

## The new town and property finance

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The demolition of the fortifications, from the middle of the nineteenth century onwards, freed up considerable land around the old town. Its development gave rise to a vast urban planning operation that created new districts, boulevards and squares, and turned Geneva into a modern city.<sup>1</sup> This transformation required substantial capital for the purchase of land, the construction of buildings and the laying out of infrastructure.

Mortgage credit played a central role in this financing. Specialised institutions granted loans secured on buildings, which enabled developers and owners to build and acquire housing. Property became an important category of investment for Geneva capitalists, who invested in rental buildings. Land speculation accompanied the expansion of the city, with its profits and its excesses.

The Geneva property market retains considerable importance today for the cantonal economy and for the financial centre. Mortgage lending is one of the principal activities of the retail banks, in particular of the cantonal bank and the regional banks. The scarcity of land and demographic pressure keep prices high. The history of the nineteenth-century new town is a reminder that urbanisation, credit and speculation often advance together, and that the regulation of mortgage credit is a matter of financial stability.

## 1 Notes

1. République et canton de Genève, Office du patrimoine et des sites, Genève, la ceinture Fazyste 1850-1914 (Les Monuments d'art et d'histoire du canton de Genève, vol. VI, David Ripoll, 2024; presentation of 23 December 2024 on [ge.ch](https://www.ge.ch)): the ring of buildings, streets, squares and boulevards that arose within half a century on the land of the fortifications is known as the “ceinture Fazyste, after James Fazy, the politician who was its originator”. ↩

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