

Buying business premises and commercial property in Switzerland

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Foreign companies and investors often assume that Swiss property is closed to them. For business premises the opposite is largely true, because the Lex Koller exempts property used for a permanent business establishment from the permit requirement. The exemption has clear limits, however, and a careful look at the intended use is essential before signing.

1 The basic rule for business premises

The Federal Act on the Acquisition of Real Estate by Persons Abroad, commonly called the Lex Koller, mainly targets residential property. Land and buildings that serve as a permanent business establishment can be acquired by persons abroad without a permit, whether the buyer is a foreign company, a Swiss subsidiary controlled from abroad or a private individual living outside Switzerland. Typical examples include offices, factories, warehouses, workshops, shops, hotels, restaurants and medical practices.

The exemption applies irrespective of whether the buyer uses the premises itself or lets them to a third party who runs a business there. A foreign investor may therefore buy an office building as an investment and lease it to commercial tenants, provided the property is genuinely used for business purposes.

2 What counts as a permanent establishment

The decisive question is the actual use of the property. A building qualifies when it serves an economic activity carried on in a fixed place, such as manufacturing, trading, services or the provision of hospitality. Purely passive holdings of residential flats, by contrast, remain subject to the

permit regime even when a company holds them and calls them an investment. Trading in real estate and the letting of residential apartments are not regarded as a business activity for this purpose.

3 Reserve land and future expansion

Companies frequently wish to buy more land than they need today in order to expand later. Reserve land is accepted only within reasonable limits and where it is connected to a concrete expansion plan of the business. Large plots bought speculatively, or land whose use remains undefined, carry a real risk that the land register office or the cantonal authority will treat the acquisition as falling under the permit requirement. A documented business plan helps considerably when such questions arise.

4 Mixed-use buildings

Many Swiss buildings combine shops or offices on the lower floors with flats above. Residential space that is required for the business, such as a caretaker's flat, can usually be acquired together with the commercial part. Where the residential share goes beyond what the business needs, it is in principle subject to the Lex Koller, and authorities in most cantons look closely at the proportions involved. In practice, buyers often have to separate residential units into condominium ownership or restructure the transaction.

5 Procedure and certainty

The land register office checks at the time of registration whether a permit is needed. Where the position is doubtful, it refers the case to the cantonal permit authority. A buyer who wants certainty before committing can ask that authority for a binding ruling on whether the acquisition requires a permit, which is often worth the short delay.

6 What pays off in practice

- **Describe the intended use precisely** in the purchase documentation, so that the business character of the property is evident to the land register office.
- **Clarify mixed-use proportions early** and consider dividing residential units before the transaction is signed.
- **Obtain a ruling in borderline cases** instead of relying on informal assurances from sellers or brokers.

7 How Ressos Legal helps

I advise foreign companies and investors on structuring the acquisition of Swiss business premises, including the Lex Koller assessment and coordination with the cantonal authorities. [Contact me](#) for a first conversation.

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