Zug Office, Q1 2021

Increase in office availability halted for the time being

MARKET SUMMARY Q1 2021
ZUG REGION

73,000 sq m
Availability

5.7%
Availability rate

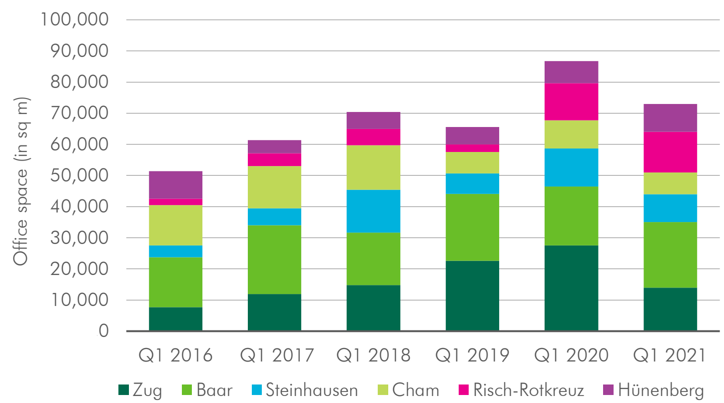
CHF 230/sq m p.a.
Median asking rent

CHF 430/sq m p.a.
Prime rent

67,000 sq m
Developments by 2024

Trend compared to previous year

Figure 1: Availability in the Zug region



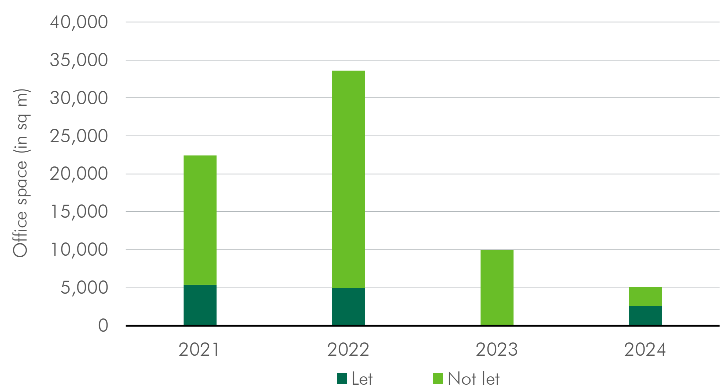
Source: CBRE Research, 2021

AVAILABILITY

Thanks to a decline in the city of Zug, the availability rate in the Zug region has recently decreased significantly to 5.7%. In the city of Zug, it has fallen from 5.0% in 2020 to 2.5% as of 2021. The previous increase from 2018 to 2020 was mainly due to Biogen Idec and AstraZeneca moving to Baar, Shire Pharmaceuticals (takeover by Takeda) to Opfikon (ZH) or IFZ to Rotkreuz.

Now that less central space is available again, the peripheral locations are likely to benefit again from the push factors out of Zug's center, at least in the short term. However, there currently is a lack of demand from large tenants (>2,000 sq m) in the Zug region, especially as a major wave of relocations and consolidations is just coming to an end.

Figure 2: Pipeline in the Zug region



Source: CBRE Research, 2021

PIPELINE

From 2021 to 2022, new, often still unrented office space will be built, especially in Baar (e.g. the second stage of Quadrolith) and Rotkreuz (further buildings on the Suurstoffi site).

After the city of Zug was characterized for many years by a dry supply with only a few new office buildings, which led to a number of project developments in neighboring municipalities, the focus of construction activity in the long term, i.e. from 2025, is likely to be increasingly on central locations again. Along Baarerstrasse alone, to the east of Zug station, around 30,000 sq m are likely to be built by 2040.

Figure 3: Zug submarkets

Source: CBRE Research, 2021

Figure 4: Office market key data

Submarkets		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.)
Zug	↓	14,000	2.5	230 - 400	310
Baar	↑	21,000	7.1	140 - 270	210
Cham	↓	9,000	8.5	140 - 210	180
Steinhausen	↓	7,000	5.9	130 - 240	190
Hünenberg	↑	9,000	11.5	130 - 200	170
Risch-Rotkreuz	↑	13,000	9.2	140 - 260	200
Zug region total	↓	73,000	5.7		230

*The range of asking prices excludes the highest and lowest 10% and may have been adapted according to the data quality.

Source: CBRE Research, 2021

Methodology

The cutoff date for the availability and rent data was January 18th, 2021. Only rental space offering more than 50 sq m and available within three months were included in the statistics.

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