Geneva Office, Q2 2021

Geneva office market proving resilient to Covid-19 crisis

MARKET SUMMARY Q2 2021
CITY OF GENEVA

113,000 sq m
Availability

4.1%
Availability rate

CHF 475/sq m p.a.
Median asking rent

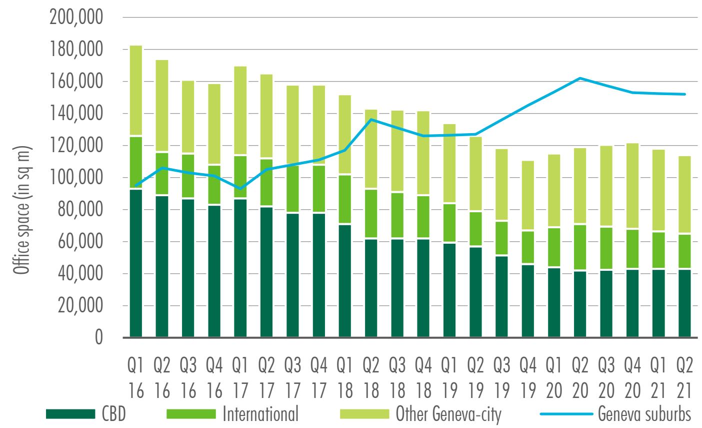
CHF 875/sq m p.a.
Prime rent

98,000 sq m
Developments by 2025

295,000 sq m
Developments in the region by 2025*

Trend compared to previous semester
*Incl. the city of Geneva and its suburbs

Figure 1: Office availability in the city of Geneva and its suburbs



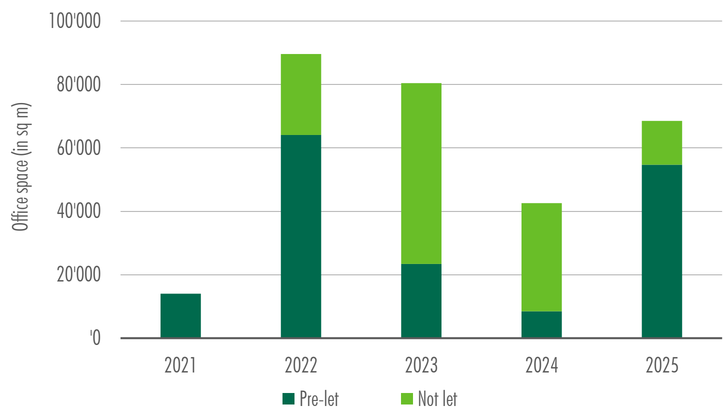
Source: CBRE Research, 2021

AVAILABILITY

The office market in Geneva has proven quite stable since the beginning of 2021, but the underlying trend is twofold. In the past five years, the office availability rate in Geneva city has been trending down to reach 4.1% as of Q2 2021 while it has risen to structurally high levels in the suburbs at 9.5%.

Demand remains focused on the 250-1,000 sq m segment, with tenants increasingly relocating into central areas. In the past three years, office supply has halved in Geneva CBD due to strong leasing activity while old vacant space has been removed for renovation purposes. The scarcity of good quality supply contributes to maintain high rental values. However, peripheral submarkets suffer from continuing high vacancy and growing obsolescence. Landlords often adjust effective rents through strong incentives to attract potential demand.

Figure 2: Pipeline in the city of Geneva and its suburbs (new builds)



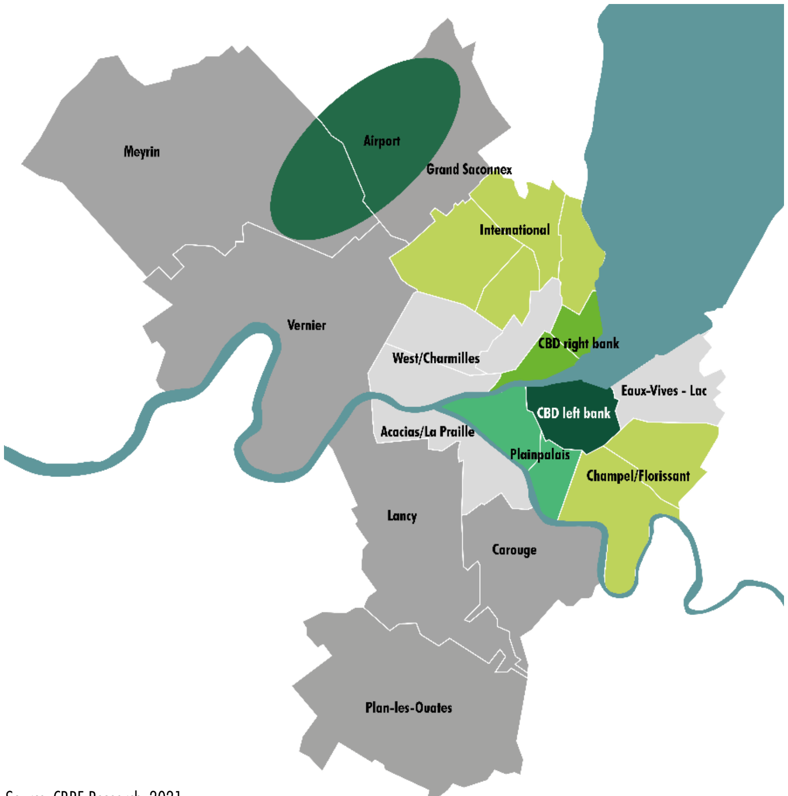
Source: CBRE Research, 2021

PIPELINE

By 2025, 295,000 sq m of new office space should be completed in Geneva and its region. About one-third of space under construction only is launched speculatively. The largest office scheme to be delivered in Geneva by 2025 is the 54,000 sq m owned-occupied Pictet tower in the Acacias district. Furthermore, approx. 80,000 sq m of office renovation schemes should be delivered within the next four years in the center of Geneva, mostly located around the Rue du Rhône area. Depending on the targeted rents, these renovation projects should provide the market with suitable options for tenants looking for large space in the CBD.

In the suburbs, pre-let ratios are lower on average (approx. 50%) as demand for large premises remains limited in peripheral areas. Given the sizeable pipeline of projects, we do not expect availability rates in the periphery of Geneva to reduce.

Figure 3: Geneva submarkets



Source: CBRE Research, 2021

Figure 4: Office market key data

Submarket		Availability (in sq m)	Availability rate (in %)	Range of asking rents* (in CHF/sq m p.a.)	Median asking rent (in CHF/sq m p.a.)
CBD Left Bank	↓	24,000	3.4	480-875	630
CBD Right Bank	↑	19,000	5.9	400-705	515
International	↓	22,000	3.5	300-560	395
Eaux-Vives - Lac	↓	7,000	4.3	350-700	495
Champel/Florissant	↓	8,000	3.7	350-680	460
Plainpalais	→	15,000	4.6	300-525	420
West/Charmilles	↓	11,000	5.1	290-415	350
Acacias/La Praille	→	8,000	4.3	270-490	355
City of Geneva	↓	113,000	4.1	270-875	475
Airport (Grand-Saconnex & Meyrin)	→	50,000	10.1	230-450	350
Lancy	↑	20,000	8.0	250-520	365
Carouge	↓	6,000	1.9	260-425	335
Plan-les-Ouates**	→	42,000	14.2	220-380	300
Vernier	→	35,000	12.7	230-460	340
Suburbs (excl. Geneva)	→	152,000	9.5	220-520	340
Geneva and its suburbs	↓	265,000	6.1		425

*The range of asking prices excludes the highest and lowest 10% and may have been adapted according to the data quality. **Incl. mixed-use office space

Source: CBRE Research, 2021 – NB: Pont-Rouge district included within Lancy submarket

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Methodology

The cutoff date for the availability and rent data was July 3rd, 2021. Only rental space offering more than 50 sq m and available within three months were included in our statistics.

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