

Renting office and commercial premises in Switzerland

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Most foreign companies entering Switzerland begin by renting premises instead of buying them. Commercial leases are governed by Art. 253 ff. CO, which leave considerable room for negotiation while containing a number of mandatory rules that protect tenants. A well-drafted lease provides planning certainty for many years.

1 Term of the lease

Commercial leases in Switzerland are commonly concluded for fixed terms of five or ten years, often with one or more options for the tenant to extend. A fixed term gives both sides certainty, since neither party can terminate the lease before expiry except in exceptional circumstances. Leases of indefinite duration are also possible; for business premises, the statutory notice period is six months, as set out in Art. 266d CO, unless the parties have agreed a longer period.

2 Rent and indexation

The parties may agree that the rent is linked to the Swiss consumer price index. Under Art. 269b CO, such an indexation clause is valid only if the lease is concluded for at least five years, and the rent may be adjusted only in line with the index. Alternatively, a graduated rent with fixed increases can be agreed. Tenants of business premises may in principle challenge a rent as abusive, although this protection plays a smaller role in commercial practice than in residential tenancies.

3 Options to extend

An option allows the tenant to extend the lease unilaterally for a further period on the agreed terms. Options are valuable for companies that invest

in fit-out works, and their exercise period and the rent applicable during the extension should be regulated precisely. Ambiguous option clauses are a frequent source of disputes.

4 Security deposits

Landlords usually require a security deposit, which must be paid into a savings account or deposit account in the tenant's name at a bank. For residential leases the law limits the deposit to three months' rent, whereas no such statutory cap applies to business premises, so higher amounts are common. Many tenants provide a bank guarantee or a rental deposit insurance instead of cash.

5 Termination protection

A termination that contravenes good faith can be challenged before the conciliation authority. In addition, the tenant may apply for an extension of the lease if the termination would cause hardship that cannot be justified by the landlord's interests. For business premises, such an extension may last up to six years in total. The deadlines for these applications are short, so any termination notice should be reviewed promptly.

6 What pays off in practice

- **Negotiate fit-out and restoration terms** at the outset, including who owns installations when the lease ends.
- **Match the term to the business plan**, combining a moderate fixed term with extension options.
- **Check the rent adjustment clause** for compliance with the rules on indexed and graduated rents.

7 How Ressos Legal helps

I advise foreign companies on negotiating and reviewing Swiss commercial leases and support them in disputes with landlords. [Contact me](#) for a first conversation.

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