

- * Update due to the publication of the Immobilien-Almanach Schweiz 2017 (in German) (22th December 2016) by FP RE.
- SWX IAZI real estate price index: the growth rate for apartment buildings increased slightly compared to the previous quarter and is now 0% (previous quarter: -0,4%). Out of an annual perspective, there is a stagnation with -0,1% (previous quarter -0,1%). The performance of apartment buildings was at 0,9% in the 3rd quarter of 2016 (previous quarter: 0,5%), while annually, it is stagnant at 3,5% (previous quarter: 3,5%).
 - After two quarters of negative growth, the employment growth in the Swiss office market increased in the 2nd quarter 2016 again (+0,4%) compared to the previous quarter. In particular, the sector of the corporate services employed more people.
 - The latest survey shows that there was hardly any change in consumer sentiment in Switzerland between July and October 2016. The index currently stands at -13 points and has consistently come in at a value below its long-term average for over a year now. However, consumers believe that the outlook for the economy over the coming months is considerably better than in July. The assessment of price trends also underwent an upward adjustment.

Apartment buildings (1)

	Demand		Supply		Cash-flow		Initial yields		Market values	
	2016	2017	2016	2017	2016	2017	2016	2017	2017	2018
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: <https://metaanalysen.ch/de/immobilien/>

Source: Fahländer Partner.

Office buildings (new construction) (2)

	Demand		Supply		Cash-flow		Initial yields		Market values	
	2016	2017	2016	2017	2016	2017	2016	2017	2017	2018
Lake Geneva	●	↘	●	→	●	→	●	↗	↗	→
Jura	●	→	●	→	●	→	●	↗	↗	↗
Swiss plateau (Mittelland)	●	→	●	→	●	→	●	→	→	↘
Basel	●	→	●	→	●	→	●	↗	↗	→
Zurich	●	→	●	→	●	↘	●	↗	↗	→
Eastern Switzerland	●	→	●	↘	●	→	●	↗	↗	→
Alpine area	●	→	●	→	●	→	●	↗	↗	→
Southern Switzerland	●	↘	●	→	●	→	●	→	→	→
Switzerland	●	→	●	→	●	↘	●	↗	↗	→

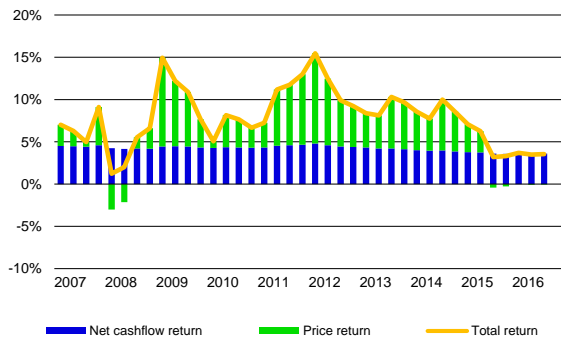
All valuations are done from a owner/seller perspective. The circles describe the actual situation: green: unproblematic situation; yellow: some problems; red: problematic situation. Arrows describe the forecast for the following 12 months. ↗: expected improvement; →: stable; ↘: expected aggravation.

Help text to the valuations: <https://metaanalysen.ch/de/immobilien/>

Source: Fahländer Partner.

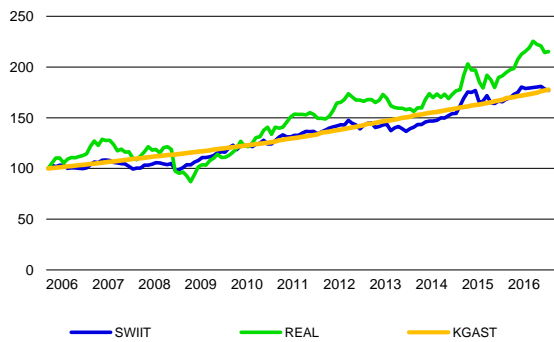
For all sources please check the glossary and impressum on the last page.

SWX IAZI Investment Real Estate Performance Index (3)



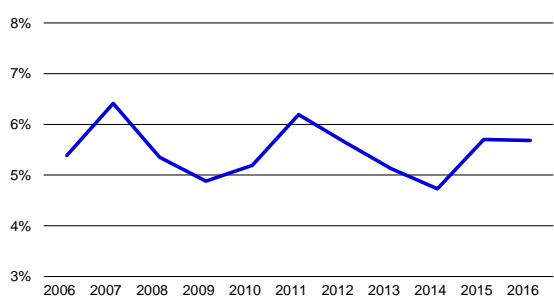
Source: IAZI, cf. meta analysis real estate FPPE.

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.

- In October 2016, the KOF Economic Barometer rose by 3,1 points (from revised 101,6 in September) to 104,7. It thus recovered from its recent summer trough of below the 100 points.
- The UBS consumption indicator rose from 1,53 to 1,59 points in September. The positive trend continues and points to further growth in private consumption for the fourth quarter 2016.
- The procure.ch Purchasing Manager's Index (PMI) by procure.ch/Credit Suisse rose by 1,6 points (rounded) in October 2016 and at 54,7 points closed at its highest level since May 2016 and above the growth threshold of 50 points for the eleventh month in succession.

Economic forecasts Swiss economy

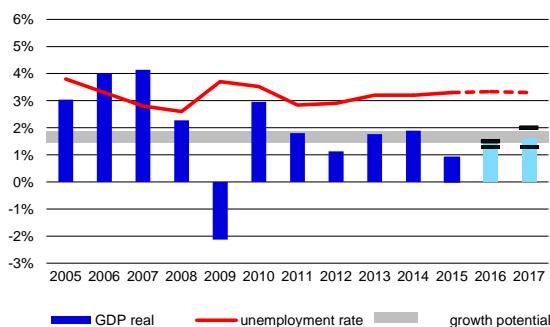
(6)

	SECO		KOF		Créa		CS		UBS		BAK		Arithmetic means	
	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
GDP, real	1.5	1.8	1.4	1.6	1.3	1.5	1.5	1.5	1.4	1.3	1.5	2.0	1.4	1.6
	→	→	↘	↘	↗	↗	→	→	↗	→	↘	↗	↘	→
Private consumption	0.9	1.3	0.9	0.9	1.1	1.3	0.9	1.0	0.9	1.0	0.9	1.1	0.9	1.1
	↘	↘	↘	↘	↗	↗	↘	→	↘	↘	↘	↘	↘	↘
Public consumption	2.2	2.3	1.4	0.8	-	-	2.3	1.8	2.1	0.8	2.3	1.1	2.1	1.4
	→	→	↘	↘	↗	↗	↗	→	↗	→	↘	↘	↗	→
Equipment investments	3.8	2.3	3.6	-0.5	3.6	3.4	3.1	2.5	3.1	0.8	4.0	3.2	3.5	2.0
	↗	→	↗	↘	↗	↗	↗	→	↗	↘	→	↗	↗	↗
Investments in construction	0.4	1.5	0.4	0.9	0.3	2.8	0.5	1.5	-0.2	0.7	0.4	1.3	0.3	1.5
	↗	↗	↗	↘	→	↗	→	↗	↘	→	→	↘	↗	↗
Exports	4.7	3.2	5.6	2.2	5.6	1.7	4.7	4.5	4.8	3.0	5.1	2.7	5.1	2.9
	↗	↘	↗	↘	↗	↘	↗	→	↗	↘	↗	↗	↗	→
Imports	3.6	3.5	3.2	2.5	4.9	5.9	3.0	3.5	3.4	3.1	3.1	3.1	3.5	3.6
	↘	→	↘	↘	↗	↘	→	→	↘	↘	↘	↗	↘	↗
Unemployment rate	3.3	3.2	3.3	3.3	3.3	3.2	3.3	3.3	3.5	3.5	3.3	3.3	3.3	3.3
	→	↘	→	↘	↘	↘	↘	→	→	↘	→	↘	→	↘
Consumer prices	-0.4	0.0	-0.4	0.3	-0.4	0.6	-0.4	0.5	-0.3	0.4	-0.3	0.4	-0.4	0.4
	→	↘	→	↗	↗	↗	↘	→	→	→	→	→	→	→

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: 15.12.2016 (19.10.2016), KOF: 15.12.2016 (6.10.2016), Créa: 24.10.2016 (25.5.2016), CS: 14.12.2016 (14.9.2016), UBS: 20.10.2016 (30.6.2016), BAKBASEL: 9.12.2016 (13.9.2016).
 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

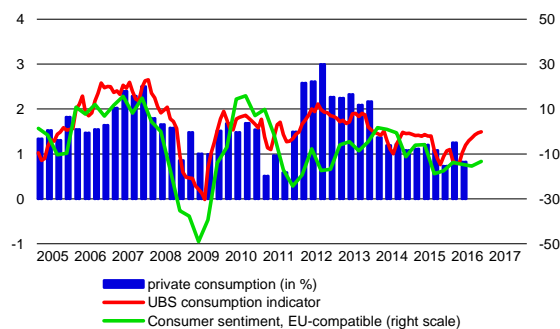
(7)



Note: The values for 2016 and 2017 are forecasts.
 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, Fahrländer partner (growth potential).

Private consumption, consumer sentiment and UBS consumption indicator

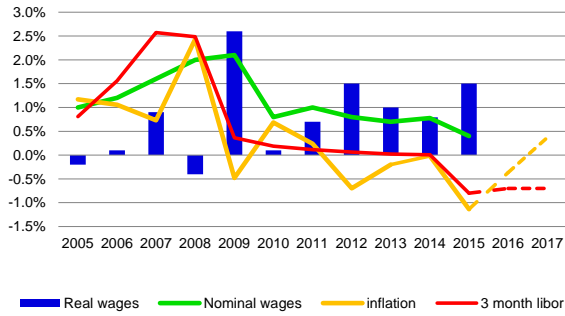
(8)



- In October, the UBS consumption indicator rose from 1,47 to 1,49 points.
 Positive developments in the automobile market and robust domestic tourism continue to support private consumption.

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

Real wages and rate of price increase



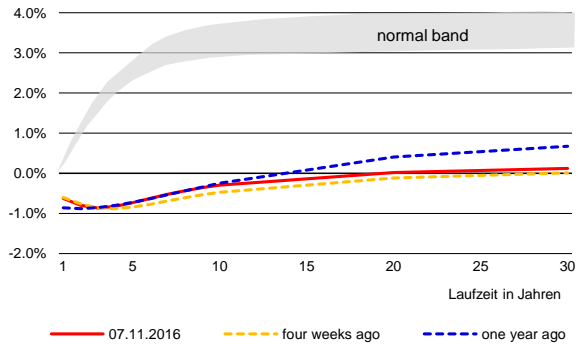
(9)

Inflation forecast SNB	2016	2017	2018
Forecast December 2016	-0.4%	0.1%	0.5%
Libor	-0.75%		
Forecast September 2016	-0.4%	0.2%	0.6%
Libor	-0.75%		

- Compared to September, the new conditional inflation forecast of the SNB has been revised slightly downwards in the short term. The SNB anticipates an unchanged inflation rate of -0.4% for 2016, for 2017 +0.1% (September: +0.2%).

Source: FSO, cf. meta analysis economy FPRE.

Yields on Confederation bonds

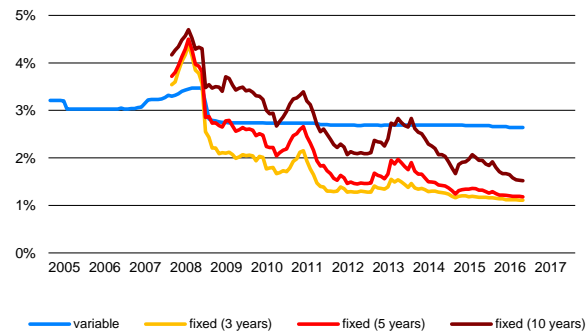


(10)

Duration	07.11.2016	four weeks ago	one year ago
1 year	-0.63%	-0.60%	-0.86%
5 years	-0.73%	-0.84%	-0.72%
10 years	-0.29%	-0.47%	-0.25%

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

Mortgage rates

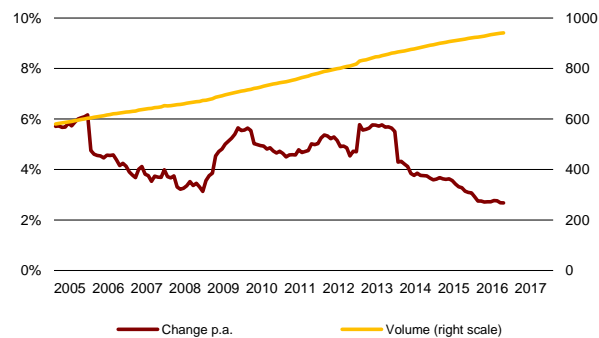


(11)

Mortgage	September 2016
variable	2.6%
fixed (3 years)	1.1%
fixed (5 years)	1.2%
fixed (10 years)	1.5%

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

Mortgage volume inland (in bn CHF)



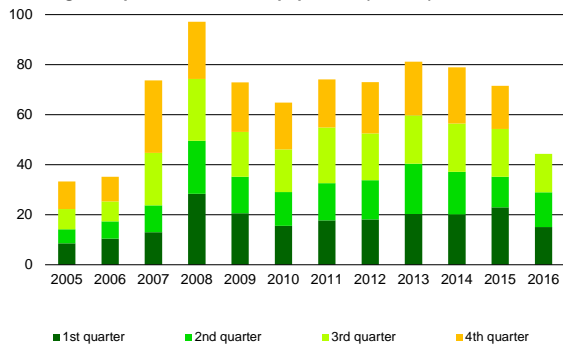
(12)

September 2016	Volume in billion CHF	Change p.a.
Mortgage claims	941.2	2.7%

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

Net immigration permanent resident population (in 1'000)

(13)



3rd quarter 2016

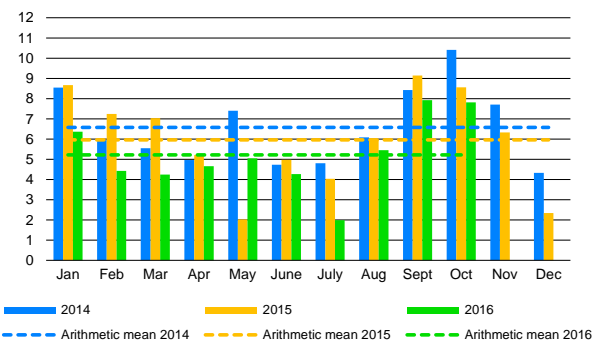
Net immigration permanent resident population (in 1'000)

15.3

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

Net immigration monthly (in 1'000)

(14)



October 2016

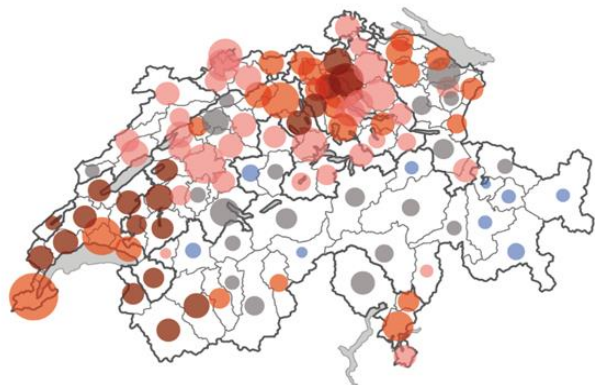
Net immigration permanent resident population (in 1'000)

10.4

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

Population growth by MS regions (2012-2015)

(15)



- < 0%
- 0% bis 2%
- 2% bis 3.5%
- 3.5% bis 5%
- > 5%

Note: circle radius in relation to population 2015.

Maps: FSO Geostat/Swisstopo.

Source: FSO, cf. Immobilien-Almanach Schweiz 2017.

Forecast construction activity

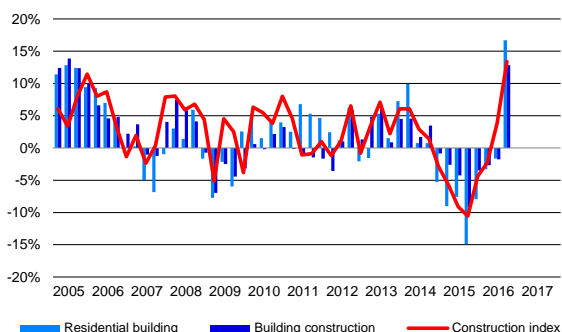
(16)

in m CHF	2016	2017	2018	Change p.a.	2016	2017	2018
Building construction	53'886	54'812	55'523	Building construction	0.6%	1.7%	1.3%
Residential building	33'154	33'804	34'286	Residential building	0.7%	2.0%	1.4%
Industrial buildings	11'981	12'053	12'110	Industrial buildings	0.2%	0.6%	0.5%
Infrastructure	8'751	8'955	9'126	Infrastructure	1.1%	2.3%	1.9%

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

Construction index Credit Suisse / SBV (nominal)

(17)



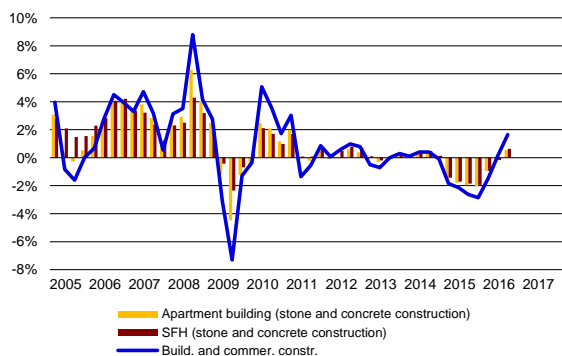
3rd quarter 2016	Index (1996=100)	Change p.a.
Construction index total		13%
- Building construction		13%
- Residential building		17%

- 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)



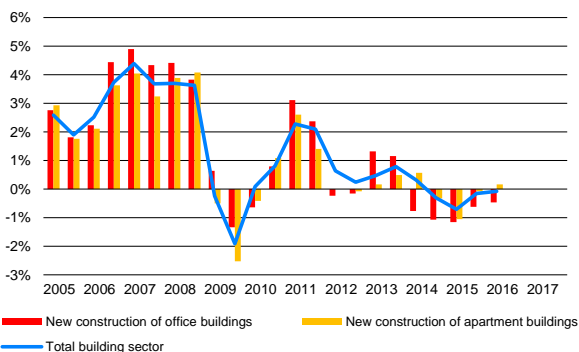
3rd quarter 2016	Index (2003=100)	Change compared to previous quarter	Change p.a.
Stone and concrete construction			
- Apartment building	110.2	0.6%	0.6%
- SFH	111.5	0.6%	0.7%
Build. and commer. constr.	111.6	1.7%	1.1%

- 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)



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.

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«Immobilien-Almanach Schweiz»

On 22 december 2016, the guide for Swiss residential and commercial properties markets for the year 2017 will be published (in German).

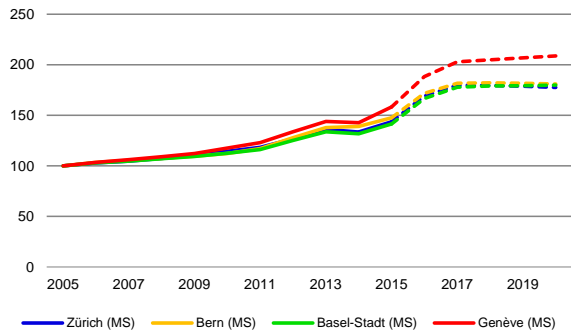
Order: almanach@fpre.ch

Costs: CHF 150 / copy

Information: <https://www.fpre.ch/en/products/immobilien-almanach/>

Market value index apartment buildings

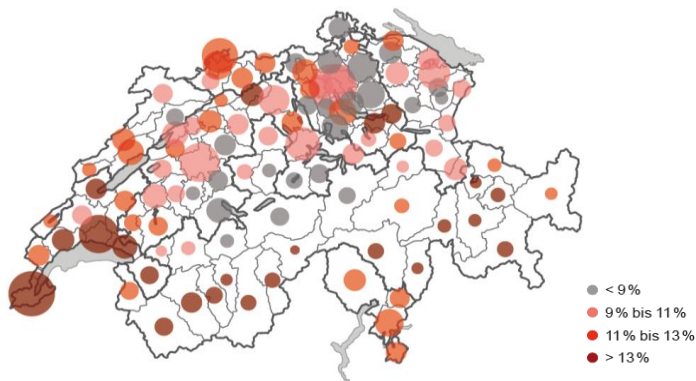
(20)



Note: market value index (2005=100).
Source: RESC Fahländer Partner, base scenario November 2016.

Market value evolution apartment buildings 2015-2019

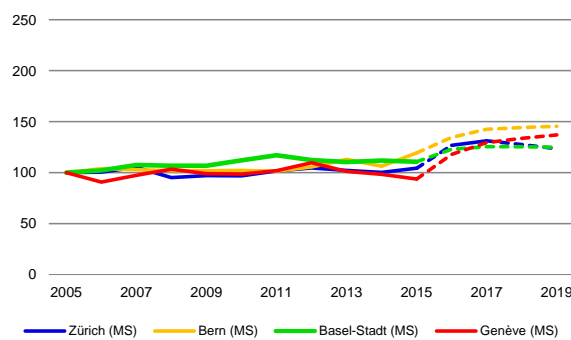
(21)



Note: all values are based on new constructions (excl. depreciation).
Circle radius in relation to stock of rented apartments 2015.
Maps: FSO Geostat/Swisstopo.
Source: RESC Fahländer Partner, base scenario November 2016.

Market value index office property

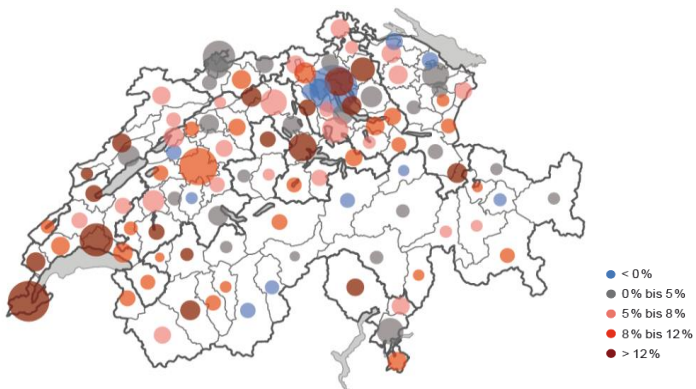
(22)



Note: market value index (2005=100).
Source: RESC Fahländer Partner, base scenario November 2016.

Market value evolution office property 2015-2019

(23)



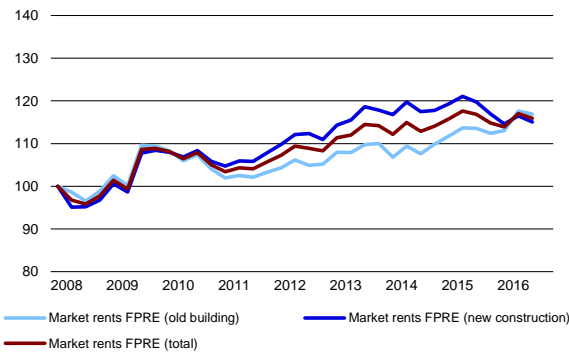
Note: all values are based on new constructions (excl. depreciation).
Circle radius in relation to stock of office space 2014.
Maps: FSO Geostat/Swisstopo.
Source: RESC Fahländer Partner, base scenario November 2016.

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

CS(2)		FPRE(1)		W&P(2)
Rents	Rents	Prices	Prices	Rents
Forecast	2017	2017	2018	2017
→	→	↗	→	-0.7%

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

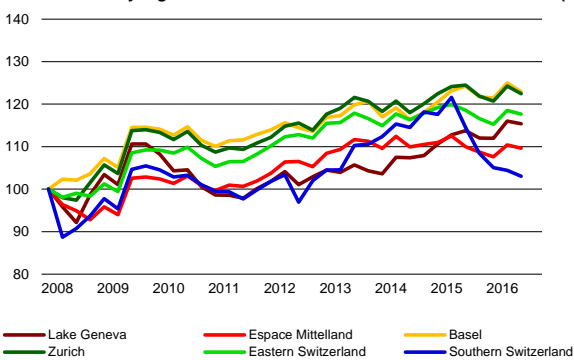
Market rents rented apartments (RA) Switzerland (25)



3rd quarter 2016	Index (=100)	Changes to previous quarter	Change p.a.
Lake Geneva	115.4	-0.5%	1.4%
Jura	101.6	1.6%	5.7%
Espace Mittelland	109.6	-0.7%	-0.3%
Basel	122.9	-1.7%	-1.1%
Zurich	122.5	-1.5%	-1.6%
Eastern Switzerland	117.6	-0.7%	-0.8%
Alps	110.9	0.0%	1.0%
Southern Switzerland	103.1	-1.3%	-10.0%

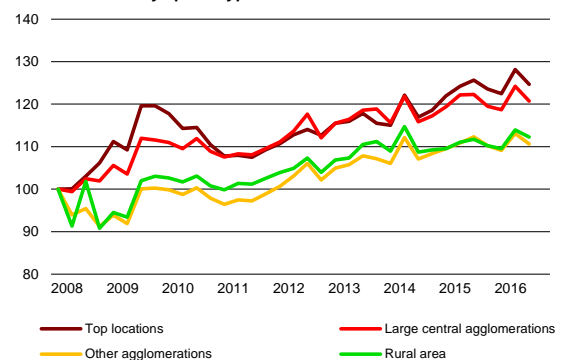
Source: Fahrländer Partner, meta analysis real estate FPRE.

Market rents RA by region (26)



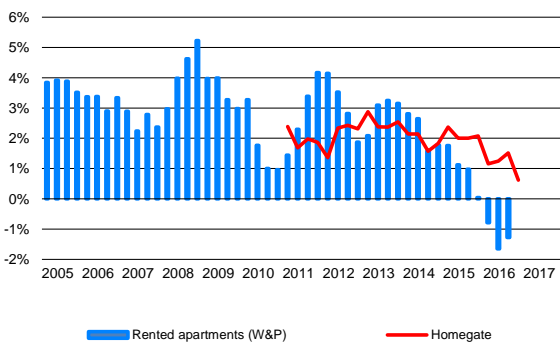
Source: Fahrländer Partner, meta analysis real estate FPRE.

Market rents RA by spatial type (27)



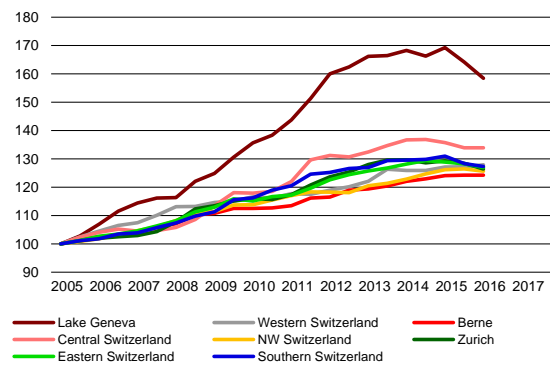
Source: Fahrländer Partner, meta analysis real estate FPRE.

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



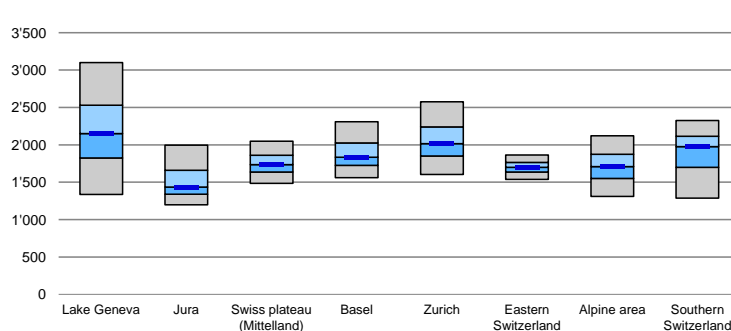
Source: Homegate, Wüest Partner, cf. meta analysis real estate FPRE.

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

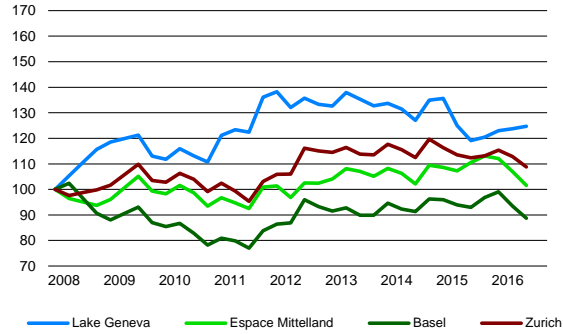
(31)

	CS(2)	FPRE(1)		W&P(2)
	Forecast	2017	2018	2017
Rents	↘	↘		-0.8%
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)

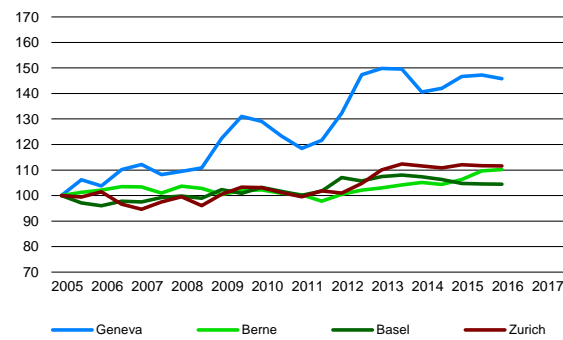
(32)



	3rd quarter 2016	Index (=100)	Changes to previous quarter	Change p.a.
Lake Geneva		124.7	0.8%	4.7%
Espace Mittelland		101.6	-5.1%	-8.1%
Basel		88.7	-5.1%	-4.6%
Zurich		108.8	-3.6%	-3.2%

Source: Fahrländer Partner, meta analysis real estate FPRE.

Quoted rents for office space (net rents)



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

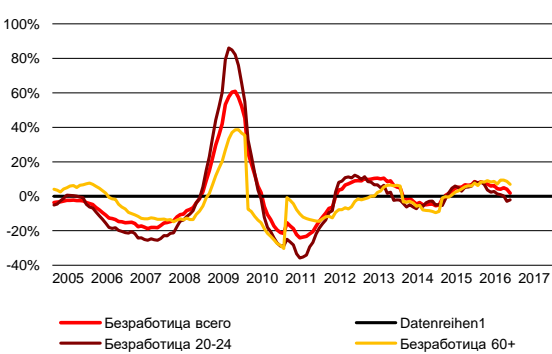
(33) Office space: supply rate for the major Swiss centres

(34)

		Zurich	Geneva	Basel	Switzerland
3st quarter 2016	JLL	4.0%	4.9%	2.6%	-
	CBRE	3.5%	5.8%	-	-
	WP	6.4%	12.4%	2.7%	6.5%
	CS	-	-	-	-
	CSL	-	-	-	-
Change compared to previous quarter	JLL	-0.18%p	0.26%p	-	-
	CBRE	-0.32%p	-0.52%p	-	-
	WP	-0.60%p	-0.80%p	-0.10%p	-0.50%p
	CS	-	-	-	-
	CSL	-	-	-	-
Change p.a.	JLL	0.05%p	-0.14%p	-	-
	CBRE	-1.38%p	-	-	-
	WP	-0.50%p	1.00%p	-0.30%p	-0.50%p
	CS	-	-	-	-
	CSL	-	-	-	-

Source: JLL, CBRE, WP, CS, CSL Immobilien.

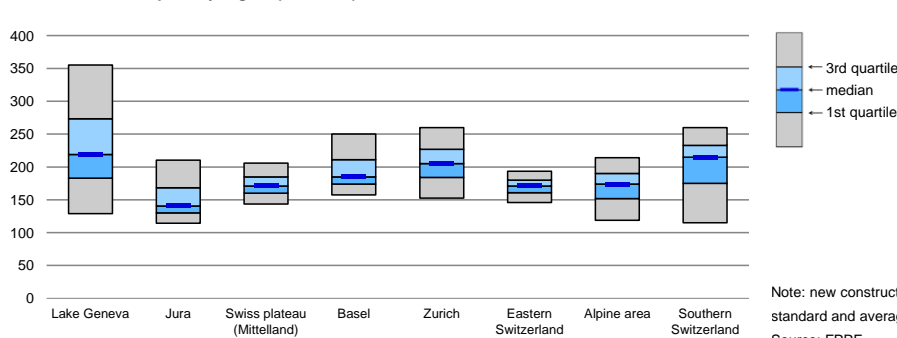
Change in job vacancies



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 2016
3	Cf. meta analysis real estate FPPE		IAZI	3rd quarter 2016
4	Closing Prices	SWIIT, REAL KGAST	SIX KGAST	30.11.2016 30.11.2016
5			SFA	2nd quarter 2015
6	Cf. meta analysis economy FPPE		SECO FSO SECO KOF Créa Credit Suisse	November 2016 November 2016 15.12.2016 15.12.2016 24.10.2016 14.12.2016
7	Cf. meta analysis economy FPPE		UBS	20.10.2016 fig. 6
8	Cf. meta analysis economy FPPE		SECO SECO FSO	3rd quarter 2016 November 201 2016
9	Cf. meta analysis economy FPPE		FSO	2016
10	Cf. meta analysis real estate FPPE		SNB	07.11.2016
11-12	Cf. meta analysis real estate FPPE		SNB	Sept 2016
13	Cf. meta analysis real estate FPPE		FSO, SEM	3rd quarter 2016
14	Cf. meta analysis real estate FPPE		SEM	October 2016
15	Immobilien-Almanach Schweiz 2017		FSO, FOM	2015
16	Cf. meta analysis real estate FPPE			
17	Nominal change compared to same quarter of previous year		Credit Suisse, SBV	3rd quarter 2016
18			SBV	3rd quarter 2016
19			FSO, FOM	1st half year 2016
20	Base scenario November 2016		Fahrländer Partner	4th quarter 2014
21	Cf. meta analysis real estate FPPE Base scenario November 2016 Maps		Fahrländer Partner FSO Geostat/Swisstopo	4th quarter 2014
22	Base scenario November 2016		Fahrländer Partner	4th quarter 2014
23	Cf. meta analysis real estate FPPE Base scenario November 2016 Maps		Fahrländer Partner	4th quarter 2014
24	Cf. meta analysis real estate FPPE			
25-27	Cf. meta analysis real estate FPPE		Fahrländer Partner	3rd quarter 2016
28			Homegate Wüest Partner	3rd quarter 2015 3rd quarter 2016
29	Cf. meta analysis real estate FPPE		SNB/W&P	1st half year 2016
30			IMBAS FPPE	4th quarter 2014
31	Cf. meta analysis real estate FPPE			
32	Cf. meta analysis real estate FPPE		Fahrländer Partner	3rd quarter 2016
33	Cf. meta analysis real estate FPPE		SNB/W&P	1. half year 2016
34	Cf. meta analysis real estate FPPE		Jones Lang Lasalle CBRE Wüest Partner Credit Suisse CSL	3st quarter 2016 3st quarter 2016 3st quarter 2016 3st quarter 2016
35	Cf. meta analysis economy FPPE		FSO JOBSTAT	3rd quarter 2016
36			IMBAS FPPE	4th quarter 2014
Forecasts		The Swiss Real Estate Market Immomonitoring Hochbauprognose 2016-2022	Credit Suisse Fahrländer Partner Wüest Partner BAKBASEL	2016 2016 2017 I 1 2016

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