

- According to SWX IAZI real estate price index, the price growth for condominiums decreased slightly in the 2nd quarter 2017 (+1,0%) in comparison to the previous quarter (+1,6%). On a yearly basis, the price growth increased to 2,9% (1st quarter 2017: 1,4%). The performance of apartment buildings was 1,8% on a quarterly basis (1st quarter 2017: 2,5%) and 6,4% on a yearly basis (5,1%). Performance is the total return and includes the net cash flow return and the increase in value.
- In the 1st quarter 2017, the employment in the Swiss office market grew slightly (+0,7%) in comparison to the same quarter of 2016. The sector of corporate services noted an increase of employees (+1,0%), while in the banking sector (-0,2%) and in the information technologies field (-0,3%) employment drop.
- According to the KOF Employment Indicator, signs of an upswing on the Swiss labour market are mounting. In the 3rd quarter 2017, the KOF Employment Indicator has risen to 2,5 points - the highest value in three years.
- SECO: Consumer sentiment in Switzerland is on the rise again in July 2017. The index reached -3 points – well above the long-term average (-9 points). This confirms the recovery in sentiment from the lows following the sharp rise in the Swiss franc.

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: Fahrländer 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	●	→	●	→	●	↘	●	↗	→	→

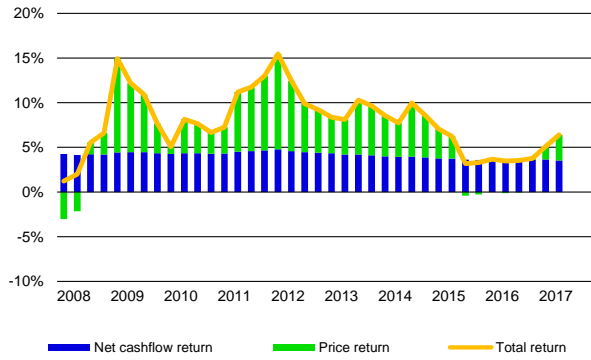
All valuations are done from a owner/seller perspective. The circles describe the actual situation: green: unproblematic situation; yellow: some problems; red: problematic situation. Arrows describe the forecast for the following 12 months. ↗: expected improvement; →: stable; ↘: expected aggravation.

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Source: Fahrländer Partner.

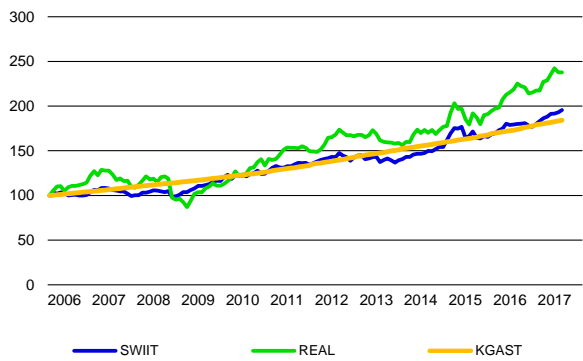
For all sources please check the glossary and impressum on the last page.

SWX IAZI Investment Real Estate Performance Index (3)



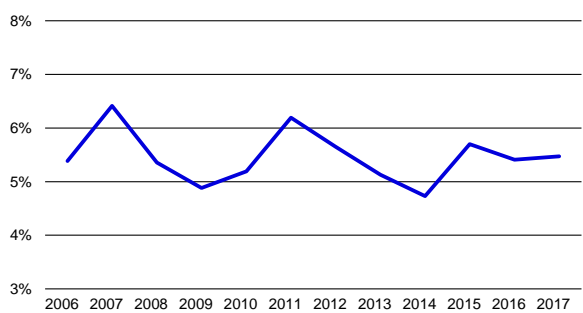
Source: IAZI, cf. meta analysis real estate FPRE.

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 July 2017, the KOF Economic Barometer rose further: The new reading of 106,8 remains above its long-term average. The strongest positive impulses stem from indicators for the tourist industry as well as from the ones for the export development.
- SECO: Consumer sentiment in Switzerland is on the rise again in July 2017. The index reached -3 points – well above the long-term average (-9 points). This confirms the recovery in sentiment from the lows following the sharp rise in the Swiss franc.
- UBS consumption indicator printed 1,38 in June 2017, pointing to subdued growth in Swiss private consumption in recent months.
- According to SECO surveys, at the end of July 2017 there were 133'926 registered unemployed persons, i.e. 323 more than in June 2017. The unemployment rate remained therefore unchanged at 3,0%. In comparison to the same month of the previous year, the number of unemployed persons decreased by 5'834 units (-3,9%).

Economic forecasts Swiss economy

(6)

	SECO		KOF		Créa		CS		UBS		BAK		Arithmetic means	
	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018
GDP, real	1.4	1.9	1.3	2.1	1.7	1.8	1.5	1.7	1.4	1.6	1.4	1.8	1.5	1.8
	↘	→	↘	↗	↗	↘	→	→	→	→	↘	→	→	→
Private consumption	1.5	1.4	1.2	1.0	1.3	1.4	1.3	1.5	1.3	1.3	1.4	1.6	1.3	1.4
	→	→	↗	→	→	→	↗	→	→	→	→	→	→	→
Public consumption	1.7	1.8	1.3	1.2	-	-	1.8	1.8	1.6	1.0	1.5	1.1	1.6	1.4
	↘	↘	↘	→	→	→	→	→	↗	→	↗	→	→	→
Equipment investments	2.3	2.3	-0.2	0.2	0.9	1.6	2.5	2.8	1.7	2.3	2.0	3.8	1.5	2.2
	→	→	↗	↘	↘	↘	→	→	↗	↘	↗	→	→	→
Investments in construction	0.9	1.2	1.2	2.2	1.0	0.3	1.0	1.5	0.6	1.2	1.0	1.2	1.0	1.3
	↘	↘	↗	↘	↘	↘	→	→	↗	→	↘	↘	→	→
Exports	3.0	3.7	2.9	3.3	3.2	3.9	4.5	4.0	2.7	2.7	3.0	3.7	3.2	3.6
	↗	→	↗	↘	↗	↗	→	→	↗	↘	↗	↗	→	→
Imports	2.5	3.8	2.2	4.1	5.6	2.6	2.5	3.5	1.4	3.2	2.6	5.6	2.8	3.8
	↘	→	↘	↗	↘	↘	→	→	↘	→	↘	↗	→	→
Unemployment rate	3.2	3.1	3.2	3.2	3.3	3.2	3.3	3.1	3.2	3.0	3.2	3.1	3.2	3.1
	→	→	↘	↘	↗	↗	→	→	→	→	↘	↘	→	→
Consumer prices	0.5	0.2	0.3	0.3	0.7	1.0	0.5	0.5	0.4	0.9	0.4	0.5	0.5	0.6
	→	↘	→	→	↗	↗	→	→	→	→	↗	↘	→	→

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:

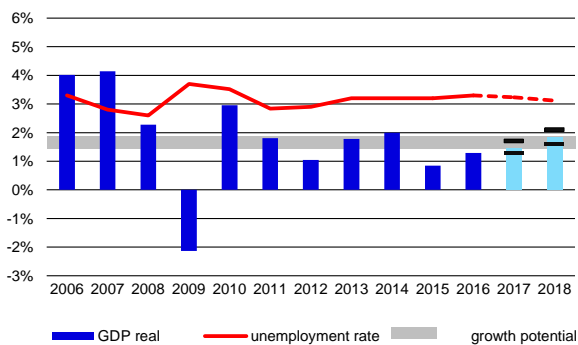
SECO: 20.6.2017 (21.3.2017), KOF: 23.6.2017 (29.3.2017), Créa: 30.5.2017 (24.10.2016), CS: 14.6.2017 (20.3.2017), UBS: 13.7.2017 (10.4.2017), BAK: 13.6.2017 (9.3.2017).

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)



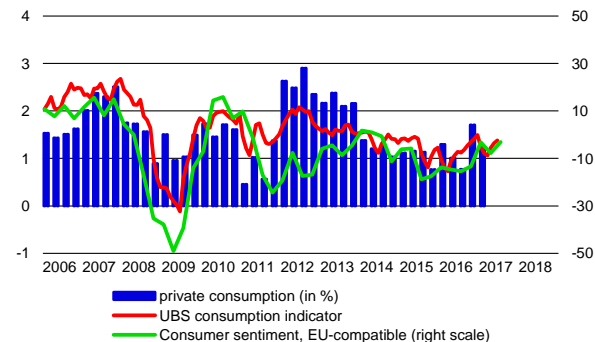
Note: The values for 2016 and 2017 are forecasts.

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)

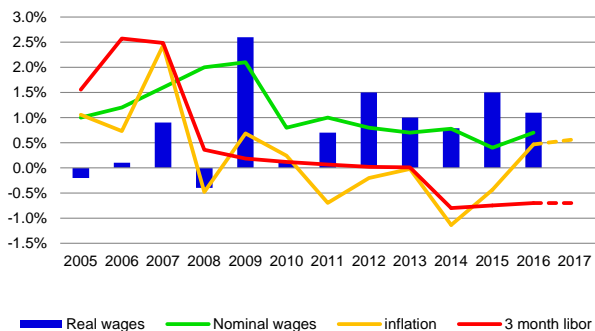


- UBS consumption indicator printed 1,38 in June 2017, pointing to subdued growth in Swiss private consumption in recent months. Relatively weak growth in employment was much to blame for the lackluster number, however this was offset somewhat by robust new car registrations data and overnight hotel stays by Swiss resident.

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

Real wages and rate of price increase

(9)



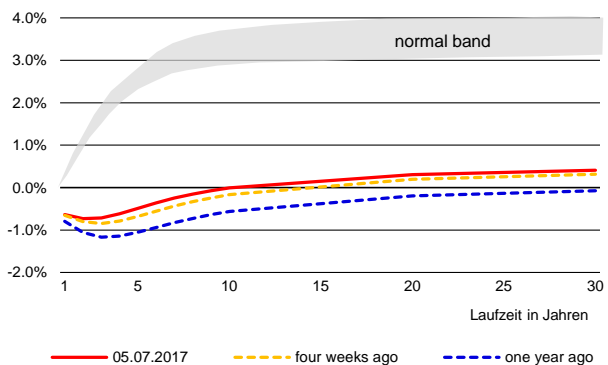
Inflation forecast SNB	2017	2018	2019
Forecast June 2017	0.3%	0.3%	1.0%
Libor	-0.75%		
Forecast March 2017	0.3%	0.4%	1.1%
Libor	-0.75%		

- The conditional inflation forecast of June 2017 differs little from that of March. The SNB continues to anticipate an inflation rate of 0,3% for 2017. For 2018, the SNB forecasts a rate of 0,3% (March 2017: 0,4%) and for 2019 of 1,0% (March 2017: 1,1%).

Source: FSO, cf. meta analysis economy FPPE.

Yields on Confederation bonds

(10)

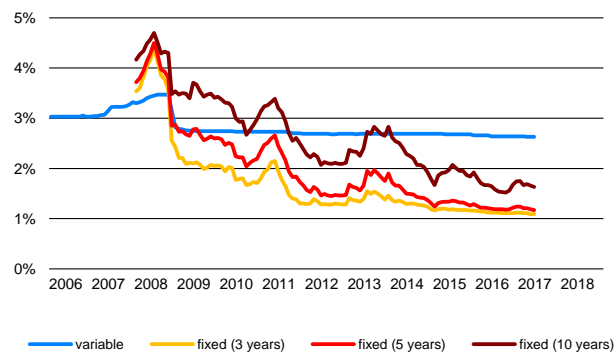


Duration	05.07.2017	four weeks ago	one year ago
1 year	-0.64%	-0.65%	-0.79%
5 years	-0.49%	-0.68%	-1.05%
10 years	0.00%	-0.17%	-0.56%

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

Mortgage rates

(11)

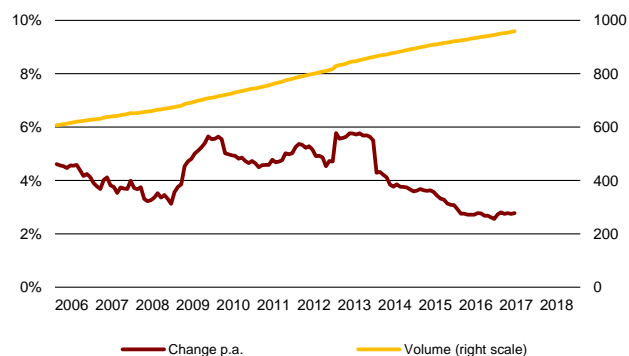


Mortgage	May 2017
variable	2.6%
fixed (3 years)	1.1%
fixed (5 years)	1.2%
fixed (10 years)	1.6%

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

Mortgage volume inland (in bn CHF)

(12)

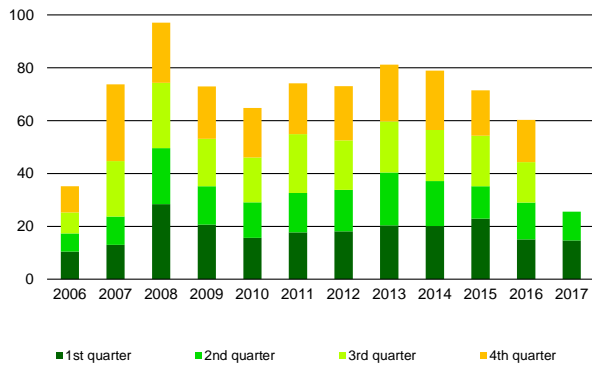


May 2017	Volume in billion CHF	Change p.a.
Mortgage claims	959.6	2.8%

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

Net immigration permanent resident population (in 1'000)

(13)



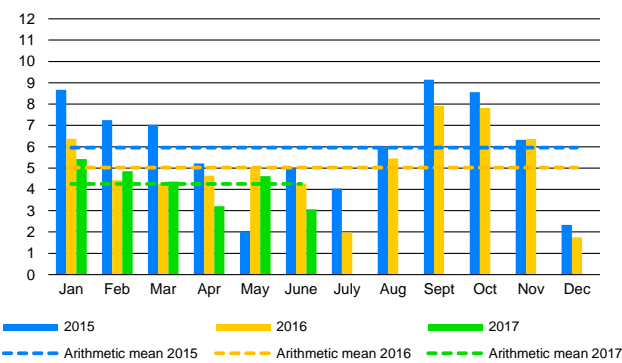
2nd quarter 2017

Net immigration permanent resident population (in 1'000)
10.9

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

Net immigration monthly (in 1'000)

(14)



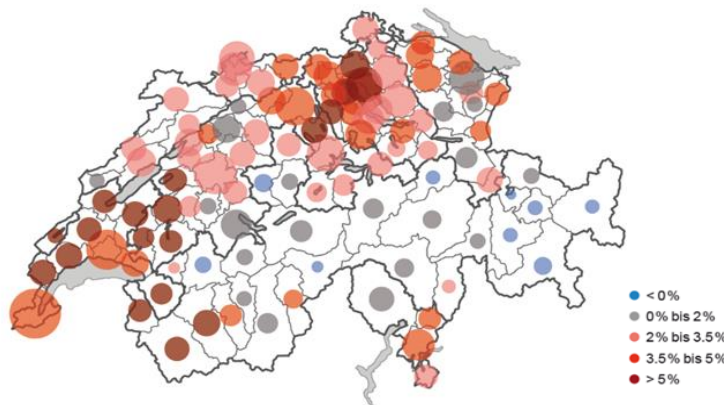
June 2017

Net immigration permanent resident population (in 1'000)
3.1

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

Population growth by MS regions (2012-2015)

(15)



Note: circle radius in relation to population 2015.
Maps: FSO Geostat/Swisstopo.

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

Forecast construction activity

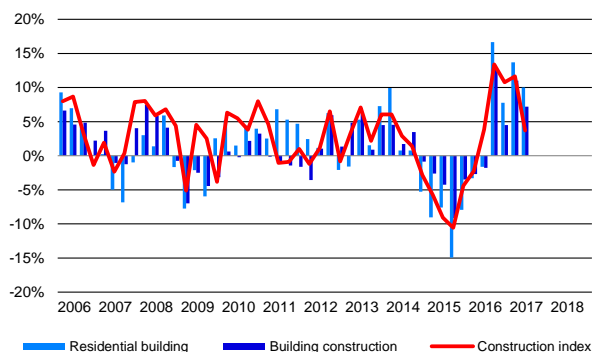
(16)

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)



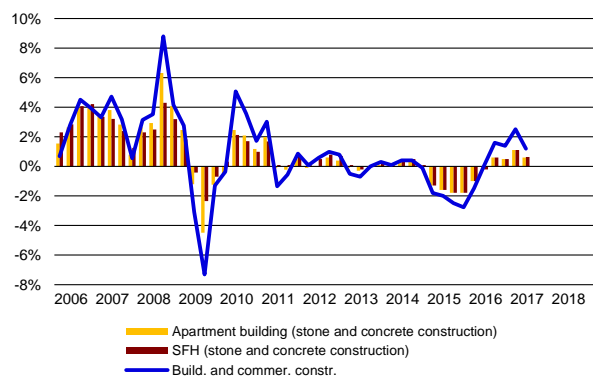
2nd quarter 2017	Index (1996=100)	Change p.a.
Construction index total		4%
- Building construction		7%
- Residential building		10%

- 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)



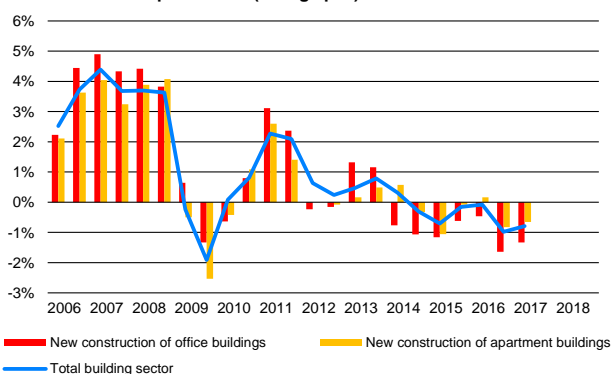
2nd quarter 2017	Index (2003=100)	Change compared to previous quarter	Change p.a.
Stone and concrete construction			
- Apartment building	108.7	0.6%	-0.1%
- SFH	109.0	0.6%	-0.1%
Build. and commer. constr.	111.0	1.2%	-0.1%

- 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)



1st half year 2017	Index (2010=100)	Change compared to previous half year	Change p.a.
Total building sector	101.3	-0.8%	-0.4%
- Office buildings	99.3	-1.3%	-0.7%
- Apartment buildings	100.4	-0.7%	-0.2%

- 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

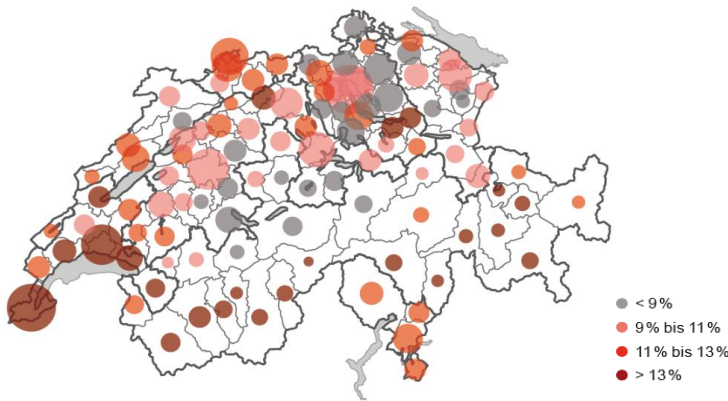
(20)



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

Market value evolution apartment buildings 2015-2019

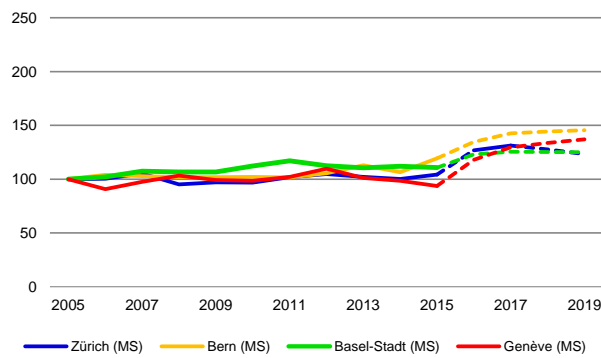
(21)



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 Fahrländer Partner, base scenario November 2016.

Market value index office property

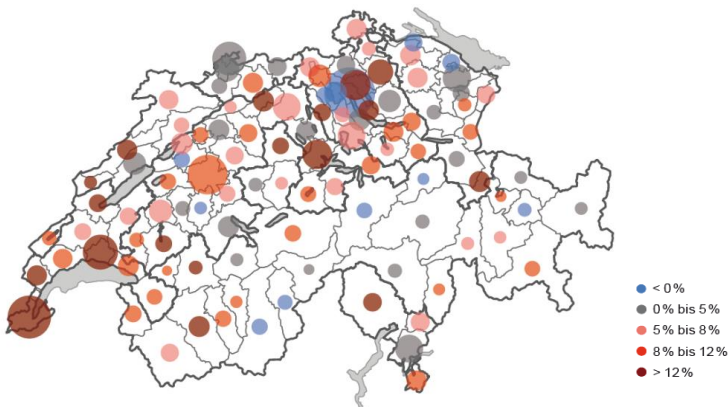
(22)



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

Market value evolution office property 2015-2019

(23)



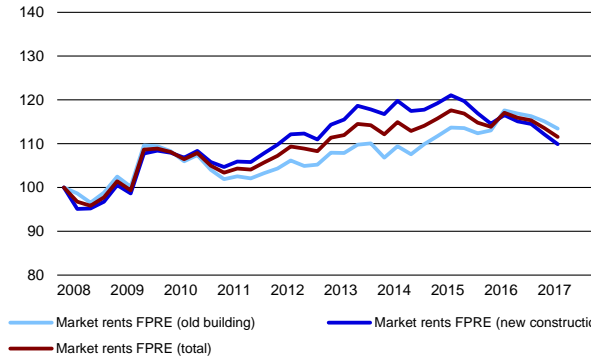
Note: all values are based on new constructions (excl. depreciation).
Circle radius in relation to stock of office space 2014.
Maps: FSO Geostat/Swisstopo.
Source: RESC Fahrländer Partner, base scenario November 2016.

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

CS(2)		FPRE(1)		WP(2)
Rents	Rents	Prices	Prices	Rents
Forecast	2017	2017	2018	2017
↘	→	↗	→	-0.9%

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

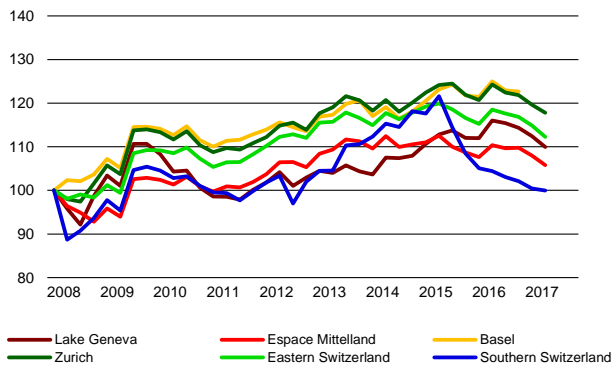
Market rents rented apartments (RA) Switzerland (25)



	2nd quarter 2017	Index (=100)	Changes to previous quarter	Change p.a.
Lake Geneva		110.0	-2.2%	-5.2%
Jura		98.3	-1.7%	-1.7%
Espace Mittelland		105.8	-2.0%	-4.2%
Basel		118.4	-1.6%	-5.2%
Zurich		117.8	-1.6%	-5.2%
Eastern Switzerland		112.3	-2.3%	-5.2%
Alps		110.3	-0.2%	-0.5%
Southern Switzerland		100.0	-0.5%	-4.3%

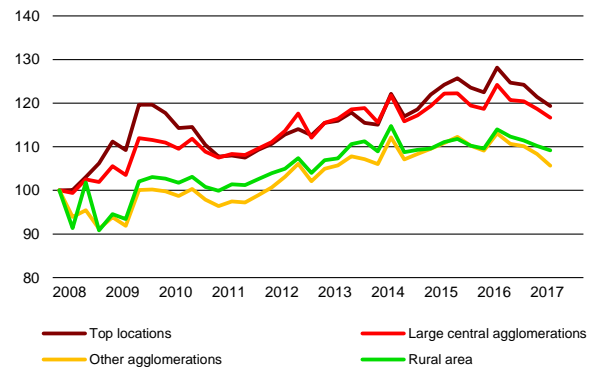
Source: Fahrländer Partner, meta analysis real estate FPRE.

Market rents RA by region (26)



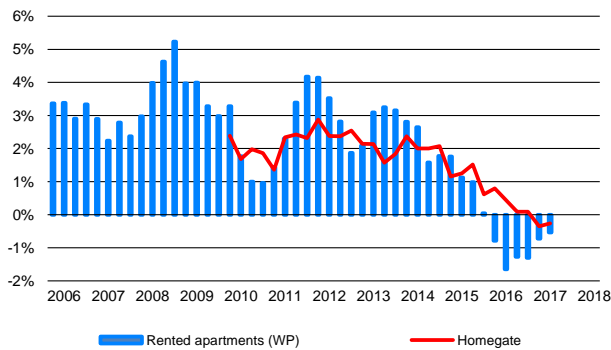
Source: Fahrländer Partner, meta analysis real estate FPRE.

Market rents RA by spatial type (27)



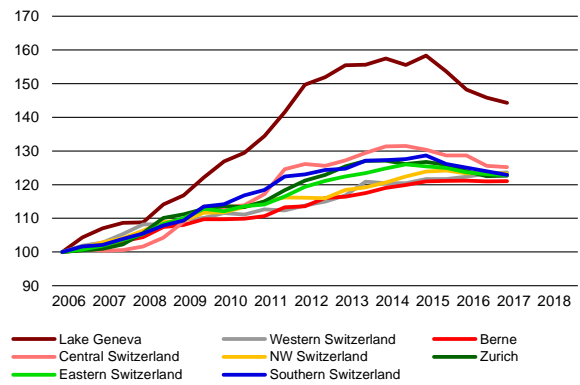
Source: Fahrländer Partner, meta analysis real estate FPRE.

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



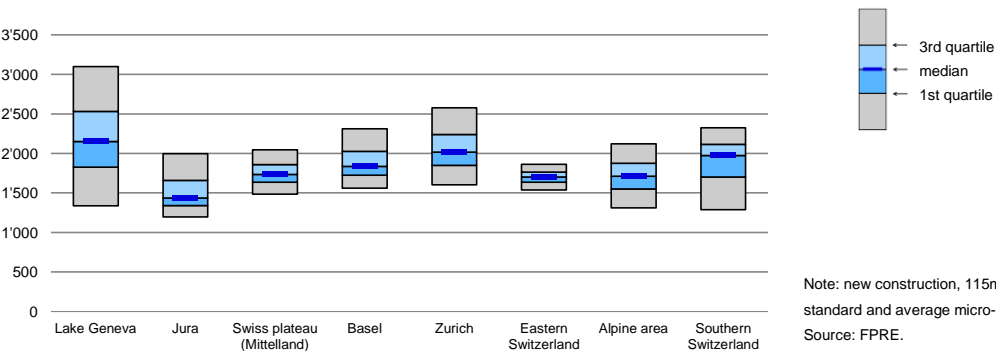
Source: Homegate, Wüest Partner, cf. meta analysis real estate FPRE.

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)



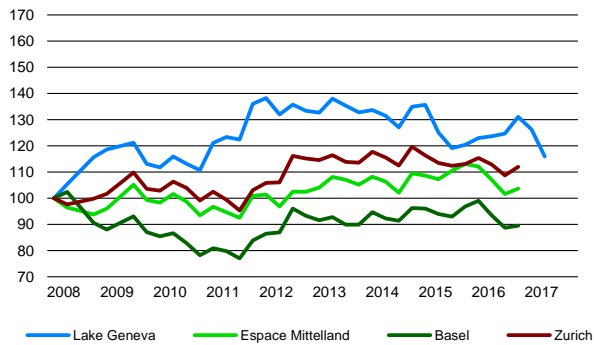
Note: new construction, 115m2 HNF SIA 416, average standard and average micro-location.
Source: FPRE.

Forecast office space (31)

	CS(2)	FPRE(1)		WP(2)
	Forecast	2017	2018	2017
Rents	↘	↘		-0.4%
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)

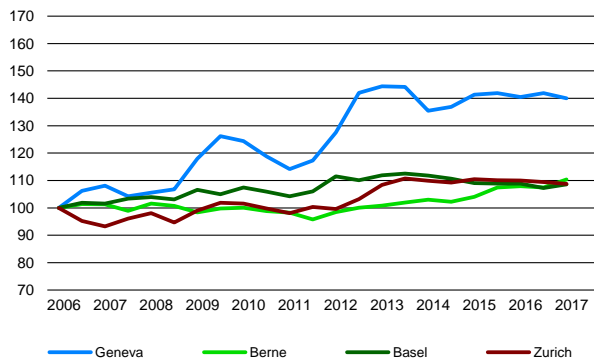


(32)

	2nd quarter 2017	Index (=100)	Changes to previous quarter	Change p.a.
Lake Geneva		115.9	-8.2%	-6.3%
Espace Mittelland		93.6	-5.4%	-12.5%
Basel		80.8	-5.0%	-13.5%
Zurich		100.7	-5.3%	-10.7%

Source: Fahrländer Partner, meta analysis real estate FPRE.

Quoted rents for office space (net rents)



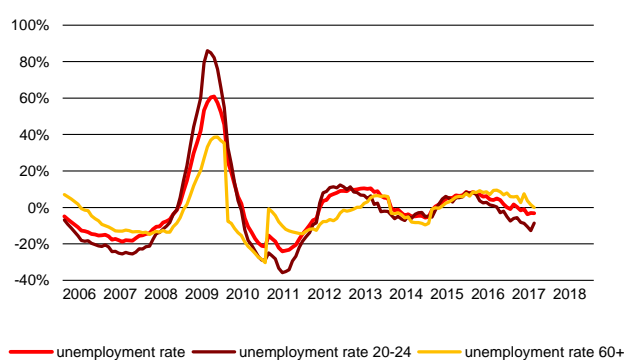
(33) Office space: supply rate for the major Swiss centres

Datenstand		Zurich	Geneva	Basel	Switzerland
2nd Q. 2017	JLL	4.1%	4.3%	-	-
2nd Q. 2017	CBRE	3.0%	5.6%	-	-
2nd Q. 2017	WP	6.3%	12.6%	3.5%	6.7%
4th Q. 2016	CS	6.5%	7.0%	3.8%	4.2%
Change compared to previous quarter	JLL	0.10%p	-0.30%p	-	-
	CBRE	-0.10%p	-0.50%p	-	-
	WP	0.30%p	1.10%p	0.30%p	0.30%p
	CS	-	-	-	-
Change p.a.	JLL	-0.08%p	-0.33%p	-	-
	CBRE	-0.80%p	-0.70%p	-	-
	WP	-0.70%p	-0.60%p	0.70%p	-0.30%p
	CS	0.10%p	-1.60%p	-1.00%p	0.00%p

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

Source: JLL, CBRE, WP, CS.

Change in job vacancies

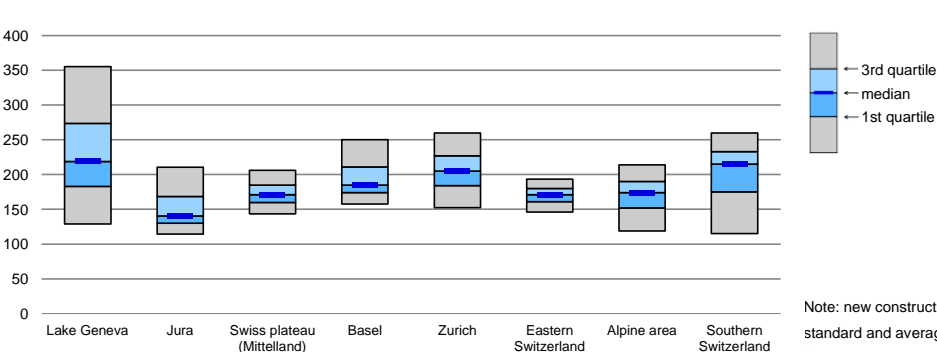


(35)

Index of job vacancies	Change p.a. 1st quarter 2017
TOTAL	14%
Banking and insurance sector	16%
Real estate sector	8%
IT sector	-3%

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

Market rents office space by region (CHF/m2a)



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

(36)

Glossary	Note	Indicator	Source	Data as of
1-2	Cf. meta analysis real estate FPPE		Fahrländer Partner	3rd quarter 2017
3			IAZI	2nd quarter 2017
4	Closing Prices	SWIIT, REAL KGAST	SIX KGAST	30.12.2016 30.12.2016
5			SFA	4th quarter 2015
6	Cf. meta analysis economy FPPE		SECO KOF Créa Credit Suisse UBS BAKBASEL	20.06.2017 23.06.2017 30.05.2017 14.06.2017 13.07.2017 13.06.2017
7	Cf. meta analysis economy FPPE		SECO	08.07.1905 fig. 6
8	Cf. meta analysis economy FPPE		FSO SECO KOF	July 2017 20.06.2017 20.06.2017
9	Cf. meta analysis economy FPPE		FSO	2016
10	Cf. meta analysis real estate FPPE		SNB	05.07.2017
11-12	Cf. meta analysis real estate FPPE		SNB	May 2017
13	Cf. meta analysis real estate FPPE		FSO, SEM	2nd quarter 2017
14	Cf. meta analysis real estate FPPE		SEM	June 2017
15	Immobilien-Almanach Schweiz 2017		FSO, FOM	2015
16	Cf. meta analysis real estate FPPE		BAKBASEL	2016
17	Nominal change compared to same quarter of previous year		Credit Suisse, SBV	2nd quarter 2017
18			SBV	2nd quarter 2017
19			FSO, FOM	1st half year 2017
20	Base scenario November 2016		Fahrländer Partner	4th quarter 2016
21	Cf. meta analysis real estate FPPE Base scenario November 2016 Maps		Fahrländer Partner FSO Geostat/Swisstopo	4th quarter 2016 4th quarter 2016
22	Base scenario November 2016		Fahrländer Partner	4th quarter 2016
23	Cf. meta analysis real estate FPPE Base scenario November 2016 Maps		Fahrländer Partner FSO Geostat/Swisstopo	4th quarter 2016 4th quarter 2016
24	Cf. meta analysis real estate FPPE			
25-27	Cf. meta analysis real estate FPPE		Fahrländer Partner	2nd quarter 2017
28			Homegate Wüest Partner	2nd quarter 2017 2nd quarter 2017
29	Cf. meta analysis real estate FPPE		SNB/WP	1st half year 2017
30			IMBAS FPPE	4th quarter 2016
31	Cf. meta analysis real estate FPPE			
32	Cf. meta analysis real estate FPPE		Fahrländer Partner	2nd quarter 2017
33	Cf. meta analysis real estate FPPE		SNB/WP	1. half year 2017
34	Cf. meta analysis real estate FPPE		Jones Lang Lasalle CBRE Wüest Partner Credit Suisse	2nd quarter 2017 2nd quarter 2017 2nd quarter 2017 4th quarter 2016
35	Cf. meta analysis economy FPPE		SECO	May 2017
36			IMBAS FPPE	4th quarter 2016
Forecasts		Schweizer Immobilienmarkt 2017 Immobilien-Almanach Schweiz 2017 Immo-Monitoring 2017 2 UBS Real Estate Focus 2017 Hochbauprognose 2016-2022	Credit Suisse Fahrländer Partner Wüest Partner UBS BAKBASEL	2016 2016 2016 2016 2016

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