

Snapshot

INDUSTRIAL MARKET

H1 2024

GENEVA | SWITZERLAND

Overview

Letting

In the first half of 2024, the letting market for industrial and logistics spaces in Geneva remained stable, with a vacancy rate unchanged at 1.8 %.

This balance is partly the result of the lack of deliveries and the slowdown in development projects, particularly in the ZIMEYSAVER.

In the second half of the year, an increase in supply is therefore expected in the canton, while demand from exporting companies is likely to fall, weakened by the drop in Chinese demand and the rise in the Swiss franc.

However, the forced relocation of companies already established in the canton, as well as the development of new mixed-use areas, combined with improved services, should mitigate this impact.

This context calls for increased vigilance on the part of market players, particularly to keep pace with changes in demand and support regional competitiveness. The management of available space and regulatory flexibility will be decisive in anticipating future developments and guaranteeing the harmonious development of the market.

Investment

In the first half of 2024, the volume of industrial transactions in Geneva fell to CHF 60 million, continuing the slowdown that began in 2023.

Recent sales reflect sustained interest from owner-occupiers and highlight the importance of redeveloping brownfield sites.

The repositioning of buildings that were originally industrial and the changes of use in certain areas are helping to support the market, with an estimated gross prime yield of 4.8 % in 2024.

59.7 M

Transactions volume in CHF

4.74 M

Stock in sqm*

1.8 %

Availability rate*

4.8 %

Prime gross yield

Key indicators in H1 2024

Letting

Total stock*	4,740,000 sqm GFA
Available area*	86'8000 sqm GFA
availability rate *	1.8 %
Pipeline to 2026 *	280,000 sqm GFA
Prime rent	340 CHF/sqm p.a.

*Taking into account all mixed-use areas in ZIAs, ZDIAs and ZDAMs, as well as those outside ZI, without including the portion intended for tertiary activities (see RZIAM).

Investment

Transactions volume H1 2024	CHF 59,650,413
change compared with H1 2023	- 17.5 %
Transactions volume H1 2023	CHF 72,332,000
Transactions volume H2 2023	CHF 30,937,800
Prime gross yield	4.8 %

Sources: OCSTAT, SITG and spg partner

Letting

In H1 2024, Geneva's industrial and logistics space rental market continues to benefit from the post-Covid recovery, despite persistent weakness in foreign demand.

While the intervention of the Fondation pour les terrains industriels (FTI) and the diversity of Geneva's industrial fabric guarantee the stability of the market and encourage the development of new projects, the adoption of the Règlement sur les zones industrielles et d'activités mixtes (RZIAM) is a brake on the absorption of so-called « quasi-tertiary » space.

In this context, the marketing of high-density multi-activity projects requires the involvement of all stakeholders, as well as a good understanding of the expectations specific to each area, in terms of layout, accessibility and typology of area.

Although activities ancillary to Geneva's industry, such as administrative support services, sales areas and exhibition spaces, are in strong demand on the left bank, it remains difficult to locate them on the right bank.

A number of exemplary buildings have come onto the market, with highly efficient designs that are particularly popular with users.

These projects manage to offer density, flexibility and sustainability, while retaining a local footprint and simplicity of design.

In the ZIMEYSAVER and the surrounding areas, much of the demand comes from purely industrial or logistics companies looking for ground-level space, while it is difficult to let space on upper floors.

Conversely, in the ZIPLO and areas close to the city, the favourable economic environment encourages the establishment of higher-added-value activities. These

industrial companies are concentrated on tertiary functions at regional level.

In this respect, the new regulatory constraints are not helping to meet demand. As a result, some « quasi-tertiary » projects still have a high vacancy rate, despite their advantageous locations.

Nevertheless, improved accessibility and services should continue to sustain the momentum of the rental market. At the same time, companies in the PAV area are beginning to consider relocating with the Acacias 1 « PLQ », offering new opportunities.

Market Outlook for 2024

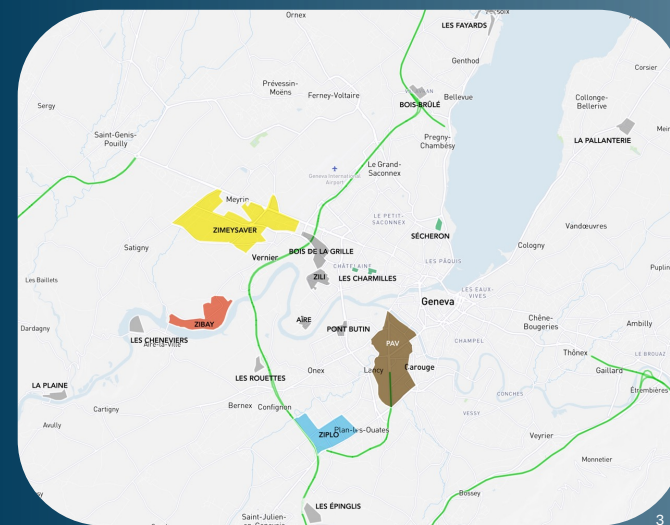
	High-tech	Light industrial	Logistics
Offer	ZIMEYSA →	ZIMEYSA →	ZIMEYSA →
	ZIPLO →	ZIPLO →	ZIPLO →
	Canton →	Canton →	Canton →
Request	ZIMEYSA →	ZIMEYSA →	ZIMEYSA →
	ZIPLO →	ZIPLO →	ZIPLO →
	Canton →	Canton →	Canton →
Rent	ZIMEYSA →	ZIMEYSA →	ZIMEYSA →
	ZIPLO →	ZIPLO →	ZIPLO →
	Canton →	Canton →	Canton →

Sectors indicators

	Rent CHF/sqm p.a.			Availability
	Offices / High-tech	Light industrial	Logistics	% of stock
● ZIMEYSAVER	240 to 280	200 to 250	170 to 195	2.0 %
● ZIPLO	270 to 340	240 to 290	190 to 220	3.5 %
● ZIBAY	180 to 220	200 to 220	150 to 180	2.5 %
● PAV	280 to 340	220 to 250	150 to 200	1.5 %
● City (excl. PAV)	260 to 320	200 to 250	-	2.5 %

Sources: OCSTAT, SITG and spg partner

*Taking into account all mixed-use areas in ZIAs and ZDIAs, as well as those outside ZIs, without including the portion intended for tertiary activities (see RZIAM).



Investment

In the first half of 2024, the volume of transactions in Geneva's industrial sector remained low, falling from CHF 72 million to CHF 60 million compared with the same period in 2023.

The volume of industrial real estate transactions is highly volatile, often influenced by a few major deals. Between 2020 and 2022, 10 transactions exceeded CHF 30 million, with an overall average of CHF 13.4 million.

By contrast, trading in 2023 and 2024 remained more modest. No sale

exceeded the CHF 30 million threshold, and the average transaction was CHF 5 million, indicating a slowdown.

Recent sales and current supply highlight the growing importance of redeveloping brownfield sites. A significant proportion of acquisitions concern repositioning and redevelopment projects.

This phenomenon is closely linked to the improvement in the quality of industrial buildings, as well as to policies aimed at densifying and cleaning up the existing building stock.

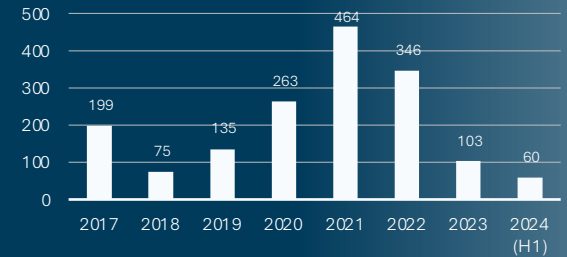
In some areas, these acquisitions follow a strategy of converting industrial space into residential and/or tertiary uses, resulting from a change of land use in the PAV, or a reorientation towards mixed activities in the ZIMEYSAVER.

Top 5 largest transactions in H1 2024

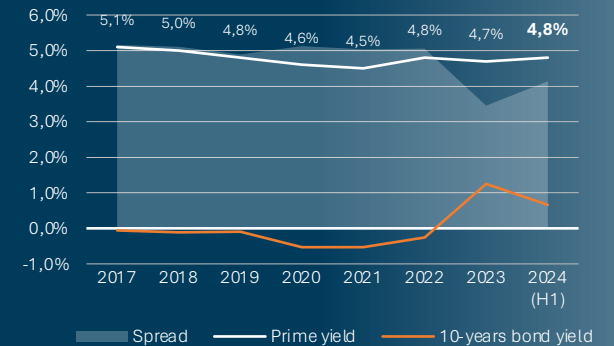
Address	Sector	Buyer	Seller	Price CHF	Price CHF/sqm
1 Route des Jeunes 5 / rue Le-Royer 25	PAV	FPAV	Polimmo SA	15,650,000	4,372
2 Route de la Galaise 12	ZIPLO	Serrurerie 2000 Immo SA	Clarins SA	14,585,000	3,241
3 Chemin Grenet 18	ZIMEYSAVER	Journet SA	Patrimonium Anlagestiftung	11,820,000	3,471
4 Chemin des Rambossons 23 (for 109/1,000)	Grand-Lancy	Commune de Lancy	Synerggestion SA	5,188,000	n.d.
5 Route du Bois-de-Bay 65 (LH n°11315 – 4,574 sqm)	ZIBAY	GIR Sàrl	FTI	3,500,000	n.d.

Status at 09.09.2024 (source: FAO)

Volume of Transactions (millions CHF)



Estimates Prime Gross Yield





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 shall not 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.