

# *Swiss* Property Investment Market

2023 RETROSPECTIVE

naef | Knight  
Commercial Frank



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# Introduction

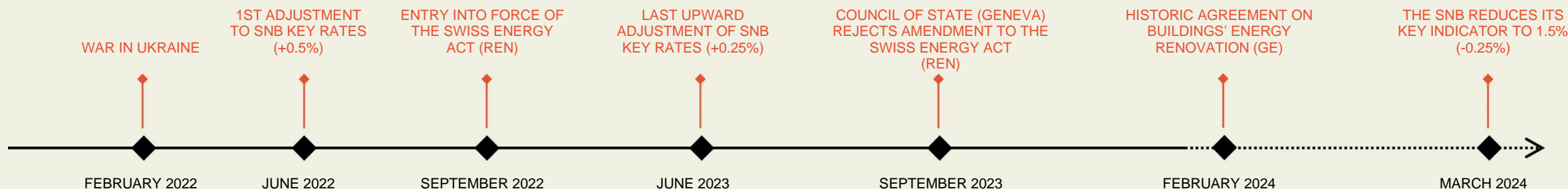
The **tightening of central banks' monetary policy** was a major issue for global stakeholders in investment property in 2023. The Swiss National Bank (SNB) has come to grips with its mission to guarantee the stability of consumer prices. As a direct consequence, key rates have been raised several times since June 2022, and have seen a very significant increase (from -0.75% to 1.75%). At the start of 2024, economists appeared unanimous in stating that caution is still called for and that it is too early to announce that inflation is going down.

**Another major issue is energy transition:** Switzerland, and more specifically the Swiss Federal Office of Energy (SFOE), has the mission of assisting owners of Swiss property stock to achieve the objective of zero greenhouse emissions by 2050. To achieve this extremely ambitious objective, the Confederation, cantons and communes have defined an energy strategy structured around action plans in the form of subsidies, bridging loans and guarantees. In response,

these same owners carry out energy audits of their stock and undertake the planning of renovations, a colossal task given the high requirements.

According to the profiles of owners, both the costs of renovations and investment policy that meets ESG criteria encourage them to get rid of properties that no longer meets these criteria. Property dating from the 1960s to the 1990s are in particular affected. Since the start of 2023, acquisitions managers have turned primarily to recent properties with good energy performance indicators. Properties that require energy renovations continue to be sold, however the purchase prices offered by investors now systematically take into account the costs related to these renovations. In this context, there is a large discrepancy in expected yields depending on the condition and types of property available on the market

## Background and context

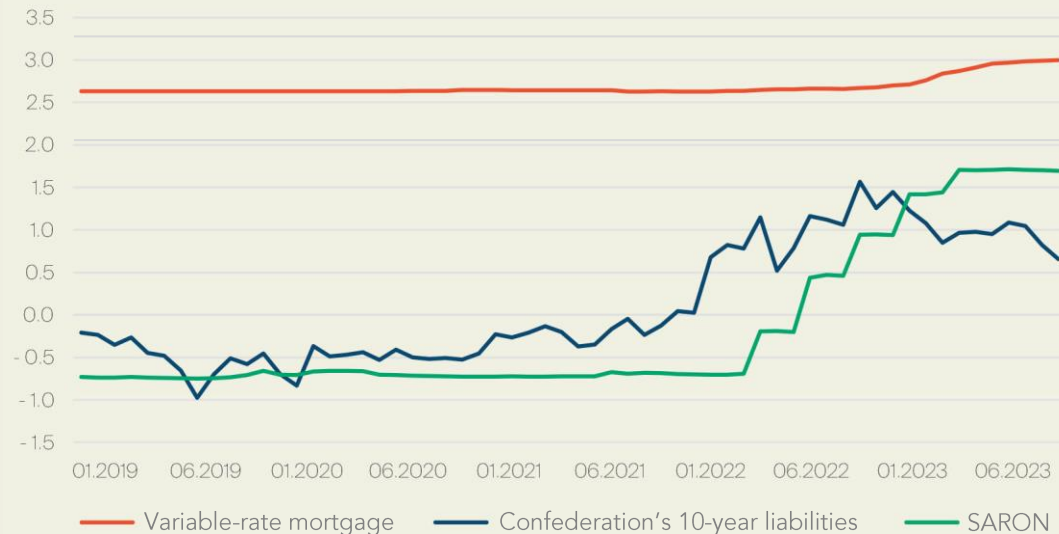


# The economic context

Between June 2022 and June 2023, five successive monetary tightening announcements saw the SNB's key rate rise from -0.75% to 1.75%. These measures were to counter inflation. After having peaked at 3.5% in August 2022, inflation then fell within a short time to 1.7% in June 2023 and then 1.2% in February 2024. SNB's objective of bringing inflation back down below the 2% threshold is now consolidated. In response, on 21 March 2024, the Swiss National Bank,

in view of the reduction in inflationary pressure and the appreciation of the Swiss franc in real terms, reduced its key rate to 1.5%, a fall of 25 basis points. This decision by the BNS, useful in supporting growth, contrasts with the more conservative strategies of the FED (United States Federal Reserve) and the ECB (European Central Bank), which are still very far off from their respective objectives. Consequently, the SARON, mainly, and long-term mortgage rates will be affected by the fall in 2024.

## Swiss interest rates (monthly figures)



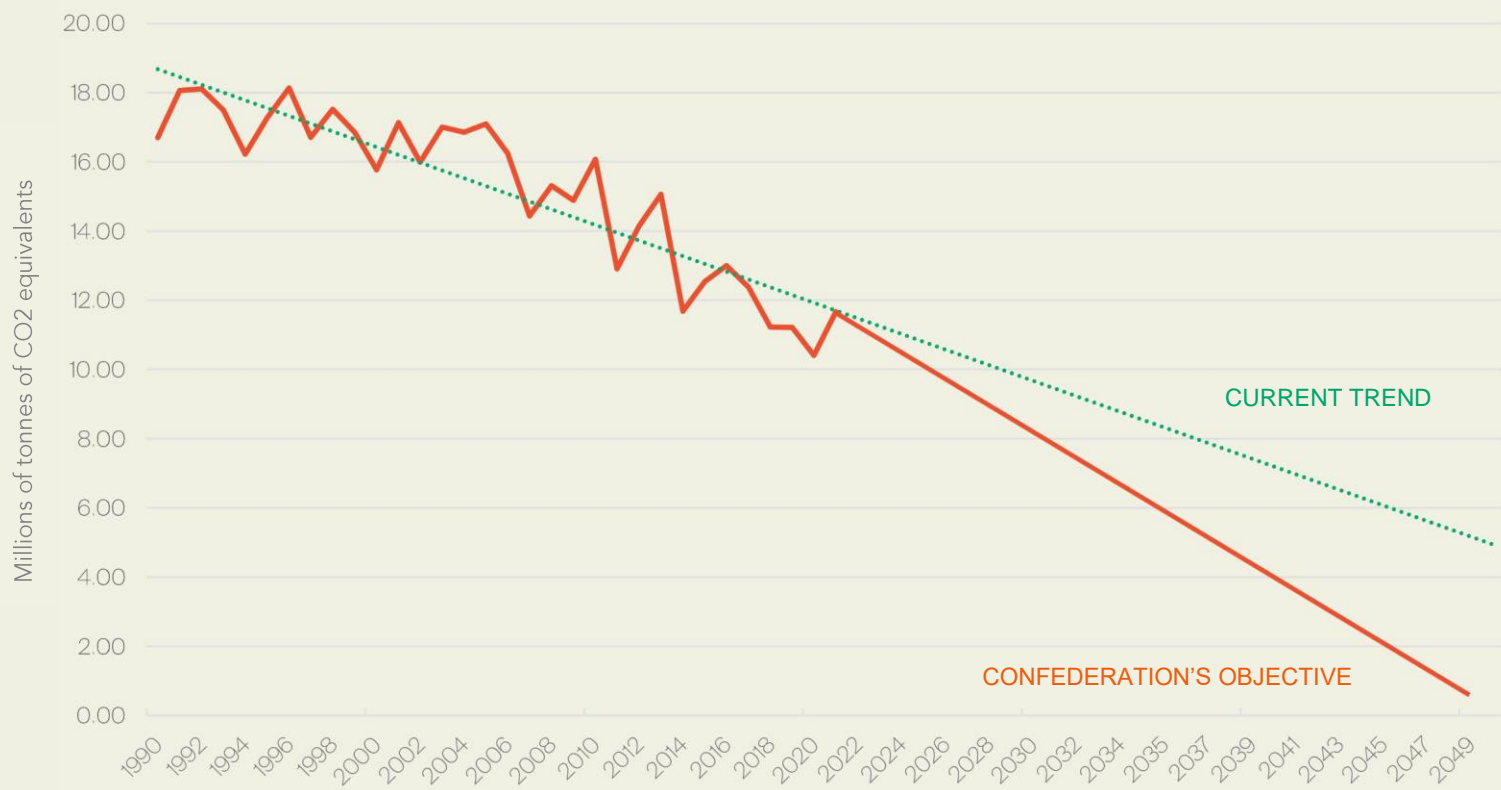
Source: OCSTAT

## Geneva consumer price indices (monthly figures)



Source: OCSTAT

## Evolution in greenhouse gas emissions in Switzerland since 1990 (Building sector)



Source: Federal Office for the Environment (FOEN)

- Swiss property stock represents 40% of final energy consumption (energy that is delivered to the end consumer) of which 70% relates to fossil fuel heating systems.
- By 2050, the Confederation aims to reach “zero CO<sub>2</sub> emissions”. This goal involves all the energy required to heat and cool homes, businesses, public buildings and industry coming entirely from renewable, carbon neutral, energy sources. This includes both the production and distribution of heat and cold, as well as process heat.
- The trend curve shows us that considerable additional effort must be made in the energy transition to reach the Confederation’s objectives.

## Energy master plan (EMP)

- On 2 December 2020, the Council of State adopted the Energy master plan (EMP) which will allow it to achieve cantonal energy and climate objectives and firmly commit Geneva to the energy transition.

### Main objectives:

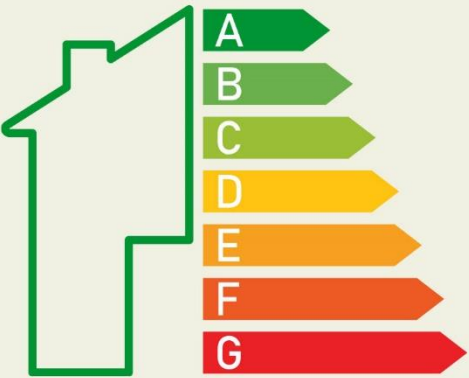
- Reducing energy consumption
- Optimising supply by developing local energy resources

Accelerating the quantitative and qualitative energy transition of building stock and reducing energy consumption per habitable m<sup>2</sup> through optimisation measures.

Source: Ge.ch/ Cantonal Energy Office

## The heat expenditure index (HEI), a tool to manage energy efficiency

- New HEI threshold: 450 MJ/m<sup>2</sup>/year**  
Trigger threshold to undertake optimisation or renovation actions in buildings in the canton.
- Significant excess: 800 MJ/m<sup>2</sup>/year**  
To target the most energy non-efficient buildings as a priority = mandatory immediate renovation



## Stages A 10-year action plan

- Scheduled major reduction of excess threshold:**  
Visibility given to property owners to plan their renovation works



- Target for renovation:**  
HPE renovation or THPE renovation

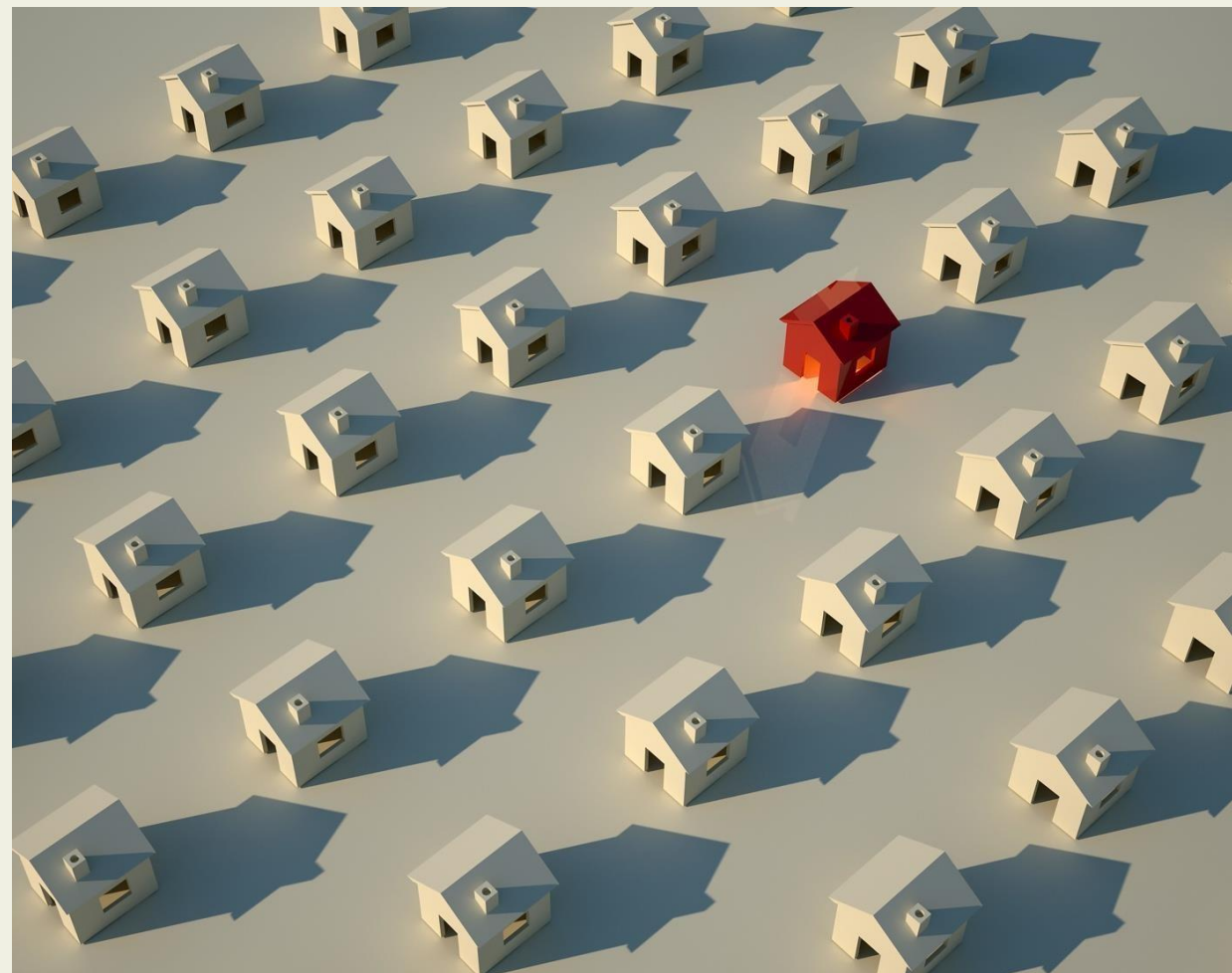
# More specifically in Geneva

Major discussions between Geneva property circles, represented by around fifteen partner organisations, and the government allowed a historic agreement to be reached on the energy renovation of buildings, endorsed unanimously by the Grand Council on 21 March 2024.

Essentially, in September 2023, the Grand Council decided on a major easing of the remediation plan in the new energy law. The Council of State, worried about its climate plan being affected, rejected it. Following four months of talks, the land department announced, on 5 February 2024, that a comprehensive agreement had been signed by the various stakeholders concerned.

Among other measures, this agreement provides that:

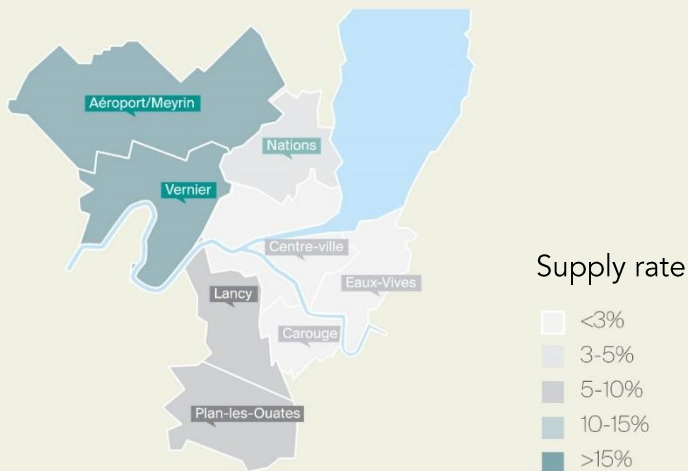
- The cantonal heat spending measurement system (HEI) shall be maintained instead of the federal proposal of a cantonal energy certificate for buildings (CECB).
- Cantonal subsidies of CHF 500 million divided between private owners (70%) and communes and public institutions (30%) shall be released for the remediation of Geneva building stock. An additional CHF 50 million in loans and, in the longer term, federal subsidies, the amount of which remains to be defined, will be added to this.
- Bridging loans and securities shall be the measures proposed to owners who are unable to finance the renovation of their buildings. This assistance is particularly aimed at individuals who are not eligible for mortgages.
- Granting subsidies under the energy law excludes rent increase supplements provided by the LDTR.
- An additional time period of three years is granted to the owners of villas and the owners of small buildings with less than five homes.



Swiss Property  
Investment Market  
**2023 Retrospective**

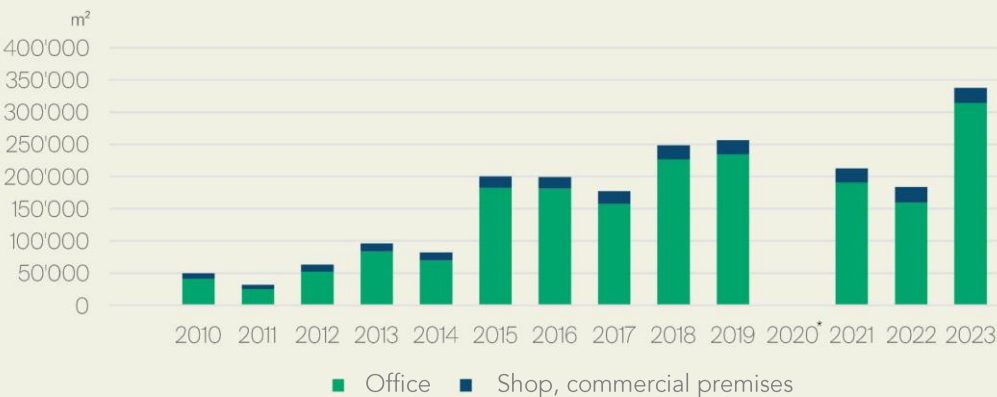
# Commercial

## Commercial property supply



## Vacant office and shops/arcade premises

Geneva, 1 June 2023



Source: Cantonal Statistics Office, Geneva

\* Due to the poor quality of data, the 2020 results on vacant business premises could not be released.

## Rent estimates by area (2023)

AREA	CHF/M2/YEAR	TREND	PRIME RENT
Town centre, Rive Droite/Cornavin	390-590	→	780
Town centre, Rive Gauche/Old Town	560-730	↗	900
Charmilles	320-420	↗	480
Nations / International organisations	330-450	→	500
Airport / Grand-Saconnex / Meyrin	240-380	↘	430
Vernier	270-390	↗	400
Plainpalais	340-490	↗	550
Eaux-Vives / Champel / Florissant	390-560	↗	690
Carouge	300-400	→	440
PAV (Praille Acacias Vernets)	280-380	↘	410
Lancy	300-460	→	550
Plan-les-Ouates	260-320	↗	350
City of Geneva	350-550	↗	900

Source: Naef Commercial Knight Frank

10.9% Office supply rate  
Switzerland: 6.3%<sup>9</sup>

0.5% Workshop premises supply rate  
Switzerland: 0.9%

7.6% Commercial premises supply rate  
Switzerland: 1.6%

23'448 m² Vacant arcade and shop premises

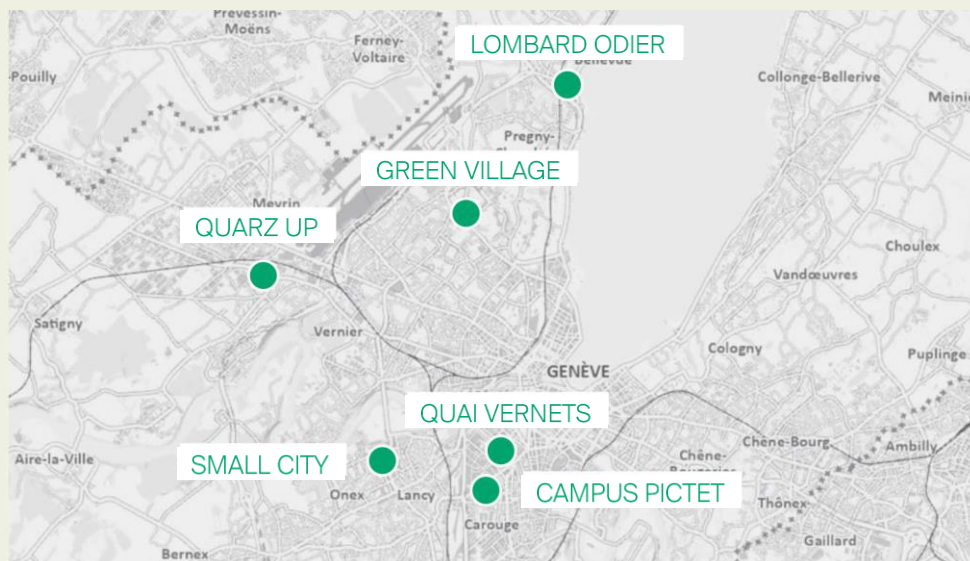
314'075 m² Vacant office premises

-1.4% New companies compared to 2022

Source: Wüest Partner, OCSTAT, Swiss Official Gazette of Commerce SOGC; IFJ AG analysis

## New commercial premises within the next 4 years > 10,000 m<sup>2</sup>

Projects	Place	m <sup>2</sup>	Completion
CAMPUS PICTET	Acacias	55'000	2025
SMALL CITY (Stage 2)	Lancy	50'000	2024
LOMBARD ODIER	Bellevue	37'000	2024
QUAI VERNETS	PAV	30'000	2027
QUARZ UP	Vernier	21'000	2025
GREEN VILLAGE (Kyoto)	Grand-Saconnex	12'000	2024



Map source: SITG

The past decade has seen the construction of very large projects, like the major developments contributing to the development of the Geneva of tomorrow, in particular:

- The craft workshop site in Plan-les-Ouates, with major projects such as the Espace **Tourbillon** which offers the market around 95,000 m<sup>2</sup> of workshop space as well as a logistics terminal that services all the buildings.
- **Pont-Rouge** directly linked to the Lancy-Pont-Rouge Léman Express station has become a business centre that hosts the offices of both national and international renowned companies. It has a total of 110,000 m<sup>2</sup> distributed over six buildings offered on the market.
- **Quartet**, in Charmilles, which has had eleven buildings constructed in one of the remains of the golden age of industrial Geneva, the Hispano-Suiza workshops, is also a major development project designed to host, in particular, companies operating in small-scale design and industry.
- The latest project is the **Etang** site in Vernier with some 151,000 m<sup>2</sup> of commercial premises, currently being marketed.

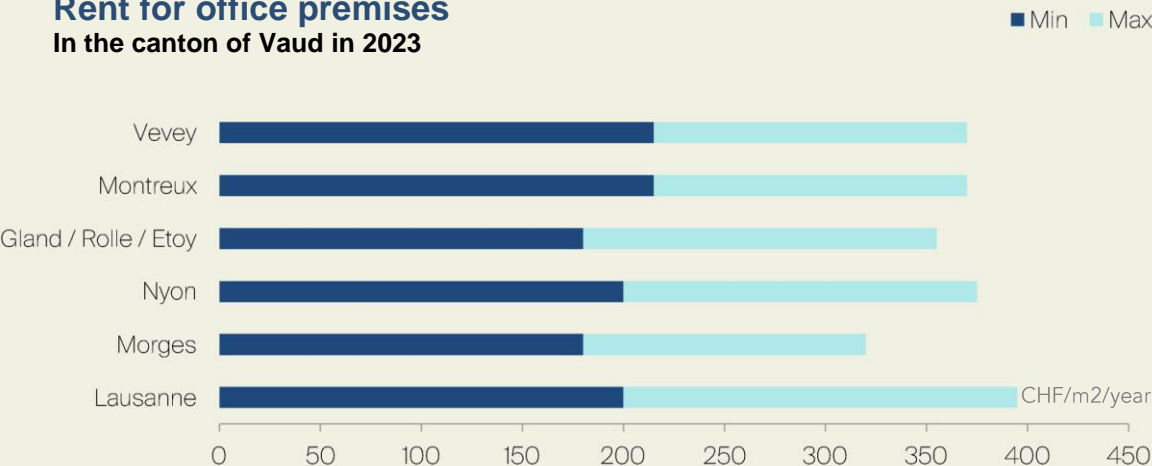
These major developments have all had a good uptake, sometimes at the expense of town centres which lose significant economic stakeholders, such

as BNP Paribas bank moving to Pont-Rouge, Edmond de Rothschild bank setting up in Etang and Lombard Odier bank establishing its new headquarters in Bellevue. Nonetheless, this game of musical chairs will allow the owners of the freed-up premises to renovate them and offer them at a high price in this market which is seeing sustained demand in the town centre.

The projects to be completed in the next 4 years are smaller and two of them are owned by the end user. Lombard Odier is leaving the town centre and its Morgines back office to focus its activity in Bellevue in its new premises of around 37,000 m<sup>2</sup> and the Campus Pictet in Acacias, currently being constructed, will be completed in 2025, offering its employees an additional 55,000 m<sup>2</sup>.

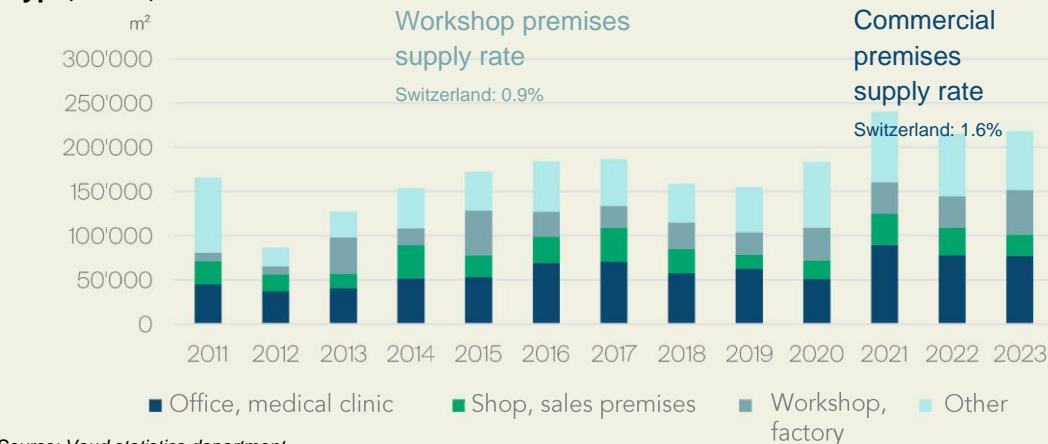
Finally, the commercial market for the new strategic sites in Geneva (ZIPLO – Pont-Rouge – Quarter – Etang) is doing well with good uptake of the recently completed buildings. The lack of large office projects in the next few years should confirm the success of the current developments. The next major construction stages will, as a priority, concern the changing PAV (Praille Acacias Vernets) district.

## Rent for office premises In the canton of Vaud in 2023



Source: Naef Commercial Knight Frank

## Vacant industrial and commercial premises By type, Vaud, 1 June 2023



Source: Vaud statistics department

**3.3%** Average unemployment rate  
SWITZERLAND: 2.0%

**+2.2%** Population growth  
(2022 to 2023)  
NET MIGRATION: 13,400 (PROVISIONALLY)

**+3,5%** New companies compared to 2022

**846'303**  
Population of the canton of Vaud

**212'327 m²**  
Vacant commercial premises (on 1 June)

**25'283 m²**  
Vacant arcades and shop premises

Source: Vaud statistics department, Swiss Official Gazette of Commerce SOGC; IFJ AG analysis

The Lausanne region has seen an increase in the supply of office space after several years of stability. In the town centre, the situation remains strained with low supply. However, on the outskirts, the new completed and pending projects have increased supply. The suburbs of Lausanne, and more specifically west Lausanne, where the majority of office developments whose construction is pending or being planned are concentrated. They represent around 150,000 m2 of new premises in three years and at least an additional 120,000 m2 in the longer term. Rents remain stable overall, but the gap is growing between Lausanne town centre, where rates are moving upwards due to scarcity, while they are falling in the outskirts, as well as in La Côte where the gap between supply and demand is growing with the consequence of increasing vacancies and a fall in rents. Old buildings that no longer meet energy standards and the new quality standards are the most affected. The growth in employment remains strong in La Côte, even if outside demand, which has contributed to filling many m2 in the Nyon region in the past, is rarer. Start-ups and SMEs are the main stakeholders in the demand for premises that are overall smaller.

## New office spaces in the Lausanne region



**5.3%** Office supply rate,  
Switzerland: 6.3%

**1.1%** Workshop premises supply rate,  
Switzerland: 0.9%

**4.1%** Sales premises supply rate,  
Switzerland: 1.6%

Source: Wüest Partner

## Rent estimates by area

AREA	CHF/M2/Year	TREND	PRIME RENT
CBD	280-395	↗	480
South Lausanne	260-380	→	400
West Lausanne	205-300	↗	330
North and east Lausanne	200-330	→	320
Western outskirts	190-280	→	360

Source: Naef Commercial Knight Frank

## New commercial premises within the next 4 years > 10,000 m2

Projects	Place	m²	Completion
1 ECOTOP	Ecublens	30000	2026
2 MALLEY CENTRAL	Prilly-Malley	23 000	2025
3 COCAGNE - BUYÈRE	Bussigny	18 000	2027
4 ARC-EN-CIEL	Bussigny	17 000	2027
5 PULSE	Cheseaux	40 000	2025
6 BIOPÔLE	Epalinges	23 000	2025
7 COCOON	Bussigny	38 000	2024
8 HIAG	Bussigny	17 000	2027-2028
9 QUARTIER HORIZONS	Chavannes-près-Renens	16 000	2025
10 RASUDE	Lausanne gare	30 000	2028
11 SIGNY PARK	Eysin	36 000	n/a

3.0%

Office supply  
rate,  
Switzerland: 6.3%

0.2%

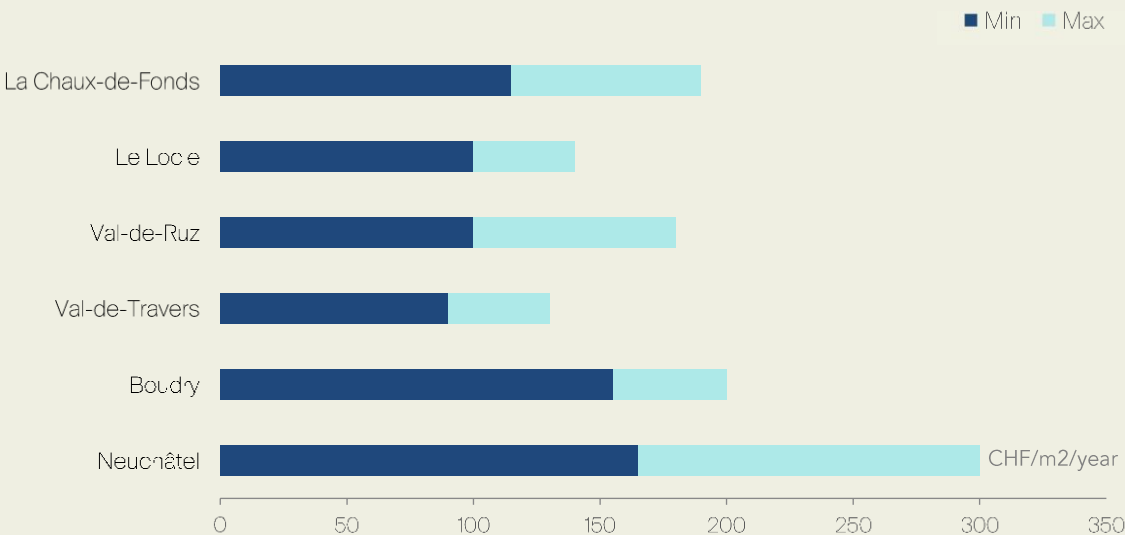
Workshop premises  
supply rate,  
Switzerland: 0.9%

1.6%

Sales premises  
supply rate,  
Switzerland: 1.6%

Source: Wüest Partner

## Rent for office premises In the canton of Neuchâtel in 2023



Source: Naef Commercial Knight Frank

## Vacant industrial and commercial premises

By type, Neuchâtel, 1 June 2023



Source: Neuchâtel statistics department

2.7%

Average unemployment  
rate in 2023  
Switzerland: 2.0%

34'820 m²

Vacant arcades and shop premises,  
on 1 June

178'173

Population of the canton of Neuchâtel

-46%

Vacant premises in 2022 to 2024

Source: Wüest Partner, Neuchâtel statistics department

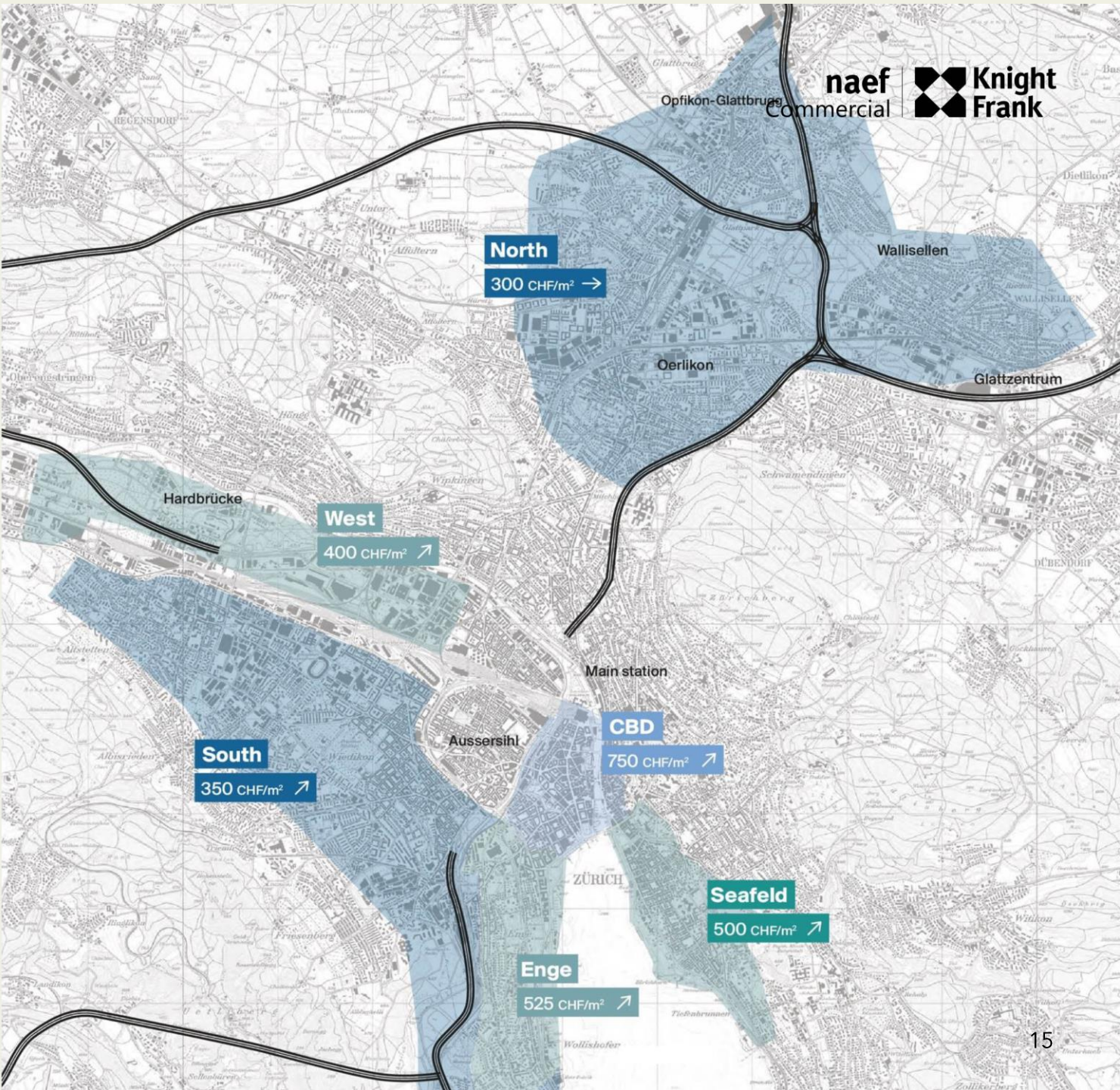
# Commercial – Zurich

**ZURICH**  
**IN STATISTICS**  
(end of 3rd quarter 2023)

**443'212**  
POPULATION OF THE CITY OF ZURICH

**1'601'446**  
POPULATION OF THE CANTON OF ZURICH

**1.7%**  
UNEMPLOYMENT RATE



# Commercial – Zurich

## 4TH QUARTER 2023

Development in prices over three years in the mid-market segment

**6.8%**  
Office supply rate

**+2.6%**  
Offices

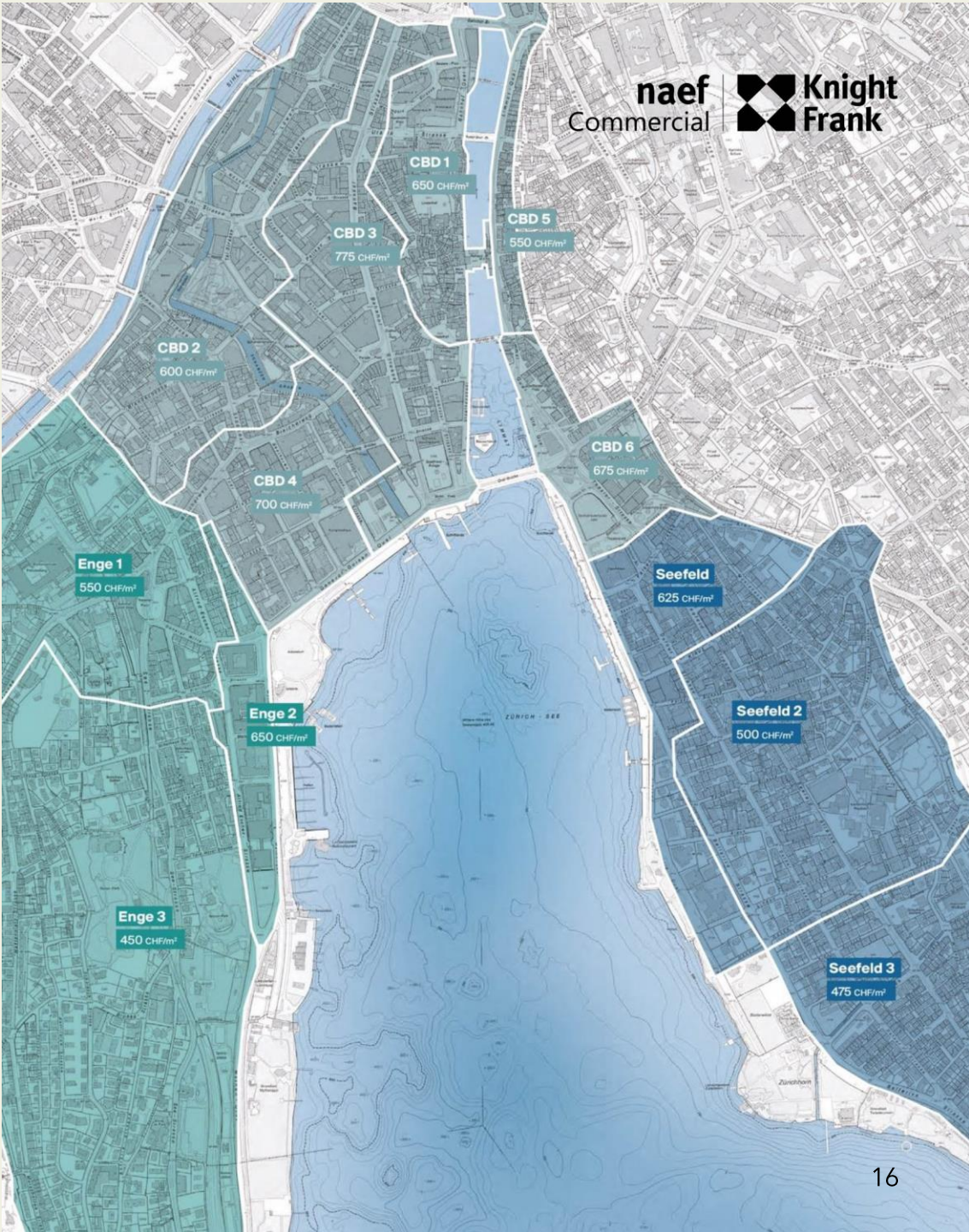
**1.3%**  
Workshop premises supply rate

**+5.8%**  
Workshop premises

**1.6%**  
Sales premises supply

**+0.7%**  
Sales premises

Source: Wüest Partner



# Commercial – Basel

## BASEL IN STATISTICS

(end of 3rd quarter 2023) 4th quarter 2023

# 199'927

POPULATION OF THE CITY OF BASEL

# 497'983

POPULATION OF THE CANTON OF BASEL

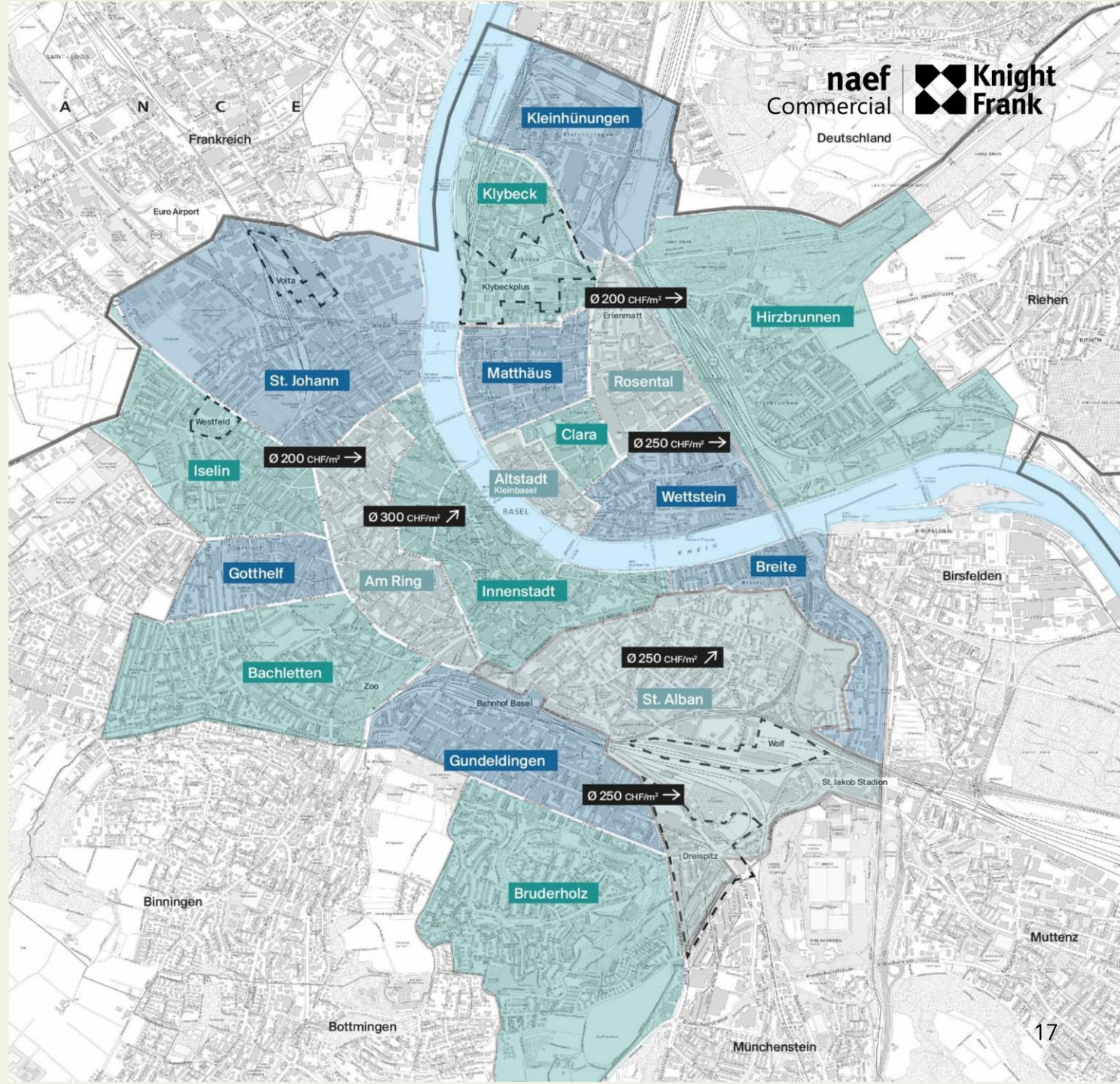
Source: Wüest Partner

# 3.1%

UNEMPLOYMENT RATE



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# Commercial – Basel

## 4TH QUARTER 2023

Development in prices over three years in the mid-market segment

**4.2%**  
office supply rate

**+14.1%**  
offices

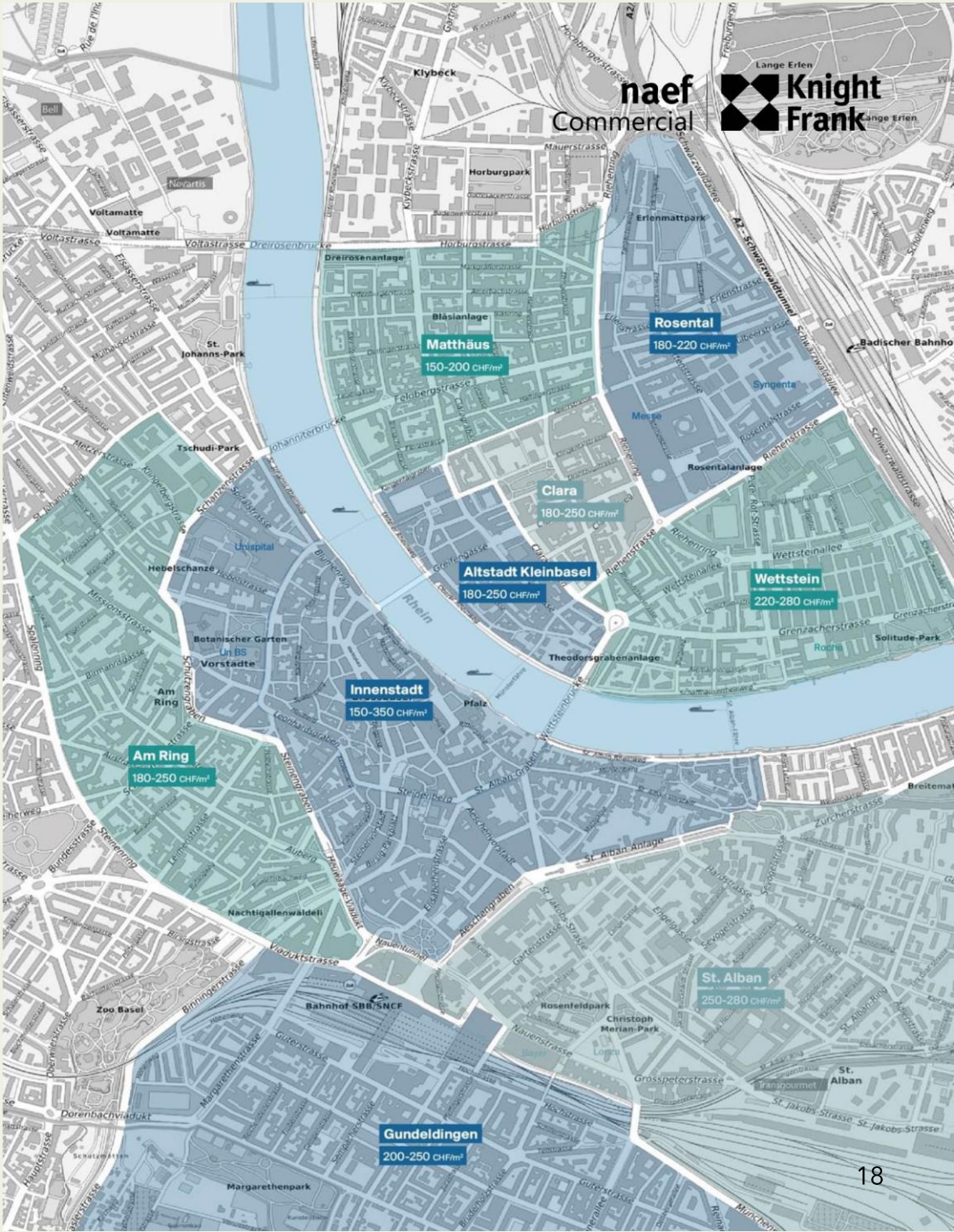
**0.7%**  
Workshop premises supply rate

**+1.4%**  
workshop premises

**2.6%**  
Sales premises supply

**+0.0%**  
sales premises

Source: Wüest Partner



Swiss Property  
Investment Market  
**2023 Retrospective**

# Investment

2023 is not part of the continual exceptional growth of the previous three years which saw a record average volume of sales of CHF 3,852 billion. The volume of sales in 2023 of CHF 2,934 billion is 24% lower. Nonetheless, if we go back in time and compare the 2023 financial year to the previous five years, the different is only 9%.

## Commercial premises

Looking at the situation more closely, we find that commercial properties have been affected most strongly. While, in comparison to the past three years, the number of transactions only fell by 8%, the volume fell by 55%. It must be noted that some investors capable of making huge commercial property acquisitions largely held back in 2023.

## Residential property

On the other hand, in the past year, the volume of residential property sales was even slightly higher than the average over the past three years (+0.8%). It is even 20% higher compared to the average over the past five years. The lack of vacant properties and already high rents that keep on growing have been the investors' preference.

In this context, we can deduce that given the factors that worsened the market over the year (inflation, rise in key rates, energy regulations, etc.), 2023 has been rather resilient.

## NOTE

Our analysis of transaction data relies on Geneva land publications (FAO). All transactions are included in the processing of data, including those concerning the transfer of private assets to a company on behalf of the same owner. Condominium sales are taken into consideration to the extent that they cover more than 500/00 and the value of the transaction is equal to or higher than two million. As share-deal sales (sales of shares in joint-stock companies holding property) are not public, they do not appear in the processing of our data. données.



## Review of transactions

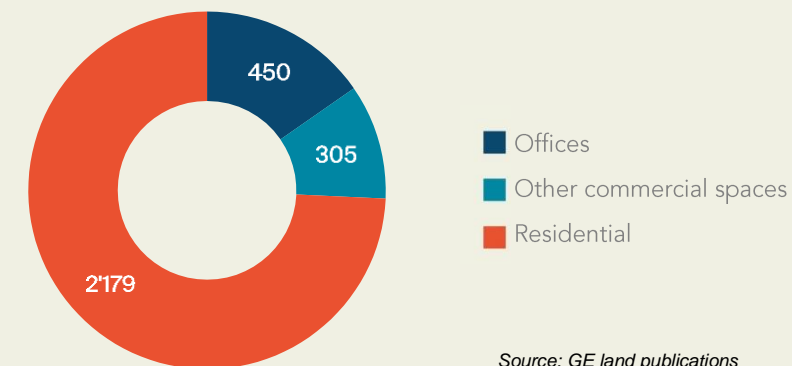
OVERALL TRANSACTIONS	2018	2019	2020	2021	2022	2023	EVOLUTION
Number of transactions	134	131	161	146	174	152	-13%
Investment volume (CHF millions)	2'745	1'823	3'513	4'177	3'865	2'934	-24%
Average transaction price (CHF millions)	20	14	22	29	22	19	-13%
Largest transaction (CHF millions)	229	301	359	615	203	321	+58%
Total of three largest transactions (CHF millions)	607	463	881	1'105	555	631	+14%
Transactions over CHF 10 million	60	52	78	78	100	78	-22%
Transactions under CHF 10 million	74	79	83	68	74	74	=

COMMERCIAL PROPERTY INVESTMENT	2018	2019	2020	2021	2022	2023
Number of transactions	32	41	46	27	38	34
Investment volume (CHF millions)	1'259	751	1'644	1'919	1'507	755
Volume of offices (CHF millions)	1'114	524	1'194	1'583	1'033	450
As %	41%	29%	34%	38%	27%	15%
Other commercial spaces volume (CHF millions)	145	227	450	336	474	305
As %	5%	12%	13%	8%	12%	11%

RESIDENTIAL PROPERTY INVESTMENT	2018	2019	2020	2021	2022	2023
Number of transactions	102	90	115	119	136	118
Investment volume (CHF millions)	1'486	1'072	1'869	2'258	2'358	2'179
As %	54%	59%	53%	54%	61%	74%

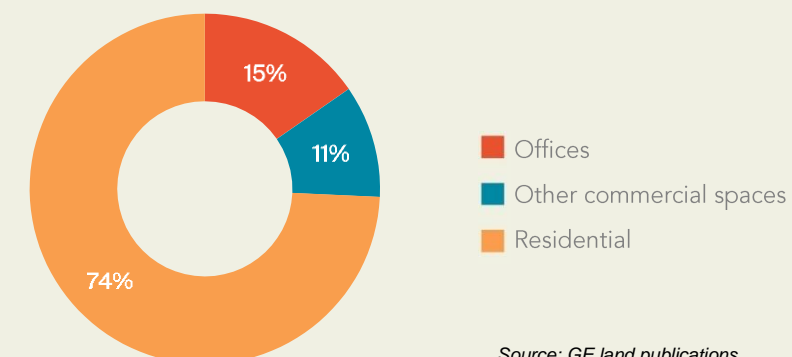
Source: GE land publications

## Distribution by use (CHF millions)



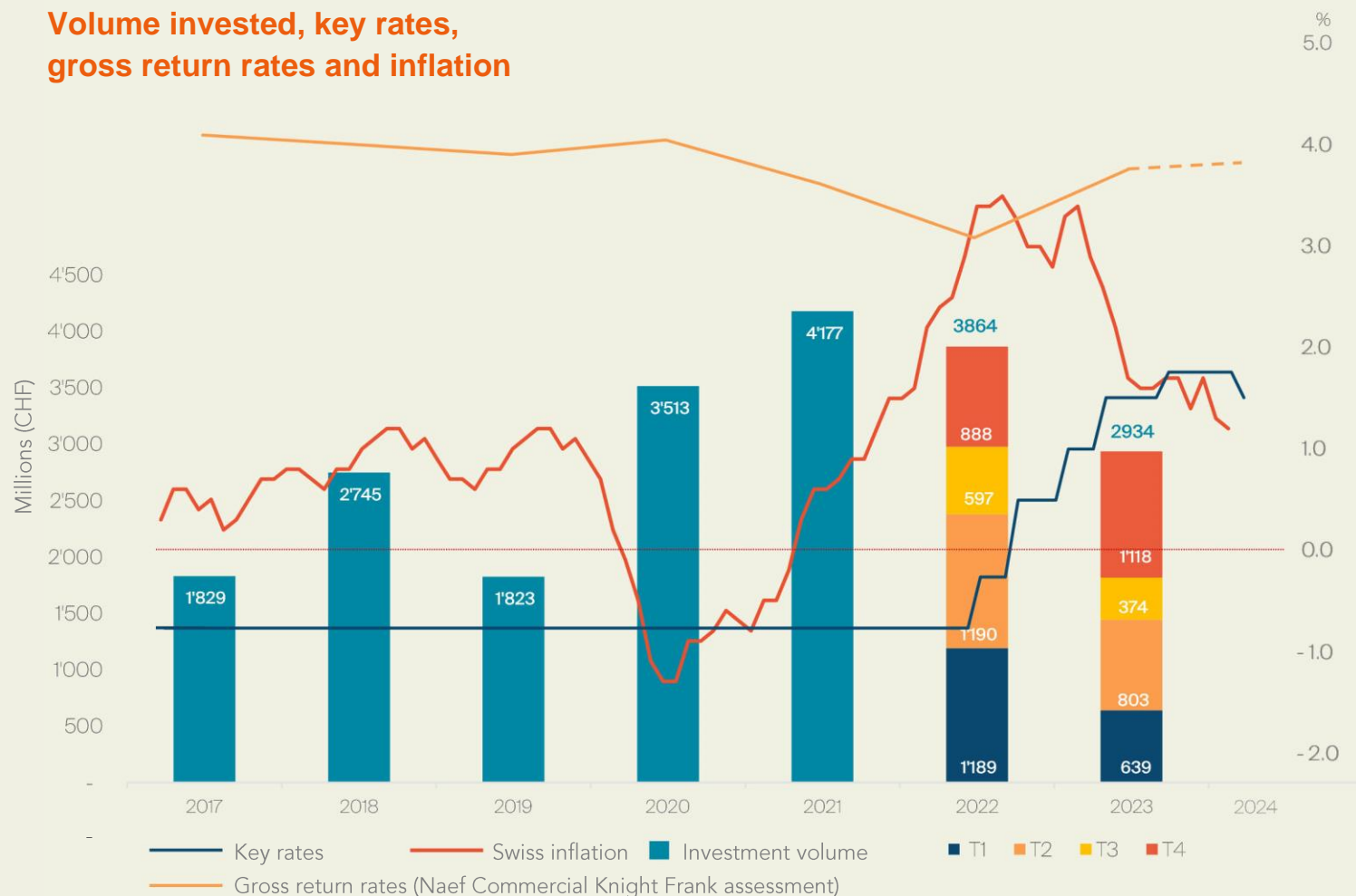
Source: GE land publications

## Distribution by use (CHF millions)



Source: GE land publications

## Volume invested, key rates, gross return rates and inflation



In the summer of 2021, the inflation curve moved upwards to reach its highest level in summer of 2022 (3.5%).

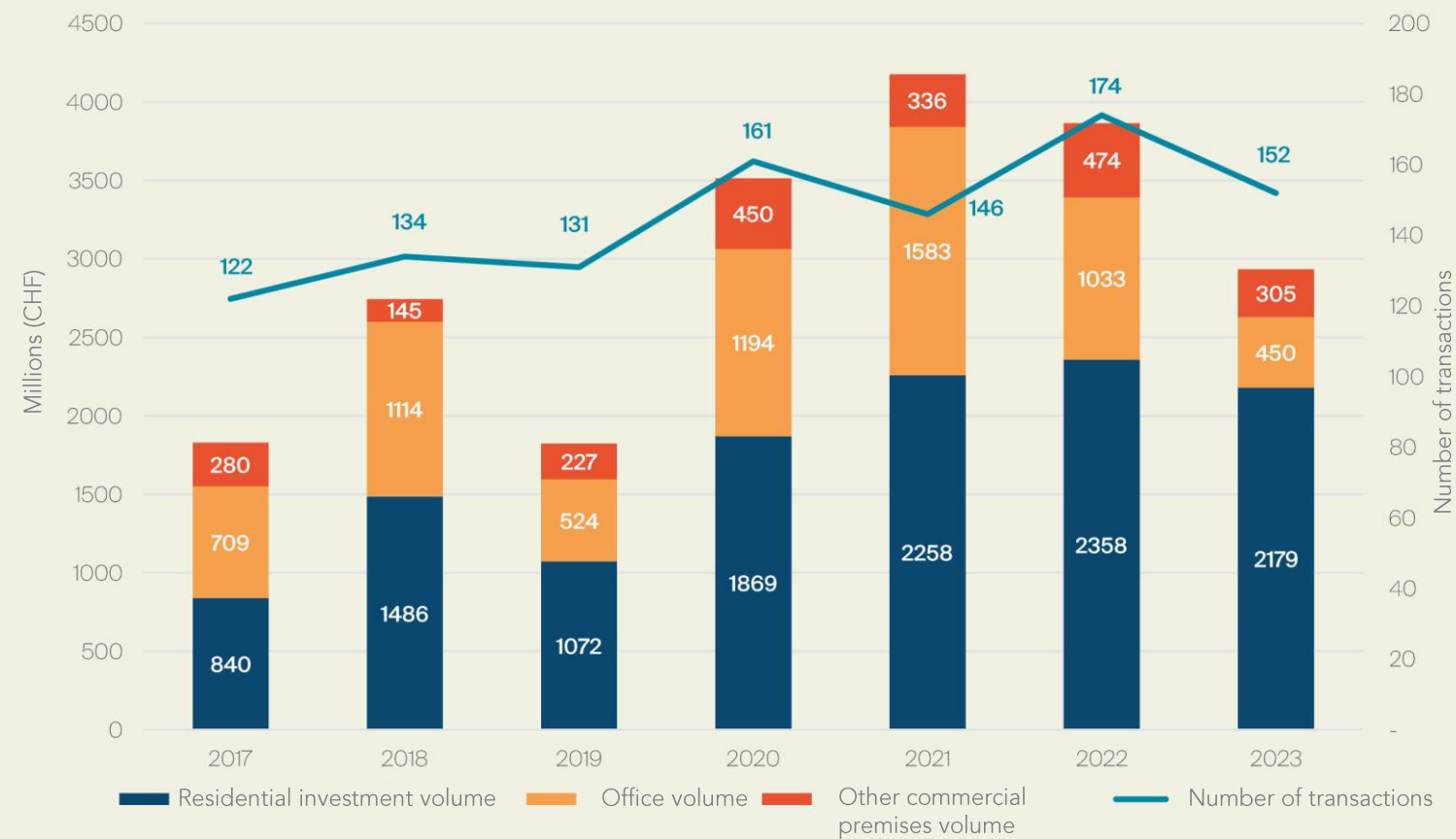
In response, in June 2022, the BNS carried out its strategy to counter inflation with an initial increase in the key rate of 50 basis points.

Four successive rises followed at three-monthly intervals, with 75 basis points in September 2022, 50 basis points in December 2022, 50 basis points in March 2023 and 25 basis points in June 2023. The move has been conclusive and prices rose again with the BNS strategy, however caution has remained in place to date with the announcement on 21 March 2024 of a 25 basis point fall to reach the rate of 1.5% last seen one year ago.

This high-inflation period with successive rises in key rates has had a huge impact on both private and institutional investment property stakeholders, who up until then, being used to negative rates (-0.75%) invested in very large quantities, over very large volumes, without too much concern for expected yields. In the third quarter of 2022, as the context changed, the sales volumes went below the one billion invested barrier and did not come back up again before the last quarter of 2023, a period which confirmed that the measures taken to counter inflation had worked.

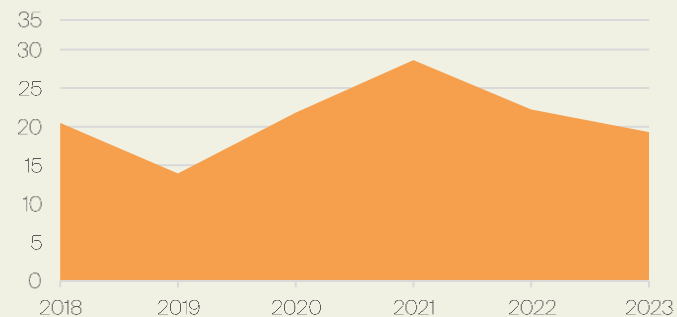
Thus, in 2024, we can expect high investment needs, even if these will certainly be checked by the issue of energy renovations.

## Volume and number of transactions

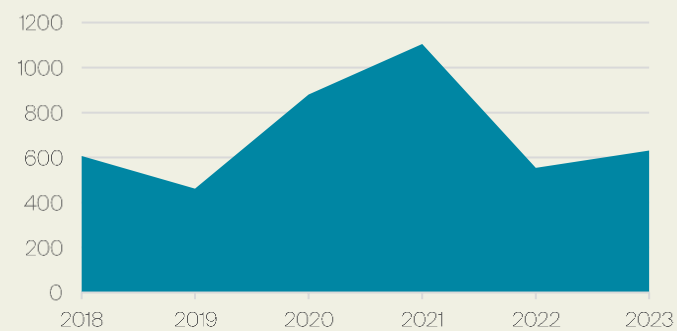


Source: GE land publications

## Average transaction prices (CHF millions)



## Total of three largest transactions (CHF millions)



Source: GE land publications

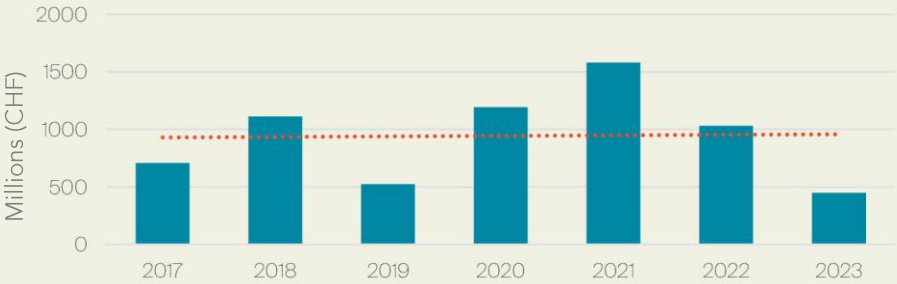
## 2023 volume of sales by use

INVESTMENT BY USE	2023 SALES BY USE				AVERAGE TRANSACTION PRICE
	IN CHF	AS %	IN NUMBER	AS %	IN CHF
Multi-unit residential	610'785'164 CHF	22%	48	34%	12'724'691 CHF
Housing-business	916'922'394 CHF	30%	61	38%	15'031'515 CHF
Condominium	20'907'000 CHF	1%	3	2%	6'969'000 CHF
Offices	449'590'000 CHF	15%	14	9%	32'113'571 CHF
Workshops/shops/industry/hotels, other	274'701'839 CHF	9%	19	12%	14'457'992 CHF
Mixed use portfolios	661'140'035 CHF	23%	7	5%	94'448'576 CHF
Total	2'934'046'432 CHF	100%	152	100%	19'302'937 CHF

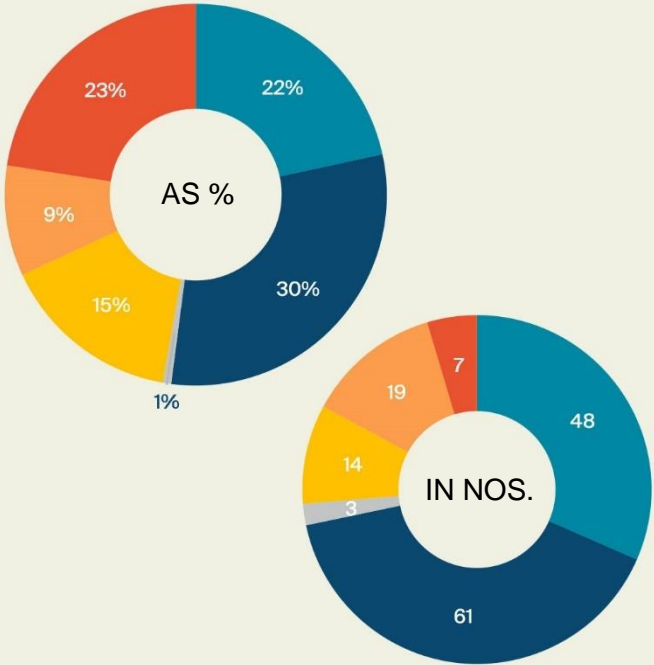
Source: GE land publications

We note a net fall in the volume of office real estate sales compared to the past three years. Nonetheless, the current levels are comparable to those seen in 2017 and 2019. It should be noted that between 2020 and 2022, we saw huge commercial transactions of an average of 182 million in the 15 largest transactions in that period.

## Offices volume



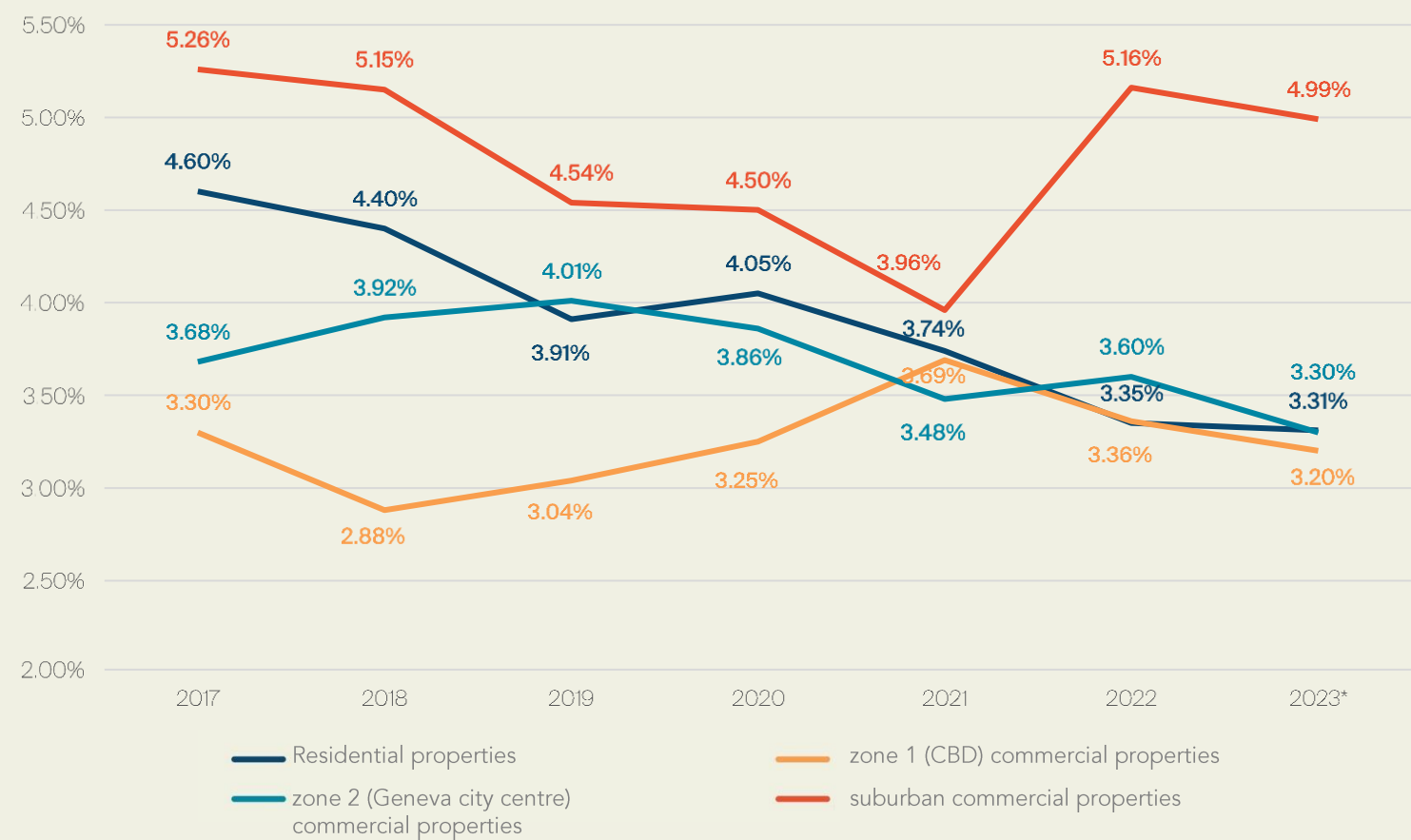
Source: GE land publications



- Multi-unit resident
- Housing-business
- Condominium
- Offices
- Workshops/shops/industry/hotels, other
- Mixed use portfolios

Source: GE land publications

## Gross capitalisation rate



Source: Geneva cantonal tax authority (AFC)

- In the Geneva area, rental properties have a tax value fixed by capitalisation of the annual tax rental status, at fixed rates, each year in September by the Council of State. These rates are calculated based on transactions in the 18 months prior to publication.
- Currently, the period is from 1 January 2023 to 30 June 2023. Concerning zone 1 residential (3.31%) and commercial (3.2%) property, the downturn observed in the previous period has continued, reaching its lowest level for residential property and a level equal to 2020 for zone 1 commercial property. It should be noted that these rates largely reflect 2022, which proved to be exceptional in terms of transactions and investment volume.
- The next publication will be in September 2024 and will provide a reference for the previous 18 months. We thus can anticipate a rise in capitalisation rates for all categories of property as the period concerned saw transactions with far higher yields.

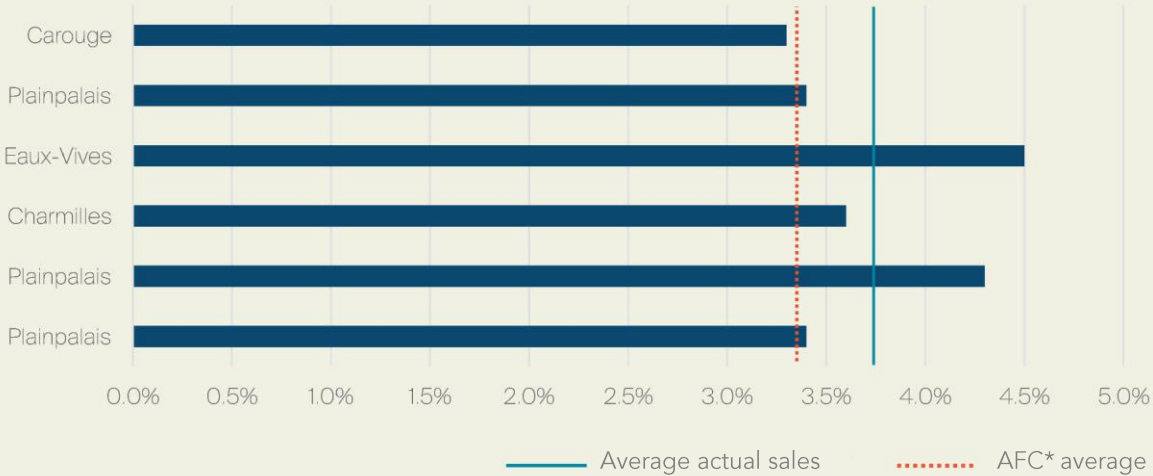
## Gross yield rates

Naef Commercial Knight France

	2021	2022	2023	2024 forecast
Residential property (< 1945)	3.30%	3.00%	3.50%	➔
Residential property (1945-1990)	4.20%	3.30%	4.20%	➔
Residential property (1990-2010)	3.70%	3.10%	3.80%	➔
Residential property (2010 - )	3.20%	2.90%	3.50%	➔
Average	3.60%	3.05%	3.75%	➔
Residential property (AFC* average)	3.74%	3.35%	3.31%	➔

\* Geneva Cantonal Tax Authority

## Extract of our latest residential property sales in Geneva in 2023



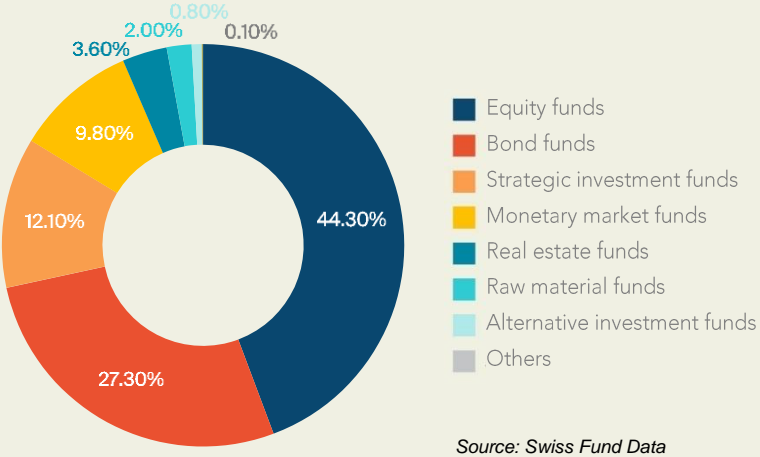
- The value expected by purchasers of real estate dating from the same construction period can vary largely depending on rental stock, construction potential, energy renovation works, the quality of the construction and situation, as well as criteria that have a strong impact on the value of property.
- In 2023, investors became very demanding. They now systematically include in the purchase price of a property the costs necessary for energy renovations. Thus, the difference in yield expected for properties to be renovated and those that are new or renovated with an energy rating is increasingly large. At the start of 2024, most investors told us that they were no longer interested in properties that need to be renovated if the gross expected yield is not higher than 4.0%, and up to 4.8% depending on the general state and location.

## Context

For indirect property investment, 2023 was an unstable year, marked by various announcements and market uncertainty. In spite of all this, the upward trend at the end of the year was confirmed with the announcement of large capital increases to finance huge investment projects, synonymous with investor confidence in real estate funds.

## Distribution of assets in the Swiss fund

Fund category	December 2023 volume	December 2022 volume
Equity funds	44.30%	+6.8%
Bond funds	27.30%	+1.4%
Strategic investment funds	12.10%	+3.5%
Monetary market funds	9.80%	-3.1%
Real estate funds	3.60%	-2.2%
Raw material funds	2.00%	-1.4%
Alternative investment funds	0.80%	-2.7%
Others	0.10%	-17.5%



## Swiss Real Estate Funds Broad (SWIIT) Index

From 1 January 2017 to 29 December 2023



Source: Swiss Fund Data

From 1 January 2023 to 29 December 2023



Source: Swiss Funddata

## Top 10 deals

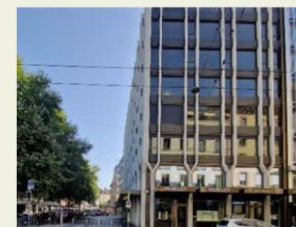
	PRICE (CHF)	TYPE	COMMUNE	PURCHASERS	SELLERS
1	321'200'000	portfolio	Genève	FONDATION POUR LA PROMOTION DU LOGEMENT BON MARCHÉ ET L'HABITAT COOPÉRATIF	RENTE IMMOBILIÈRE SA
2	172'800'000	portfolio	Chêne-Bourg	AVADIS ANLAGESTIFTUNG	CAISSE DE PENSION GIVAUDAN
3	137'163'922	residential-business	Vernier	PRESTILEMAN SA	SA FALAISES-PÊCHERIES
4	133'000'000	commercial	Genève-Cité	CALINTON IMMOBILIERE SA	NPH GENF I AG
5	120'000'000	commercial	Genève-Cité	MARCONI INVESTMENT SA	FONDATION DE BIENFAISANCE PIERRE ET ANDREE HAAS
6	114'265'839	hotel	Genève-Cité	EUROPEAN III HOSPITALITY HOLDING LIMITED	SOCIÉTÉ ANONYME DE L'HÔTEL RICHEMOND
7	105'720'000	residential-business	Genève-Petit-Saconnex	ZURICH FONDATION DE PLACEMENT (ZURICH ANLAGESTIFTUNG)	ZURICH COMPAGNIE D'ASSURANCES SUR LA VIE SA
8	59'322'000	portfolio	Genève-Plainpalais	UNIVOX SA	PRIVÉ
9	58'500'000	residential-business	Genève-Plainpalais	ASGA PENSIONS KASSE GENOSSENSCHAFT	TDLP SA
10	43'610'000	residential	Genève-Petit-Saconnex	ZURICH FONDATION DE PLACEMENT (ZURICH ANLAGESTIFTUNG)	ZURICH COMPAGNIE D'ASSURANCES SUR LA VIE SA

Source: GE land publications

## Top 10 deals



**TOP 3**  
**VERNIER**  
1 residential-business  
building complex



**TOP 4**  
**GENEVA-CITY CENTRE**  
1 commercial building



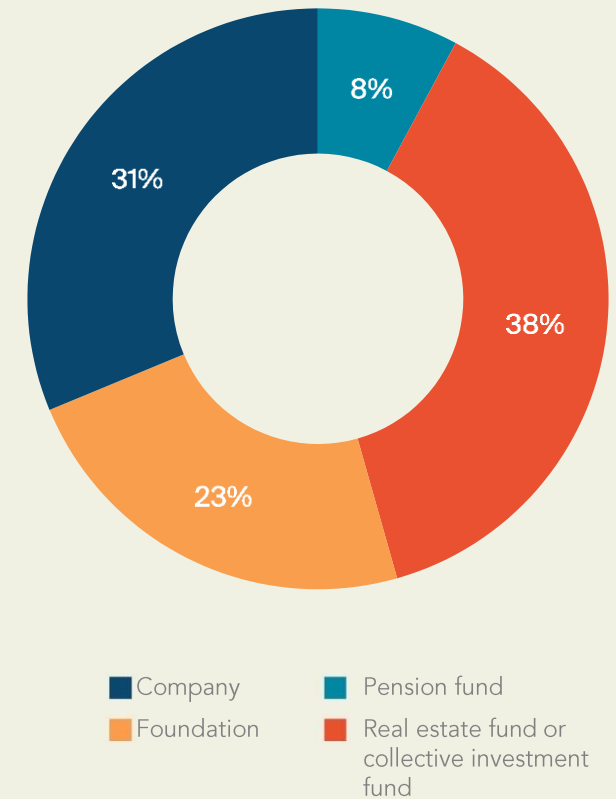
**TOP 6**  
**GENEVA-CITY CENTRE**  
1 hotel

## TOP 10 purchasers

	VOLUME (CHF)	PURCHASERS	NUMBER OF TRANSACTIONS
1	321'200'000	FONDATION POUR LA PROMOTION DU LOGEMENT BON MARCHÉ ET L'HABITAT COOPÉRATIF	1
2	189'000'000	AVADIS ANLAGESTIFTUNG	3
3	183'830'000	ZURICH FONDATION DE PLACEMENT (ZURICH ANLAGESTIFTUNG)	2
4	133'000'000	CALINTON IMMOBILIERE SA	1
5	127'000'000	MARCONI INVESTMENT SA	2
6	114'265'839	EUROPEAN III HOSPITALITY HOLDING LIMITED	1
7	109'050'000	ASGA PENSIONS KASSE GENOSSENSCHAFT	3
8	85'000'000	FONDATION PATRIMONIA	5
9	66'055'000	STONEEDGE SICAV	5
10	59'322'000	UNIVOX SA	3

Source: GE land publications

## Purchaser profile (Top 10)

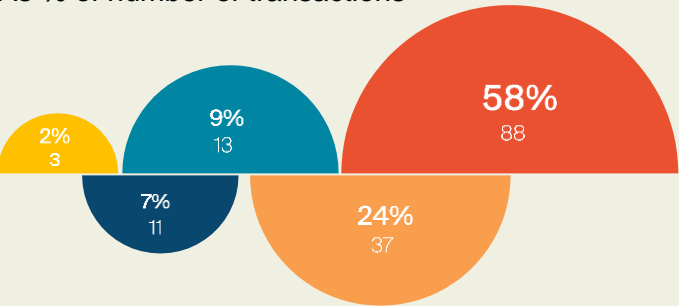


Source: GE land publications

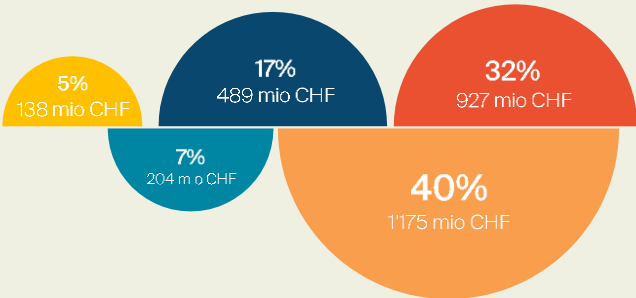
## Investor types

### SELLERS

As % of number of transactions

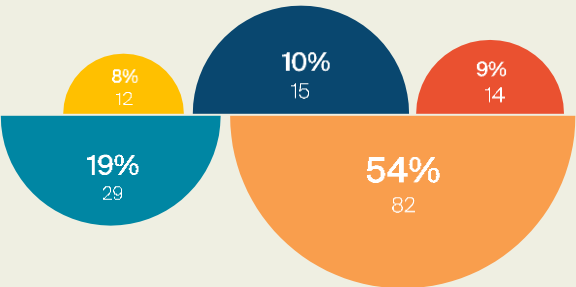


As % of number of transactions

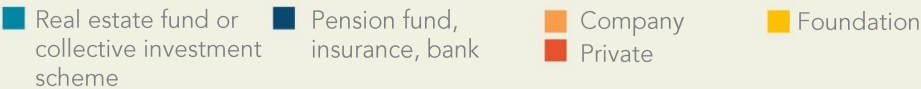
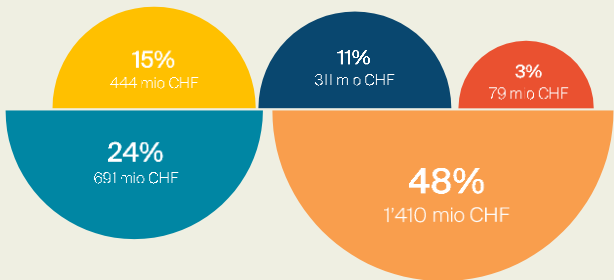


### SELLERS

As % of number of transactions



As % of number of transactions



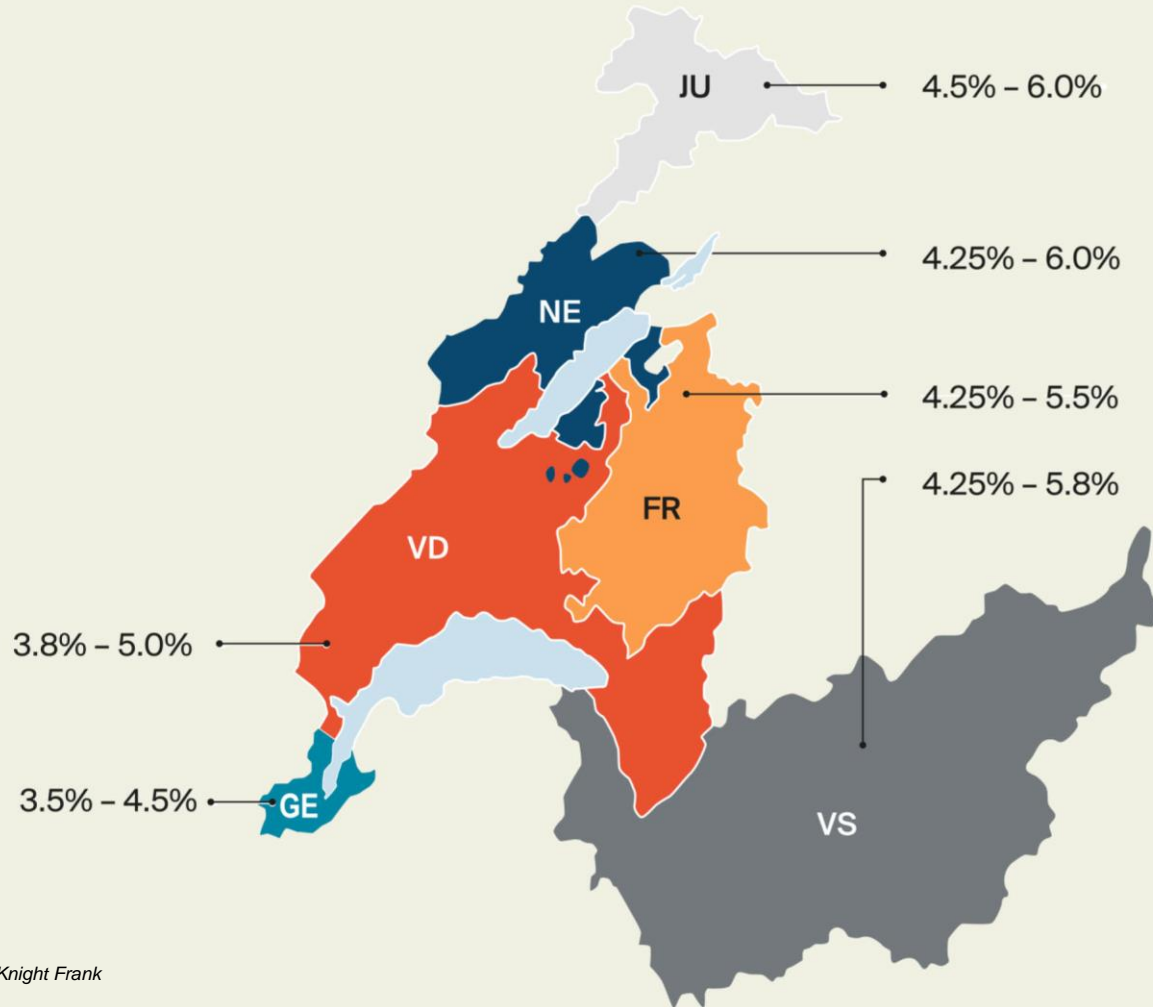
Source: GE land publications

## Purchase of commercial property\* Switzerland v abroad

	In CHF	As %	In nos.
SWITZERLAND	500'976'000 CHF	69%	27
MIDDLE EAST	114'265'839 CHF	16%	1
EUROPE	68'950'000 CHF	10%	3
NORTH AMERICA	20'500'000 CHF	3%	1
SOUTH AMERICA	19'600'000 CHF	3%	1
TOTAL	724'291'839 CHF	100%	33

Source: GE land publications

\* not subject to the LFAIE (Federal law on the acquisition of property by persons living abroad)



Source: Naef Commercial Knight Frank

## Gross yield brackets by canton (NCKF assessment)

The abundance of liquidity, the lack of investment alternatives or even the low returns on bonds are the main vectors of the strong demand for real estate investments.

The appeal for investors in the real estate of the different cantons of Romandy varies and depends on accessibility to infrastructures, economic dynamism, employment growth and housing demand.

In Geneva, although the gross yield rates are at low levels, demand remains strong. On the other hand, canton such as Jura and Neuchâtel have higher yield rates but there are large regional disparities and steady vacancies making investors more demanding.

Swiss Property  
Investment Market  
**2023 Retrospective**

# Outlook

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## Capital increase

At the start of 2024, several funds launched capital transactions for significant sums, thus marking a return to levels not seen for two years, reaching almost one billion Swiss francs in this first quarter. This trend falls within a context where the fall in inflation and lower interest rates have re-established investor confidence, as demonstrated in the almost 14% rise in agios in three months. The appeal of property, combined with considerable capital liquidity and low yields on investment alternatives will become greater over the year.

## Rates and evolution

In 2024, in order to support the economy, the BNS certainly will use its leverage to reduce key rates once or twice if inflation remains at a stable and manageable level. We already note a fall in fixed mortgage rates, and the SARON rate could still fall with each potential reduction in key rates. Investors will again be able to finance their purchasers with much lower debt interests than in 2023.

## Renovations and impact

While the appeal of real estate investment should remain strong in the coming months, it is no longer impossible to disregard the Confederation's orders and "Zero CO2 emission" by 2050 climate plan. Thus, in 2024 and in the next few years, investment property will sell if they have been renovated and meet energy standards, such as the THPE or HPE in Geneva, for example. Otherwise, offers by purchasers will specifically take into account the sum of energy works to be carried out. In spite of the large subsidies provided and the exemption of additional property tax (IIC), energy renovations of a property or a portfolio of companies necessarily calls for investment and skilled trade work. We should thus expect an acceleration of property sales of real estate held by private individuals to institutions who are far better equipped to meet the new constraints and undertake these enormous renovations.

Swiss Property  
Investment Market  
**2023 Retrospective**

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Recent studies

**Synthèse du marché immobilier genevois**

**naef Commercial Knight Frank**

**Du côté du marché de l'investissement.**

En septembre 2023, la NAEF a effectué un tour d'horizon pour constater l'état du marché immobilier genevois. Les données sont issues de nos propres recherches, de nos contacts avec les acteurs du marché et de nos analyses de données publiques. Elles sont présentées sous forme de synthèse et de tableaux.

Dans ce contexte de prudence, la stratégie de la NAEF au 1<sup>er</sup> trimestre 2024 sera d'observer de près le marché de l'investissement et de l'immobilier résidentiel. Les données seront mises à jour en fonction de l'évolution du marché.

Segment	Volume (CHF millions)	Evolution (vs. 2022)	Evolution (vs. 2021)
Immobilier d'investissement	142 000 000	+14%	+10%
Immobilier résidentiel	71 000 000	+14%	+10%
Immobilier commercial	10 000 000	+14%	+10%
Immobilier industriel	10 000 000	+14%	+10%
Immobilier agricole	10 000 000	+14%	+10%
Immobilier public	10 000 000	+14%	+10%
Immobilier privé	10 000 000	+14%	+10%
Immobilier mixte	10 000 000	+14%	+10%
Immobilier total	202 000 000	+14%	+10%

**TOP 5 DES VENTES**

1. **Porte de la Paix** (1000m²) - 100 000 000 CHF  
2. **Porte de la Paix** (1000m²) - 100 000 000 CHF  
3. **Porte de la Paix** (1000m²) - 100 000 000 CHF  
4. **Porte de la Paix** (1000m²) - 100 000 000 CHF  
5. **Porte de la Paix** (1000m²) - 100 000 000 CHF

**EVOLUTION DES TRANSACTIONS AU COURS DES DERNIERS TRIMESTRES**

Le graphique ci-dessous illustre l'évolution des transactions au cours des derniers trimestres. Les données sont issues de nos propres recherches et de nos contacts avec les acteurs du marché.

**naef Commercial Knight Frank**

All Naef Commercial Knight Frank studies are available on our website: [naef-commercial.ch](https://naef-commercial.ch)

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## Your real estate specialist

### INVESTMENT | COMMERCIAL | RENTAL MANAGEMENT

Naef Commercial Knight Frank was born of the partnership between the Naef Immobilier group in Romandy, established in 1881, with 9 branches in Romandy, and Knight Frank, a British company established in 1896 with more than 487 offices around the world.

Naef Commercial Knight Frank has investment and commercial real estate specialists divided over three centres of expertise (Geneva, Vaud and Neuchâtel) and furthermore has a reach throughout Switzerland and internationally through its partnership with Knight Frank.

Our team is supported by a marketing department and is also assisted by subsidiaries of the Naef group, such as Acanthe, a specialist in real estate expertise and asset management, Alios, a specialist in architecture and building works as well as Sioux, with works on development and development management.



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