

- SWX IAZI real estate price index: In the 2nd quarter 2016, growth rates for apartment buildings decreased slightly by -0,4% (previous quarter: +0,4%). Out of an annual perspective, there is only a slight fall in price of -0,1% (previous quarter +0,1%). The performance of apartment buildings was at 0,5% in the 2nd quarter of 2016 (previous quarter: 1,3%), while annually, it slightly dropped to 3,5% (previous quarter: 3,7%).
- During the past two quarters, the employment growth in the Swiss office market was cooling off significantly; there was only a minimal growth of employment of +0,3% in the 1st quarter 2016. Even the two growth industries of the last two years, corporate services and information technologies, drive a restraint employment policy.
- Consumer sentiment remained unchanged between April and July 2016 and is now below the long-term average for the fifth quarter in a row. Most sub-indices also saw no major change, except regarding inflation, with the 1'200 or so individuals questioned expecting prices to rise more sharply over the next twelve months than they had in April. There was also a belief in July that prices had been rising faster over the previous twelve months than had been the case at the time of the April survey.

**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.

Help text to the valuations: [http://www.fpre.ch/de/03\\_meta/Hilfetext\\_Einschaetzungen\\_FPFE.pdf](http://www.fpre.ch/de/03_meta/Hilfetext_Einschaetzungen_FPFE.pdf)

Source: Fahrländer 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	●	→	●	↘	●	↘	●	→	→	→

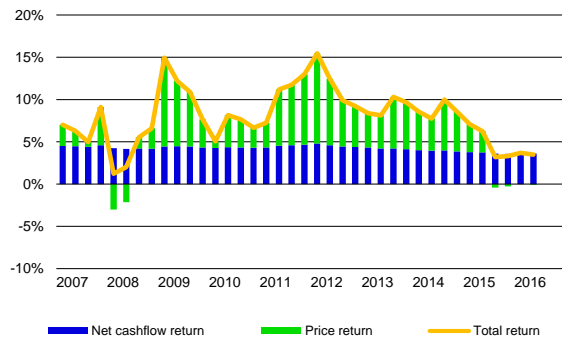
All valuations are done from a owner/seller perspective. The circles describe the actual situation: green: unproblematic situation; yellow: some problems; red: problematic situation. Arrows describe the forecast for the following 12 months. ↗: expected improvement; →: stable; ↘: expected aggravation.

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Source: Fahrländer Partner.

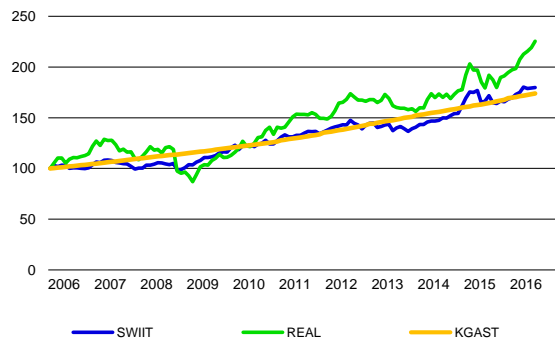
For all sources please check the glossary and impressum on the last page.

SWX IAZI Investment Real Estate Performance Index (3)



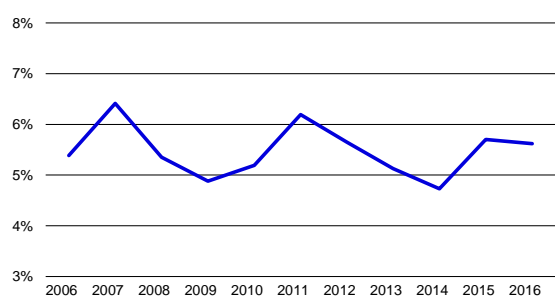
Source: IAZI, cf. meta analysis real estate FPPE.

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.



The goal of Immofunds.ch is to connect information and experts in the field of real estate investments in Switzerland. All stakeholders in the market, such as promoters, trustees or investors, are welcome.

- The KOF Economic Barometer has only changed little and reached a value of 102,7 in July 2016. In June, and therefore before the referendum about Brexit, the KOF Economic Barometer stood at a value of 102,6 (revised from 102,4).
- In June, the UBS consumption indicator rose from 1,24 to 1,34 points. This was mainly due to a better performance in the tourism industry as well as a slight improvement in sentiment in the retail trade. However, the situation in the labor market is still strained and is weighing on consumer sentiment.
- According to SECO, end July 2016, 139'310 unemployed were registered at local unemployment offices, 183 more than in June 2016. The unemployment rate stayed at 3,1% in July 2016. Compared to the same month of the previous year, there are 5'556 more unemployed (+4,2%).

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	1.7	1.8	1.1	1.2	1.0	1.5	0.9	1.3	1.0	1.7	1.2	1.6
	→	→	↗	↘	↘	↘	→	→	↘	↘	↗	↗	→	→
Private consumption	1.3	1.5	1.6	1.4	0.6	0.7	1.0	1.1	1.2	1.1	1.2	1.3	1.2	1.2
	↗	→	↗	↘	↘	↘	→	→	→	→	↗	↗	→	→
Public consumption	2.1	2.2	1.5	0.8	-	-	1.5	1.5	0.9	1.1	0.6	0.9	1.3	1.3
	→	→	↘	→	→	→	→	→	→	→	↘	↘	→	→
Equipment investments	1.3	2.3	1.4	0.0	1.6	2.6	1.5	3.0	1.2	1.5	2.3	1.4	1.6	1.8
	→	→	↗	↘	↗	↗	→	→	↗	↘	↗	↘	→	→
Investments in construction	0.4	1.2	1.4	0.7	0.3	2.0	0.5	0.5	0.2	0.7	0.4	1.0	0.5	1.0
	↗	↘	↗	↗	↘	↗	→	→	↗	↘	↗	↘	→	→
Exports	4.0	3.7	3.5	2.7	0.9	5.9	2.5	5.0	3.6	3.1	3.7	3.8	3.0	4.0
	↗	↘	↘	↘	↘	↗	→	→	↗	↘	↗	↗	→	→
Imports	3.9	3.7	4.9	3.2	2.5	6.4	2.5	3.5	4.4	3.2	4.2	3.7	3.7	4.0
	↗	→	↗	↗	→	↗	→	→	↗	→	↗	↘	→	→
Unemployment rate	3.6	3.5	3.5	3.6	3.6	4.0	3.5	3.5	3.5	3.6	3.5	3.5	3.5	3.6
	→	→	→	→	→	↗	↘	↘	↘	→	↘	↘	→	→
Consumer prices	-0.4	0.3	-0.4	0.2	-0.7	0.0	-0.5	0.0	-0.3	0.4	-0.4	0.3	-0.5	0.2
	↗	↗	↗	↗	↘	↘	→	→	↗	↗	↗	↗	→	→

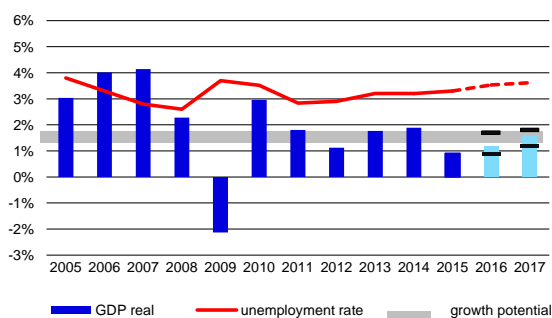
Changes to previous year as a %. Consecutively, the date of the current forecast will be listed directly, the date of the previous forecast in parentheses:

SECO: 16.6.2016 (17.3.2016), KOF: 16.6.2016 (23.3.2016), Créa: 25.5.2016 (16.11.2015), CS: 7.6.2016 (8.3.2016), UBS: 30.6.2016 (25.4.2016), BAKBASEL: 7.6.2016 (8.3.2016).

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)



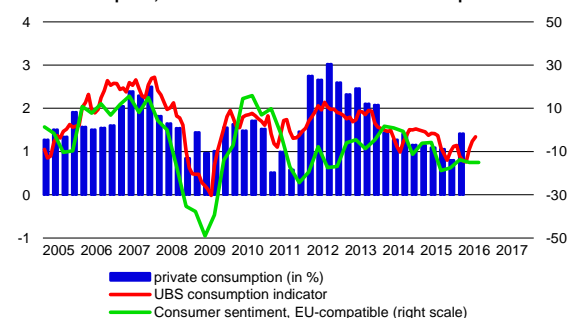
Note: The values for 2016 and 2017 are forecasts.

Note: Since June 2016, the unemployment rate is based on occupation numbers according to the pooling 2012-2014 (revised from January 2014).

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

Private consumption, consumer sentiment and UBS consumption indicator

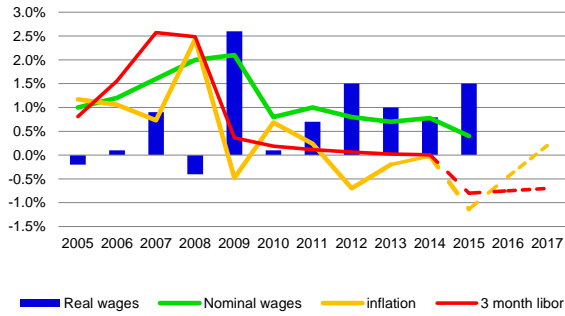
(8)



- In June, the UBS consumption indicator rose from 1,24 to 1,34 points. This was mainly due to a better performance in the tourism industry as well as a slight improvement in sentiment in the retail trade. However, the situation in the labor market is still strained and is weighing on consumer sentiment.

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

Real wages and rate of price increase



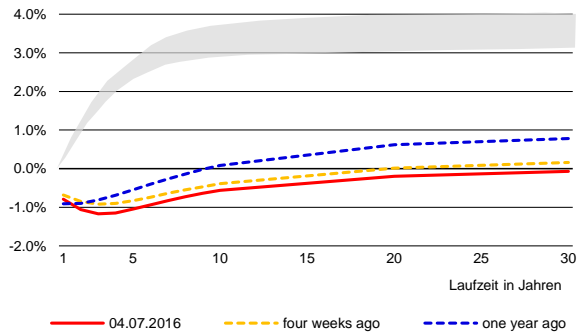
(9)

Inflation forecast SNB	2016	2017	2018
Forecast June 2016	-0.4%	0.3%	0.9%
Libor	-0.75%		
Forecast March 2016	-0.8%	0.1%	0.9%
Libor	-0.75%		

- The new conditional inflation forecast suggests inflation will rise faster over the coming quarters than the SNB predicted in March. The new forecast for 2016 is at -0.4%, for 2017 0.3% and for 2018 0.9%.

Source: FSO, cf. meta analysis economy FPPE.

Yields on Confederation bonds

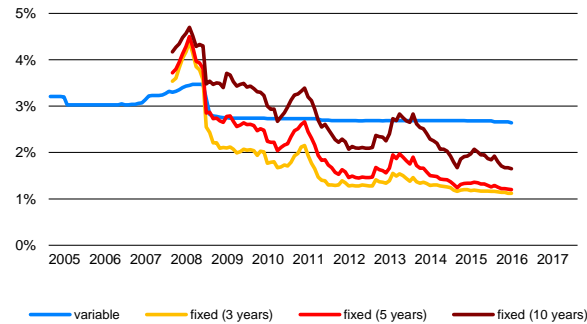


(10)

Duration	04.07.2016	four weeks ago	one year ago
1 year	-0.79%	-0.68%	-0.91%
5 years	-1.05%	-0.83%	-0.55%
10 years	-0.56%	-0.39%	0.08%

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

Mortgage rates

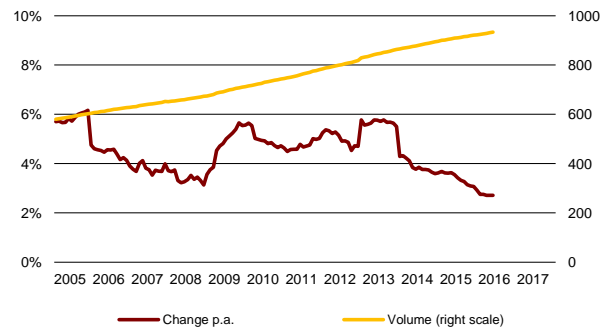


(11)

Mortgage	May 2016
variable	2.6%
fixed (3 years)	1.1%
fixed (5 years)	1.2%
fixed (10 years)	1.7%

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

Mortgage volume inland (in bn CHF)

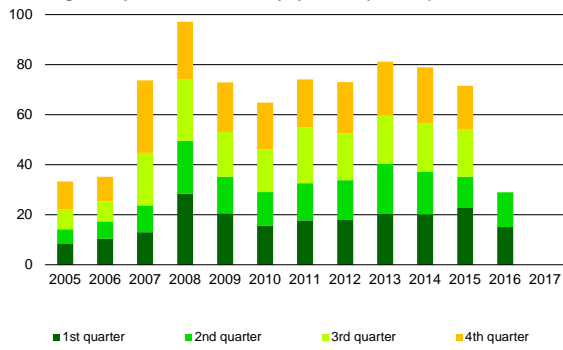


(12)

May 2016	Volume in billion CHF	Change p.a.
Mortgage claims	933.6	2.7%

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

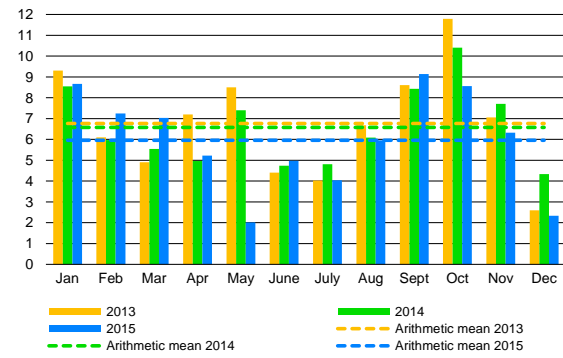
Net immigration permanent resident population (in '000)



	(13)
2nd quarter 2016	Net immigration permanent resident population (in '000)
	14.0

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

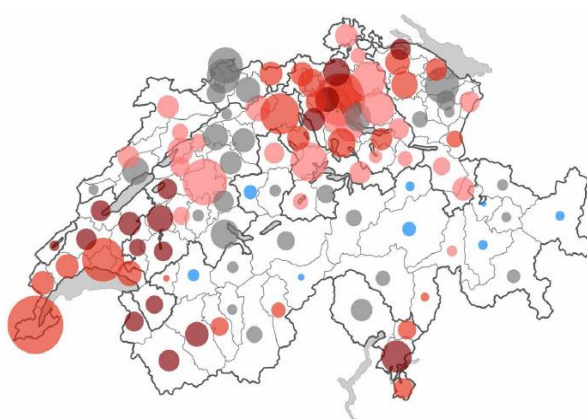
Net immigration monthly (in '000)



	(14)
June 2016	Net immigration permanent resident population (in '000)
	4.7

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

Population growth by MS regions (2011-2014)



• < 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.

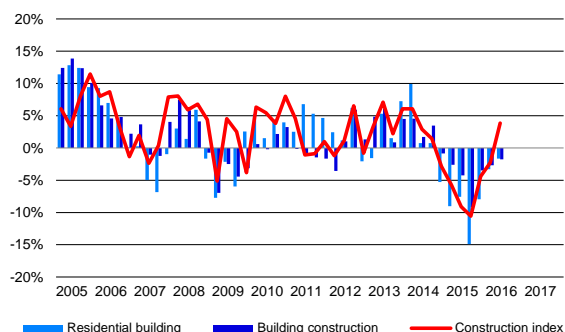
(15)

## 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)

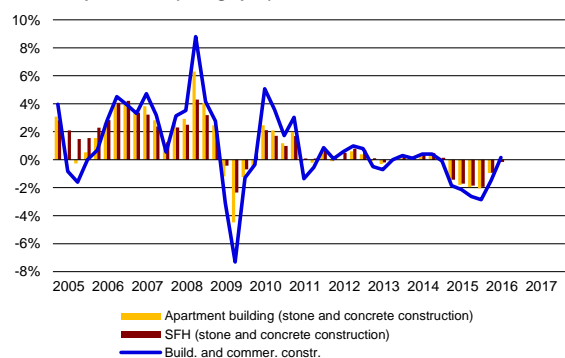


2nd quarter 2016	Index (1996=100)	Change p.a.
Construction index total		4%
- Building construction		-2%
- Residential building		-2%

- 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)

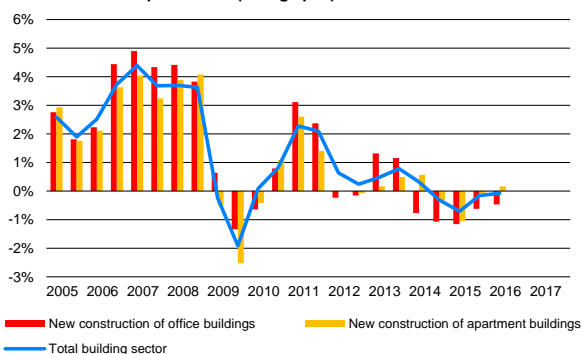


2nd quarter 2016	Index (2003=100)	Change compared to previous quarter	Change p.a.
Stone and concrete construction			
- Apartment building	0.0	-0.2%	0.4%
- SFH	0.0	-0.2%	0.4%
Build. and commer. constr.	110.4	0.2%	1.2%

- 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)



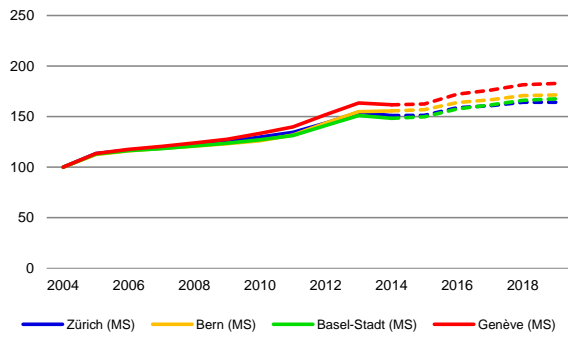
1st half year 2016	Index (2010=100)	Change compared to previous half year	Change p.a.
Total building sector	102.1	-0.1%	-0.5%
- Office buildings	100.6	-0.5%	-1.0%
- Apartment buildings	101.1	0.2%	-0.3%

- 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

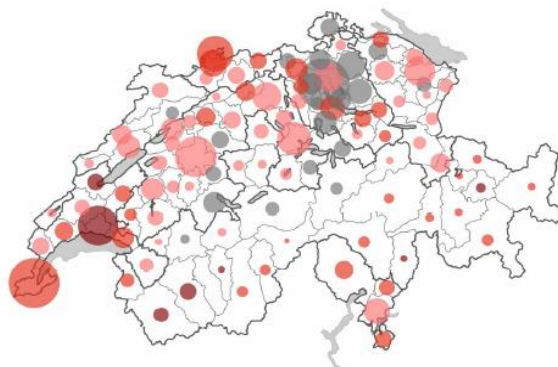
(20)



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

Market value evolution apartment buildings 2014-2018

(21)

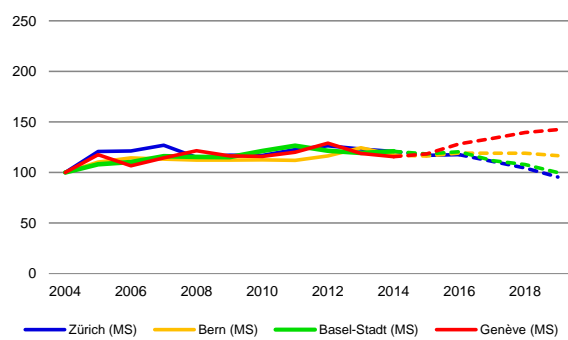


- < 9%
- 9% bis 11%
- 11% bis 13%
- > 13%

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

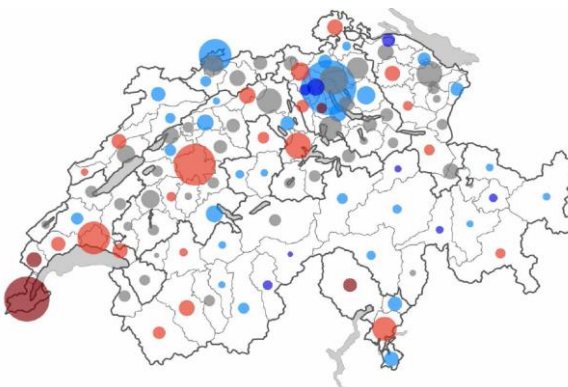
(22)



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

Market value evolution office property 2014-2018

(23)



- < -15%
- -15% bis -5%
- -5% bis 1%
- 1% bis 10%
- > 10%

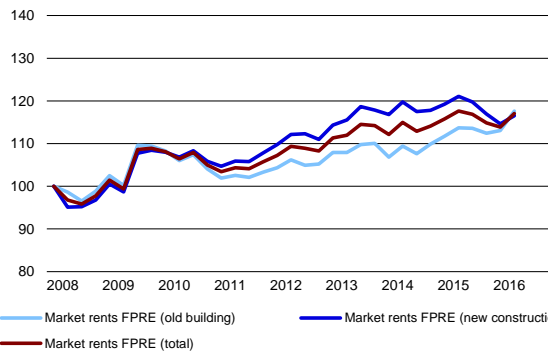
Note: all values are based on new constructions (excl. depreciation).  
Circle radius in relation to stock of office space 2010.  
Maps: FSO Geostat/Swisstopo.  
Source: RESC Fahrländer Partner, base scenario November 2015.

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

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

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

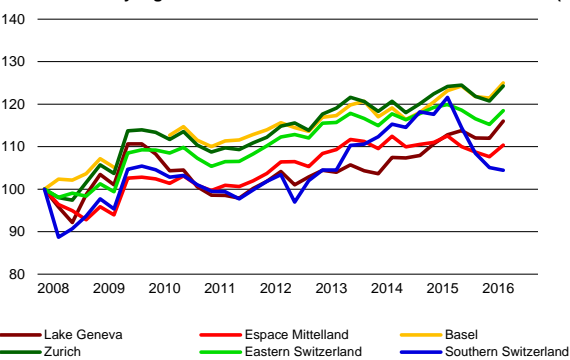
## Market rents rented apartments (RA) Switzerland (25)



2nd quarter 2016	Index (=100)	Changes to previous quarter	Change p.a.
Lake Geneva	116.0	3.6%	2.9%
Jura	100.0	3.1%	0.1%
Espace Mittelland	110.4	2.6%	-1.9%
Basel	125.0	2.9%	1.5%
Zurich	124.3	2.9%	0.1%
Eastern Switzerland	118.5	2.8%	-1.2%
Alps	110.9	1.9%	2.7%
Southern Switzerland	104.4	-0.6%	-14.1%

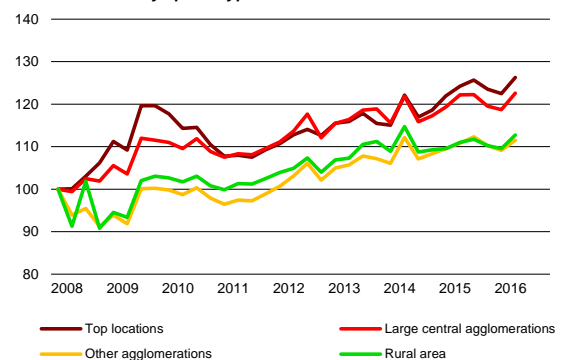
Source: Fahländer Partner, meta analysis real estate FPRE.

## Market rents RA by region (26)



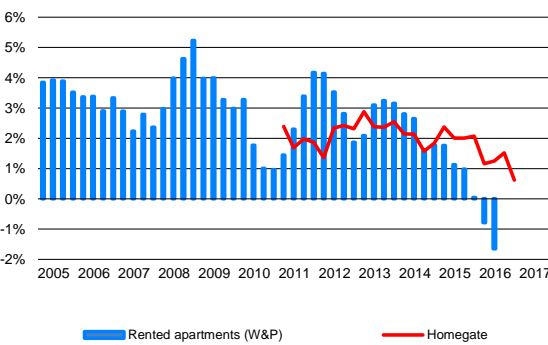
Source: Fahländer Partner, meta analysis real estate FPRE.

## Market rents RA by spatial type (27)



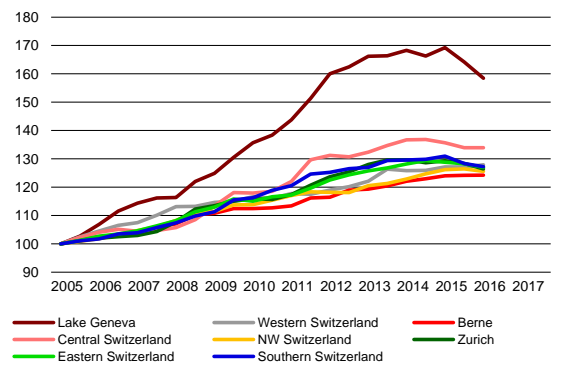
Source: Fahländer Partner, meta analysis real estate FPRE.

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



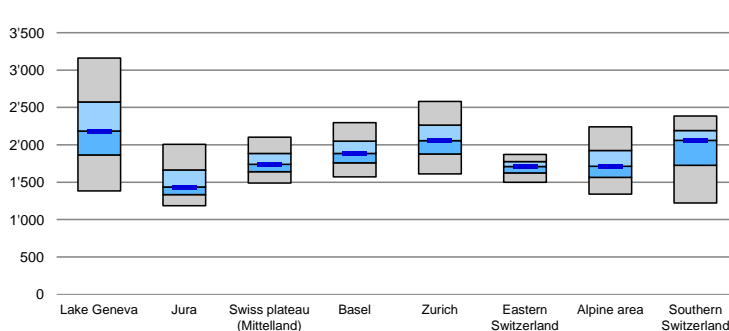
Source: Homegate, Wüest & Partner, cf. meta analysis real estate FPRE.

## 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.

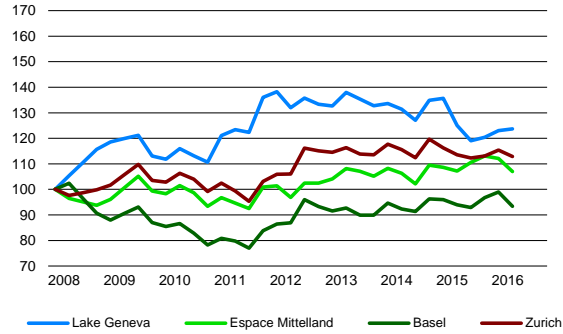


Forecast office space (31)

	CS(2)	FPRE(1)		W&P(2)
	Forecast	2016	2017	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.

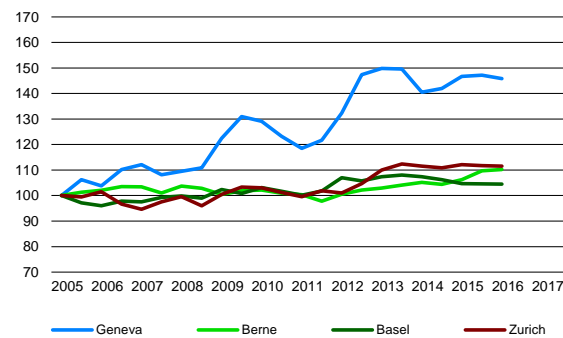
Market rents for office spaces by region (net rents) (32)



2nd quarter 2016	Index (=100)	Changes to previous quarter	Change p.a.
Lake Geneva	123.7	0.6%	-1.0%
Espace Mittelland	107.0	-4.5%	-0.2%
Basel	93.4	-5.7%	-0.5%
Zurich	112.9	-2.2%	-0.6%

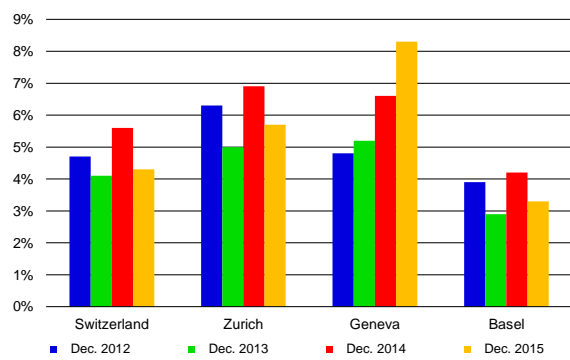
Source: Fahrländer Partner, meta analysis real estate FPRE.

Quoted rents for office space (net rents)



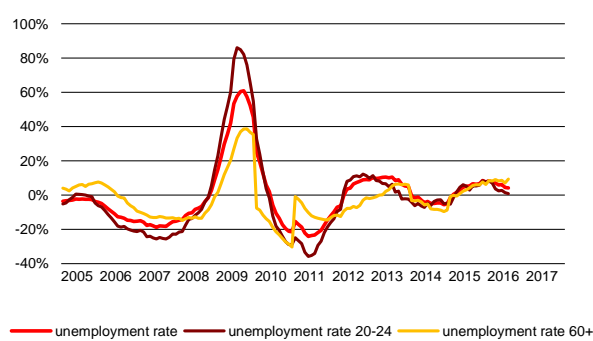
Source: SNB, Wüest & Partner, meta analysis real estate FPRE.

(33) Office markets: offer as a % of total space available (34)



Source: CSL Immobilien, meta analysis real estate FPRE.

Change in job vacancies

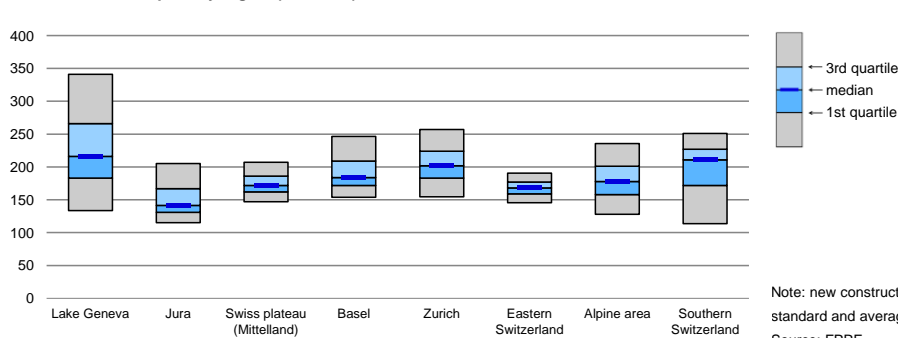


(35)

Index of job vacancies	Change p.a. 1st quarter 2016
TOTAL	-8%
Banking and insurance sector	14%
Real estate sector	-5%
IT sector	35%

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	3rd quarter 2016
3	Cf. meta analysis real estate FPPE		IAZI	2nd quarter 2016
4	Closing Prices	SWIIT, REAL KGAST	SIX KGAST	29.07.2016 29.07.2016
5			SFA	1st quarter 2015
6	Cf. meta analysis economy FPPE		SECO SECO FSO SECO KOF Créa	1st quarter 2016 July 2016 July 2016 16.06.2016 16.06.2016 25.05.2016
7	Cf. meta analysis economy FPPE		Credit Suisse	07.06.2016 fig. 6
8	Cf. meta analysis economy FPPE		Source SECO SECO	Data as of 1st quarter 201
9	Cf. meta analysis economy FPPE		FSO	2014
10	Cf. meta analysis real estate FPPE		SNB	04.07.2016
11-12	Cf. meta analysis real estate FPPE		SNB	May 2016
13	Cf. meta analysis real estate FPPE		FSO, SEM	2nd quarter 2016
14	Cf. meta analysis real estate FPPE		SEM	May 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	2nd quarter 2016
18			SBV	2nd quarter 2016
19			FSO, FOM	1st half year 2016
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	2nd quarter 2016
28			Homegate Wüest & Partner	3rd quarter 2015 2nd quarter 2016
29	Cf. meta analysis real estate FPPE		SNB/W&P	1st half year 2016
30			IMBAS FPPE	3rd quarter 2014
31	Cf. forecast below			
32	Cf. meta analysis real estate FPPE		Fahrländer Partner	2nd quarter 2016
33	Cf. meta analysis real estate FPPE		SNB/W&P	1. half year 2016
34	Cf. meta analysis real estate FPPE		CSL Immobilien	2014
35	Cf. meta analysis economy FPPE		SECO	July 2016
36			IMBAS FPPE	3rd quarter 2014
Forecasts		The Swiss Real Estate Market Immobilien-Almanach Schweiz 2016 Immomonitoring Hochbauprognose 2013-2019	Credit Suisse Fahrländer Partner Wüest & Partner BAKBASEL	2016 2016 2016 I 2 2013

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