

Swiss Gold Still Sparkles

By Matthew Leguen de Lacroix, SIOR, FRICS



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“No Room at the Inn” — I recently remember reading this quote in a British newspaper, regarding the current lack of office space in Geneva. In my mind, this sparked two burning questions:

- 1) Why is Geneva so attractive for international companies?
- 2) Is there really 'No Room at the Inn'?

Geneva is globally recognized as one of the key financial hubs within the European Economic Area. The city boasts a plethora of financial institutions, ranging from domestic and international banks, to hedge funds and fiduciaries. In fact, for its size Geneva punches well above its weight.

In terms of location, the traditional central business district (CBD) still draws the majority of the banks, hedge funds, and trading companies. This area is still viewed as an exclusive location; something which the high rental levels reflect. They are the highest in Geneva and some of the highest in Switzerland.

During the last decade, however, activity outside the CBD of Geneva has increased significantly, extending to the periphery of Geneva and further along the Swiss Romande 'Gold Coast'. Foreign and multi-national companies from a wide range of business fields have, in recent years, chosen to base their regional headquarters in Switzerland. Companies with headquarters in the Canton of Geneva and the Swiss Romande “Gold Coast” include Yahoo!, McDonalds, Transocean, United Coffee, Ineos, Kraft Foods, The Economist, and JTI.

But Why the Attraction?

When one thinks of reasons for coming to Switzerland, he or she may consider low corporation tax. However, I would highlight several equally important reasons as to why international companies are actively choosing to establish offices in French-speaking Switzerland; easy access (air, rail and motorway); a highly educated, multi-lingual, highly skilled workforce; and a confidential banking system, regardless of some of the recent press coverage. Switzerland continues to show signs of sustained economic and political stability in this difficult financial climate. This is not to underestimate the fact that Switzerland as a whole is a clean, safe, and beautiful country, which can only add to its overall allure.

"No Room at the Inn!"


Having analyzed the level of office supply in the city centre of Geneva, I would generally agree. While smaller offices of up to approximately 200 sq m can be found, office space of more than 600 sq m rarely comes to the market.

The limitations with regard to the city centre of Geneva are opening up opportunities within the wider Canton of Geneva, and along the “Gold Coast,” cantons have seized the opportunity to attract international companies.

Over the last decade, grade A office space has been developed along Lake Geneva including new projects in Rolle and Bussigny.

On-going demand has created a modern state of the art infrastructure and, with further grade A developments in the pipeline within the wider canton of Geneva, it is expected that more international companies will establish a base there. Future demand in particular is coming from China; 30 Chinese companies are already in Switzerland and quasi-government Chinese visits occur monthly.

Given the increased number of speculative developments within the wider Geneva area, it's expected that the tight supply situation will ease in coming years, thereby providing more large-scale opportunities for potential occupiers in the region. Furthermore, in the current economic climate, many companies are looking to reduce costs and consolidate operations. This is leading to an influx of smaller-scale office space in the market, often in the form of sublets. This is opening up opportunities for lettings in sought-after locations, a trend I expect to continue throughout 2012.

While it may not be true that there is “No room at the inn” there is certainly “not much room.” There are limited options for a corporation where large grade ‘A’ office space in the CBD of Geneva is required. Further outside of the city and throughout the “Gold Coast” there is no reason for companies not to take advantage of regional benefits. Geneva and the wider region will remain in high demand for the foreseeable future. 

For further information on office space opportunities in Geneva, along the Swiss Romande gold coast or Switzerland, please call Matthew direct on + 41 22 839 73 71 or email matthew.leguen-delacroix@dtz.com