



# Market Report

RETAIL | 2023

GENEVA | SWITZERLAND



# Overview

**The outbreak of the Ukrainian conflict, persistent inflationary pressures and the slowdown in China have worsened the world economic environment in 2022.**

Even so, the Swiss economy has proved resilient compared with other developed countries. Swiss inflation has remained moderate, employment has continued to rise, and businesses were generally satisfied.

Although the post-pandemic "euphoria" was short-lived and was followed by a market correction, the unemployment rate fell to record lows during 2022.

Swiss employment has risen for six consecutive quarters. At 3.2% (+127,000 jobs), employment growth over the past twelve months has been stronger than at any time since 2008.

The recovery in Geneva hotels continued in the second half of 2022. The number of overnight stays has almost returned to pre-pandemic levels. Hoteliers expect their business to grow in the months ahead.

The situation in retail was very good in the food sector and satisfactory in the non-food sector. The outlook for the first half of 2023 is positive overall.

## Key indicators

**518 k**

Population

**1.5%**

Inflation rate

**2.97 M**

Overnight stays

**8.6%**

Turnover growth  
(10y change)

**1.46 M**

Retail surface (sqm)

**1.6%**

Availability rate

### Demography & Economy

City population	204,950
Canton population	517,800
<i>growth over 10 years</i>	<i>+10.1%</i>
Disposable income (month.)	6,824 CHF
Inflation rate (YoY)	1.5%

### Consumer trends


Footfall (peak)	50,130
<i>growth YoY</i>	<i>+2.6%</i>
Turnover growth (10y) <sup>1</sup>	+8.6%
Overnight stays	2,965,424
<i>growth over 10 years</i>	<i>+5.5%</i>

### Rental market

City retail surface	765,000 sqm
Canton retail surface	1,520,000 sqm
<i>growth over 10 years</i>	<i>+7.0%</i>
Availability rate	1.8%
Prime rent (annual)	4,500 CHF/sqm

<sup>1</sup> Swiss data, OFS





# Economy & Demography 01

# Economic Situation

The Swiss economy remained robust in the first semester of 2023, in line with expectations. The labour market has remained strong, and total production capacity has been well used.

## Consumer prices

Annual inflation measured by the consumer price index (CPI) declined from 3.3% in January to 1.7% in June.

## Consumer climate

Although there will be a turnaround in the first quarter of 2023, consumer sentiment is likely to remain depressed throughout the year.

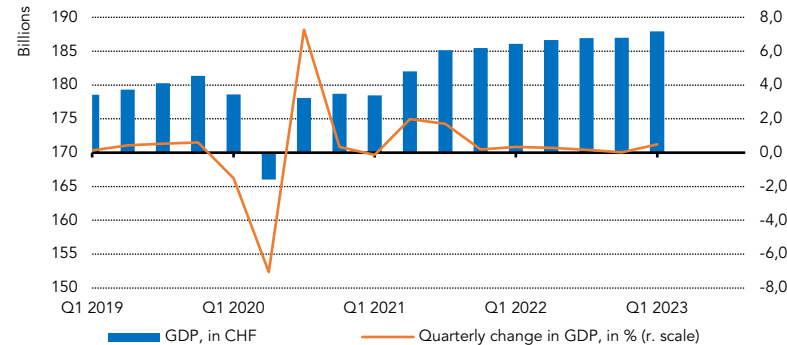
## Money market

On June 22, 2023, the Swiss National Bank (SNB) had further tightened its monetary policy. It raised the SNB policy rate by 25 basis points to 1.75% in order to counter the increasing inflationary pressure.

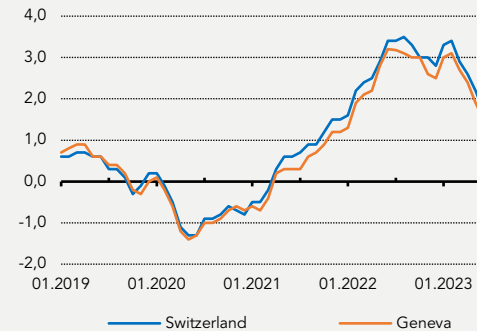
## Exchange and Financial markets

The external value of the Swiss franc has increased. Stock prices have risen, while long-term bond yields have slightly declined. The pace of increase in real estate prices has slowed down.

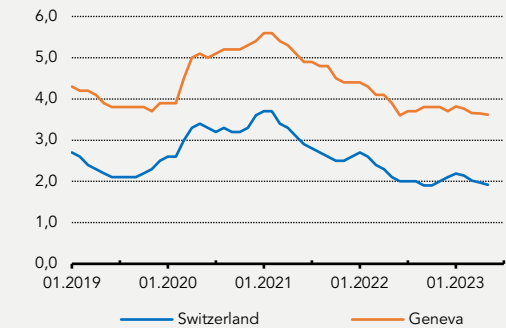
## Real Gross Domestic Production (GDP)



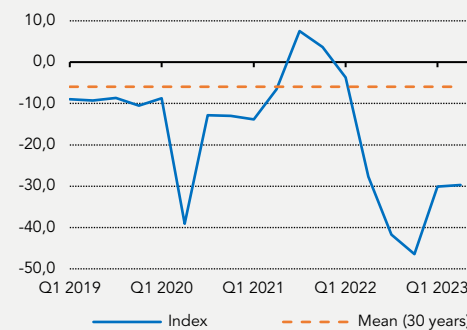
## Inflation rates YoY in %



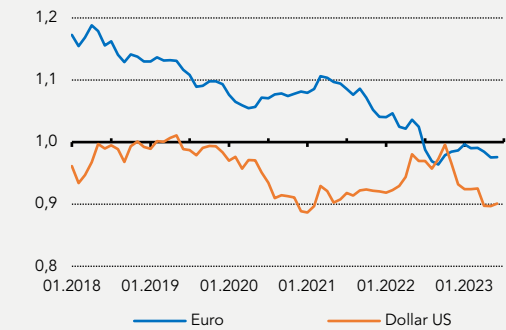
## Unemployment rates in %



## Consumer sentiment index



## Swiss franc in CHF



Sources: FSO, OCSTAT, SECO, SNB

# Demographic Situation

At the end of December 2022, the total resident population of the canton of Geneva was 517,802. Foreigners accounted for 41.3%. In 2022, the population increased by 5,881 people, an increase of 1.1% in one year.

Net migration is largely positive (+4,195 people). It accounts for 71% of population growth. The remaining 29% is due to natural increase (+1,686 people).

### Natural balance

The natural increase is slightly lower than the amount reported in 2021 and in the years preceding the pandemic. This minor decrease is attributable to a decrease in births rather than a decrease in mortality, which is down significantly from 2021.

### Migratory balance

In 2022, 8,337 Swiss citizens left the nation. 44% are between the ages of 20 and 39, with a high at 26, which may represent the age at which they complete their education.

Those with a known destination will primarily settle in the canton of Vaud (28%) and France (26%). In France, half stated they would go to neighbouring France, namely the departments of Ain or Haute-Savoie, while the other half did not specify a location.

By the end of September 2022, the number of foreign nationals residing in the city of Geneva will have surpassed 100,000. 100,832 of the city's 204,946 residents were foreign nationals as of the end of December.

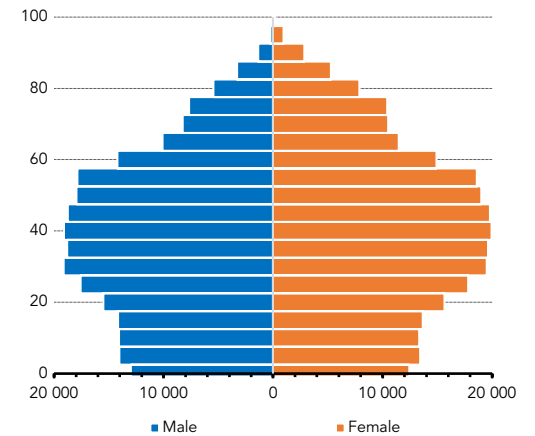
Three-quarters are potentially active persons (ages 18 to 64), 15% are children, and 10% are above the age of 65. France (19%), Portugal (12%), Italy (10%), and Spain (8%), are the most represented nations. The city of Geneva is home to over half of the canton's foreign population (47%).

### Population structure

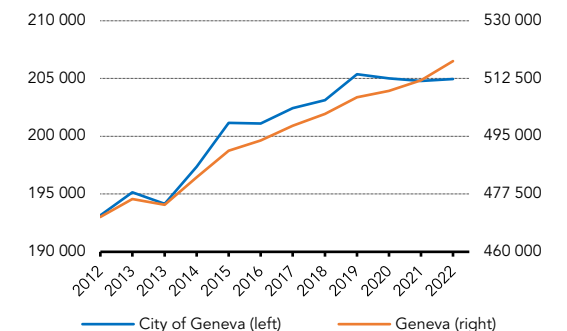
The structure of the canton's residents is aging. Persons aged 65 and more account for 16.6% of the population, or 85,900 individuals, at the end of 2022, up from 13.4% (51,500) at the end of 1990.

According to the most recent demographic forecasts, the group of adults aged 65 and older will account for 21.0% of the population, or 123,000 people, in 2040.

Population pyramid in Geneva



Population growth in Geneva



Source: FSO

	Population	/sqkm	Growth YoY	20 to 64 yo	%	Households
City of Geneva	204,950	12,900	-0.1%	136,180	66.5%	87,407
Canton of Geneva (State)	517,800	1,830	+1.1%	323,770	62.5%	202,595
Greater Geneva (Region)	1,027,000	520	+1.7%	-	-	443,000



# Consumer 02

# Income and Expenditure

Switzerland is known for its stable and robust economy. The country has a high standard of living, low unemployment rates, and high purchasing power, which contributes to increased consumer spending and retail turnover. Swiss citizens have one of the highest average disposable incomes in the world.

## Income

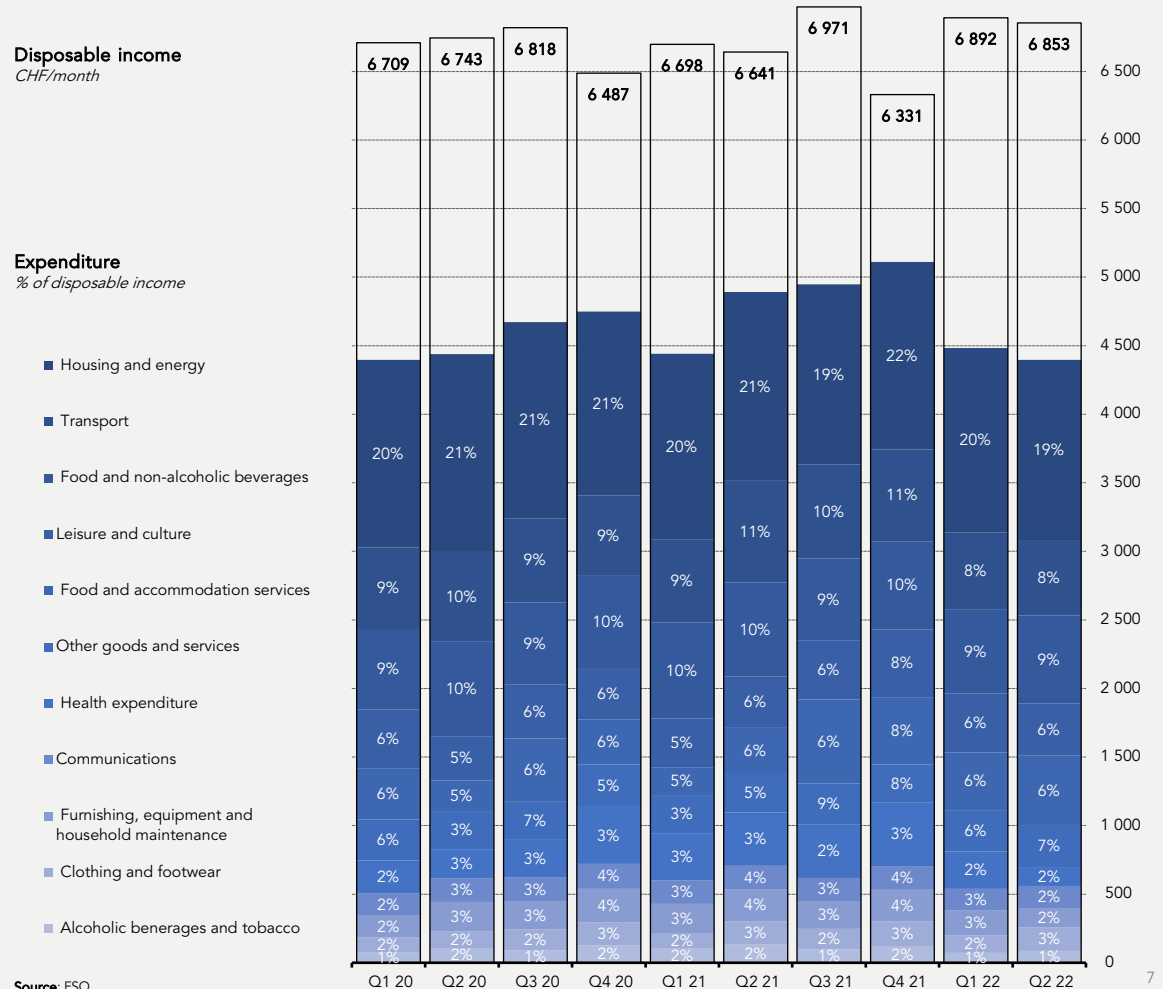
In Q2 2022, there was a positive change in income compared to the same quarters of previous years. The average discretionary income of CHF 6,853 per month was respectively 1,6% and 3,2% higher than the one of Q2 2020 and Q2 2021. It is made up of the income of each member of the household, which comprises an average of 2.12 individuals.

## Expenditure

Private household spending decreased in Q2 2022 compared to prior quarter. However, the monthly expenditures on "Food and accommodation services" increased significantly to CHF 509 (+54%). Spendings on "Leisure and culture" (CHF 381), and "Clothing and footwear" (CHF 173) did not vary significantly.

Monthly expenses on "Health expenditure" plummeted to CHF 137 (-65% in a year). "Furnishing, equipment and household maintenance" declined by 41%, to CHF 140. The same is true for "Alcoholic beverages and tobacco" (-35% to CHF 86) and "Transportation" (-26% to CHF 552).

Income and expenditure of households in Switzerland



Source: FSO

# Overnight stays

**Geneva is a popular tourist destination, attracting visitors from around the globe. The influx of tourists contributes to higher retail turnover, particularly in sectors such as luxury goods, watches, and tourism-related services.**

### Situation

After being severely impacted by Covid-19 for two years, the Geneva hotel occupancy rebounded substantially in 2022.

Over the course of the year, hotels recorded 2.97 million overnight stays, nearly doubling 2021 figure (+94%).

However, stays are still somewhat lower than in 2019 (-7%), the previous full year before the epidemic.

### Composition

The significant rise in 2022 is attributable to foreign return (+128%). Swiss visitors, on the other hand, have increased by 39%.

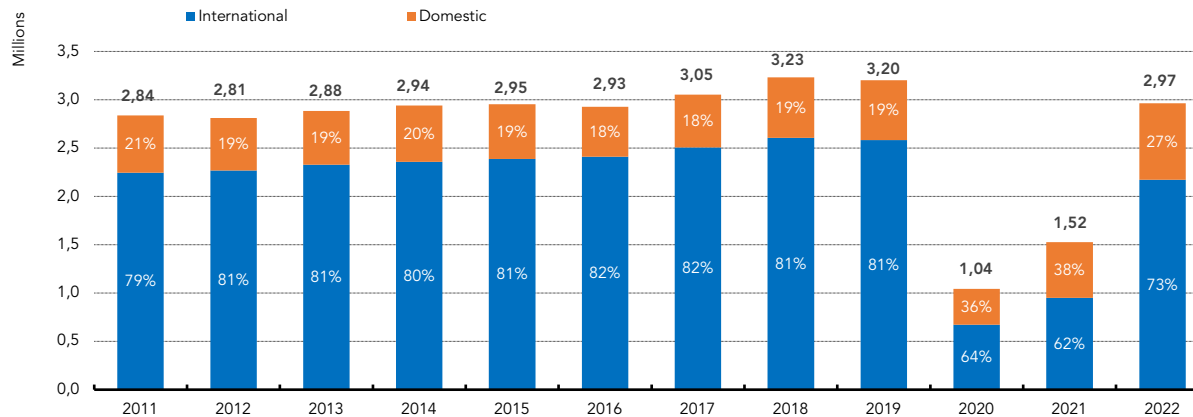
Tourists from Switzerland remains the most important clientele in 2022, accounting for 27% of overnight stays in the canton. With 794,300 nights, the number of domestic overnight stays reached an all-time high.

Europeans are the most frequent foreign visitors to the canton's hotels (38% of all overnight stays). France, which accounts for more than a quarter of all European tourists, increased by 44% in a year. They even hit an all-time high in 2022, with 295,600 overnight stays in Geneva.

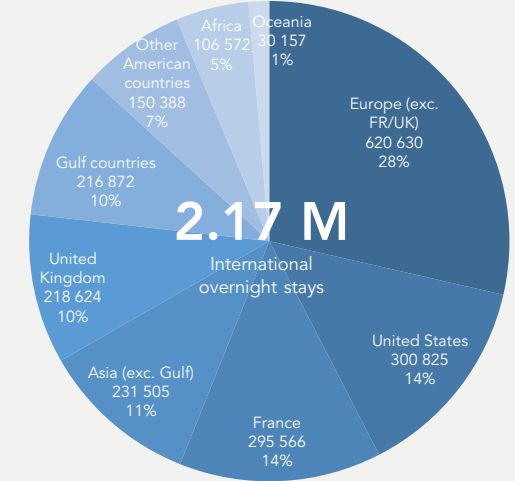
### Forecast

The forecast for the next three to six months is good, according to the hoteliers polled. In the near term, the number of overnight stays should continue to climb, and in the longer term, an improvement is to be expected.

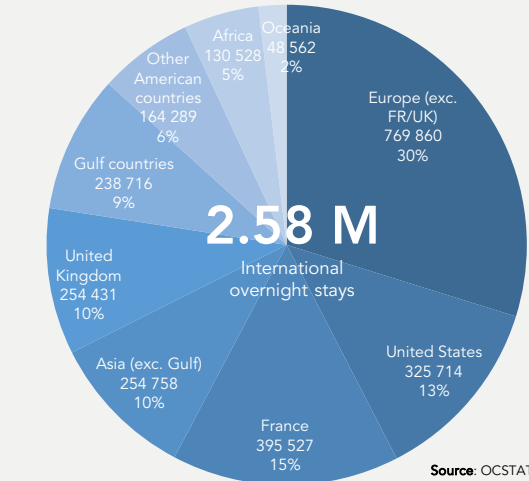
## Overnight stays per origin in Geneva



## International overnight stays in Geneva, 2022



## International overnight stays in Geneva, 2019



Source: OCSTAT





Turnover  
04

# Turnover Growth

Switzerland has a well-developed and prosperous retail sector. In recent years, the country has experienced a steady growth in retail turnover, reflecting positive economic conditions and consumer confidence.

## Retail turnover

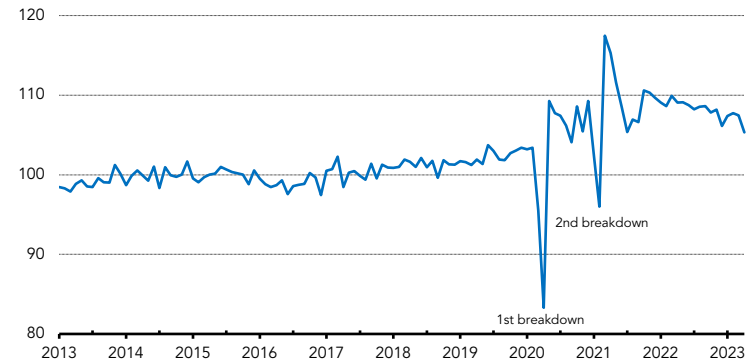
However, the Swiss retail industry is undergoing transformation since the second semester of 2022. While certain retail categories benefited from the post-pandemic's conditions last year, overall sales have declined in 2023.

## Food vs non-food

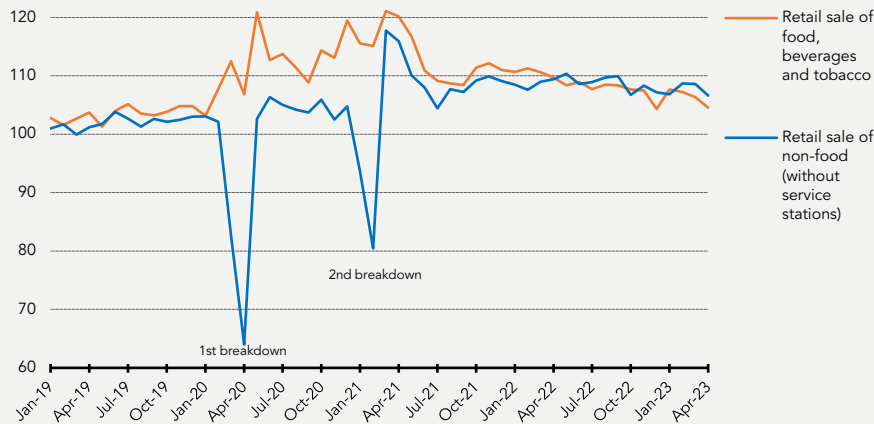
The fading of the pandemic's impacts, and a shadowy consumer climate caused by rising energy costs and inflation affected the food industry in 2023, with nominal sales falling by more than 4%. A 1.2% drop was observed in the non-food sector.

However, the Swiss retail sector is keeping pace compared to pre-covid periods, with a 5.7% growth since 2019.

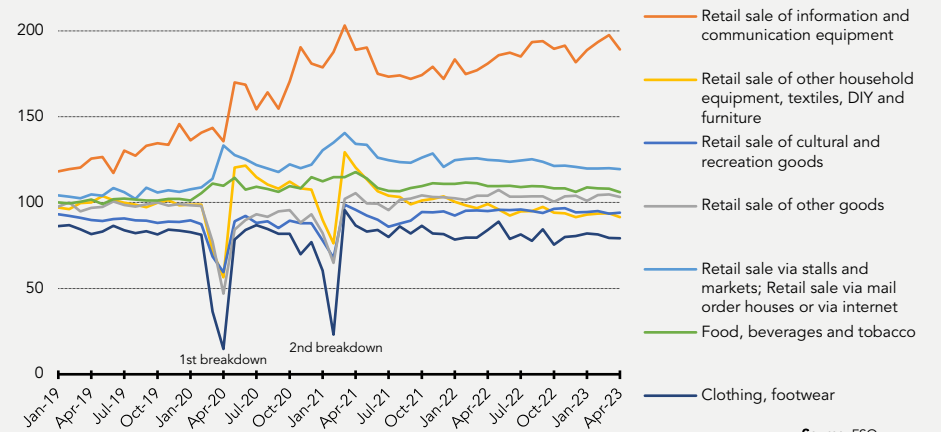
Retail turnover in Switzerland (inflation adjusted), 2015=100



Food vs non-food retail in Switzerland (inflation adjusted), 2015=100



Retail turnover per sector in Switzerland (inflation adjusted), 2015=100



A scenic view of a harbor with a large fountain, a wooden pier, and a city in the background. The fountain is a tall, thin column of water that falls into the water, creating a misty spray. The pier is made of dark wood and has several people walking on it. In the background, there are buildings and mountains under a cloudy sky.

# Location 03

# Footfall

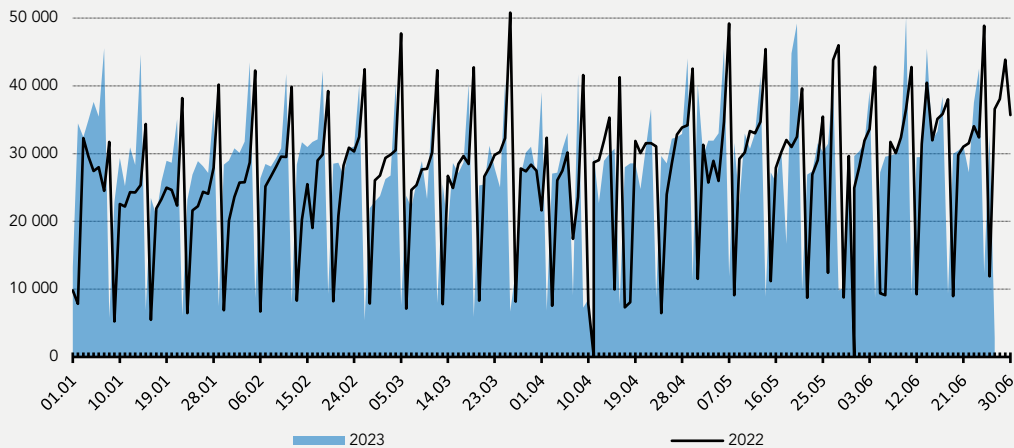
**In Geneva, there is a clear seasonal pattern in pedestrian counts. Footfall is significantly higher during the warmer months (spring and summer) and lower during the colder months (fall and winter).**

Days with clear and partly cloudy skies consistently have higher footfall compared to days with rain or snow. Geneva residents and visitors are more likely to be out when the weather is favourable, indicating that good weather encourages outdoor activities.

Naturally, Saturdays often record the highest footfall, while Sundays are not far behind. On weekdays, especially Mondays and Tuesdays, pedestrian counts tend to be lower, likely due to work and other weekday obligations.

There are outliers in March, with exceptionally high pedestrian counts the last week of the month. It may correspond to special events, festivals, or promotional activities.

Footfall per day in Geneva, rue de la Croix-d'or

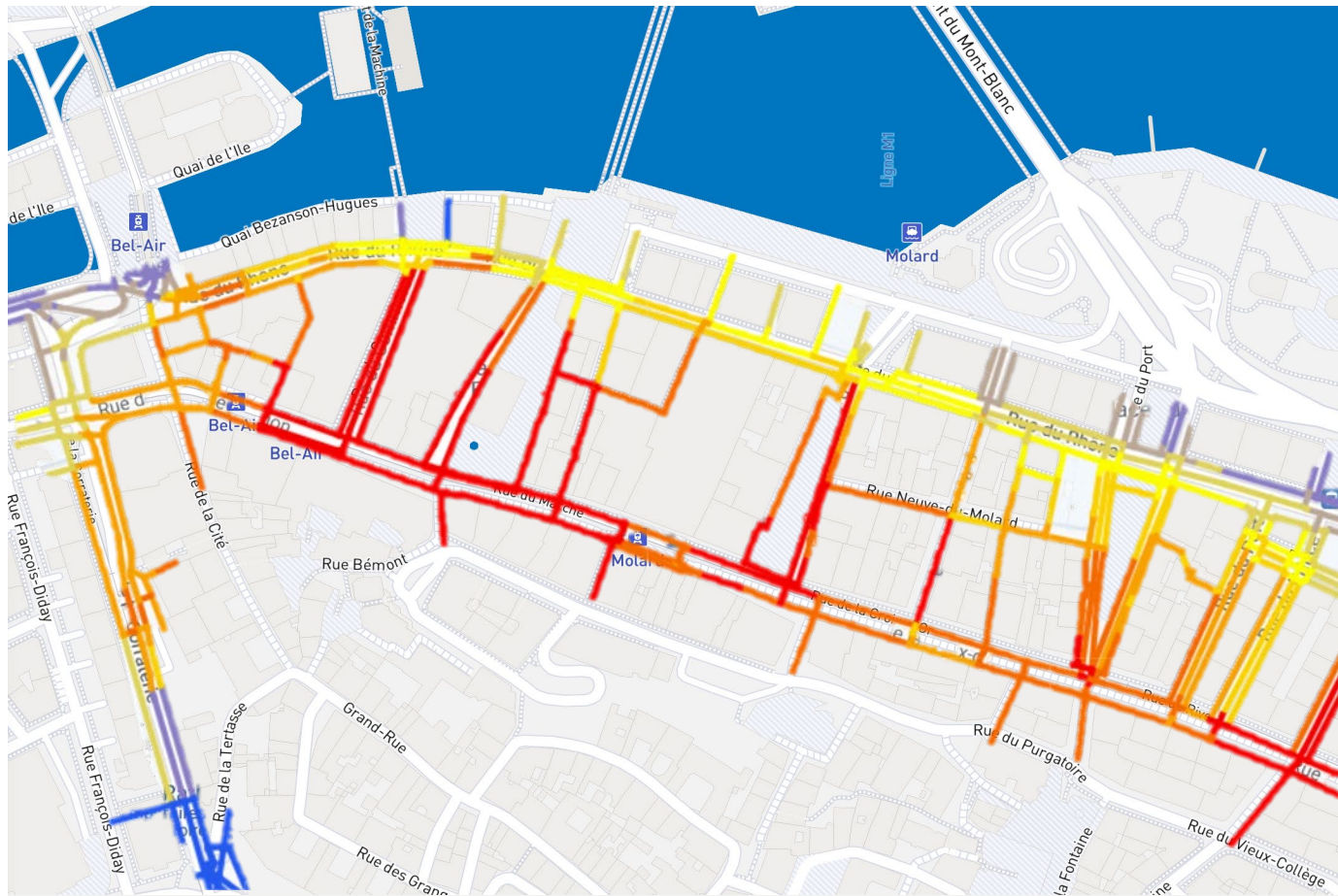


Source: hystreet



# Footfall Cité-centre

Average foot traffic on weekdays in Geneva (cité-centre sector)









- > 25'288
- 23'376 - 25'288
- 21'464 - 23'376
- 19'552 - 21'464
- 17'640 - 19'552
- 15'728 - 17'640
- 13'816 - 15'728
- 11'904 - 13'816
- < 11'904

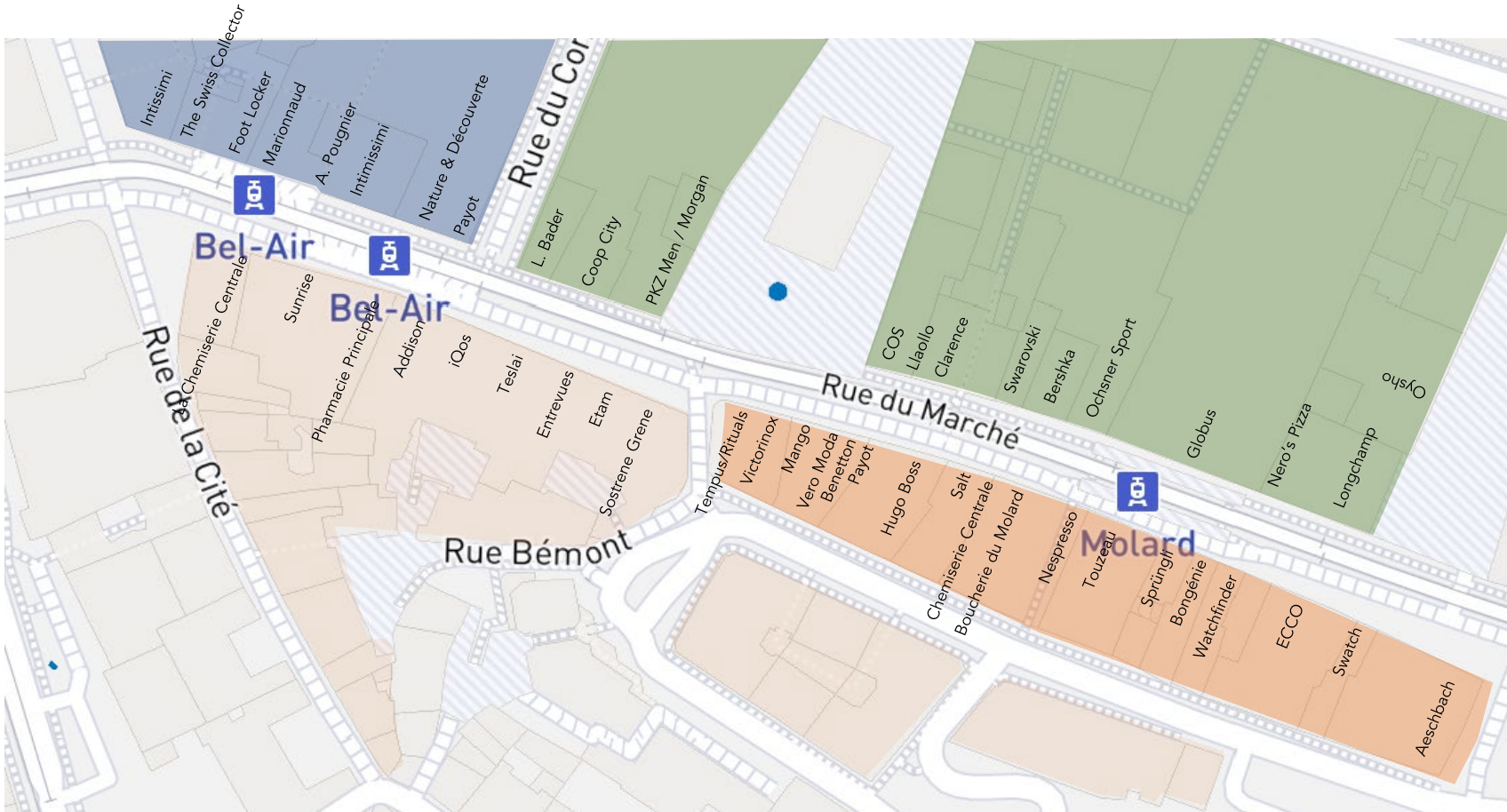
# Key Plan Cité-centre

Main shopping street and shops in Geneva (cité-centre sector)

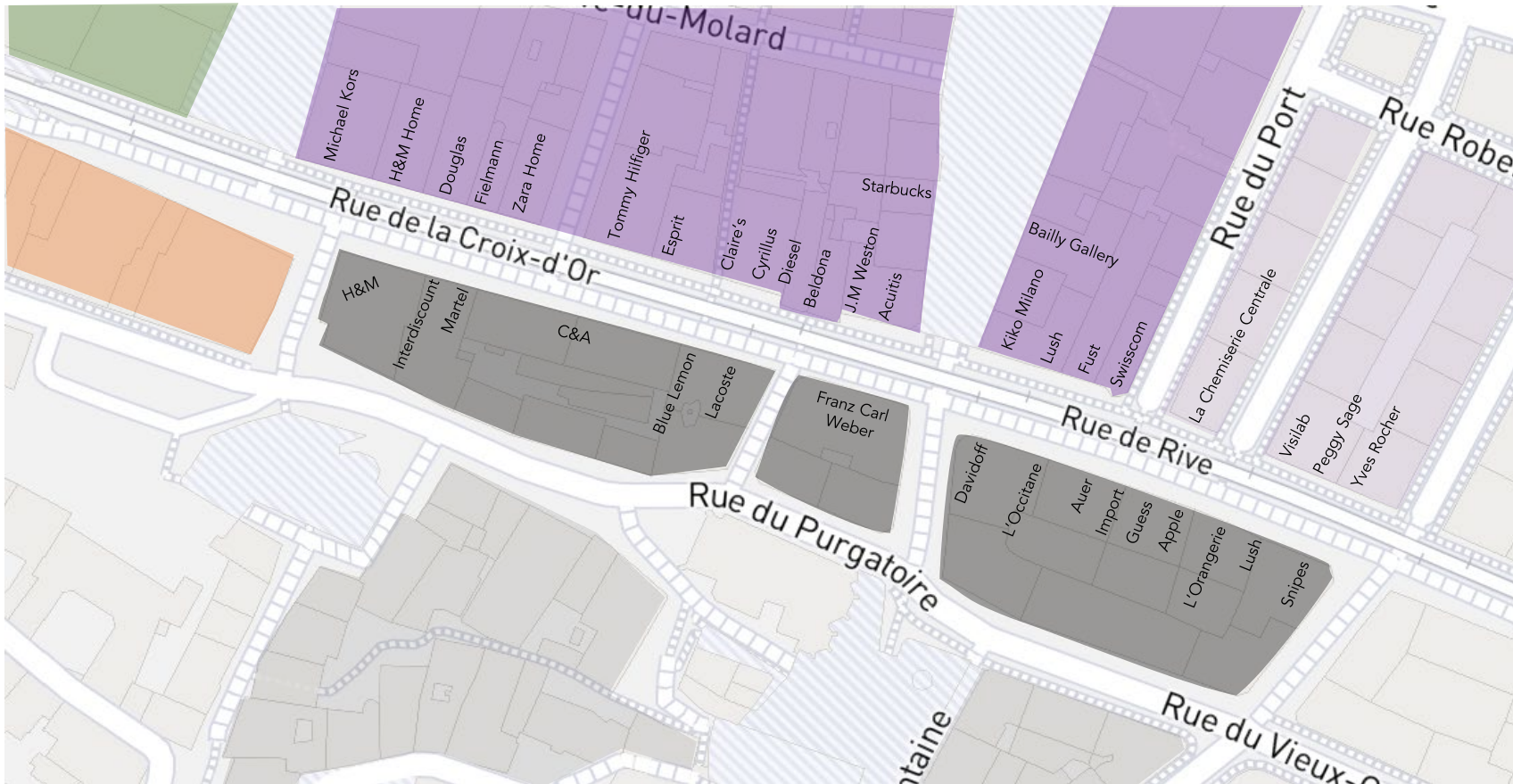


-  Dior  
Chanel  
Saint-Laurent  
Louis Vuitton
-  Rolex  
Patek Philippe  
Audemars Piguet  
Vacheron Constantin
-  Rituals  
Yves Rocher  
Marionnaud  
Douglas
-  Wine&Beef  
Brasserie du Molard  
Coop  
Starbucks
-  H&M  
C&A  
PkZ Men  
Zara
-  Coop  
Migros  
Globus  
Nespresso
-  Interdiscount  
Fust  
Apple  
Coop city
-  Martel  
Läderach  
AUER  
Rohr
-  Apple  
Sunrise  
Swisscom  
Salt

# Key Plan Cité-centre rue du Marché

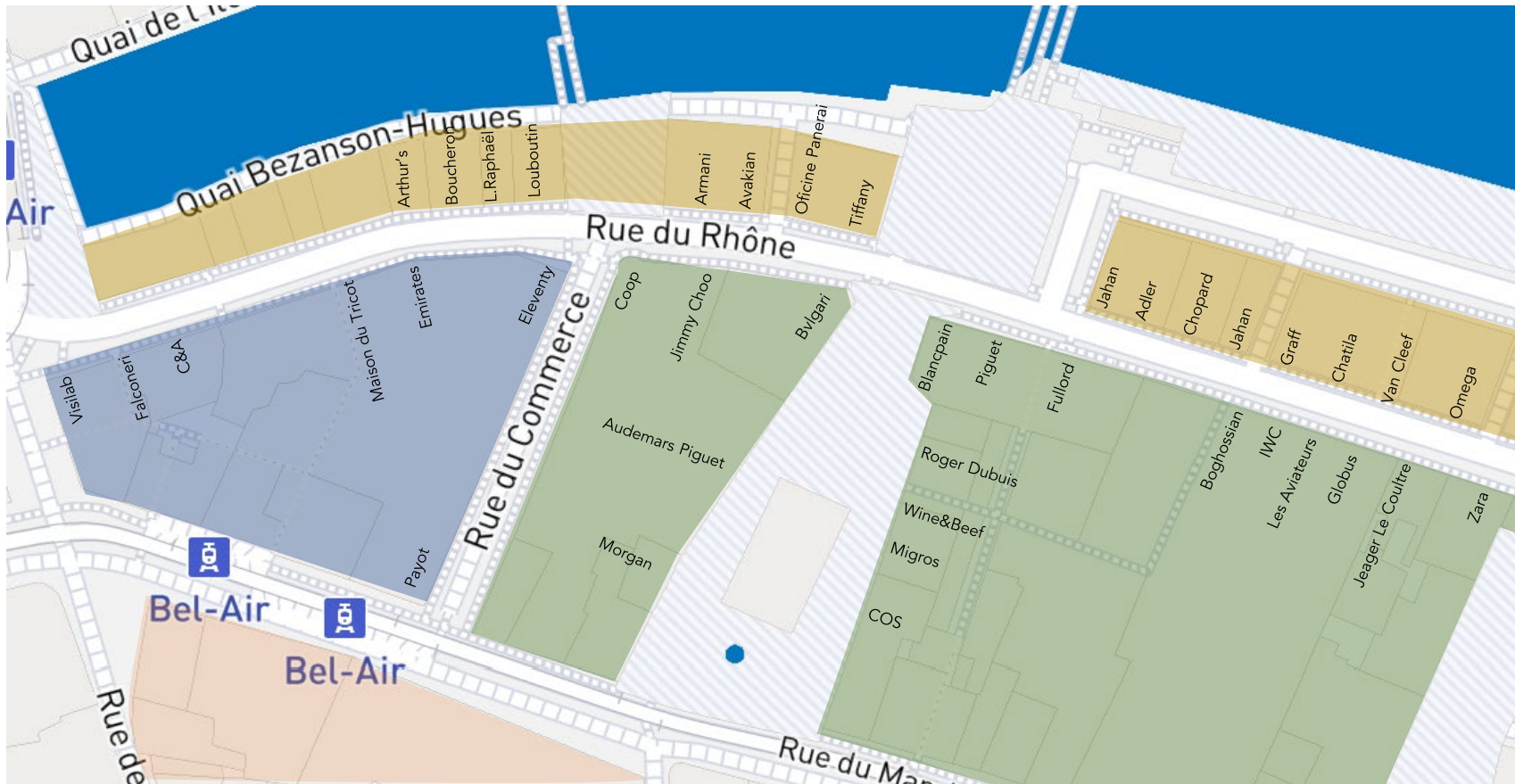


# Key Plan Cité-centre rue de la Croix-d'or

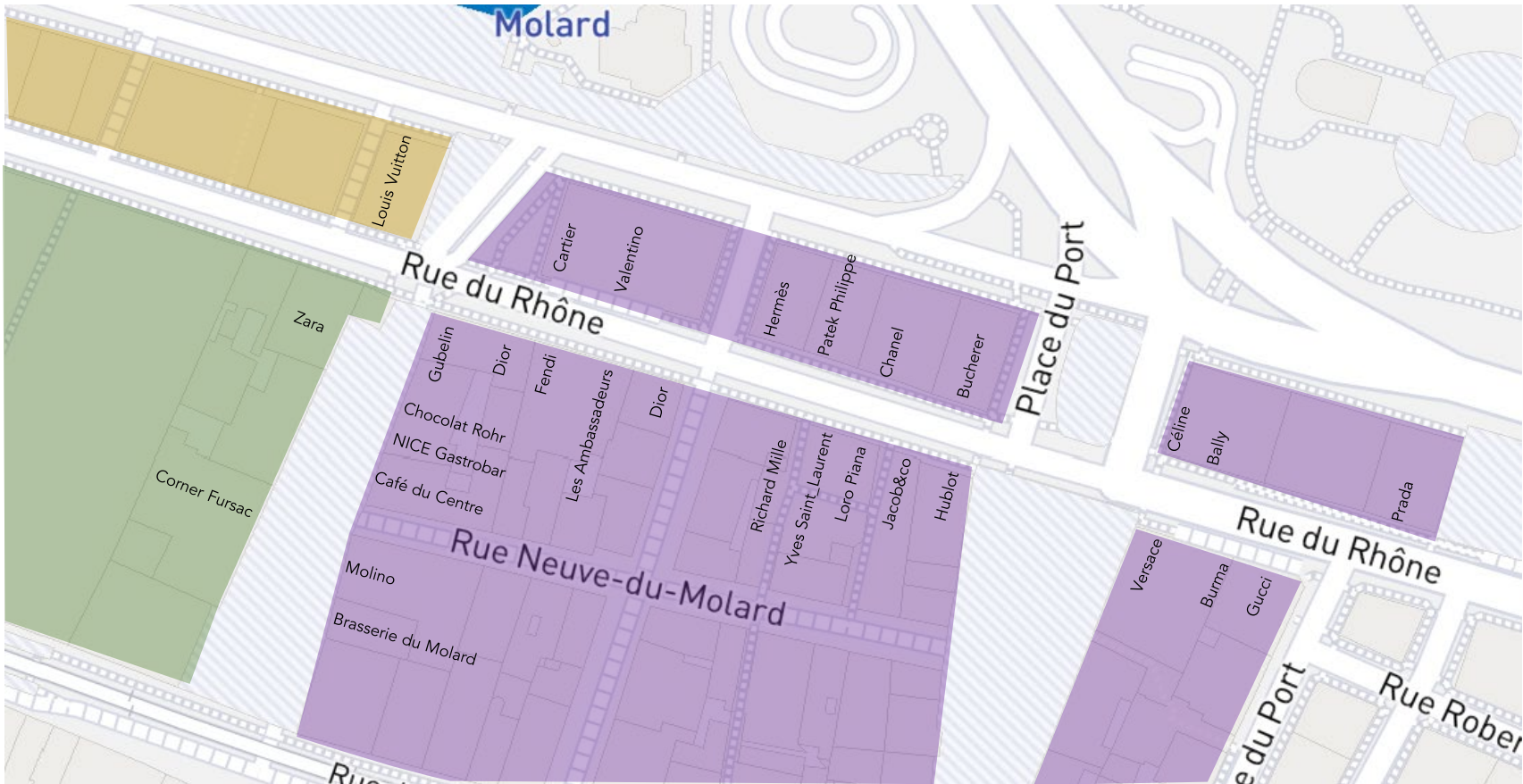




# Key Plan Cité-centre rue du Rhône



# Key Plan Cité-centre rue du Rhône





# Rental Market 05

# Rental Market

The pandemic situation was handled well by the Swiss Confederation who offered a strong support to its entrepreneurs, thereby minimizing the economic impact of several months of lockdowns and global insecurity.

Nonetheless, in 2020 and 2021, all sectors, but especially those relying on tourism like hospitality and luxury goods, saw a sharp decline in their sales volume.

2022, despite undeniable economic turmoil is unanimously recognized as a year of recovery for the tourism industry and record demand for luxury goods.

The last 3 years have however only accelerated the shift in paradigm that brick-and-mortar retailers worldwide have been facing since the early 2000's.

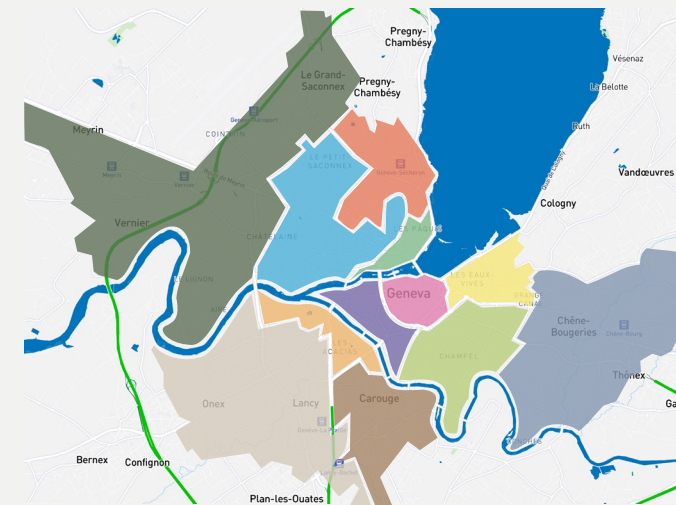
The retail landscape of Geneva like every once quaintly dominated by locally owned high-end jewellery and watch stores and a high-end textile offer. In later years the commercial offer has taken a turn and international brands have opened large flagship stores, opening the market to more fashion forward brands.

A clear sign of confidence in Switzerland's progressive mindset and stable economic situation.

Modest in size and population, Geneva keeps attracting international organizations and companies thanks to its central European location and high living standards.

## Rental indicators per sector in Geneva

	Market Rent CHF/sqm	Availability Rate
● Cité-centre	from 900 to 4'500	1.80%
● Eaux-vives	from 450 to 850	3.20%
● St-Gervais - Pâquis	from 350 to 950	2.50%
● Champel - Malagnou	from 400 to 550	0.30%
● United-Nations – Grand-Pré	from 350 to 450	1.70%
● Plainpalais - Philosophes	from 350 to 550	4.00%
● Charmilles - Petit-Saconnex	from 300 to 400	2.00%
● Acacias	from 275 to 450	0.30%
● Carouge	from 250 to 500	0.90%
● Airport - Vernier - Meyrin	from 250 to 450	1.20%
● Lancy - Onex	from 250 to 350	1.00%
● Chêne-Bougeries - Thônex	from 250 to 350	5.40%



## Rental indicators per subsector in Cité-centre

	Market Rent CHF/sqm
● Hollande	from 500 to 1'100
● Rue-Basses - Fusterie	from 1'500 to 4'500
● Rue-Basses - Longemalle	from 1'200 to 4'500
● Rue-Basses - Cité	from 900 to 3'200
● Rond-Point-de-Rive	from 600 to 2'900
● Glacis-de-Rive	from 600 to 900
● Cité	from 900 to 1'300
● Bourg-de-Four	from 900 to 1'500





# Legislation 06

# Key Aspects

## Switzerland

	Legal framework	Substance
<b>Business Registration</b>	- Civil Code (art. 52-59)	- Covers general provisions for commercial enterprises.
	- Commercial Register Ordinance	- Provides regulations on the registration process and requirements for businesses in Switzerland.
<b>Labor</b>	- Code of Obligations (art. 319-362)	- Governs employment contracts, working hours, wages, and other labour-related matters.
	- Labor Law	- Regulates specific aspects of labor relations, including the protection of employees' rights and the enforcement of labor standards.
<b>Commercial Leases</b>	- Code of Obligations (art. 253-274)	- Covers the legal framework for commercial leases, including the rights and obligations of landlords and tenants.
	- Federal Law on Residential and Commercial Leases	- Provides additional regulations specific to residential and commercial lease agreements.
<b>Competition</b>	- Federal Law on Cartels and Other Restraints of Competition	- Prohibits anti-competitive practices, such as cartels, abuse of dominance, and mergers that restrict competition.
	- Federal Law against Unfair Competition	- Regulates pricing practices, advertising, and unfair competition.
<b>Health and Safety</b>	- Federal Law on Product Safety	- Ensures that products placed on the market are safe and comply with applicable safety standards.
	- Federal Law on Occupational Health and Safety	- Establishes regulations for workplace safety, risk prevention, and employee health protection.
	- Federal Law on Accident Insurance	- Mandates employers to provide accident insurance coverage for their employees.
<b>Taxation</b>	- Federal Law on Value-added Tax	
	- Federal Law on Direct Federal Taxation	

## Geneva

	Legal framework	Substance
<b>Labor</b>	- Law on Labour Inspection and Relations	- Covers various aspects of labor relations, including employment contracts, working hours, wages, and employee rights within the Canton of Geneva.
<b>Commercial Leases</b>	- General Law on Housing and Tenant Protection	- Regulates residential and commercial leases within the Canton of Geneva, including provisions on rental agreements, rent control, and termination procedures.
<b>Competition</b>	- Law on Unfair Competition, Price Indication and Monitoring, and on Advertising Competitions	- Enforces rules against unfair competition practices, such as misleading advertising, unfair business practices, and anti-competitive behaviour within the Canton of Geneva.
<b>Health and Safety</b>	- Regulation on Public Cleanliness, Health and Safety	- It may include rules on waste collection, waste disposal, noise management, environmental protection, pest control and other similar issues.
	- Law on Labour Inspection and Relations	- Focuses on workplace safety, health inspections, and occupational health measures.
<b>Taxation</b>	- General Law on Public Contributions	
	- Law on the taxation of legal entities	
	- Implementing Regulation of Various Federal Tax Provisions	
<b>Opening Hours</b>	- Law on Shop Opening Hours	

# Land Use Plan (PUS)

## Geneva

In Geneva, a "land use plan" refers to an official document that establishes rules and guidelines for land development in the canton of Geneva. The primary purpose of a land use plan is to govern how the land is used, developed, and zoned based on community needs and sustainable development goals.

The land use plan in Geneva can have a significant impact on the retail sector in several ways:

- 1. Location and Zoning:** The land use plan defines the areas where retail businesses are permitted. Retailers need to ensure they comply with these zones to establish or relocate their stores.
- 2. Building Size and Type:** Density regulations and building codes can limit the size and type of buildings allowed. Retailers need to ensure that their stores conform to the established standards.
- 3. Competition:** Land use plans can influence the concentration of retail businesses in a given area. High concentrations of retailers can lead to intense competition, while low concentrations can create market opportunities.

- 4. Accessibility and Infrastructure:** Plans may include provisions regarding infrastructure, such as roads and public transportation. Good accessibility can boost retail sales.
- 5. Sustainability:** If the land use plan encourages sustainability, retailers may be encouraged or required to implement sustainable business practices, such as energy efficiency and waste management.
- 6. Impact on Property Prices:** Supply and demand in an area can influence property prices. Retailers need to consider these costs when selecting locations.
- 7. Recreation and Leisure Zones:** Land use plans can influence the proximity of retailers to recreation and leisure areas, which can be a factor in attracting customers.

In summary, the land use plan in Geneva plays a significant role in how retailers choose their locations, manage their operations, and respond to the changing needs of the community. Retailers must be aware of these regulations and adapt to them to succeed in the local market.



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