

- According to the SWX IAZI Real Estate Price Index, the prices for apartment buildings raised in the 1st quarter 2016. The growth rate was 0,4% (prev. quarter: 0,0%). ON a yearly basis, the growth rate decreased slightly by 0,1%. The performance is 1,3% (prev. quarter: 0,8%), on the yearly basis 3,7% (prev. quarter: 3,3%). Performance is the total return and includes the net cashflow return and the increase in value.
- In 2015, employment growth in the classic office market was at 0,7% (total employment: + 0,4%). Company service provider were the main growth drivers while employment decreased in the credit and real estate sector. The KOF Employment Indicator indicates a restrained recovery of the labor marked in the next weeks and months; also the growth drivers of the previous years are mostly cautious.
- SECO: Consumer sentiment has remained below the long-term average for several quarters. It changed little between January and April 2016, continuing to remain below the long-term average of -9 points. The four sub-indices used to calculate the consumer sentiment index also saw only minimal changes. Future economic prospects are still expected to be fairly glooming.

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: Fährländer 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	●	→	●	↘	●	↘	●	→	→	→

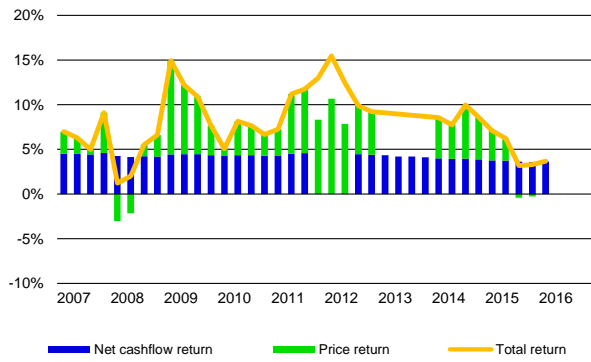
All valuations are done from a owner/seller perspective. The circles describe the actual situation: green: unproblematic situation; yellow: some problems; red: problematic situation. Arrows describe the forecast for the following 12 months. ↗: expected improvement; →: stable; ↘: expected aggravation.

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

Source: Fährländer Partner.

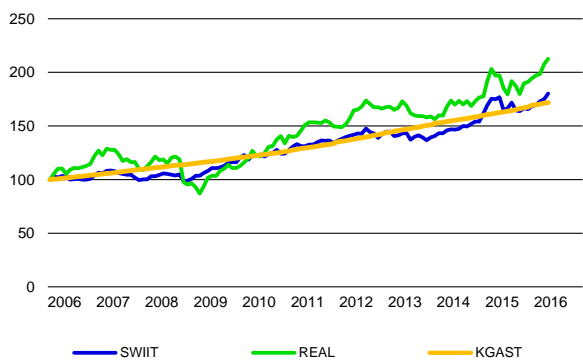
For all sources please check the glossary and impressum on the last page.

SWX IAZI Investment Real Estate Performance Index (3)



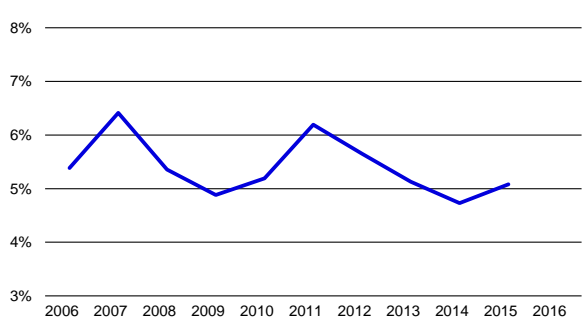
Source: IAZI, cf. meta analysis real estate FPRE.

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 April 2016, the KOF Economic Barometer practically did not change compared to its March level. It now stands at 102,7 points, compared to 102,8 in March. The largely unchanged Barometer reading of just below 103 signals a continuation of the positive development of the Swiss economy in the coming months.
- The UBS Consumption Indicator rose from 1,45 to 1,51 points in March 2016, indicating continued solid growth in Swiss private consumption. Improved sentiment among retailers and, most recently, the tourism sector sent out more positive signals.
- According to SECO, the unemployment decreased from 3,6% in March 2016 to 3,5% in April 2016. Compared to the same month of the previous year, there are 8'409 more unemployed (+6,0%).

Economic forecasts Swiss economy

(6)

	SECO		KOF		Créa		CS		UBS		BAK		Arithmetic means	
	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
GDP, real	1.4 ↘	1.8 ↘	1.0 ↘	2.0 →	1.2 ↘	1.8 ↘	1.0 →	1.5 →	1.0 ↘	1.5 ↘	0.8 ↘	1.5 ↘	1.1 →	1.7 →
Private consumption	1.2 ↘	1.5 →	1.5 ↘	1.6 ↘	1.4 ↗	1.4 ↗	1.0 →	1.1 →	1.2 ↘	1.1 ↗	0.9 ↘	1.2 ↘	1.2 →	1.3 →
Public consumption	2.1 ↗	2.2 →	1.6 ↗	0.8 →	-	-	1.5 →	1.5 →	0.9 ↘	1.1 ↗	0.6 ↘	1.0 ↘	1.3 ↘	1.3 ↗
Equipment investments	1.3 ↗	2.3 ↗	1.2 ↘	0.6 ↗	0.4 ↗	0.9 ↘	1.5 →	3.0 →	0.3 ↗	2.0 ↘	0.0 ↘	2.2 ↘	0.8 →	1.8 ↘
Investments in construction	-0.3 →	1.5 ↗	1.2 ↗	0.6 ↘	0.6 ↘	0.2 ↗	0.5 →	0.5 →	-0.6 ↘	0.9 ↗	-0.7 ↗	1.3 →	0.1 ↘	0.8 ↗
Exports	3.3 ↗	3.8 ↗	2.1 ↘	2.9 ↘	1.9 ↘	5.0 ↘	1.5 →	5.0 →	2.9 ↗	3.6 ↗	1.6 ↘	3.6 ↘	2.2 ↗	4.0 →
Imports	3.5 ↗	3.7 →	3.4 ↘	2.8 ↘	2.5 ↘	4.9 ↘	2.0 →	3.5 →	2.8 ↗	3.2 ↗	1.6 ↘	4.0 ↘	2.6 ↗	3.7 ↗
Unemployment rate	3.6 →	3.5 ↗	3.5 ↘	3.6 ↘	3.8 ↘	3.9 ↘	3.7 →	3.6 →	3.5 →	3.6 ↗	3.6 →	3.7 ↗	3.6 →	3.7 ↗
Consumer prices	-0.6 ↘	0.2 →	-0.7 ↘	0.1 ↘	-0.4 ↘	0.1 ↘	-0.5 ↘	0.0 ↘	-1.0 ↘	0.0 ↘	-0.6 ↘	0.2 ↘	-0.6 ↘	0.1 ↘

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:

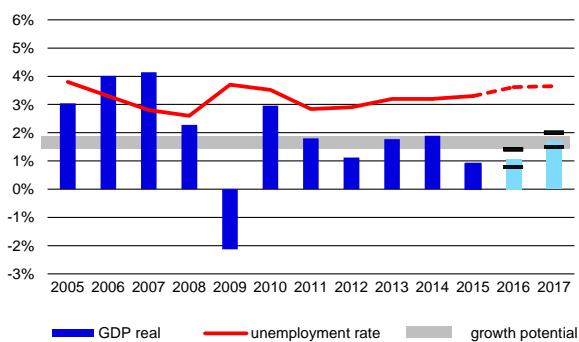
SECO: 17.3.2016 (17.12.2015), KOF: 23.3.2016 (17.12.2015), Créa: 16.11.2015 (31.5.2015), CS: 8.3.2016 (15.12.2015), UBS: 25.4.2016 (31.1.2016), BAKBASEL: 8.3.2016 (8.12.2015).

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 2016 and 2017 are forecasts.

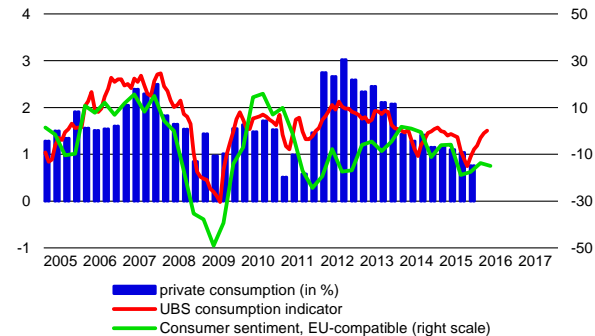
Note: In June 2012, the population census 2012 replaced the one of 2000 as database.

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

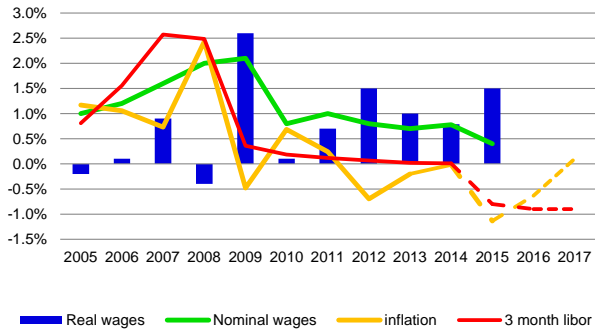
(8)



- The UBS Consumption Indicator rose from 1,45 to 1,51 points in March 2016, indicating continued solid growth in Swiss private consumption. Improved sentiment among retailers and, most recently, the tourism sector sent out more positive signals.

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

Real wages and rate of price increase



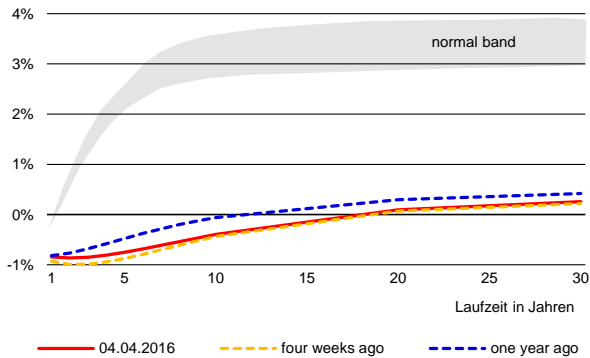
(9)

Inflation forecast SNB	2016	2017	2018
Forecast March 2016	-0.8%	0.1%	0.9%
Libor	-0.75%		
Forecast December 2015	-0.5%	0.3%	
Libor	-0.75%		

- The March 2016 conditional inflation forecast of the SNB has been revised downwards slightly compared to December 2015. The SNB continues to expect that inflation will re-enter positive territory in the coming year. It is projecting an inflation rate of -0,8% for 2016, for 2017 the inflation forecast is at 0,1%, while for 2018 it is 0,9%.

Source: FSO, cf. meta analysis economy FPRE.

Yields on Confederation bonds

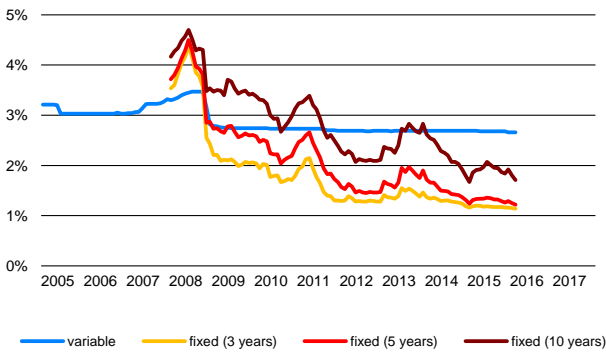


(10)

Duration	04.04.2016	four weeks ago	one year ago
1 year	-0.85%	-0.93%	-0.82%
5 years	-0.75%	-0.88%	-0.48%
10 years	-0.39%	-0.44%	-0.06%

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

Mortgage rates

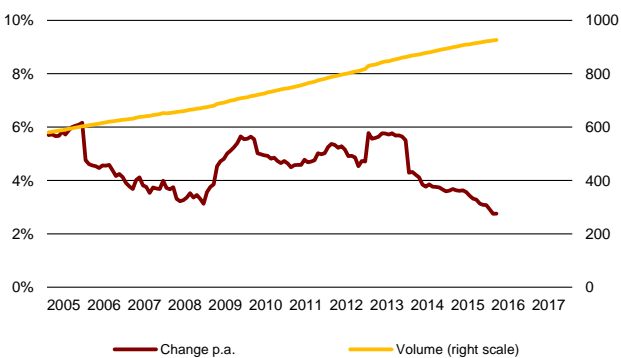


(11)

Mortgage	February 2016
variable	2.7%
fixed (3 years)	1.1%
fixed (5 years)	1.2%
fixed (10 years)	1.7%

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

Mortgage volume inland (in bn CHF)



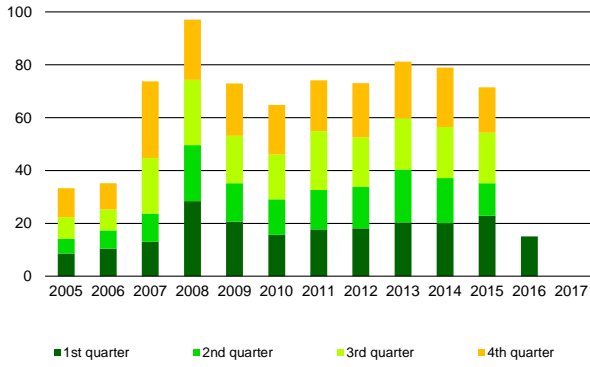
(12)

February 2016	Volume in billion CHF	Change p.a.
Mortgage claims	926.5	2.8%

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

Net immigration permanent resident population (in 1'000)

(13)



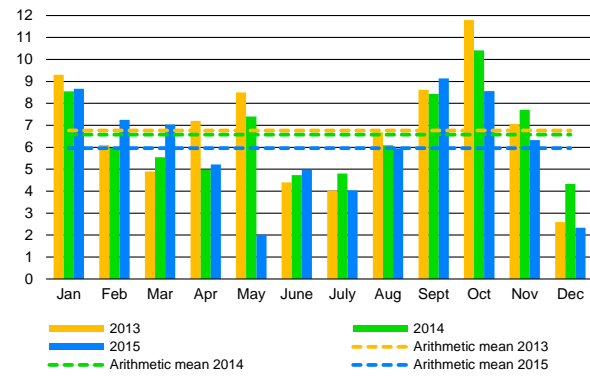
1st quarter 2016

Net immigration permanent resident population (in 1'000)
15.0

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

Net immigration monthly (in 1'000)

(14)



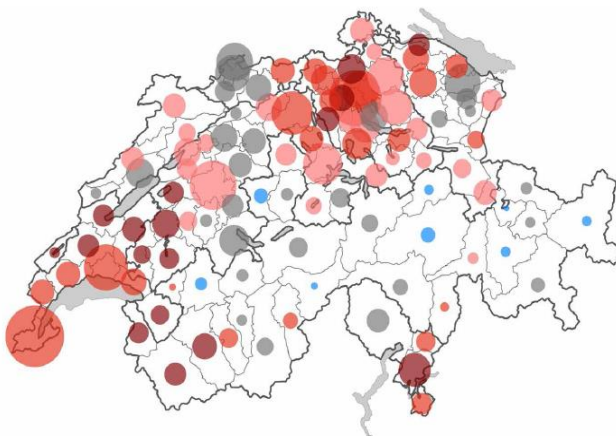
March 2016

Net immigration permanent resident population (in 1'000)
5.5

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

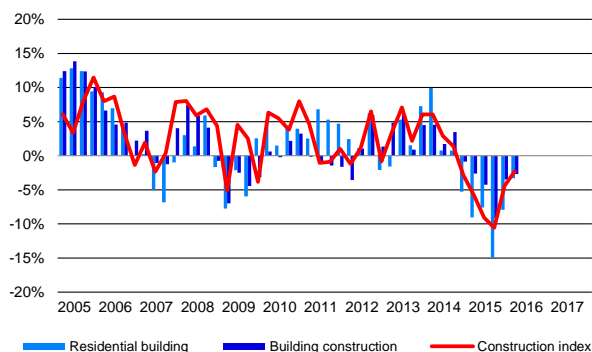
(16)

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)



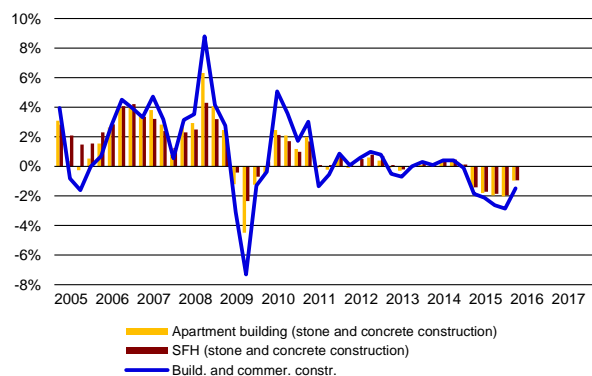
1st quarter 2016	Index (1996=100)	Change p.a.
Construction index total		-2%
- Building construction		-3%
- Residential building		-3%

- 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)



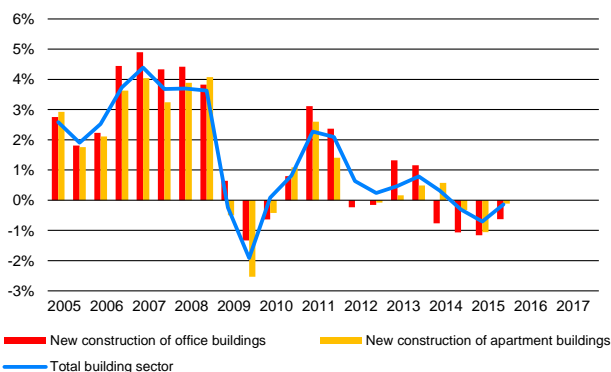
1st quarter 2016	Index (2003=100)	Change compared to previous quarter	Change p.a.
Stone and concrete construction			
- Apartment building	109.1	-1.0%	-0.2%
- SFH	110.2	-0.9%	-0.2%
Build. and commer. constr.	109.1	-1.5%	-0.1%

- 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)



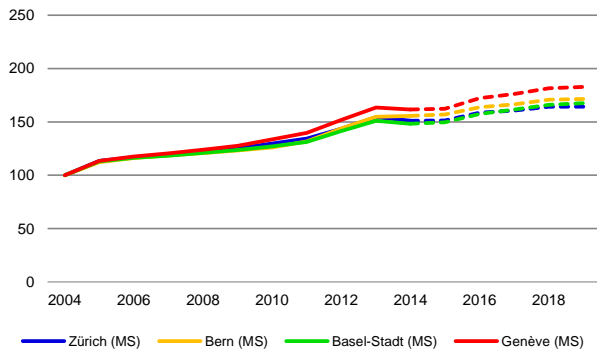
2nd half year 2015	Index (2010=100)	Change compared to previous half year	Change p.a.
Total building sector	102.7	-0.1%	0.5%
- Office buildings	101.6	-0.6%	0.5%
- Apartment buildings	101.4	-0.1%	0.5%

- 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.

Market value index apartment buildings

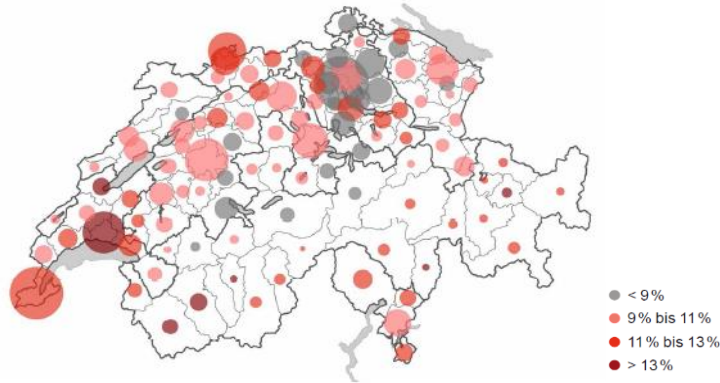
(20)



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

Market value evolution apartment buildings 2014-2018

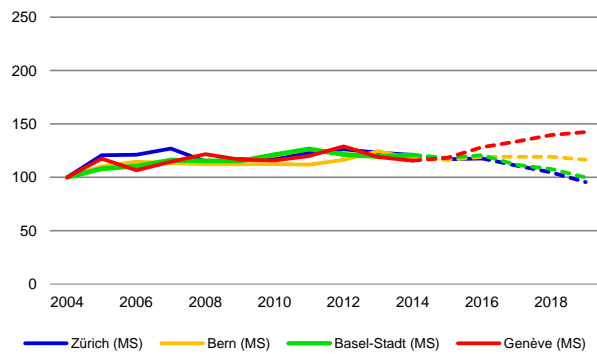
(21)



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

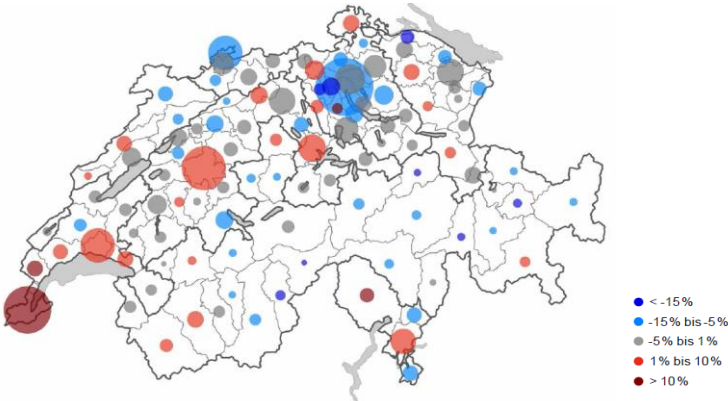
(22)



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

Market value evolution office property 2014-2018

(23)



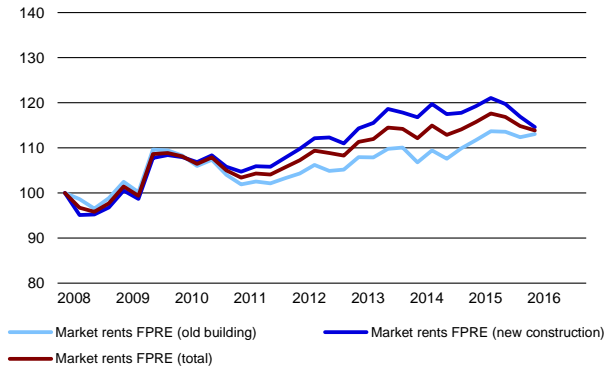
Note: all values are based on new constructions (excl. depreciation).
Circle radius in relation to stock of office space 2010.
Maps: FSO Geostat/Swisstopo.
Source: RESC Fahrländer Partner, base scenario November 2015.

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, FPPE, Wüest & Partner, meta analysis real estate FPPE.

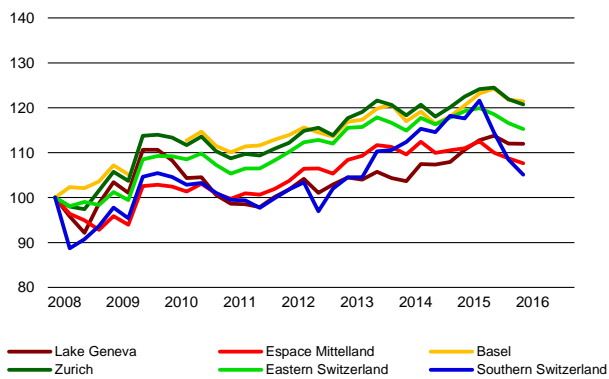
Market rents rented apartments (RA) Switzerland (25)



	1st quarter 2016	Index (=100)	Changes to previous quarter	Change p.a.
Lake Geneva		112.0	-0.1%	1.2%
Jura		97.0	0.4%	-1.7%
Espace Mittelland		107.6	-1.0%	-3.0%
Basel		121.4	-0.3%	0.8%
Zurich		120.7	-0.9%	-1.4%
Eastern Switzerland		115.2	-1.1%	-3.3%
Alps		108.8	-0.7%	5.3%
Southern Switzerland		105.1	-3.1%	-10.6%

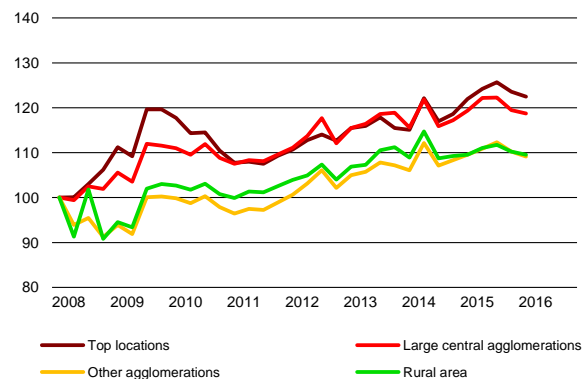
Source: Fahrländer Partner, meta analysis real estate FPPE.

Market rents RA by region (26)



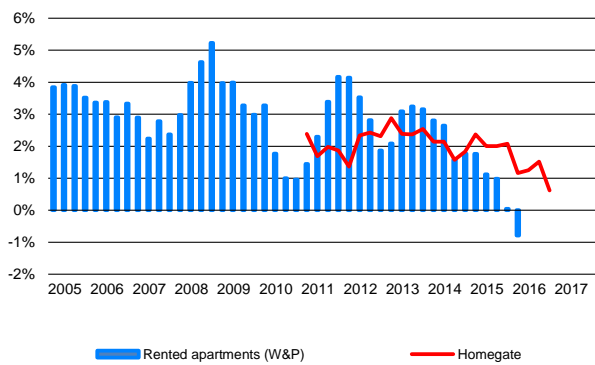
Source: Fahrländer Partner, meta analysis real estate FPPE.

Market rents RA by spatial type (27)



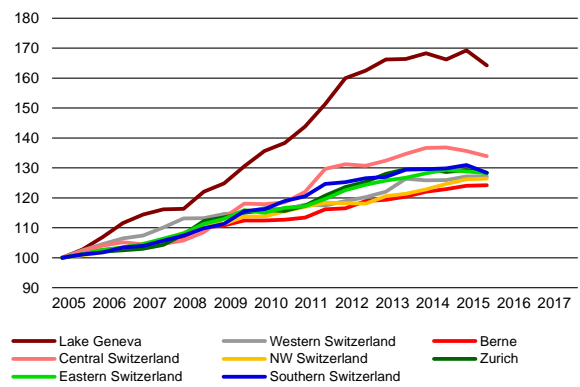
Source: Fahrländer Partner, meta analysis real estate FPPE.

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



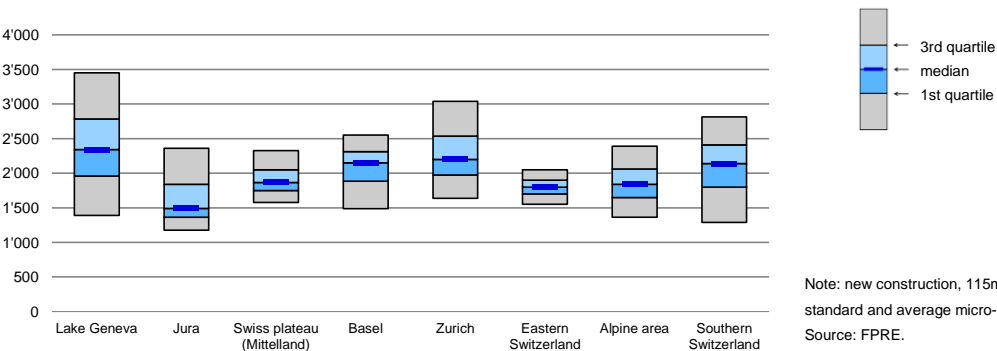
Source: Homegate, Wüest & Partner, cf. meta analysis real estate FPPE.

Quoted rents RA by regions (29)



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

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: FPPE.

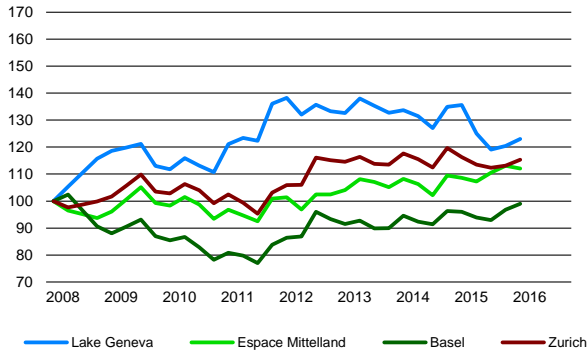
Forecast office space (31)

	CS(2) Forecast	FPRE(1) 2016	W&P(2) 2016
Rents	↘	↘	-2.2%
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)

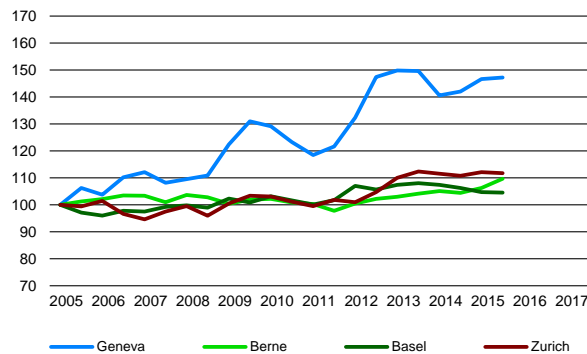
(32)



	1st quarter 2016	Index (=100)	Changes to previous quarter	Change p.a.
Lake Geneva		123.0	2.1%	-9.3%
Espace Mittelland		112.1	-0.9%	3.2%
Basel		99.0	2.3%	3.2%
Zurich		115.4	2.0%	-0.8%

Source: Fahrländer Partner, meta analysis real estate FPRE.

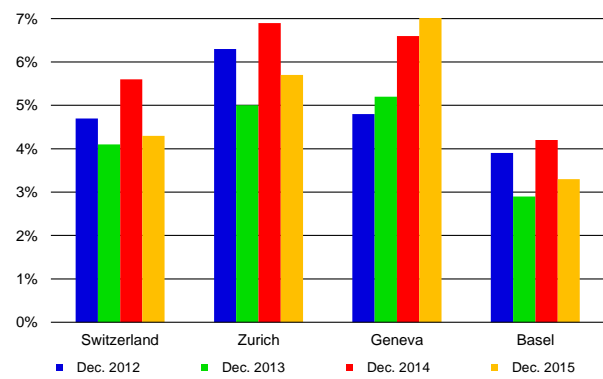
Quoted rents for office space (net rents)



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

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

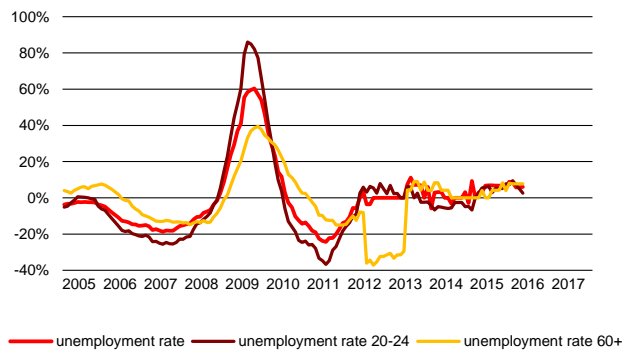
(34)



Source: CSL Immobilien, meta analysis real estate FPRE.

Change in job vacancies

(35)

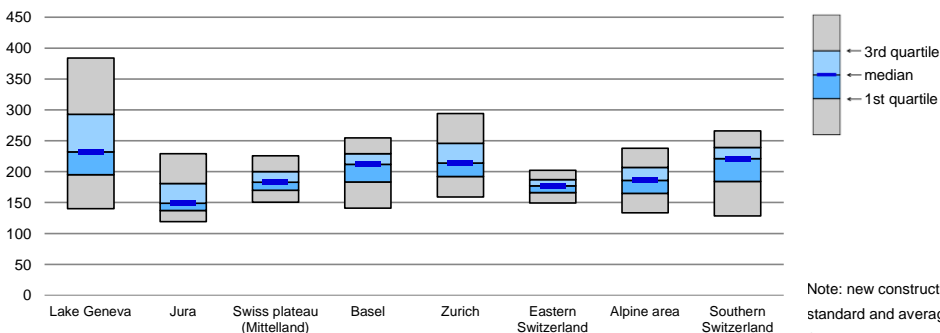


Index of job vacancies	Change p.a. 2nd quarter 2015
TOTAL	-8%
Banking and insurance sector	3%
Real estate sector	-10%
IT sector	12%
Other services	8%

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	2nd quarter 2016
3	Cf. meta analysis real estate FPPE		IAZI	1st quarter 2016
4	Closing Prices	SWIIT, REAL KGAST	SIX KGAST	29.04.2016 29.04.2016
5			SFA	3rd quarter 2015
6	Cf. meta analysis economy FPPE	0	SECO SECO FSO SECO KOF Créa	4th quarter 2015 April 2016 April 2016 17.03.2016 23.03.2016 16.11.2015
7	Cf. meta analysis economy FPPE	0	Credit Suisse	08.03.2016 fig. 6
8	Cf. meta analysis economy FPPE		Source SECO SECO	Data as of 4th quarter 201
9	Cf. meta analysis economy FPPE		FSO	2014
10	Cf. meta analysis real estate FPPE		SNB	04.04.2016
11-12	Cf. meta analysis real estate FPPE		SNB	Feb 2016
13	Cf. meta analysis real estate FPPE		FSO, SEM	1st quarter 2016
14	Cf. meta analysis real estate FPPE		SEM	Feb 2016
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	1st quarter 2016
18			SBV	1st quarter 2016
19			FSO, FOM	2nd 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 FSO Geostat/Swisstopo	4th quarter 2014
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	1st quarter 2016
28			Homegate Wüest & Partner	3rd quarter 2015 1st quarter 2016
29	Cf. meta analysis real estate FPPE		SNB/W&P	2nd half year 2015
30			IMBAS FPPE	3rd quarter 2014
31	Cf. forecast below			
32	Cf. meta analysis real estate FPPE		Fahrländer Partner	1st quarter 2016
33	Cf. meta analysis real estate FPPE		SNB/W&P	2. half year 2015
34	Cf. meta analysis real estate FPPE		CSL Immobilien	2014
35	Cf. meta analysis economy FPPE		SECO	April 2016
36			IMBAS FPPE	3rd quarter 2014
Forecasts		The Swiss Real Estate Market Immobilien-Almanach Schweiz 2016 Immomonitoring Hochbauproggnose 2013-2019	Credit Suisse Fahrländer Partner Wüest & Partner BAKBASEL	2016 2016 2016 2 2013

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Contact	Fahrländer Partner AG Raumentwicklung Eichstrasse 23 8045 Zürich +41 44 466 70 00 www.fpre.ch	Real Estate Investment Solutions AG Beethovenstrasse 49 8002 Zürich +41 44 209 60 20 Solutions AG www.re-solutions.ch
