involve buildings scheduled for completion in 2025 or later.

In conclusion, while Geneva's economy demonstrates solid indicators, its future trajectory will remain largely influenced by the broader international context.

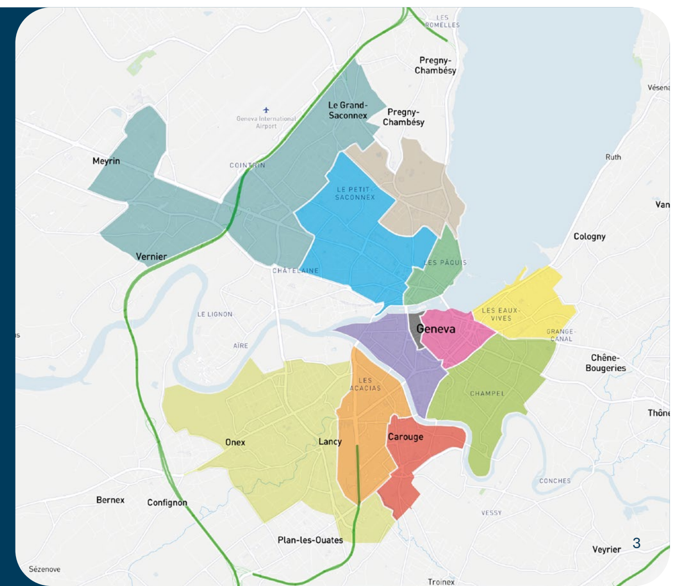
Market outlook for 2025

		Left bank	Right bank
Offer	CBD	↓	→
	City	→	↑
	Periphery	→	→
Request	CBD	→	→
	City	→	→
	Periphery	→	→
Rent	CBD	↑	→
	City	→	→
	Periphery	→	→

City = The area of the city of Geneva, including the PAV and UN district.

Sector indicators

	Rent CHF/sqm p.a.	Availability % of stock
CBD Left bank	650 to 980	2.0%
Bank district	550 to 700	2.0%
CBD Right bank	425 to 750	3.0%
Eaux-Vives	450 to 650	3.0%
Champel	400 to 525	2.5%
UN district	375 to 550	6.0%
Servette - Petit-Saconnex	300 to 400	4.5%
Plainpalais	350 to 550	3.5%
Carouge	250 to 500	3.0%
PAV (Praille-Acacias-Vernets)	300 to 540	5.5%
Lancy - Onex	250 to 375	6.5%
Airport - Vernier - Meyrin	250 to 450	15.0%



2025 spg partner sa. All rights reserved.

Investment

The tertiary property investment market in Geneva experienced contrasting trends in 2024, marked by a significant decline in transaction volumes.

With a total of CHF 419 million, transaction volumes dropped by 19% compared to 2023 and by 67% compared to 2022, reaching their lowest level in the past ten years. This decline is also evident in the number of transactions, which fell from 37 in 2023 to 29 in 2024.

A notable feature of this trend is the strong dominance of condominium share transactions (PPE), accounting for more than 70% of all deals.

The largest transaction of the year was the acquisition of the Geneva Business Center in Lancy by Investis Properties for approximately CHF 112.5 million, covering more than 21,000 sqm of office space.

While this transaction reflects sustained demand for well-located, high-quality assets, investors remain cautious due to market volatility, the impact of new energy regulations and the economic slowdown.

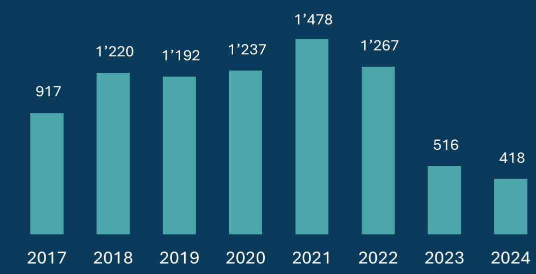
This has led to a more conservative approach, slowing certain commitments and prompting a rigorous evaluation of investment opportunities.

At the same time, some major players in the commercial real estate sector have adjusted their strategies by reducing their exposure to the tertiary segment or divesting higher-risk assets.

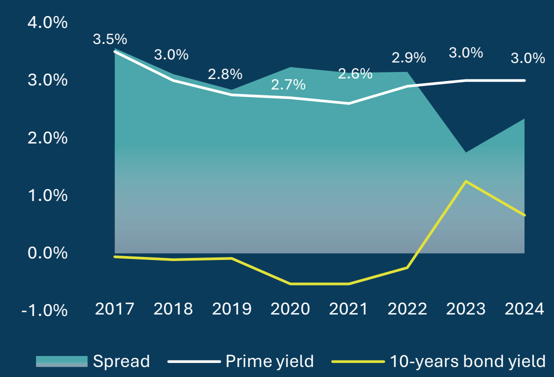
However, despite market challenges, there are emerging positive prospects.

The Swiss National Bank's (SNB) interest rate cuts and easing inflationary pressures provide a favourable outlook for investors, potentially driving a slight resurgence in interest in the commercial real estate market.

Transactions volume (millions CHF)



Estimated prime gross yield



Top 5 largest transactions in 2024

	Address	Sector	Buyer	Seller	Price *CHF*	Price *CHF/sqm*
1	Avenue des Morgines 12	Lancy	Investis Properties SA	UBS Fund Management AG	112,469,617	5,246
2	Avenue Louis-Casaï 58	Airport	Swiss Prime Site Solutions AG	Nelson Luxembourg P. D. SLP	60,851,315	8,087
3	Rue de Hesse 18 / rue H.-et-J.-Rath 13	Bank district	PSP Real Estate AG	Edmond de Rothschild SA	58,000,000	13,976
4	Rue des Maraîchers 8 (internal transfer)	Plainpalais	Rue Des Maraichers 8 SA	BEST Richard	42,105,000	12,030
5	Chemin Jean-Baptiste-Vandelle 3-3A	Versoix	Investis Properties SA	Interswiss Immobilien AG	35,454,830	7,004

Status at 27.02.2025 (source: FAO)

2025 spg partner sa. All rights reserved.

spg partner

Rue Ferdinand-Hodler 23
1207 Geneva
+41 22 707 46 00
geneva@spgpartner.ch

Disclaimer :
The statements and interpretations expressed in this publication have been produced by spg partner SA. No information disclosed in this report constitutes professional advice. Each individual or institution must independently verify the accuracy of the data if he or she intends to make personal or professional use of it. Spg partner SA and its employees cannot be held collectively or individually liable for any damage resulting from the use of or reliance on this report. No part of this report may be reproduced or transmitted in any form or by any means without the prior permission of spg partner SA. Spg partner SA reserves the right to institute criminal or civil proceedings for any unauthorised use, distribution or infringement of this intellectual property.