

\* Update due to the publication of the "Immobilien-Almanach Schweiz 2018" (22th December 2016) by FPRE.

- SWX IAZI real estate price index: Prices for apartment buildings rose to 1,6% in the 3rd quarter 2017 (previous quarter: 1,0%). Out of an annual perspective, the price trend is much more dynamic. It rose from 2,9% in the previous quarter to 4,5%.

The performance of apartment buildings was 2,4% on a quarterly basis (previous quarter: 1,8%) and 8,0% on a yearly basis (previous quarter: 6,4%). Performance is the total return and includes the net cash flow return and the increase in value.

- The employment growth in the Swiss office market rose slightly by 0,9% in the 2nd quarter 2017 (compared with the previous year). The sector of corporate services noted an increase of employees (+1,2%), while employment in the banking sector (-0,2%) and in the real estate sector (-0,3%) has declined.

- Consumer sentiment in Switzerland remains above average. At -2 points, the overall index is virtually unchanged in October 2017 compared to the previous quarter (-3 points). Continued optimism regarding economic development and unemployment are supporting the positive outlook in particular.

#### Apartment buildings

(1)

	Demand		Supply		Cash-flow		Initial yields		Market values	
	2017	2018	2017	2018	2017	2018	2017	2018	2018	2019
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: Fahlränder Partner.

#### Office buildings (new construction)

(2)

	Demand		Supply		Cash-flow		Initial yields		Market values	
	2017	2018	2017	2018	2017	2018	2017	2018	2018	2019
Lake Geneva	●	↘	●	→	●	↘	●	→	→	→
Jura	●	→	●	→	●	→	●	→	↘	→
Swiss plateau (Mittelland)	●	→	●	→	●	↘	●	→	↘	↘
Basel	●	→	●	→	●	↘	●	→	↘	→
Zurich	●	→	●	→	●	↘	●	↗	→	→
Eastern Switzerland	●	→	●	→	●	↘	●	→	↘	→
Alpine area	●	→	●	→	●	→	●	→	↘	→
Southern Switzerland	●	↘	●	→	●	↘	●	→	↘	→
Switzerland	●	→	●	→	●	↘	●	→	↘	→

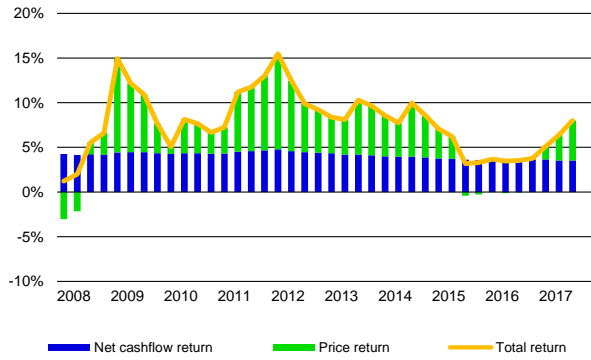
All valuations are done from a owner/seller perspective. The circles describe the actual situation: green: unproblematic situation; yellow: some problems; red: problematic situation. Arrows describe the forecast for the following 12 months. ↗: expected improvement; →: stable; ↘: expected aggravation.

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Source: Fahlränder Partner.

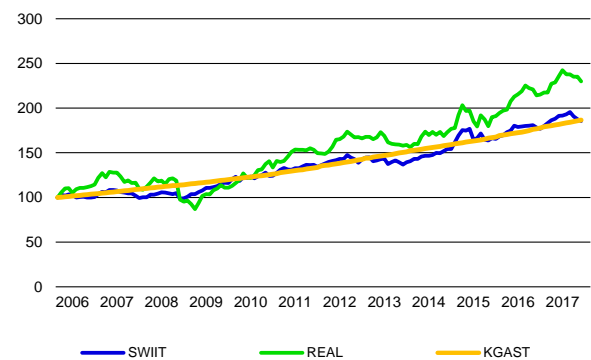
For all sources please check the glossary and impressum on the last page.

SWX IAZI Investment Real Estate Performance Index (3)



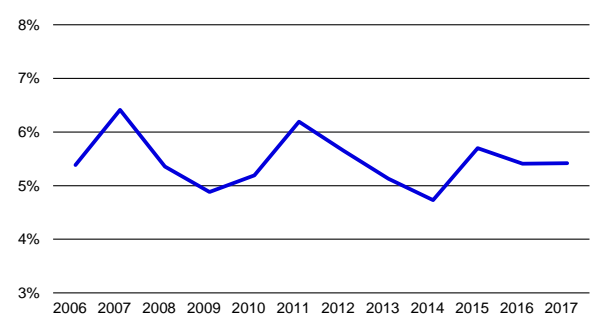
Source: IAZI, cf. meta analysis real estate FPRE.

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.



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 rose by 3,0 points in October 2017. This is the second upward movement in succession. The indicator reached 109,1 points in October (after revised 106,1 in September).
- The UBS consumption indicator rose to 1,56 points in September 2017, signalling consumption growth slightly above the long-term average. The indicator was supported by significantly higher expectations in the retail industry. The franc's devaluation against the euro in the last few months contributed too to boost the mood of retailers.
- According to SECO, in the end of October 2017, 134'800 unemployed were registered at regional unemployment offices, 1'631 more than in the previous month. The unemployment rate remained at 3,0%.  
Compared to the same month in the previous year, unemployment fell by 9'731 persons (-6,7%).

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	0.9	2.0	0.8	2.2	1.7	1.8	1.0	1.7	0.8	1.8	1.0	2.3	1.0	2.0
	↘	↗	↘	↗	↗	↘	↘	→	↘	↗	↘	↗	↘	↗
Private consumption	1.3	1.4	1.3	1.5	1.3	1.4	1.4	1.5	1.3	1.3	1.3	1.6	1.3	1.5
	↘	→	↗	↗	→	→	↗	→	→	→	↘	→	→	↗
Public consumption	1.3	1.2	1.2	1.6	-	-	1.7	1.8	1.4	0.9	1.4	1.3	1.4	1.4
	↘	↘	↘	↗			↘	→	↘	↘	↘	↗	↘	→
Equipment investments	2.3	2.3	1.4	2.8	0.9	1.6	2.6	3.5	2.6	3.4	1.7	4.3	1.9	3.0
	→	→	↗	↗	↘	↘	↗	↗	↗	↗	↘	↗	↗	↗
Investments in construction	1.4	1.2	1.6	1.9	1.0	0.3	0.5	0.5	1.4	1.8	1.3	0.8	1.2	1.1
	↗	→	↗	↘	↘	↘	↘	↘	↗	↗	↗	↘	↗	↘
Exports	3.0	4.2	3.0	4.8	3.2	3.9	3.0	4.0	2.5	3.8	2.5	4.7	2.9	4.2
	→	↗	↗	↗	↗	↗	↘	→	↘	↗	↘	↗	↘	↗
Imports	3.4	4.1	4.0	5.1	5.6	2.6	3.0	3.5	3.3	3.7	2.9	4.7	3.7	4.0
	↗	↗	↗	↗	↘	↘	↗	→	↗	↗	↗	↘	↗	↗
Unemployment rate	3.2	3.0	3.2	3.1	3.3	3.2	3.2	3.1	3.2	3.0	3.2	3.0	3.2	3.1
	→	↘	→	↘	↗	↗	↘	→	→	→	→	↘	→	→
Consumer prices	0.5	0.2	0.4	0.4	0.7	1.0	0.5	0.5	0.5	0.6	0.3	0.6	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:

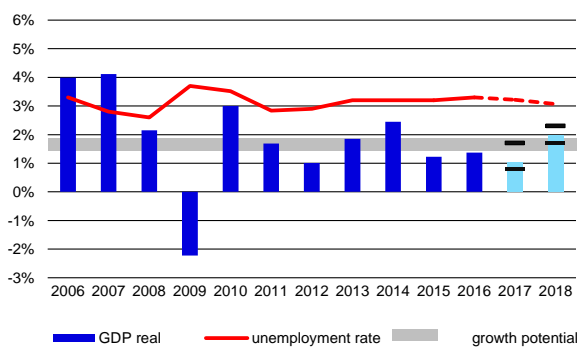
SECO: 21.9.2017 (20.6.2017), KOF: 5.10.2017 (23.6.2017), Créa: 30.5.2017 (24.10.2016), CS: 12.9.2017 (14.6.2017), UBS: 16.11.2017 (13.7.2017), BAK: 14.9.2017 (13.6.2017).

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)



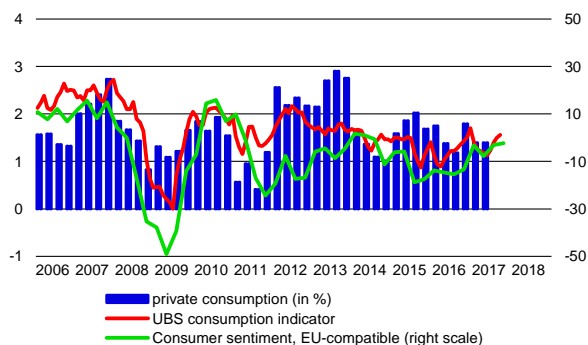
Note: The values for 2016 and 2017 are forecasts.

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)

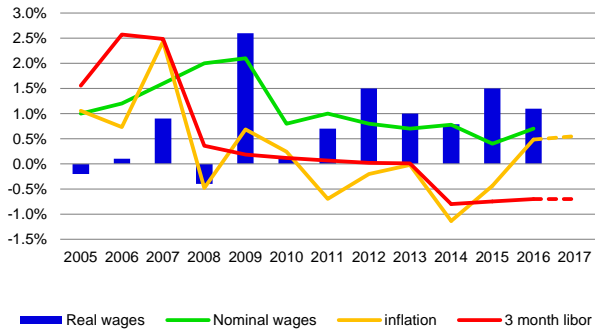


- The UBS consumption indicator rose to 1,56 points in September 2017, signalling consumption growth slightly above the long-term average. The indicator was supported by significantly higher expectations in the retail industry. The franc's devaluation against the euro in the last few months contributed too to boost the mood of retailers.

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

Real wages and rate of price increase

(9)



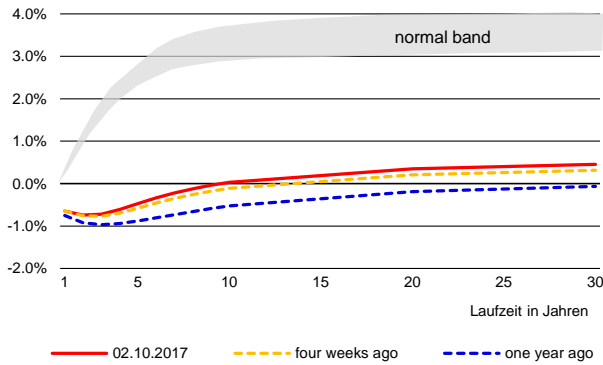
Inflation forecast SNB	2017	2018	2019
Forecast September 2017	0.4%	0.4%	1.1%
Libor	-0.75%		
Forecast June 2017	0.3%	0.3%	1.0%
Libor	-0.75%		

- SNB: for 2017, the conditional inflation forecast has risen marginally to 0,4%, from 0,3% (previous quarter). For 2018, the SNB anticipates an inflation rate of 0,4%, compared to 0,3% (last quarter); for 2019, it expects a rate of 1,1%, (last quarter:1,0%).

Source: FSO, cf. meta analysis economy FPRE.

Yields on Confederation bonds

(10)

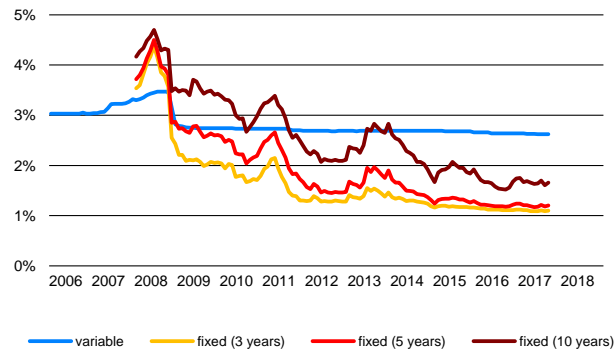


Duration	02.10.2017	four weeks ago	one year ago
1 year	-0.65%	-0.65%	-0.75%
5 years	-0.47%	-0.58%	-0.88%
10 years	0.03%	-0.11%	-0.53%

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

Mortgage rates

(11)

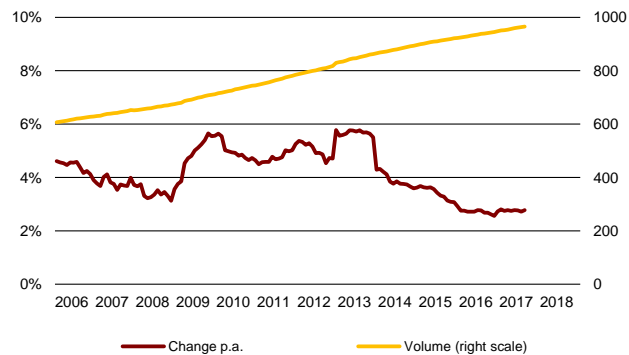


Mortgage	September 2017
variable	2.6%
fixed (3 years)	1.1%
fixed (5 years)	1.2%
fixed (10 years)	1.7%

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

Mortgage volume inland (in bn CHF)

(12)

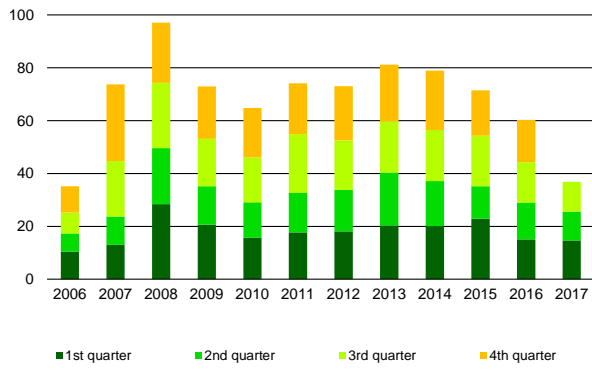


August 2017	Volume in billion CHF	Change p.a.
Mortgage claims	965.6	2.8%

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

Net immigration permanent resident population (in 1'000)

(13)



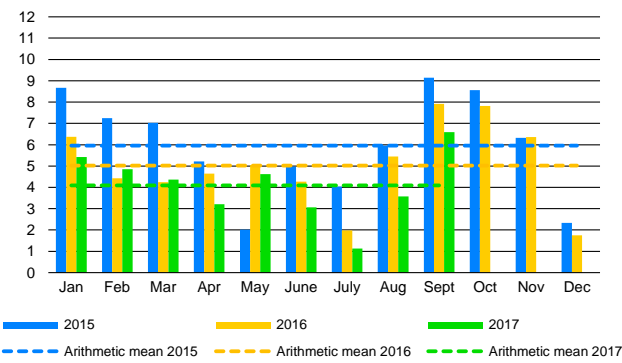
3rd quarter 2017

Net immigration permanent resident population (in 1'000)  
11.3

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

Net immigration monthly (in 1'000)

(14)



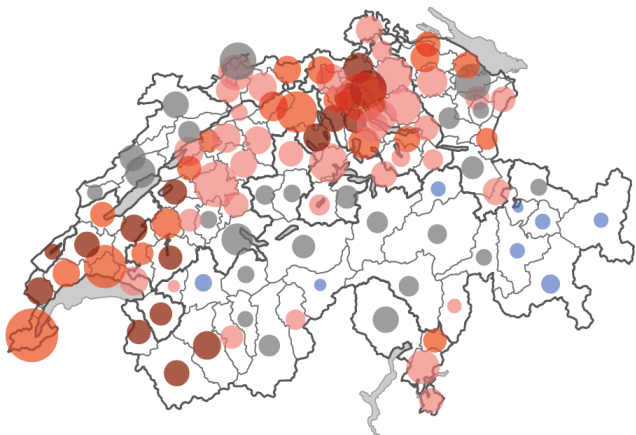
September 2017

Net immigration permanent resident population (in 1'000)  
6.6

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

Population growth by MS regions (2013-2016)

(15)



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

Note: circle radius in relation to population 2016.  
Maps: FSO Geostat/Swisstopo.

Source: FSO, cf. Immobilien-Almanach Schweiz 2018.

## Forecast construction activity

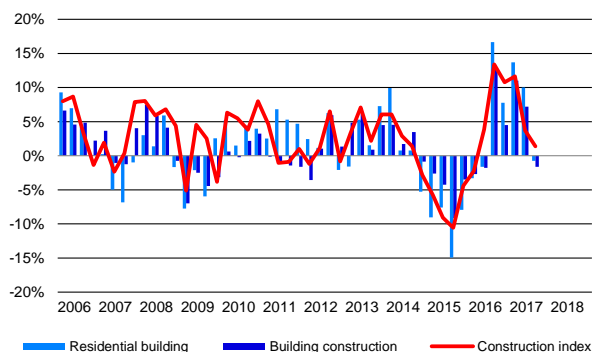
(16)

in m CHF	2017	2018	2019	Change p.a.	2017	2018	2019
Building construction	54'519	54'737	55'063	Building construction	0.7%	0.4%	0.6%
Residential building	33'767	34'249	34'473	Residential building	0.7%	1.4%	0.7%
Industrial buildings	11'617	11'505	11'501	Industrial buildings	1.9%	-1.0%	0.0%
Infrastructure	9'136	8'982	9'089	Infrastructure	-0.9%	-1.7%	1.2%

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

## Construction index Credit Suisse / SBV (nominal)

(17)



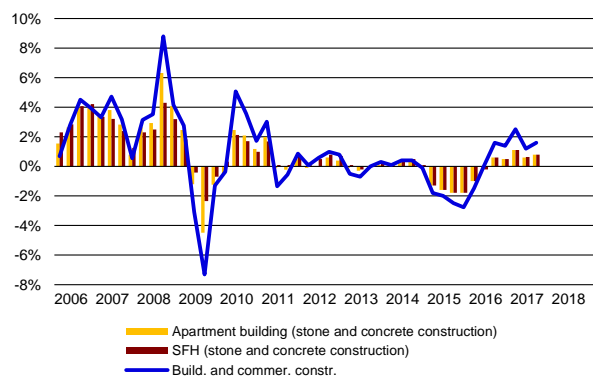
3rd quarter 2017	Index (1996=100)	Change p.a.
Construction index total		1%
- Building construction		-2%
- Residential building		-1%

- 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)



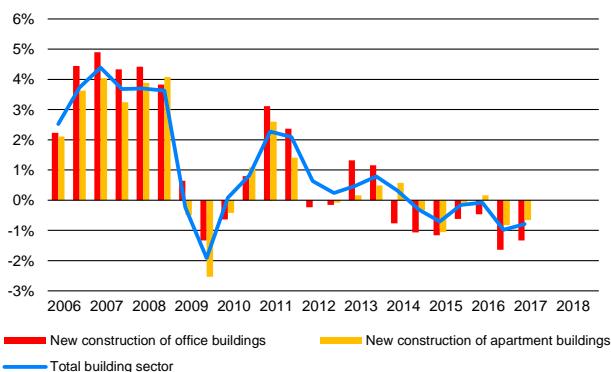
3rd quarter 2017	Index (2003=100)	Change compared to previous quarter	Change p.a.
Stone and concrete construction			
- Apartment building	109.7	0.8%	0.9%
- SFH	109.9	0.8%	0.9%
Build. and commer. constr.	112.7	1.6%	1.5%

- 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)



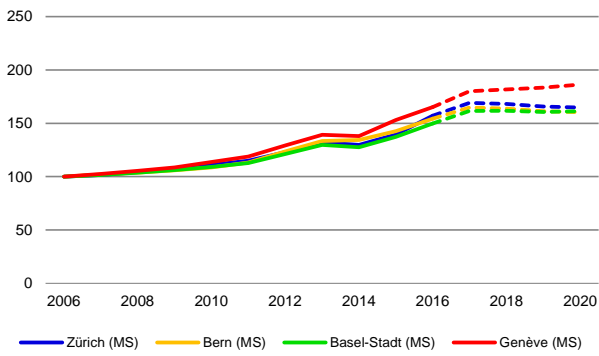
1st half year 2017	Index (2010=100)	Change compared to previous half year	Change p.a.
Total building sector	101.3	-0.8%	-0.4%
- Office buildings	99.3	-1.3%	-0.7%
- Apartment buildings	100.4	-0.7%	-0.2%

- 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

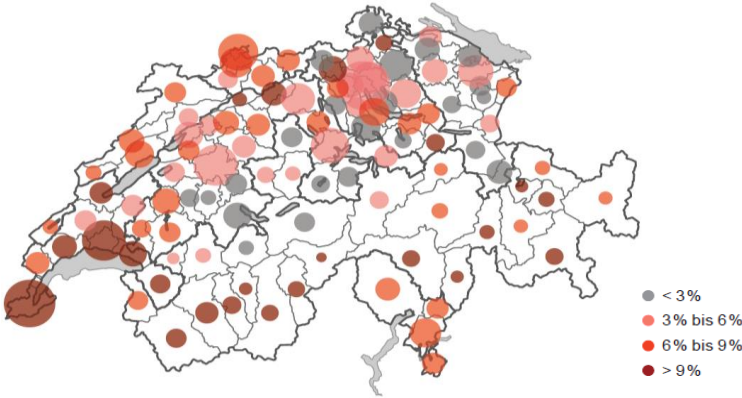
(20)



Note: market value index (2006=100).  
Source: RESC Fahrländer Partner, base scenario November 2017.

## Market value evolution apartment buildings 2016-2020

(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 2017.

## Market value index office property

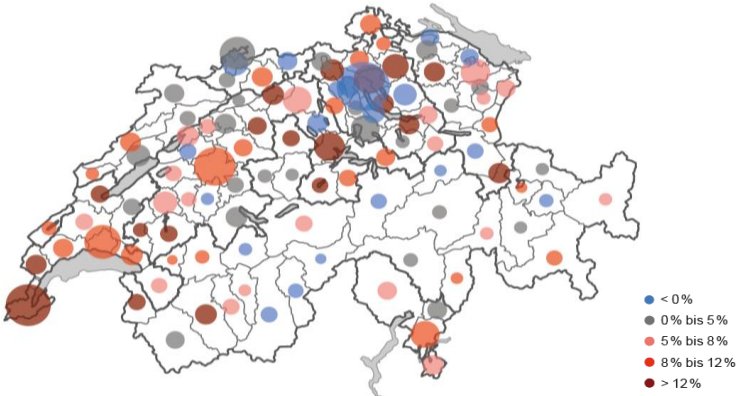
(22)



Note: market value index (2006=100).  
Source: RESC Fahrländer Partner, base scenario November 2017.

## Market value evolution office property 2016-2020

(23)



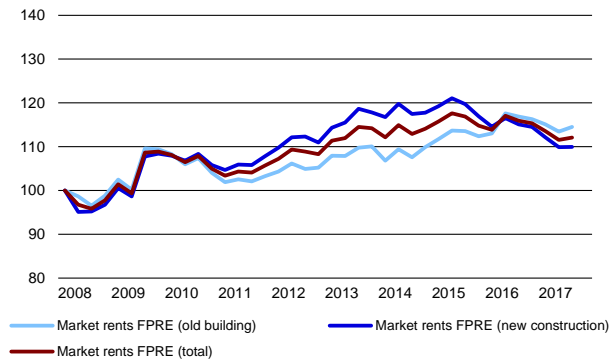
Note: all values are based on new constructions (excl. depreciation).  
Circle radius in relation to stock of office space 2015.  
Maps: FSO Geostat/Swisstopo.  
Source: RESC Fahrländer Partner, base scenario November 2017.

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

CS(2)		FPRE(1)		WP(2)
Rents	Rents	Prices	Prices	Rents
Forecast	2018	2018	2019	2017
↘	↘	→	→	-0.9%

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

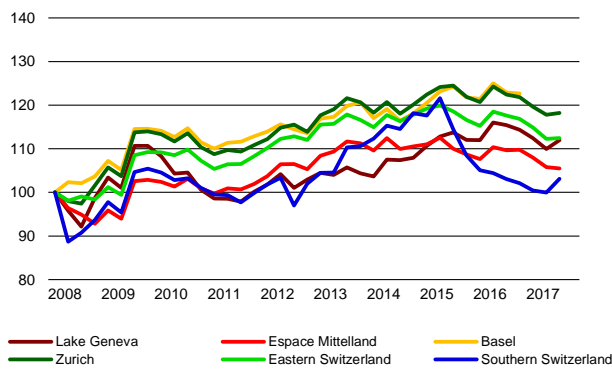
## Market rents rented apartments (RA) Switzerland (25)



	3rd quarter 2017	Index (=100)	Changes to previous quarter	Change p.a.
Lake Geneva		111.9	1.8%	-3.0%
Jura		97.7	-0.6%	-3.9%
Espace Mittelland		105.5	-0.3%	-3.8%
Basel		118.1	-0.3%	-3.9%
Zurich		118.2	0.4%	-3.4%
Eastern Switzerland		112.5	0.2%	-4.4%
Alps		112.4	1.9%	1.4%
Southern Switzerland		103.1	3.2%	0.1%

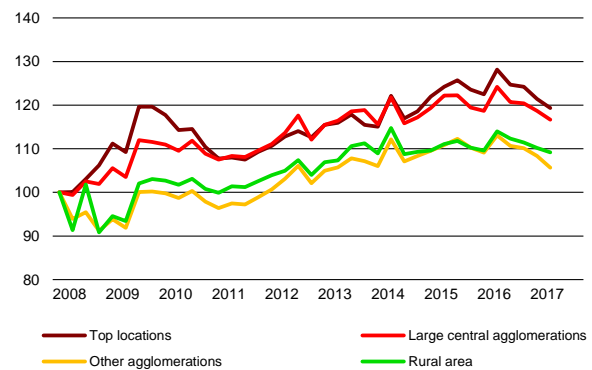
Source: Fahrländer Partner, meta analysis real estate FPRE.

## Market rents RA by region (26)



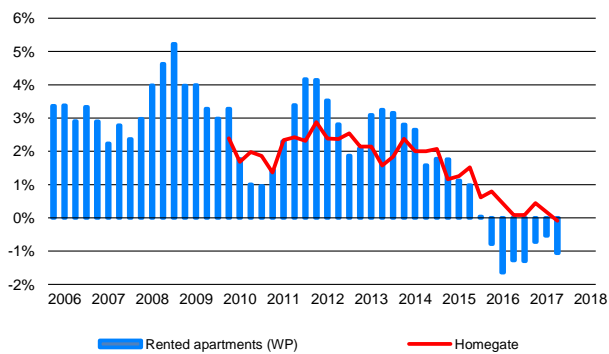
Source: Fahrländer Partner, meta analysis real estate FPRE.

## Market rents RA by spatial type (27)



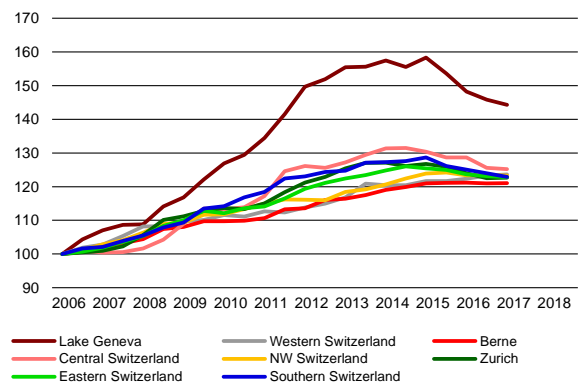
Source: Fahrländer Partner, meta analysis real estate FPRE.

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



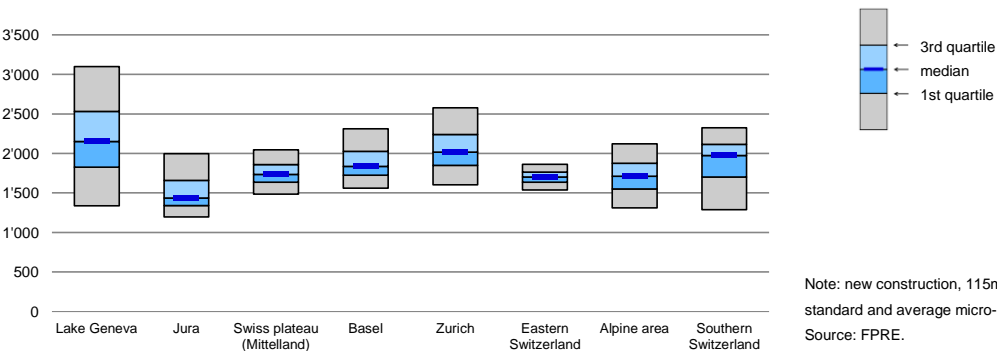
Source: Homegate, Wüest Partner, cf. meta analysis real estate FPRE.

## 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.

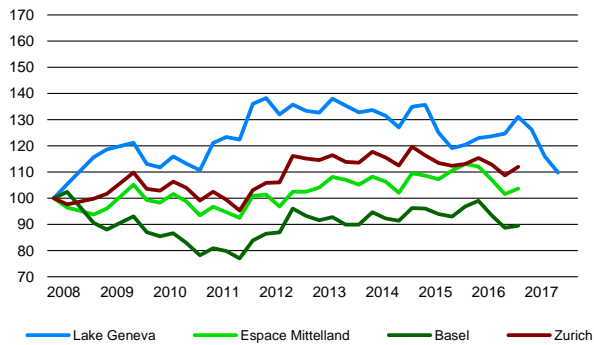


**Forecast office space (31)**

	CS(2)	FPRE(1)		WP(2)
	Forecast	2018	2019	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)**

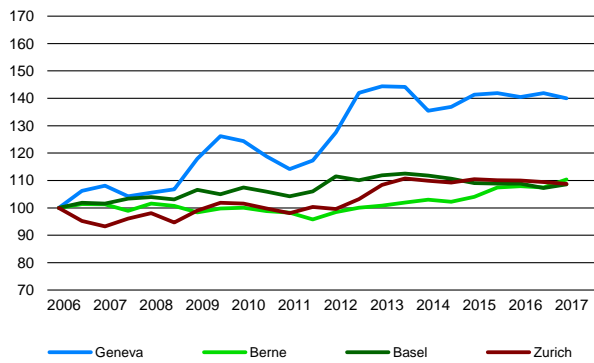


**(32)**

	3rd quarter 2017	Index (=100)	Changes to previous quarter	Change p.a.
Lake Geneva		109.8	-5.3%	-11.9%
Espace Mittelland		89.2	-4.7%	-12.2%
Basel		77.9	-3.7%	-12.2%
Zurich		95.2	-5.5%	-12.5%

Source: Fahrländer Partner, meta analysis real estate FPRE.

**Quoted rents for office space (net rents)**



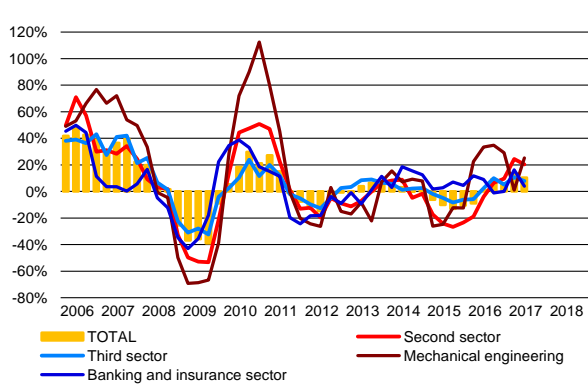
**(33) Office space: supply rate for the major Swiss centres (34)**

Datenstand		Zurich	Geneva	Basel	Switzerland
3rd Q. 2017	JLL	3.7%	4.6%	-	-
3rd Q. 2017	CBRE	3.0%	5.4%	-	-
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	-0.40%p	0.30%p	-	-
	CBRE	0.00%p	-0.20%p	-	-
	WP	0.30%p	1.10%p	0.30%p	0.30%p
	CS	-	-	-	-
Change p.a.	JLL	-0.30%p	-0.30%p	-	-
	CBRE	-0.50%p	-0.40%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**

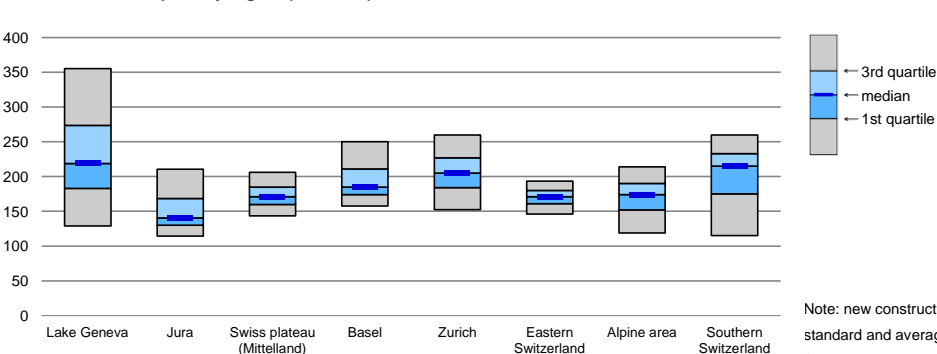


**(35)**

Index of job vacancies	Change p.a. 2nd quarter 2017
TOTAL	10%
Banking and insurance sector	4%
Real estate sector	-4%
IT sector	-10%

Source: FSO, cf. meta analysis economy FPRE.

**Market rents office space by region (CHF/m2a)**



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

Glossary	Note	Indicator	Source	Data as of
1-2	Cf. meta analysis real estate FPRE		Fahrländer Partner	4th quarter 2017
3			IAZI	3rd 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 FPRE		SECO FSO SECO KOF Créa Credit Suisse	October 2017 October 2017 21.09.2017 05.10.2017 30.05.2017 12.09.2017
7	Cf. meta analysis economy FPRE		UBS	16.11.2017 fig. 6
8	Cf. meta analysis economy FPRE		SECO SECO FSO	2nd quarter 2017 October 2017 October 2017
9	Cf. meta analysis economy FPRE		FSO	2016
10	Cf. meta analysis real estate FPRE		SNB	02.10.2017
11-12	Cf. meta analysis real estate FPRE		SNB	August 2017
13	Cf. meta analysis real estate FPRE		FSO, SEM	3rd quarter 2017
14	Cf. meta analysis real estate FPRE		SEM	September 2017
15	Immobilien-Almanach Schweiz 2018		FSO, FOM	2015
16	Cf. meta analysis real estate FPRE		BAK	2017
17	Nominal change compared to same quarter of previous year		Credit Suisse, SBV	3rd quarter 2017
18			SBV	3rd quarter 2017
19			FSO, FOM	1st half year 2017
20	Base scenario November 2017		Fahrländer Partner	4th quarter 2017
21	Cf. meta analysis real estate FPRE Base scenario November 2017 Maps		Fahrländer Partner FSO Geostat/Swisstopo	4th quarter 2017 4th quarter 2017
22	Base scenario November 2017		Fahrländer Partner	4th quarter 2017
23	Cf. meta analysis real estate FPRE Base scenario November 2017 Maps		Fahrländer Partner FSO Geostat/Swisstopo	4th quarter 2017 4th quarter 2017
24	Cf. meta analysis real estate FPRE			
25-27	Cf. meta analysis real estate FPRE		Fahrländer Partner	3rd quarter 2017
28			Homegate Wüest Partner	3rd quarter 2017 3rd quarter 2017
29	Cf. meta analysis real estate FPRE		SNB/WP	1st half year 2017
30			IMBAS FPRE	4th quarter 2016
31	Cf. meta analysis real estate FPRE			
32	Cf. meta analysis real estate FPRE		Fahrländer Partner	3rd quarter 2017
33	Cf. meta analysis real estate FPRE		SNB/WP	1. half year 2017
34	Cf. meta analysis real estate FPRE		Jones Lang Lasalle CBRE Wüest Partner Credit Suisse	3rd quarter 2017 3rd quarter 2017 2nd quarter 2017 4th quarter 2016
35	Cf. meta analysis economy FPRE		FSO JOBSTAT	2nd quarter 2017
36			IMBAS FPRE	4th quarter 2016
Forecasts		Schweizer Immobilienmarkt 2017 Immobilien-Almanach Schweiz 2018 Immo-Monitoring 2018   1 UBS Real Estate Focus 2017 Hochbauprognose 2017-2023	Credit Suisse Fahrländer Partner Wüest Partner UBS BAK	2016 2017 2016 2016 2017

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