



Snapshot

INDUSTRIAL MARKET

H1 2023

GENEVA | SWITZERLAND



Overview

In the first half of 2023, the industrial real estate market proved more resilient than other commercial property segments, despite an uncertain economic climate.

As prices continue to be adjusted and investors adapt to new market conditions, the volume of investment in industrial premises reached over CHF 72 million, i.e., 40% less than in the first half of 2022.

The favourable course of business in key industrial sectors and reasonable price levels have kept the industrial investment market buoyant.

The rental market continues to benefit from sustained demand, stimulated by :

- the need for modern premises with good accessibility,
- the reallocation of the PAV area,
- the sustained activity in key sectors of Geneva's industry.

On the supply side, the projects that have been completed and are currently under development are proving increasingly successful, maintaining a low overall availability rate of 2.3%.

Positive market indicators are encouraging developers to invest in new projects.

Over the last two semesters, 74,000 sqm of industrial space has been delivered, including :

- Quartet phase 2 (Charmilles), 27,300 sqm
- Small City phase 1 (Pont Butin), 25,000 sqm
- Les Cabinotiers (ZIMEYSA), 9,295 sqm
- Batailles 16 (ZIBAT), 8,450 sqm

In addition, many buildings are currently under construction (over 290,000 sqm). Projects currently on the market include :

- Small City phase 2 (Pont Butin), 50,000 sqm
- Rubix (ZIMEYSA), 47,000 sqm
- Spark (ZIPL0), 34,000 sqm
- EK11 (ZIMEYSA), 17,800 sqm
- Métiers Vernier (ZIMOGA), 12,500 sqm

Key indicators

72.3 M

Transactions volume *in CHF*

4.19 M

Stock *in sqm*

2.3%

Availability rate

4.8%

Prime gross yield

Letting

Total stock	4,205,000 sqm GFA
<i>growth over 1 year</i>	+ 1.6%
Available area	95,000 sqm GFA
<i>availability rate</i>	2.3%
Pipeline <i>by 2026</i>	290,000 sqm GFA
Prime rent	340 CHF/sqm/year

Investment

Transactions volume 2022	CHF 346,370,300
Transactions volume H1 2022	CHF 120,013,500
Transactions volume H1 2023	CHF 72,332,099
<i>growth compared with H1 2022</i>	- 39.7%
Average transactions volume	CHF 6,027,675
Prime gross yield	4.8%



Letting

Despite uncertain economic and geopolitical conditions, the industrial rental market remained buoyant in the first half of 2023.

In the most attractive areas, light industrial and artisanal premises, as well as office and high-tech spaces, have had the wind in their sails, to the detriment of logistics space.

In fact, in ZIPLO and the industrial zones near the city centre, the marketing of mixed-use premises is well under way.

These buildings, more commonly known as industrial hotels, meet the needs of Geneva's SMEs, as well as players in the watchmaking, high-tech and biotech industries.

Industrial hotels help to remedy the shortage of land and the new expectations of industry by focusing on factors such as :

- densification,
- flexibility,
- accessibility,
- sustainability.

Several recent developments have undergone a successful pre-commercialisation phase. For example, the Spark and Espace Tourbillon projects in Plan-les-Ouates had excellent occupancy rates on delivery.

The PAV and ZIPLO sectors have therefore naturally benefited from a fall in supply. Over the first six months, availability rates fell by 100 and 300 bps respectively.

Interest in modern and/or well-located premises is keeping a slight upward pressure on rents on the Left Bank.

Conversely, on the right bank, the increase in the availability rate in ZIMEYSA and its stabilisation in ZIBAY demonstrate a lack of attractiveness.

Industrial premises in Vernier, Meyrin and Satigny municipalities are suffering from :

- obsolete premises,
- a smaller pool of cross-border employees,
- less favourable accessibility.

However, these sectors will eventually benefit from a reversal of the trend, stimulated by :

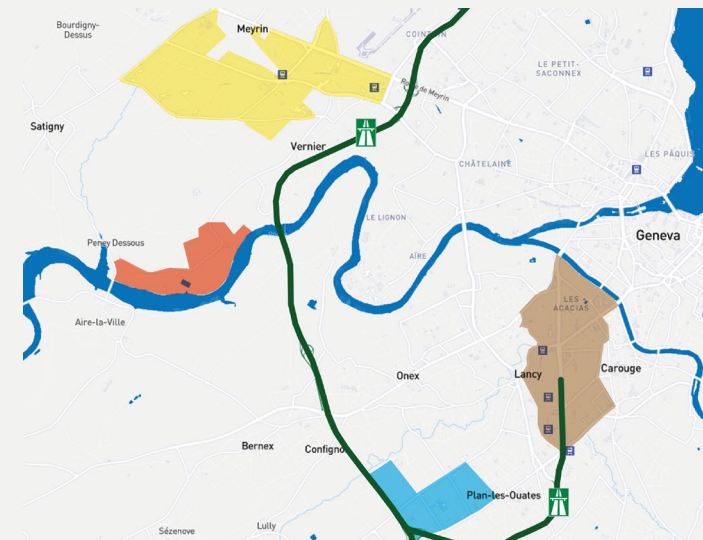
- a denser range of services,
- the pooling resources,
- the construction of the motorway link,
- the establishment of renowned companies.

MARKET OUTLOOK

	Offices/High-tech	Light industrial	Logistics
Offer	ZIMEYSA →	ZIMEYSA →	ZIMEYSA →
	ZIPLO →	ZIPLO →	ZIPLO →
	Canton →	Canton →	Canton →
Demand	ZIMEYSA →	ZIMEYSA →	ZIMEYSA →
	ZIPLO →	ZIPLO →	ZIPLO →
	Canton →	Canton →	Canton →
Rent	ZIMEYSA →	ZIMEYSA →	ZIMEYSA →
	ZIPLO →	ZIPLO →	ZIPLO →
	Canton →	Canton →	Canton →

Sectors indicators

	Rent CHF/sqm			Availability % of stock
	Offices/High-tech	Light industrial	Logistics	
● ZIMEYSA	from 260 to 300	from 200 to 250	from 150 to 195	3.5%
● ZIPLO	from 270 to 320	from 240 to 290	from 190 to 220	5.0%
● ZIBAY	from 180 to 220	from 200 to 220	from 150 to 180	4.0%
● PAV (ZI)	from 280 to 340	from 220 to 250	from 150 to 200	1.5%



Investment

In an environment of rising interest rate, institutional investors considered alternatives to real estate, which had a negative impact on the volume of transactions in the industrial market.

In fact, the current profile of buyers shows fewer institutional buyers looking to acquire industrial buildings or land, confirming the general trend.

In the first half of 2023, almost 85% of the volume of industrial property transactions, i.e., 9 out of 12 sales, were carried out by users.

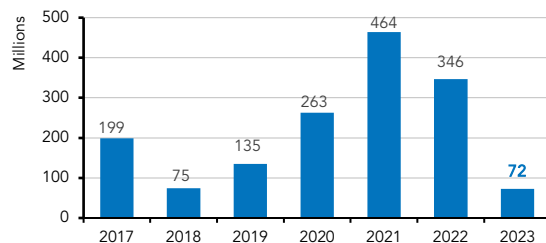
The Geneva investment market is enjoying a certain attractiveness on the part of users, who are taking advantage of :

- price controls in the ZDIA,
- market stability,
- a financial advantage.

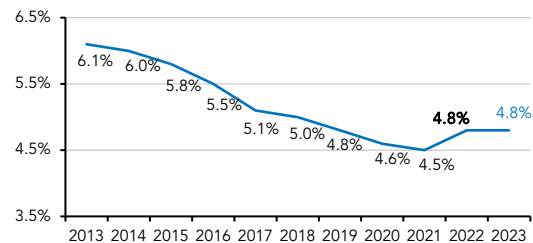
Even so, the industrial market remains attractive to other categories of investor, offering a haven of stability reflected in an attractive risk/return ratio.

Moreover, the recent fall in inflation gives room for optimism. The start of a fall in short-term interest rates means that mortgage costs are likely to be less restrictive.

TRANSACTIONS VOLUME IN CHF



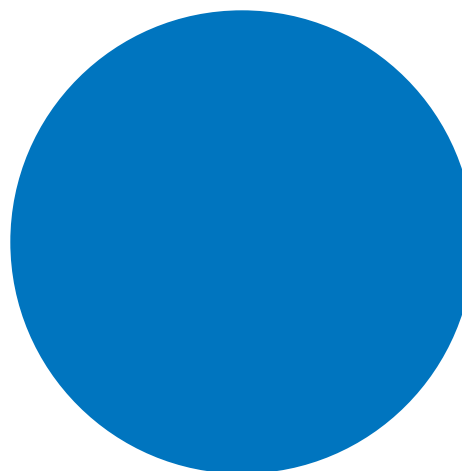
ESTIMATED PRIME GROSS YIELD



Top 5 largest transactions in 2023

Address	Typology	Sector	Area sqm	Price CHF	CHF/sqm
1 Route du Bois des Frères 48	Datacentre	ZILI	1,600	20,500,000	12,813
2 Chemin du Grand Puits 28	Artisanal project	ZIMEYSA	6,000	20,500,000	3,417
3 Rue du Bois-du-Lan 8	Offices / Warehouse	ZIMEYSA	1,798	9,200,000	5,116
4 Rue Jacques Gosselin 54	Logistics	PAV (ZIPA)	1,225	6,200,000	5,061
5 Chemin de Grange Collomb 34	Offices / Warehouse	Grand-Lancy	1,565	5,510,000	3,521





SPGI Geneva SA
Rue Ferdinand-Hodler 23
1207 Geneva
Tel +41 (0)22 707 46 00
geneva@spgi.ch | geneva.spgi.ch

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