# 05 Premises

## Are you looking for business premises in the canton of Geneva?

The qualities and location of your business premises can have a significant impact on your project's success. This chapter provides you with information on your options and uses, as well as the procedure to follow and legal conditions that need to be met in order to rent, acquire or build your premises.



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Premises intended to house companies are called business premises. It's helpful to remember the definition of business premises as places intended for the running of a business, i.e. an office, shop, workshop, depot, warehouse, etc.

There are several criteria to consider when choosing where to set up a business:

- Regulatory constraints (Geneva has land use plans which define the precise activities that are possible in each of its zones)
- The building's technical characteristics (e.g. surface area, volume, height)
- The business environment and general infrastructure (accessibility, links to public transport, equipment, tax rates, workforce availability, etc.)

#### Businesses generally have two options:

- Set up in existing premises (whether purchased or rented). It may be necessary to draw up a layout plan for the premises with an architect.
- Carry out a building project. A construction plan should be created in collaboration with an architect, taking into account the Act on Constructions and Various Installations (Loi sur les Constructions et les Installations diverses LCI) (i.e. distances from boundaries, heights, accepted disamenities, density, etc.).

## 01.

## Uses for current or future premises

As a first step, you will need to check whether your business activity is possible in the planned premises.

The canton has land use plans in place (which include zone plans and localised neighbourhood layouts or *Plans Localisés de Quartier* (PLQ), and land use plans or *Plans d'Utilisation du Sol* (PUS) in the City of Geneva), laying out the precise uses allowed in the different sections of land in the city.

In concrete terms, this means that your options for setting up your business will be directly linked to whether your business activity conforms with the uses allowed on the premises (falling under offices, industry or trade and crafts).

Below you will find a description of authorised activities in the main zones permitted to host businesses.

Zones of activities	Authorised activities
Agricultural Zone	The Agricultural Zone is intended for agricultural, horticultural and wine-growing activities.
Zone 1, zone 2, zone 3, development zone 2, development zone 3, and under	Activities linked to commerce and the services (tertiary) sector:
certain conditions the zones mainly intended for housing: zones 4A, 4B, protected zone 4B, and development zone 4A, development zone 4B and protected development zone 4B	• <b>Commerce:</b> arcades are primarily intended for businesses. Note that changing the type of activity in an arcade could be subject to authorisation from the owner, as well as the municipal or cantonal authorities in some cases.
	• Office: services
Industrial and craft zone, industrial and craft development zone and, under certain conditions, the airport zone	Industrial zones are intended for companies in the manufacturing (secondary) sector, i.e. business activity with an industrial, craft or technical vocation.
	Storage or warehouse activities may also be permitted. To be permitted in an industrial zone, companies in the advanced technology sector should for the most part be designing, developing, producing or converting tangible or intangible assets, and only carry out marketing on an ancillary basis.
Mixed activity development zones	This new type of zone, created from a law passed by the Grand Council of Geneva in March 2012, includes at least 60% secondary (industry and craft) activities and gives businesses in the tertiary sector the option of setting up in the zone in a way that is complementary and integrated.

In addition, the area around Geneva Airport is subject to restrictions set out in the safety zone plans and through noise protection legislation.

All the plans can be consulted via the Land Department:

#### Guichet de l'office de l'urbanisme

(Urban planning office) Rue David-Dufour 5 | Case postale 224 | 1211 Genève 8 Tél. 022 546 73 10 | ge.ch/consulter-plans-amenagement-adoptes

relevant municipalities, including the City of Geneva:

**Département des constructions et de l'aménagement, Service d'urbanisme** (Department for Construction and Development, Urban Planning Department) Rue du Stand 25 | 1204 Genève Tél. 022 418 60 50 | ville-geneve.ch

There are several industrial and craft zones in the canton of Geneva, most of which are managed by the Fondation pour les terrains industriels de Genève (Geneva Industrial Land Foundation -FTI) Avenue de la Praille 50 | Case postale 1115 | 1211 Genève 26 Tél. 022 342 21 60 | fti.geneva.ch

A change of use of the premises is subject to an authorisation request being submitted to the *Département du territoire*. In principle, if the business activity complies with land use plans, the *Département du territoire* will approve the project. If the activity does not comply, authorisation may be granted by special dispensation following a public inquiry, if the circumstances justify it and if its approval does not result in serious harm to the neighbourhood. Apart from these cases, land use plans can only be changed through a procedure that is often long and complex. It should also be noted that the law on demolitions, conversions and renovations of residential dwellings (*loi sur les démolitions, transformations et rénovations de maisons d'habitation* – LDTR) prohibits changing the use of buildings used for housing.

## 02.

## **Renting premises**

As part of renting premises, a lease agreement is signed between the landlord and tenant. The main aspects included are:

- Duration of the lease, set freely (generally 5 years, renewable, with indexation beyond 5 years)
- Minimum notice period of 6 months for a quarterly lease expiry
- Option to add the lease to the land register
- Possible deposit request (rent deposit, see point 2.2 below, as well as a possible personal deposit from the business owner for recently opened companies with share capital or those that cannot give full evidence of solvency)
- Under certain conditions, option of subletting or transferring the lease

Note: it is possible to request standard lease contracts from:

#### **Chambre genevoise immobilière (CGI)** (Geneva Real Estate Chamber)

Rue de la Rôtisserie 4 | Case postale 3344 | 1211 Genève 3 Tél. 022 715 02 00 | cgionline.ch

#### 2.1 Looking for business premises

To identify premises suitable for your business, you may choose to contact property management companies in Geneva (list available on Swiss Union of Real Estate Professionals Geneva USPI Geneva website – uspi-ge.ch).

The usual search engine sites for property in the region can also be consulted (non-exhaustive list):

- immobilier.ch
- immoscout24.ch
- toutimmo.ch
- homegate.ch
- immostreet.ch

Furthermore, and with regard to premises in industry and craft zones, it is recommended to contact the Fondation pour les terrains industriels de Genève (FTI), which manages a large part of the land in these zones. Its site provides a free list of industry and craft premises available in the canton of Geneva's business zones: fti.geneva.ch/objets-immobiliers.

#### 2.2 Observatoire du Commerce (Trade Observatory)

The Geneva Observatoire du Commerce is a tool intended to promote entrepreneurship in the field of commerce, and can be useful when looking for premises. The Observatoire du Commerce brings together socioeconomic and location data, making it available in the form of maps. In particular, the Observatoire du Commerce enables commercial zones to be analysed in detail, in turn producing detailed demographic data (gender, age groups, etc.). The data porduced can then be used to find purchasing power located in the chosen sector, and implementation or development scenarios can then be drawn up that avoid potential sectoral and geographical overwhelm. The Observatoire du Commerce also provides access to cantonal businesses register, listing some 7,000 businesses divided into 18 categories. With all these data, it is easier to select the best location to develop or set up a future commercial activity. Equally, you can analyse specific demographic and economic features in your chosen sector or neighbourhood.

Visit the Observatoire du Commerce | ge.ch/observatoire-du-commerce-genevois/accederobservatoire-du-commerce

## 2.3 Rent deposit

The law does not set a maximum amount for deciding the rent deposit for commercial premises. It is common for a security deposit of six months' rent to be requested upon signing the lease. It is also important to remember that landlords of commercial premises have additional security through a right of retainer on the furniture in the rented premises in the event of late rent payment and incidental costs.

In the majority of cases, the rent deposit is made to a specified bank account. It can also be in the form of a bond which guarantees the landlord the payment of the set amount if necessary. This option has the advantage of not tying up funds for the entire duration of the lease, but the tenant business pays an annual premium in return.

#### 2.4 Putting together your file

To obtain a lease, a complete file must be submitted. The file generally includes the following documents:

- Copy of an identity document and/or a recent excerpt from the Commercial Register (for legal entities)
- Recent certificate from the Office cantonal des poursuites (OCP)
- Solvency certificate (latest tax return, payslips, latest balance sheet and profit and loss account, forecast budget)
- Description of the business activity, and possibly a full business plan for start-up companies

## 03. Buying premises

The sale of property requires a solicitor's involvement (since authentication is required). Buildings used for operating industrial, commercial or service providing businesses can be freely acquired by a foreign natural person or foreign company (no authorisation required).

If in doubt, contact:

Département des institutions et du numérique (DIN) (Department of Institutions and Digital Affairs) Rue de l'Hôtel-de-Ville 14 | Case postale 3952 | 1211 Genève 3 Tél. 022 546 54 44 | ge.ch/organisation/departement-institutions-du-numerique-din

## 04.

## Purchasing land or establishing a surface right

The previous remarks regarding the deed of sale and current acquisition terms for foreign nationals also apply when purchasing land or establishing a surface right (*Droit de superficie* hereinafter "DDP").

DDP is an easement which allows the company acquiring or constructing a building to own the walls, without having to set aside cash flow for land acquisition. For the latter, the company pays the land owner an annuity for a period ranging from 30 to 100 years, namely to amortise the asset that has been acquired or created. If the premises are being built, foreign nationals must also produce a legally binding building permit.

Failing this, or if in doubt, a request should be filed with the *Département des institutions et du numérique* (DIN) for non-subjection to authorisation, as established by the Federal Act on the Acquisition of Immovable Property in Switzerland by Foreign Non-Residents (ANRA) (loi fédérale sur l'acquisition d'immeubles par des personnes à l'étranger - LFAIE).

## 05.

## **Commercial property**

In many cases, it is compulsory to acquire a commercial property if a business is to secure an arcade in a good location. Arcades are generally very popular, and the previous owner will often sell them for cash. In some business sectors, such as catering, the takeover of an existing establishment in the form of commercial property often proves unavoidable. This is due to difficulties changing its use (authorisation is needed from the owner of the premises) and, if applicable, the cost of work to make the premises compliant in terms of security, soundproofing, etc.

In concrete terms, the commercial property includes elements specifically linked to the premises but also to the company in operation there. The commercial property is made up of intangible elements (such as customers, lease, reputation, etc.) and tangible elements (such as furniture, equipment, stock, etc.). The value of a business is therefore accounted for through various objective elements, such as turnover, furniture and stock, but also through elements that are more difficult to quantify, such as location.

In Switzerland, the price of a business is the result of negotiations between seller and buyer (it is not, as in France, determined through values set by predetermined tables linked particularly to location). It is nevertheless important to be aware that, in some cases, if a change in the business activity is desired, taking over a commercial property can be more akin to a right to take over the lease (subject to authorisation by the owner of the premises for the lease transfer).

This could explain why it is often difficult to find external financing for such an acquisition.

To find a property which is suitable for starting your business, you can contact a commercial property agent. It should be noted that this profession is subject to regulation, and any person involved as a professional in the sale, purchase, transfer, handover or takeover of a business, whatever the type of business being run, should be certified by Département des institutions et du numérique (DIN).

You can find the list of commercial property agents who are approved for the canton of Geneva here:

ge.ch/document/agente-agent-fonds-commerce

## 06. Building projects

Building plans should be created in collaboration with an architect, taking into account the Act on Constructions and Various Installations (*Loi sur les consructions et les installations diverses -* LCI) (i.e. distances from boundaries, heights, accepted disamenities, density, etc.).

For work requiring authorisation, plans and documents should be drawn up and signed, and the management of the work should be assured by a "qualified professional agent" in the table kept by:

Département du territoire (DT), Office des autorisations de construire (OAC) (Land Department, Building Authorisation Office) Rue David-Dufour 5 | Case postale 22 | 1211 Genève 8 Tél. 022 546 64 60 | ge.ch/organisation/office-autorisations-construire

The Fondation pour les terrains industriels de Genève (FTI) supports building projects for industrial and craft companies wishing to set up in business.

#### 6.1 Autorisation de construire

Building permits are issued by the *Département du territoire (DT)* for defined works. These permits are not only for new building projects, but also the demolition, conversion, reconstruction and change of location of existing buildings.

#### For further information, please contact:

Département du territoire (DT), Office des autorisations de construire (OAC) (Land Department, Building Authorisation Office) Rue David-Dufour 5 | Case postale 22 | 1211 Genève 8 Tél. 022 546 64 60 | www.ge.ch/organisation/office-autorisations-construire

For work premises, several elements will also need to be approved by:

## Office cantonal de l'inspection et des relations du travail (OCIRT) Service de l'inspection du travail

(Cantonal Office of Inspection and Labour Relations - Labour Inspection Department) Rue David-Dufour 5 | Case postale 64 | 1211 Genève 8

Tél. 022 388 29 29 | www.ge.ch/organisation/ocirt-service-inspection-du-travail-it

## 6.2 Occupancy of premises

New or modified constructions or installations are subject to an occupancy permit from the *Département du territoire* (DT). For industrial companies, the *Office cantonal de l'inspection et des relations du travail* (OCIRT) must still issue an operating permit.

**NB:** This chapter provides a general overview only; interested parties should consult the various services listed for further details.

## Useful addresses

#### Chambre genevoise immobilière (CGI)

(Geneva Real Estate Chamber)

Rue de la Rôtisserie 4 | Case postale 3344 | 1211 Genève 3 Tél. 022 715 02 00 | cgionline.ch

## Fondation pour les terrains industriels de Genève (FTI)

(Geneva Industrial Land Foundation)

Av. de la Praille 50 | Case postale 1115 | 1211 Genève 26 Tél. 022 342 21 60 | fti.geneva.ch

## Département du territoire (DT), Office des autorisations de construire

(Land Department, Building Authorisation Office)

Rue David-Dufour 5 | Case postale 22 | 1211 Genève 8 Tél. 022 546 64 60 | ge.ch/organisation/office-autorisations-construire

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#### Office cantonal de l'inspection et des relations du travail (OCIRT), Service de l'inspection du travail

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Rue David-Dufour 5 | Case postale 64 | 1211 Genève 8 Tél. 022 388 29 29 | ge.ch/organisation/ocirt-service-inspection-du-travail-it