

* Update due to the publication of the Immobilien-Almanach Schweiz 2016 (in German) (19th December 2015) by FPRE.

- According to the SWX IAZI Real Estate Price Index, the prices for apartment buildings stagnated in the 3rd quarter 2015 (-0,2%). On a yearly basis, prices dropped by -0,4% (previous quarter: +2,5%). The performance raised slightly from 0,7% to 0,8%.
- In the 2nd quarter 2015, employment growth in the classic office market accelerated compared to the previous year (+1,3%), but it's still well below the long-term mean of growth in the classic office market after the millennium. The growth can almost only be traced back to business service companies. In the other sectors, employment stagnated.
- SECO: The consumer climate in Switzerland remained virtually unchanged between July and October 2015 and is still well below its historic average. While a slight improvement in economic development is expected, household anticipations concerning future unemployment and job security have deteriorated. Expected price trends were revised slightly upwards.

Apartment buildings

(1)

	Demand		Supply		Cash-flow		Initial yields		Market values	
	2015	2016	2015	2016	2015	2016	2015	2016	2016	2017
Lake Geneva	●	→	●	→	●	↗	●	↗	↗	↗
Jura	●	→	●	↘	●	↘	●	→	↗	→
Swiss plateau (Mittelland)	●	→	●	↘	●	↘	●	↗	↗	↗
Basel	●	→	●	→	●	→	●	↗	↗	↗
Zurich	●	→	●	↘	●	→	●	↗	↗	↗
Eastern Switzerland	●	→	●	→	●	→	●	↗	↗	↗
Alpine area	●	→	●	↘	●	→	●	↗	↗	→
Southern Switzerland	●	↘	●	↘	●	↘	●	↗	↗	→
Switzerland	●	→	●	→	●	→	●	↗	↗	↗

All valuations are done from a owner/seller perspective. The circles describe the actual situation: green: unproblematic situation; yellow: some problems; red: problematic situation. Arrows describe the forecast for the following 12 months. ↗: expected improvement; →: stable; ↘: expected aggravation.

Helptext to the valuations: http://www.fpre.ch/de/03_meta/Hilfetext_Einschaetzungen_FPPE.pdf

Source: Fahländer Partner.

Office buildings (new construction)

(2)

	Demand		Supply		Cash-flow		Initial yields		Market values	
	2015	2016	2015	2016	2015	2016	2015	2016	2016	2017
Lake Geneva	●	↘	●	→	●	↘	●	→	→	→
Jura	●	→	●	→	●	↘	●	→	→	→
Swiss plateau (Mittelland)	●	→	●	→	●	↘	●	↗	→	→
Basel	●	→	●	→	●	→	●	↗	→	→
Zurich	●	→	●	↘	●	↘	●	→	→	→
Eastern Switzerland	●	→	●	→	●	→	●	↗	↗	→
Alpine area	●	→	●	→	●	→	●	→	→	→
Southern Switzerland	●	→	●	→	●	→	●	→	→	→
Switzerland	●	→	●	↘	●	↘	●	→	→	→

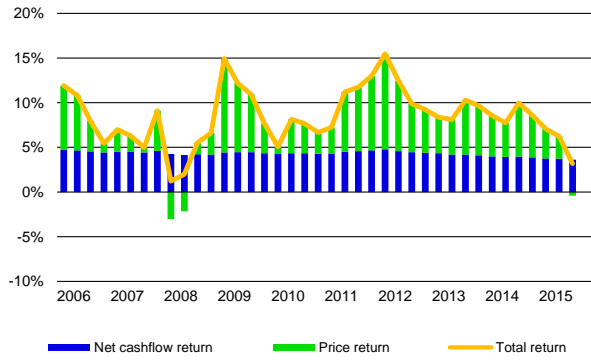
All valuations are done from a owner/seller perspective. The circles describe the actual situation: green: unproblematic situation; yellow: some problems; red: problematic situation. Arrows describe the forecast for the following 12 months. ↗: expected improvement; →: stable; ↘: expected aggravation.

Helptext to the valuations: http://www.fpre.ch/de/03_meta/Hilfetext_Einschaetzungen_FPPE.pdf

Source: Fahländer Partner.

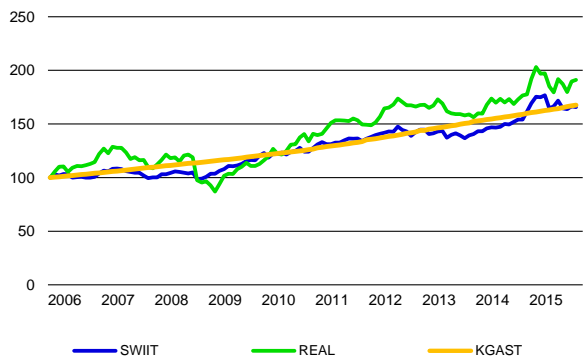
For all sources please check the glossary and impressum on the last page.

SWX IAZI Investment Real Estate Performance Index (3)



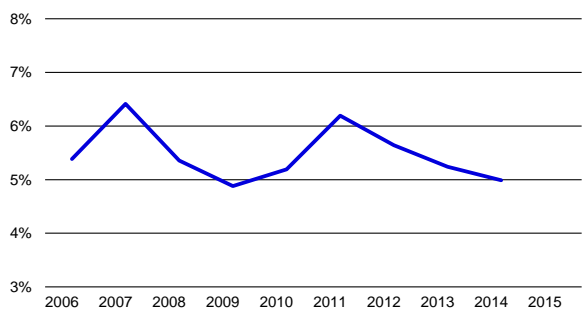
Source: IAZI, cf. meta analysis real estate FPRE.

SWIIT (Closing Prices), REAL (Closing Prices), KGAST (4)



Source: SIX Swiss Exchange, KGAST.

SFA yield on investm. indicator for real estate funds SFA ARI (5)



Source: SFA.

- In November 2015, the KOF Economic Barometer points at 97,9, which is, for the first time since April of this year, clearly below its long-term average. Compared with October, it fell by 2,5 points. According to the Barometer, the outlook for the Swiss economy is dimming.
- The UBS Consumption Indicator rose in October 2015 from 1,56 to 1,60 points. Slightly better retail trade prospects along with somewhat brighter consumer sentiment contributed to the mild increase.
- According to SECO, end November 2015, 148'143 unemployed were registered at the regional unemployment agencies, these are 6'874 more than in the previous month. The unemployment rate raised in November 2015 from 3,3% to 3,4%.

Economic forecasts Swiss economy

(6)

	SECO		KOF		Créa		CS		UBS		BAK		Arithmetic means	
	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
GDP, real	0.8	1.5	0.7	1.1	0.6	1.2	0.8	1.0	1.0	1.4	0.8	1.2	0.8	1.2
	↘	→	↘	↘	↘	↘	→	↘	↗	↗	↗	↘	→	↘
Private consumption	1.2	1.3	1.2	1.6	1.3	1.4	1.2	1.0	1.2	1.7	1.3	1.2	1.2	1.4
	↘	↘	→	↘	↗	↗	↗	→	↘	↗	↘	↘	↘	→
Public consumption	2.7	1.8	2.4	0.2	-	-	3.0	1.5	2.2	1.0	2.5	1.6	2.6	1.2
	→	→	↗	↘	↘	↘	↗	→	↗	→	↗	→	↗	↘
Equipment investments	2.6	1.2	2.7	2.3	2.1	0.4	2.5	1.5	1.6	1.4	1.8	0.1	2.2	1.2
	↗	↘	→	↘	↗	↗	↗	↘	↗	↗	↗	↘	↗	↘
Investments in construction	-0.9	-0.3	-0.7	0.9	-0.4	0.6	-0.9	0.5	-0.8	0.4	-1.9	-0.8	-0.9	0.2
	↗	↘	↘	↗	↘	↗	↘	↘	→	→	↘	↘	→	↘
Exports	1.5	3.2	0.9	2.9	-1.6	1.9	-0.5	1.5	-0.5	0.8	0.0	2.6	0.0	2.2
	↗	↗	↘	↘	↗	↘	→	↘	↗	↗	↗	↘	↗	↘
Imports	2.0	2.9	1.1	3.7	-1.3	2.5	1.5	2.0	0.0	0.3	1.2	2.0	0.8	2.2
	↘	→	↘	↘	↗	↘	↘	→	↘	↘	↘	↘	↘	↘
Unemployment rate	3.3	3.6	3.3	3.6	3.4	3.8	3.3	3.7	3.3	3.5	3.3	3.6	3.3	3.6
	→	→	→	→	→	↘	→	→	↘	→	→	→	↘	→
Consumer prices	-1.1	-0.1	-1.1	-0.5	-1.1	-0.4	-1.0	0.0	-1.2	-0.4	-1.1	-0.2	-1.1	-0.3
	→	↘	→	↘	↘	↘	→	→	↘	↘	↗	↘	→	↘

Changes to previous year as a %. Consecutively, the date of the current forecast will be listed directly, the date of the previous forecast in parentheses:

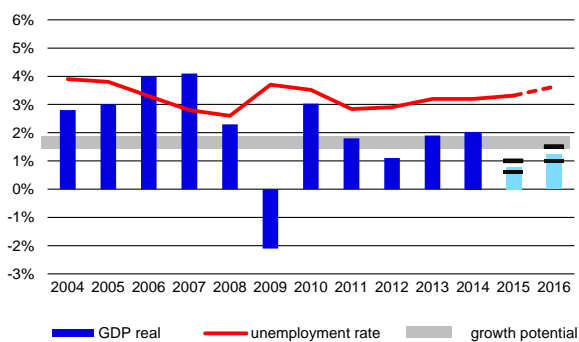
SECO: 17.12.2015 (17.9.2015), KOF: 17.12.2015 (1.10.2015), Créa: 16.11.2015 (31.5.2015), CS: 15.12.2015 (15.9.2015), UBS: 10.11.2015 (24.6.2015), BAKBASEL: 11.9.2015 (9.6.2015).

Arrows: ↗ (previous forecast was adjusted upwards), ↘ (previous forecast was adjusted downwards), → (previous forecast kept). The first forecast of the year will not be listed with an arrow.

The arrows with the arithmetic means (columns on the right) show the changes of the means to the previous meta analysis economy.

Real GDP and unemployment rate

(7)



Note: The values for 2015 and 2016 are forecasts.

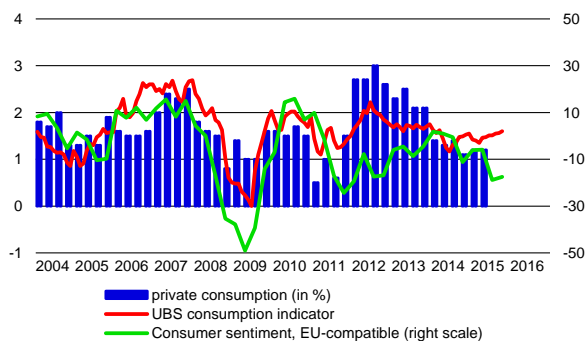
Note: In June 2012, the population census 2012 replaced the one of 2000 as database.

The unemployment rate has been revised retroactively until 2010 by SECO.

Source: cf. fig. 6, Fahrländer partner (growth potential).

Private consumption, consumer sentiment and UBS consumption indicator

(8)

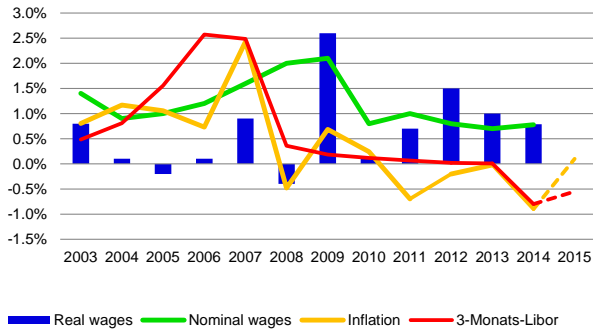


- The UBS Consumption Indicator rose in October 2015 from 1,56 to 1,60 points. Slightly better retail trade prospects along with somewhat brighter consumer sentiment contributed to the mild increase.

Source: WMR UBS, Seco, cf. meta analysis economy FPPE.

Real wages and rate of price increase

(9)



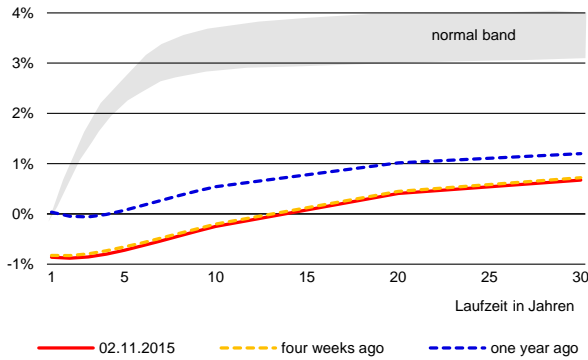
Inflation forecast SNB	2015	2016	2017
Forecast December 2015	-1.1%	-0.5%	0.3%
Libor	-0.75%		
Forecast September 2015	-1.2%	-0.5%	0.4%
Libor	-0.75%		

- SNB: Overall, the new conditional inflation forecast in December 2015 differs little from that of September. For 2015, inflation is forecast at -1,1%. For 2016 an inflation rate of -0,5% is expected and for 2017 the forecast is now at 0,3%.

Source: FSO, cf. meta analysis economy FPPE.

Yields on Confederation bonds

(10)

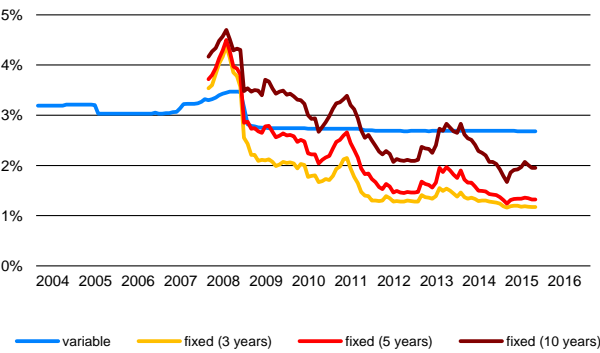


Duration	02.11.2015	four weeks ago	one year ago
1 year	-0.86%	-0.83%	0.04%
5 years	-0.72%	-0.66%	0.07%
10 years	-0.25%	-0.20%	0.54%

Source: SNB, Fahrländer Partner (normal band), cf. meta analysis real estate FPPE.

Mortgage rates

(11)

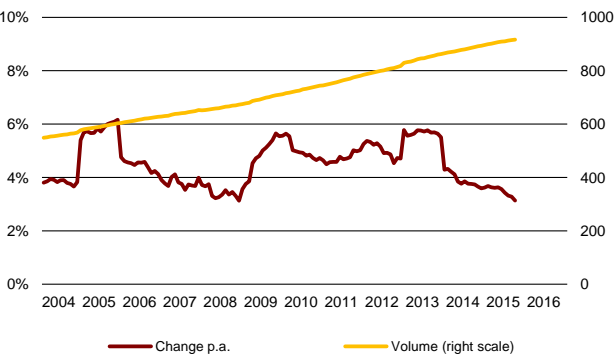


Mortgage	September 2015
variable	2.7%
fixed (3 years)	1.2%
fixed (5 years)	1.3%
fixed (10 years)	2.0%

Source: SNB, cf. meta analysis real estate FPPE.

Mortgage volume inland (in bn CHF)

(12)

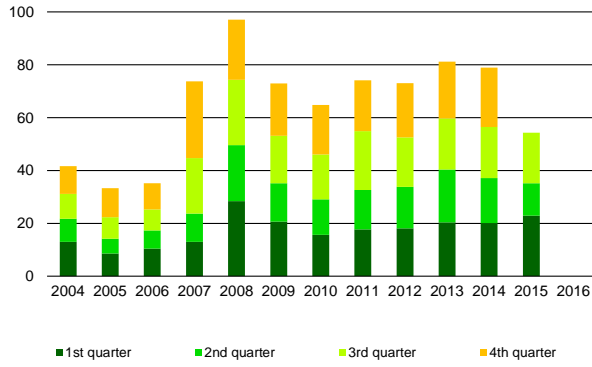


Sept 2015	Volume in billion CHF	Change p.a.
Mortgage claims	916.7	3.1%

Source: SNB, cf. meta analysis real estate FPPE.

Net immigration permanent resident population (in 1'000)

(13)



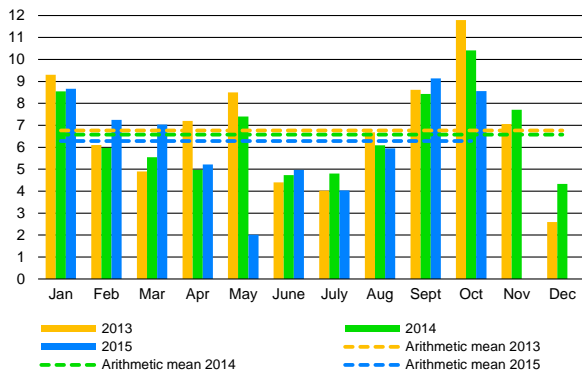
3rd quarter 2015

Net immigration permanent resident population (in 1'000)
19.1

Source: FSO (2001-2009), SEM (2010-2014), cf. meta analysis real estate FPRE.

Net immigration monthly (in 1'000)

(14)



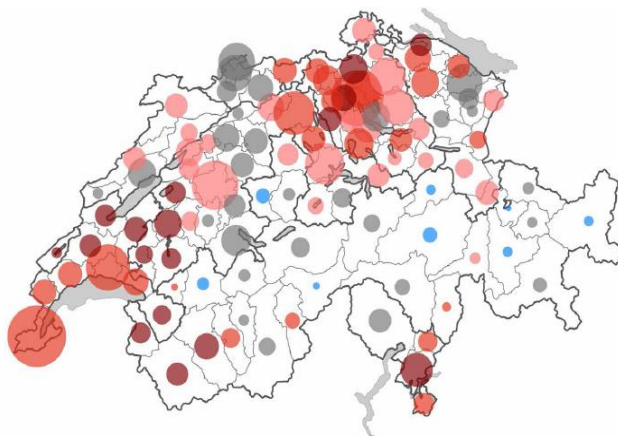
October 2015

Net immigration permanent resident population (in 1'000)
10.4

Source: SEM, cf. meta analysis real estate FPRE.

Population growth by MS regions (2011-2014)

(15)



- < 0%
- 0% bis 3%
- 3% bis 4%
- 4% bis 5%
- > 5%

Note: circle radius in relation to population 2014.

Maps: FSO Geostat/Swisstopo.

Source: FSO, cf. Immobilien-Almanach Schweiz 2016.

Forecast construction activity

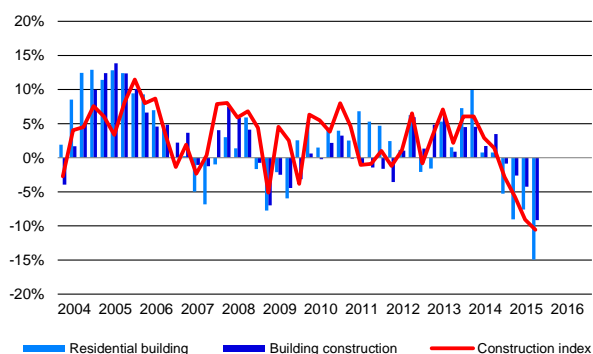
(16)

in m CHF	2015	2016	2017	Change p.a.	2015	2016	2017
Total	63'139	63'921	64'753	Total	1.1%	1.2%	1.3%
Building construction	49'644	50'244	50'861	Building construction	1.0%	1.2%	1.2%
Residential building	30'612	30'887	31'212	Residential building	0.9%	0.9%	1.1%
Civil engineering	13'495	13'677	13'892	Civil	1.3%	1.4%	1.6%

Source: BAK, cf. meta analysis real estate FPRE.

Construction index Credit Suisse / SBV (nominal)

(17)



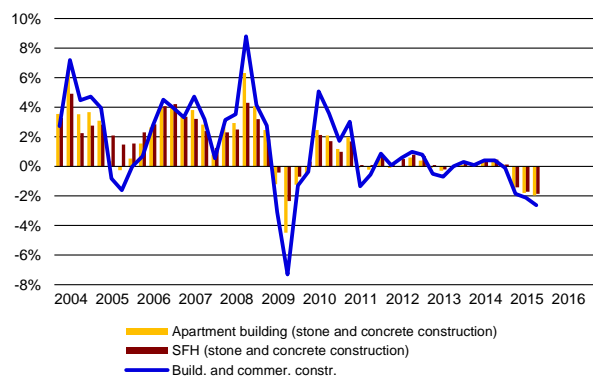
3rd quarter 2015	Index (1996=100)	Change p.a.
Construction index total		-11%
- Building construction		-9%
- Residential building		-15%

- The construction index is an early indicator of the construction economy in Switzerland which foresees current quarter turnover.

Source: Credit Suisse, SBC, cf. meta analysis real estate FPRE.

Production price index (change p.a.)

(18)



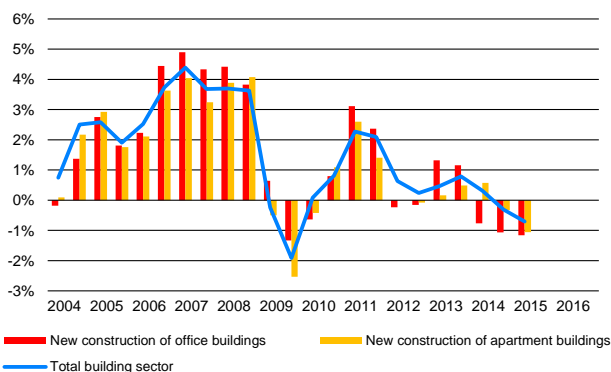
3rd quarter 2015	Index (2003=100)	Change compared to previous quarter	Change p.a.
Stone and concrete construction			
- Apartment building	113.0	-2.0%	-0.1%
- SFH	113.9	-1.9%	-0.1%
Build. and commer. constr.	114.1	-2.6%	-0.4%

- The production price index PKI shows the change in production costs.

Source: SBV, vedi Meta-analisi immobiliare FPRE.

Swiss construction price index (change p.a.)

(19)



1st half year 2015	Index (2010=100)	Change compared to previous half year	Change p.a.
Total building sector	102.2	-0.7%	-0.6%
- Office buildings	101.1	-1.2%	-1.2%
- Apartment buildings	100.9	-1.1%	-0.6%

- The Swiss building price index is an economic indicator which captures the evolution of construction costs as reported by local construction companies.

Source: FSO, vedi Meta-analisi immobiliare FPRE.

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«Immobilien-Almanach Schweiz»

On 18 december 2015, the guide for Swiss residential and commercial properties markets for the year 2016 was published.

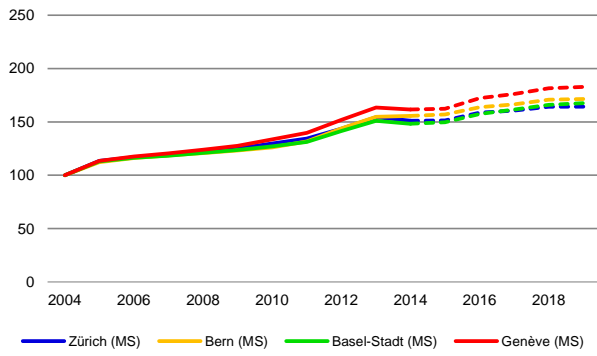
Order: almanach@fpre.ch

Costs: CHF 150 / copy

Information: http://www.fpre.ch/en/produkte_almanach.asp

Market value index apartment buildings

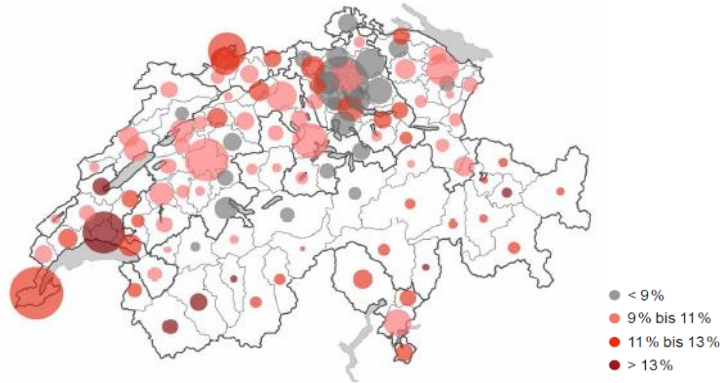
(20)



Note: market value index (2004=100).
Source: RESC Fahrländer Partner, base scenario November 2015

Market value evolution apartment buildings 2014-2018

(21)



Note: all values are based on new constructions (excl. depreciation).
Circle radius in relation to stock of rented apartments 2014.
Maps: FSO Geostat/Swisstopo.
Source: RESC Fahrländer Partner, base scenario November 2015.

Market value index office property

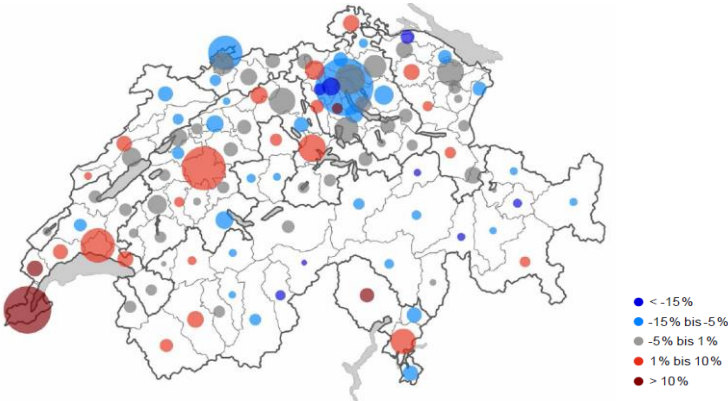
(22)



Note: market value index (2004=100).
Source: RESC Fahrländer Partner, base scenario November 2015

Market value evolution office property 2014-2018

(23)



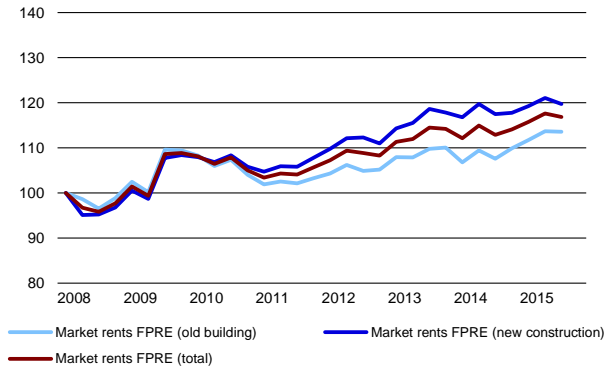
Note: all values are based on new constructions (excl. depreciation).
Circle radius in relation to stock of office space 2010.
Maps: FSO Geostat/Swisstopo.
Source: RESC Fahrländer Partner, base scenario November 2015.

Forec. rented ap. / ap. buildings (tot. / av. new constr.) (24)

CS(2)		FPRE(1)		W&P(2)
Rents	Rents	Prices	Prices	Rents
Forecast	2016	2016	2017	2016
→	→	↗	↗	-0.3%

Note: market rents / transaction prices (1) resp. quoted rents (2).
Source: Credit Suisse, FPRE, Wüest & Partner, meta analysis real estate FPRE.

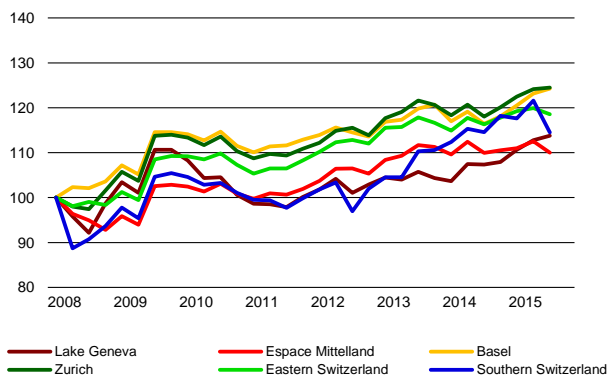
Market rents rented apartments (RA) Switzerland (25)



	3rd quarter 2015	Index (=100)	Changes to previous quarter	Change p.a.
Lake Geneva		113.8	0.9%	6.0%
Jura		96.1	-3.8%	-5.8%
Espace Mittelland		110.0	-2.2%	0.0%
Basel		124.3	0.9%	6.7%
Zurich		124.5	0.3%	5.5%
Eastern Switzerland		118.6	-1.1%	1.9%
Alps		109.8	1.7%	7.3%
Southern Switzerland		114.5	-5.8%	0.0%

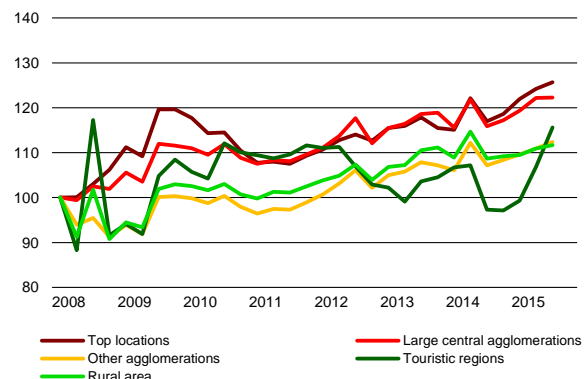
Source: Fahrländer Partner, meta analysis real estate FPRE.

Market rents RA by region (26)



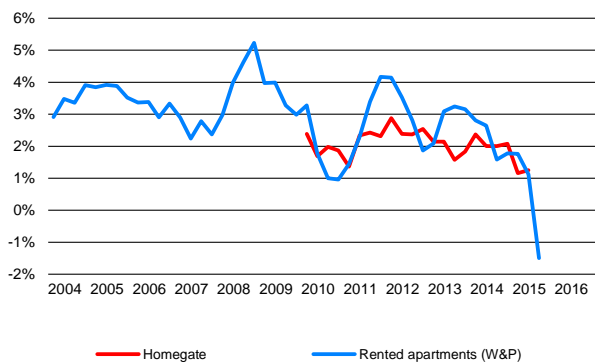
Source: Fahrländer Partner, meta analysis real estate FPRE.

Market rents RA by spatial type (27)



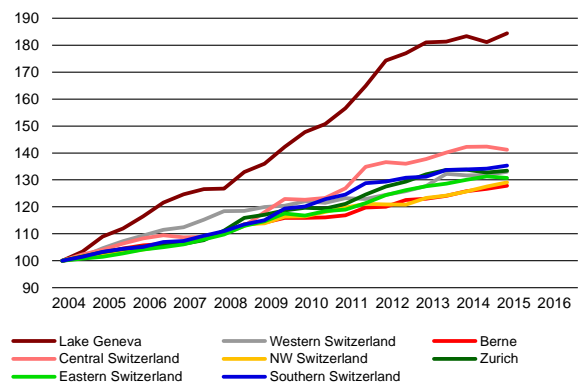
Source: Fahrländer Partner, meta analysis real estate FPRE.

Quoted rents RA Switzerland (change p.a.) (28)



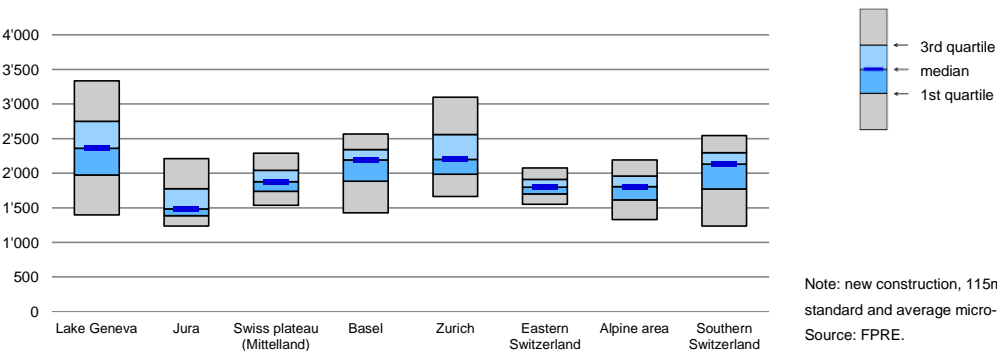
Source: Homegate, Wüest & Partner, cf. meta analysis real estate FPRE.

Quoted rents RA by regions (29)



Source: SNB, Wüest & Partner, cf. meta analysis real estate FPRE.

Market rent 4.5 room apartment by regions (CHF/month) (30)



Note: new construction, 115m2 HNF SIA 416, average standard and average micro-location.
Source: FPRE.

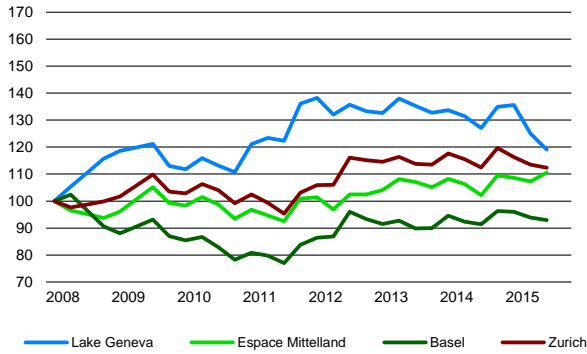
Forecast office space (31)

	CS(2) Forecast	FPRE(1) 2016	W&P(2) 2016
Rents	↘	↘	-2.4%
Prices		→	→

Note: market rents / transaction prices (1) resp. quoted rents (2).
Source: Credit Suisse, FPRE, Wüest & Partner, meta analysis real estate FPRE.

Market rents for office spaces by region (net rents)

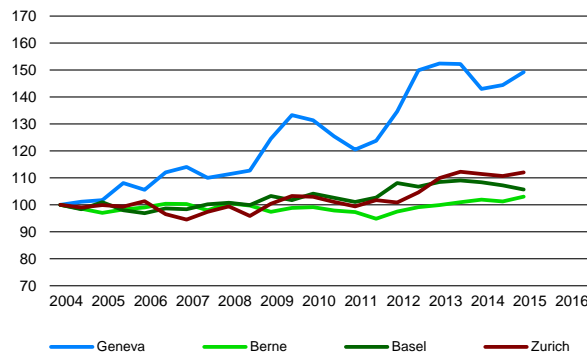
(32)



	3rd quarter 2015	Index (=100)	Changes to previous quarter	Change p.a.
Lake Geneva		119.1	-4.7%	-6.3%
Espace Mittelland		110.5	3.1%	8.2%
Basel		92.9	-1.1%	1.7%
Zurich		112.3	-1.0%	-0.1%

Source: Fahrländer Partner, meta analysis real estate FPRE.

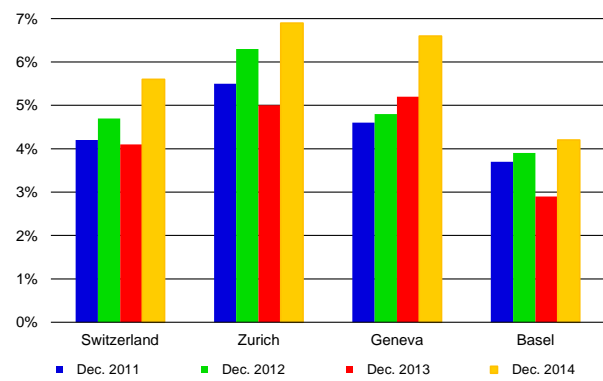
Quoted rents for office space (net rents)



Source: SNB, Wüest & Partner, meta analysis real estate FPRE.

(33) Office markets: offer as a % of total space available

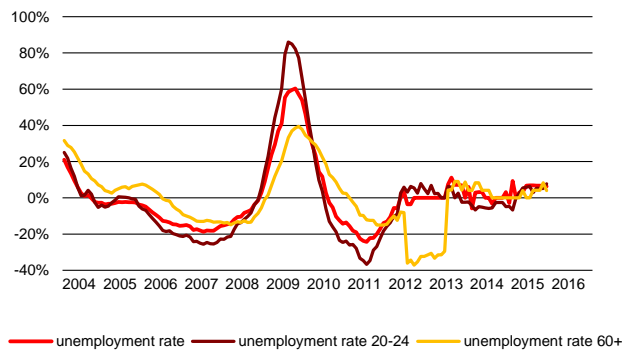
(34)



Source: CSL Immobilien, meta analysis real estate FPRE.

Change in job vacancies

(35)

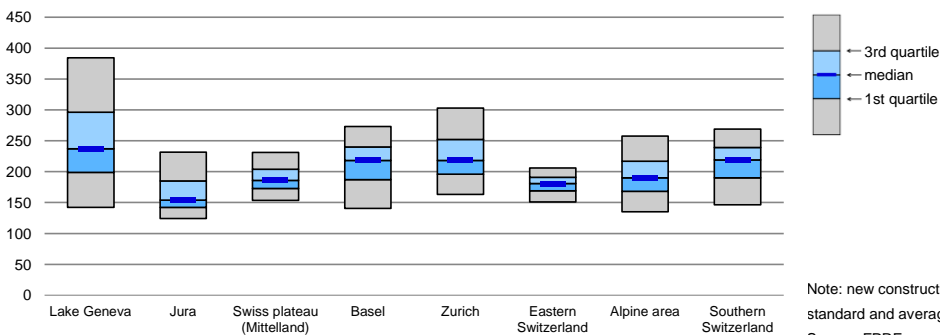


Index of job vacancies	Change p.a. 2nd quarter 2015
TOTAL	-8%
Banking and insurance sector	3%
Real estate sector	-10%
IT sector	12%
Other services	8%

Source: FSO, cf. meta analysis real estate FPRE.

Market rents office space by region (CHF/m2a)

(36)



Note: new construction, 200m2 NF SIA 416, average standard and average micro-location.
Source: FPRE.

Glossary	Note	Indicator	Source	Data as of
1-2			Fahrländer Partner	4th quarter 2015
3	Cf. meta analysis real estate FPPE		IAZI	3rd quarter 2015
4	Closing Prices	SWIIT, REAL	SIX	30.11.2015
		KGAST	KGAST	30.11.2015
5			SFA	3rd quarter 2015
6	Cf. meta analysis economy FPPE	Consumer prices	FSO	November 2015
			SECO	17.12.2015
			KOF	17.12.2015
			Créa	16.11.2015
			Credit Suisse	15.12.2015
			UBS	10.11.2015
7	Cf. meta analysis economy FPPE	Consumer prices	BAKBASEL	11.09.2015 fig. 6
8	Cf. meta analysis economy FPPE		SECO	November 2015
			FSO	November 201
			SECO	
9	Cf. meta analysis economy FPPE		FSO	2014
10	Cf. meta analysis real estate FPPE		SNB	02.11.2015
11-12	Cf. meta analysis real estate FPPE		SNB	Sept 2015
13	Cf. meta analysis real estate FPPE		FSO, SEM	3rd quarter 2015
14	Cf. meta analysis real estate FPPE		SEM	Sept 2015
15	Immobilien-Almanach Schweiz 2016		FSO, FOM	2014
16	Cf. forecast below			
17	Nominal change compared to same quarter of previous year		Credit Suisse, SBV	3rd quarter 2015
18			SBV	3rd quarter 2015
19			FSO, FOM	1st half year 2015
20	Base scenario November 2015		Fahrländer Partner	4th quarter 2014
21	Cf. meta analysis real estate FPPE Base scenario November 2015 Maps		Fahrländer Partner	4th quarter 2014
			FSO Geostat/Swisstopo	
22	Base scenario November 2015		Fahrländer Partner	4th quarter 2014
23	Cf. meta analysis real estate FPPE Base scenario November 2015 Maps		Fahrländer Partner	4th quarter 2014
24	Cf. forecast below			
25-27	Cf. meta analysis real estate FPPE		Fahrländer Partner	3rd quarter 2015
28			Homegate	2nd quarter 2015
			Wüest & Partner	3rd quarter 2015
29	Cf. meta analysis real estate FPPE		SNB/W&P	1st half year 2015
30			IMBAS FPPE	3rd quarter 2014
31	Cf. forecast below			
32	Cf. meta analysis real estate FPPE		Fahrländer Partner	3rd quarter 2015
33	Cf. meta analysis real estate FPPE		SNB/W&P	1. half year 2015
34	Cf. meta analysis real estate FPPE		CSL Immobilien	2014
35	Cf. meta analysis economy FPPE		Swiss Customs	Jan 00
36			IMBAS FPPE	3rd quarter 2014
Forecasts		The Swiss Real Estate Market	Credit Suisse	2015
		Immobilien-Almanach Schweiz 2016	Fahrländer Partner	2016
		Immomonitoring	Wüest & Partner	2016 1
		Hochbauprognose 2013-2019	BAKBASEL	2013

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