

- SWX IAZI Real Estate Price Index: Prices for apartment buildings virtually stagnated at -0,3% in the 3rd quarter of 2018. On an annual basis, price growth was 3,8%. The performance of apartment buildings in the 3rd quarter of 2018 was 0,5% (previous quarter: 1,5%). On an annual basis it amounts to 7,3% (previous quarter: 9,3%).
 - Employment growth in the «classical» Swiss office market in the 2nd quarter of 2018 was also above average (+2,6%) in comparison to the same quarter of the previous year. This stems from high growth in employment in the areas of business services (+1,4%) and IT (+0,8%) in the coming months.
 - SECO: Consumer sentiment in Switzerland remains slightly above average. At -6 points, the October 2018 index is almost at the same level as the previous quarter (-7 points). The still positive outlook for general economic development and unemployment continues to be clouded by below-average expectations of consumers' own budget. A reason is likely to be
- * Update due to the publication of the Immobilien-Almanach Schweiz 2019 (in German) (20th December 2018) by FPRE.

1 Apartment building (new construction average)

	Demand		Supply		Cash-flow		Initial yields		Market values	
	2018	2019	2018	2019	2018	2019	2018	2019	2019	2020
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: <https://metaanalysen.ch/de/immobilien/>

Source: Fahrländer Partner.

2 Office buildings (new construction)

	Demand		Supply		Cash-flow		Initial yields		Market values	
	2018	2019	2018	2019	2018	2019	2018	2019	2019	2020
Lake Geneva	●	↗	●	↗	●	↗	●	↗	↗	→
Jura	●	→	●	→	●	→	●	→	→	→
Swiss plateau (Mittelland)	●	↗	●	→	●	→	●	→	→	↘
Basel	●	→	●	→	●	→	●	→	→	↘
Zurich	●	↗	●	↗	●	↗	●	↗	↗	→
Eastern Switzerland	●	→	●	→	●	→	●	→	→	↘
Alpine area	●	→	●	→	●	→	●	↘	↘	→
Southern Switzerland	●	→	●	→	●	↘	●	↘	↘	↘
Switzerland	●	↗	●	→	●	→	●	→	→	↘

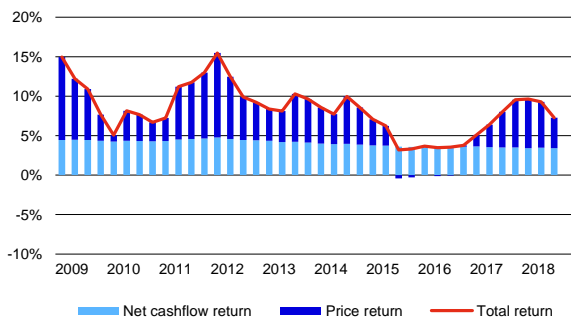
All valuations are done from a owner/seller perspective. The circles describe the actual situation: green: unproblematic situation; yellow: some problems; red: problematic situation. Arrows describe the forecast for the following 12 months: ↗: expected improvement; →: stable; ↘: expected aggravation.

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

Source: Fahrländer Partner.

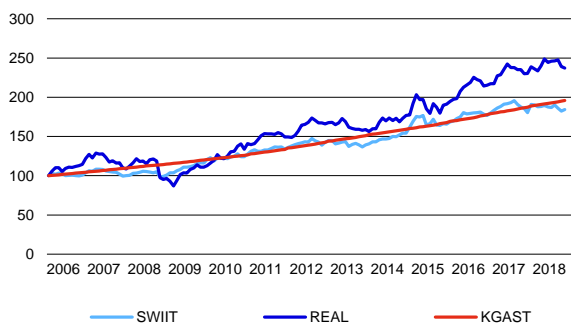
For all sources please check the glossary and impressum on the last page.

3 SWX IAZI Investment Real Estate Performance Index



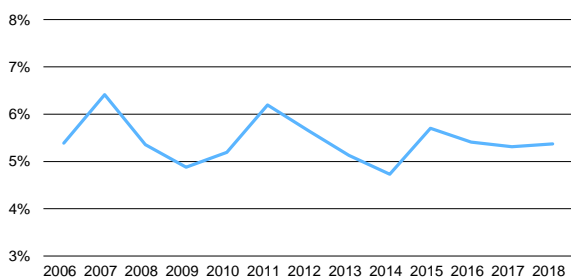
Source: IAZI, cf. meta analysis real estate FPPE.

4 SWIT (Closing Prices), REAL (Closing Prices), KGAST



Source: SIX Swiss Exchange, KGAST.

5 SFA yield on investm. indicator for real estate funds SFA ARI



Source: SFA.

- The KOF Economic Barometer fell in October 2018 (-2,2 points) after having risen in the previous month. At 100,1 points, the barometer is now, to a large extent, on its long-term average of 100,0. Since May of this year, the KOF Economic Barometer has been fluctuating around its long-term average. The Swiss economy is therefore likely to continue to grow at average rates in the coming months.
- The PMI of procure.ch/Credit Suisse fell by 2,3 points in October and closed at 57,4 points. It therefore continued to lose ground in the month under review, although at least less sharply than in the previous month (-5,1 points). Furthermore, the industry
- According to SECO, at the end of October 2018 107,315 unemployed were registered with the regional employment centres (RAV), 729 more than in the previous month. The unemployment rate remained at 2,4%.

6 Economic forecasts Swiss economy

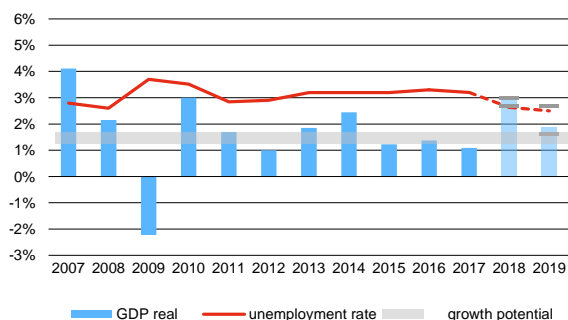
	SECO		KOF		Créa		CS		UBS		BAK		Arithmetic means	
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
GDP, real	2.9 ↗	2.0 →	2.9 ↗	1.7 ↘	3.0 ↗	2.7 ↗	2.7 ↗	1.7 →	2.9 ↗	1.6 ↘	3.0 ↗	1.6 ↗	2.9 ↗	1.9 →
Private consumption	1.3 ↘	1.5 →	1.4 ↗	1.7 ↗	1.3 ↗	1.6 ↗	1.4 →	1.4 →	1.3 ↘	1.6 ↘	1.3 ↘	1.6 →	1.3 →	1.6 ↗
Public consumption	1.2 ↗	0.6 →	1.1 ↗	1.3 ↗	-	-	1.0 ↗	0.9 ↗	1.0 ↗	0.6 ↘	0.9 ↗	0.5 ↗	1.0 ↗	0.8 ↗
Equipment investments	4.4 →	3.5 →	3.3 ↘	3.4 ↗	3.4 ↘	3.2 ↘	4.0 →	3.0 →	3.4 ↘	2.2 ↘	4.3 ↘	3.1 ↗	3.8 ↘	3.1 ↘
Investments in construction	1.9 ↗	1.4 ↗	1.9 ↗	0.6 ↘	0.9 ↘	0.2 ↘	1.6 ↗	0.5 ↗	1.8 ↗	1.0 ↗	1.3 ↗	-0.4 ↘	1.6 ↗	0.6 ↘
Exports	0.0 ↘	0.0 ↘	3.0 ↘	3.6 ↘	4.7 ↘	3.9 ↘	4.0 →	3.5 →	3.0 ↘	3.1 ↘	3.5 ↘	3.5 ↗	3.0 ↘	2.9 ↘
Imports	3.4 ↘	3.7 ↘	3.2 ↘	3.9 ↗	5.7 ↘	2.5 ↘	3.5 →	3.0 →	3.4 ↘	2.6 ↘	3.5 ↘	3.5 →	3.8 ↘	3.2 ↘
Unemployment rate	2.6 →	2.4 ↘	2.7 ↗	2.5 ↗	2.7 ↘	2.9 ↘	2.6 →	2.3 →	2.6 ↘	2.5 ↘	2.6 ↘	2.4 ↘	2.6 ↘	2.5 ↘
Consumer prices	1.0 →	0.8 →	1.0 ↗	0.8 ↗	1.0 ↗	1.3 ↗	1.0 ↗	0.7 ↗	1.0 ↗	1.0 ↗	1.0 ↗	1.1 ↗	1.0 ↗	1.0 ↗

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: 19.9.2018 (19.6.2018), KOF: 3.10.2018 (15.6.2018), Créa: 25.10.2018 (31.5.2018), CS: 19.9.2018 (19.6.2018), UBS: 7.9.2018 (12.7.2018), BAK: 13.9.2018 (7.6.2018).

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.

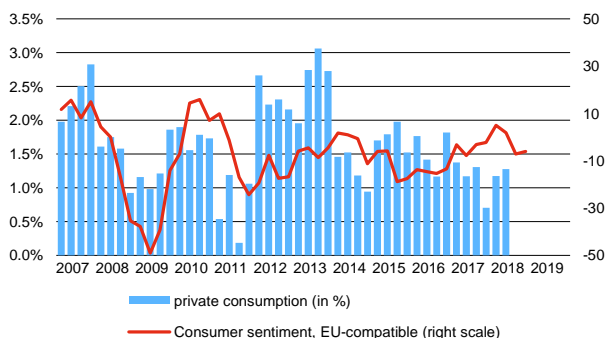
7 Evolution of GDP (real) and unemployment rate



Note: The potential growth lies between 1,6% and 1,8%, according to calculations by Fährländer Partner; the values for 2018 and 2019 are forecasts; since June 2016, the unemployment rate is based on occupation numbers according to the pooling 2012-2014.

Source: figure 1, page 1, Fährländer Partner (growth potential).

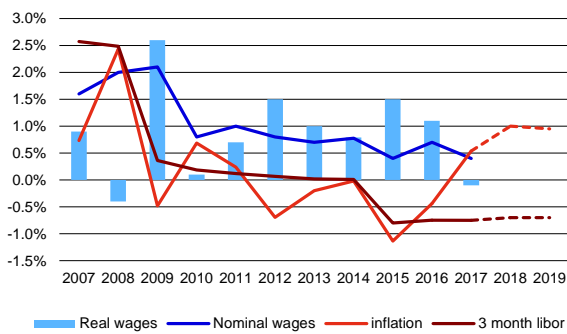
8 Private consumption and consumer sentiment



- SECO: Consumer sentiment in Switzerland remains slightly above average. The still positive outlook for general economic development and unemployment continues to be clouded by below-average expectations of consumers' own budget. A reason is likely to be inflation.

Source: SECO.

9 Real wages and rate of price increase

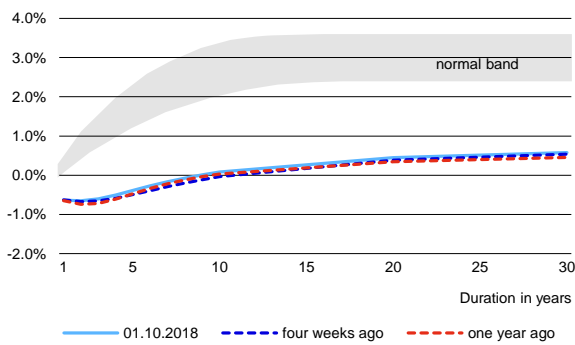


Inflation forecast SNB	2018	2019	2020
Forecast September 2018	0.9%	0.8%	1.2%
Libor	-0.75%		
Forecast June 2018	0.9%	0.9%	1.6%
Libor	-0.75%		

– SNB: for 2019, the conditional inflation forecast of 0,8% is 0,1 percentage points lower than projected at the assessment of June 2018. For 2020, the SNB expects to see inflation of 1,2%, compared with the 1,6% forecast in the last quarter.

Source: FSO, cf. meta analysis economy FPPE.

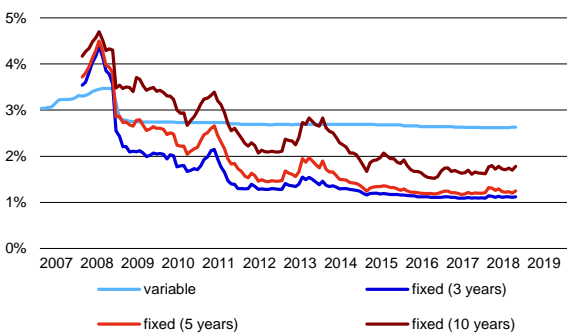
10 Yields on Confederation bonds



Duration	01.10.2018	four weeks ago	one year ago
1 year	-0.63%	-0.63%	-0.65%
5 years	-0.39%	-0.49%	-0.47%
10 years	0.08%	-0.04%	0.03%

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

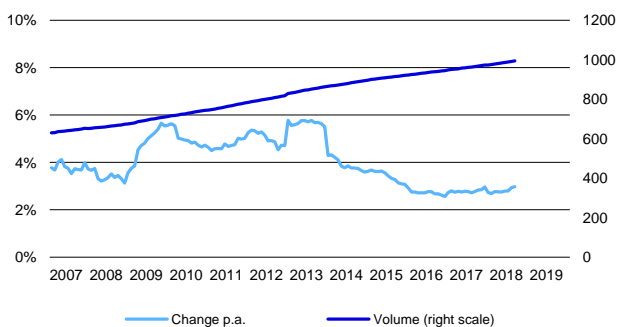
11 Mortgage rates



Mortgage	September 2018
variable	2.6%
fixed (3 years)	1.1%
fixed (5 years)	1.3%
fixed (10 years)	1.8%

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

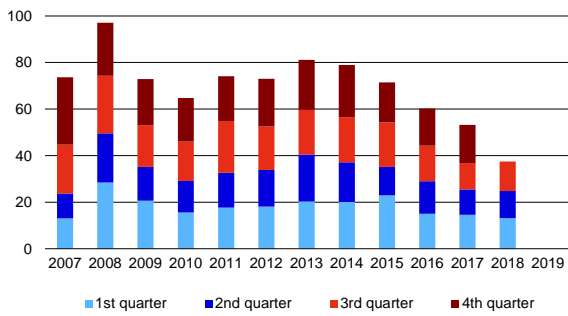
12 Mortgage volume inland (in bn CHF)



August 2018	Volume in billion CHF	Change p.a.
Mortgage claims	994.3	3.0%

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

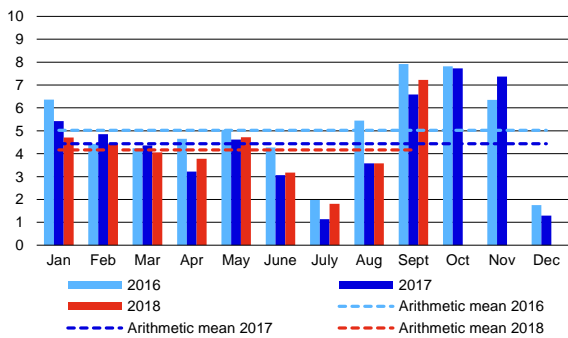
13 Net immigration permanent resident population (in 1'000)



3rd quarter 2018	Net immigration permanent resident population (in 1'000)
	12.6

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

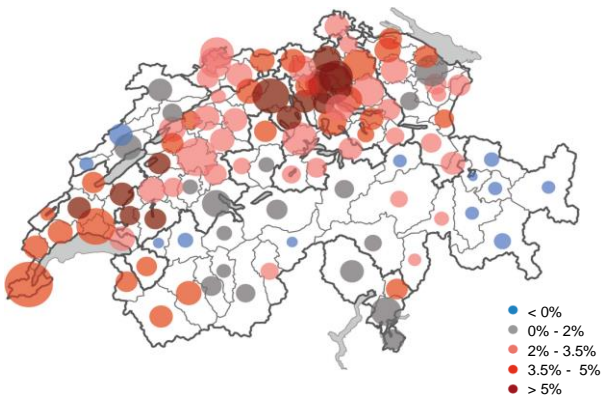
14 Net immigration monthly (in 1'000)



September 2018	Net immigration permanent resident population (in 1'000)
	7.2

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

15 Population growth by MS regions (2014-2017)



Note: circle radius in relation to population 2011.

Maps: FSO Geostat/Swisstopo.

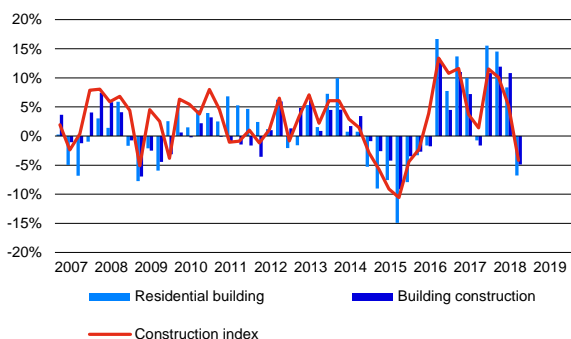
Source: FSO, cf. Immobilien-Almanach Schweiz 2019.

16 Forecast construction activity

in m CHF	2018	2019	2020	Change p.a.	2018	2019	2020
Building construction	55'591	55'091	55'040	Building construction	1.1%	-0.9%	-0.1%
Residential building	34'579	34'084	33'946	Residential building	0.9%	-1.4%	-0.4%
Industrial buildings	11'751	11'624	11'654	Industrial buildings	2.1%	-1.1%	0.3%
Infrastructure	9'262	9'383	9'441	Infrastructure	0.3%	1.3%	0.6%

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

17 Construction index Credit Suisse / SBV (nominal)

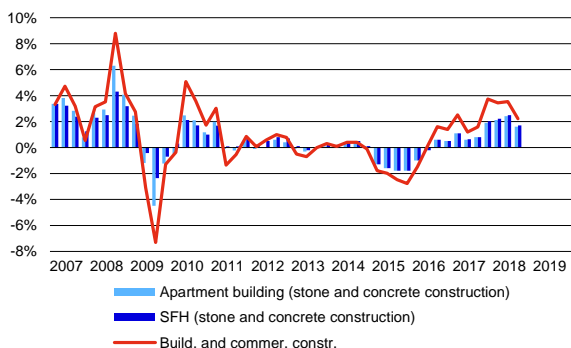


3rd quarter 2018	Index (1996=100)	Change p.a.
Construction index total	138	-4%
- Building construction	117	-5%
- Residential building	124	-7%

Note: 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.

18 Production price index (change p.a.)

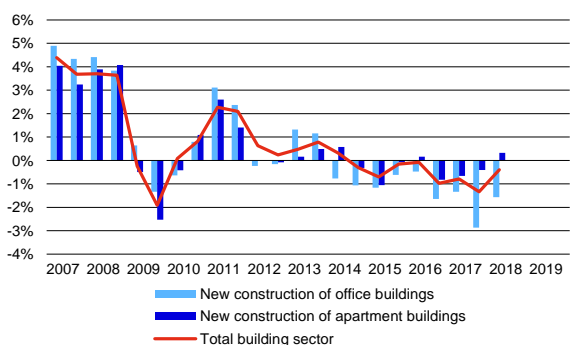


3rd quarter 2018	Index (2007=100)	Change compared to previous quarter	Change p.a.
Stone and concrete construction			
- Apartment building	107.8	1.6%	0.1%
- SFH	108.2	1.7%	0.1%
Build. and commer. constr.	111.5	2.2%	0.2%

Note: The production price index PKI shows the change in production costs.

Source: SBV, vedi Meta-analisi immobiliare FPRE.

19 Swiss construction price index (change p.a.)

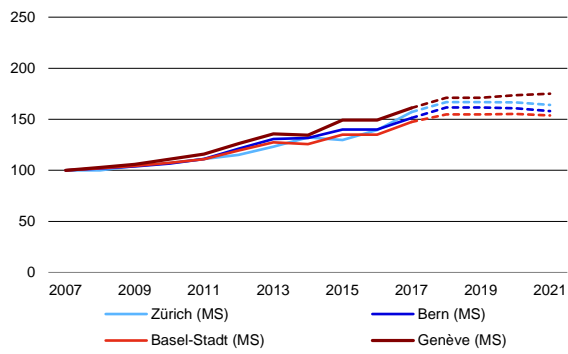


1st half year 2018	Index (2010=100)	Change compared to previous half year	Change p.a.
Total building sector	101.7	-0.4%	0.0%
- Office buildings	99.1	-1.6%	-0.9%
- Apartment buildings	101.4	0.3%	0.8%

Note: The Swiss building price index is an economic indicator which captures the evolution of construction costs as reported by local construction companies.

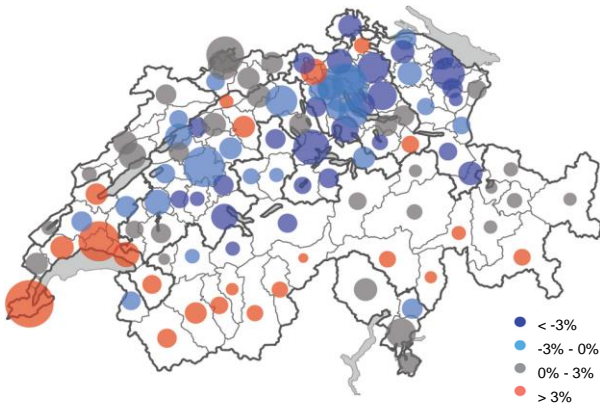
Source: FSO, vedi Meta-analisi immobiliare FPRE.

20 Market value index apartment buildings



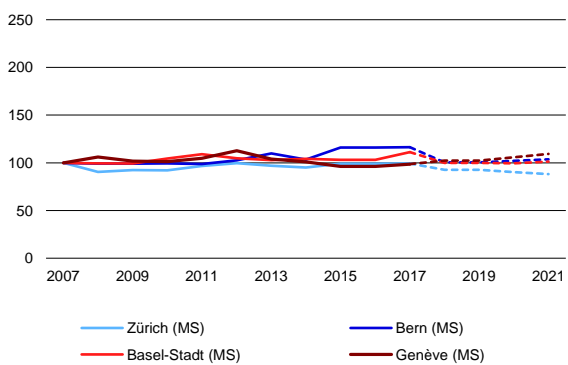
Note: market value index (2007=100).
Source: RESC Fahrländer Partner, base scenario November 2018.

21 Market value evolution apartment buildings 2017-2021



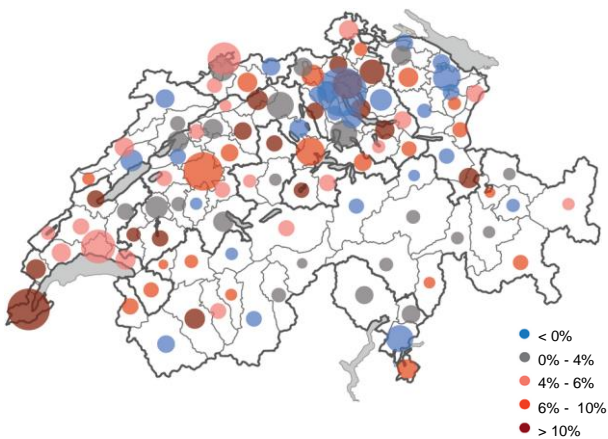
Note: all values are based on new constructions (excl. depreciation); Circle radius in relation to stock of rented apartments 2015; maps: FSO Geostat/Swisstopo.
Source: RESC Fahrländer Partner, base scenario November 2018.

22 Market value index office property



Note: market value index (2007=100).
Source: RESC Fahrländer Partner, base scenario November 2018.

23 Market value evolution office property 2017-2021



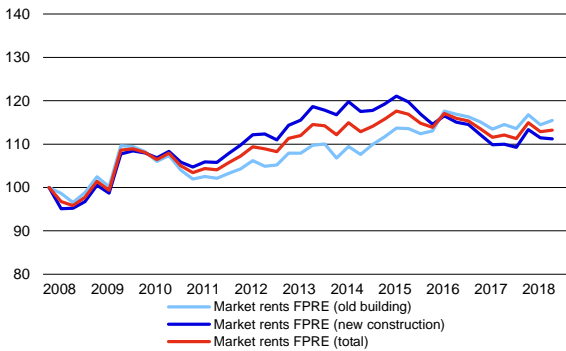
Note: all values are based on new constructions (excl. depreciation); Circle radius in relation to stock of office space 2015; maps: FSO Geostat/Swisstopo.
Source: RESC Fahrländer Partner, base scenario November 2018.

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

CS(2)		FPRE(1)		UBS(2)	WP(2)
Rents	Rents	Prices	Prices	Rents	Rents
2018	2019	2019	2020	2018	2019
-1.0%	↘	→	→	-2.5%	-1.5%

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

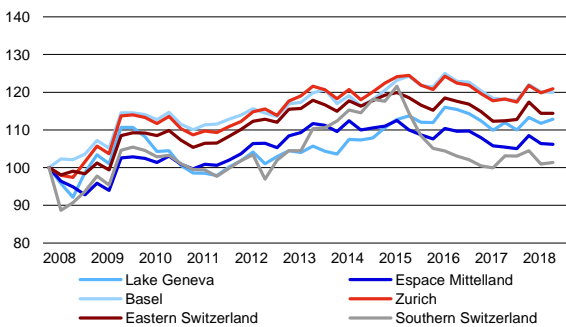
25 Market rents rented apartments (RA) Switzerland



3rd quarter 2018	Index (=100)	Changes to previous quarter	Change p.a.
Lake Geneva	112.9	1.0%	0.8%
Jura	94.2	-1.5%	-3.5%
Espace Mittelland	106.2	-0.2%	0.7%
Basel	120.0	-0.1%	1.6%
Zurich	120.9	0.9%	2.3%
Eastern Switzerland	114.4	0.0%	1.7%
Alps	106.8	-1.5%	-4.9%
Southern Switzerland	101.4	0.4%	-1.7%

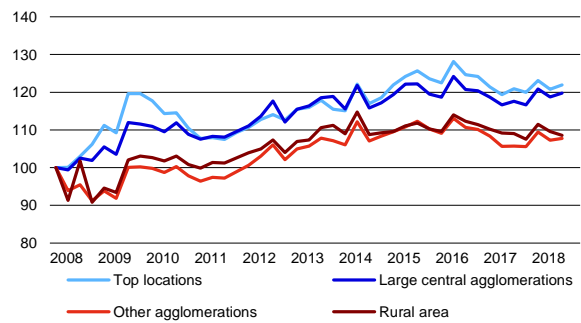
Source: Fahrländer Partner, meta analysis real estate FPRE.

26 Market rents RA by region



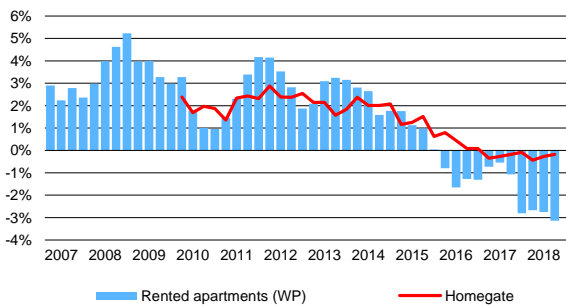
Source: Fahrländer Partner, meta analysis real estate FPRE.

27 Market rents RA by spatial type



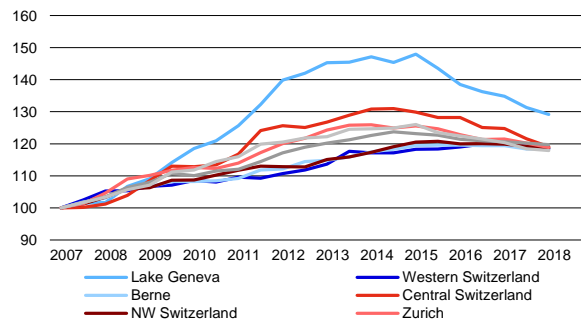
Source: Fahrländer Partner, meta analysis real estate FPRE.

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



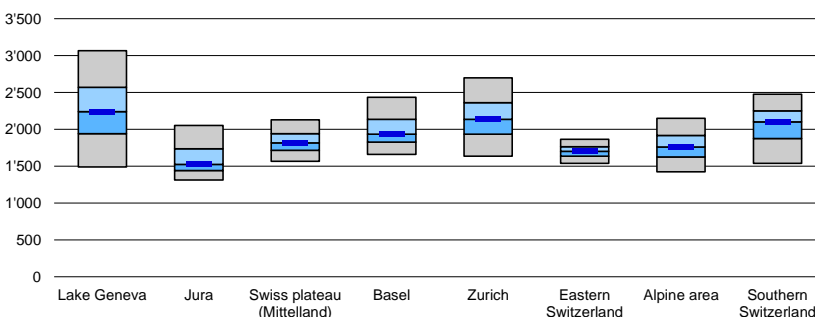
Source: Homegate, Wüest Partner, cf. meta analysis real estate FPRE.

29 Quoted rents RA by regions



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

30 Market rent 4.5 room apartment by regions (CHF/month)



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

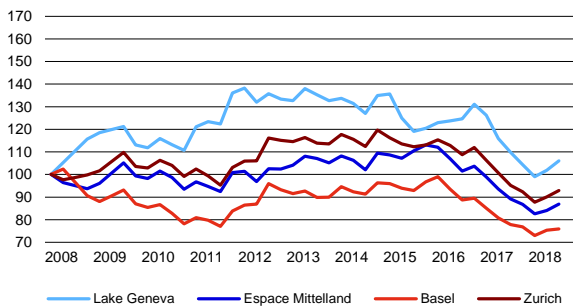
31 Forecast office space

	CS(2)		FPRE(1)		UBS(2)	WP(2)
	Rents	Rents	Prices	Rents	Rents	Rents
	Forecast	2019	2019	2020	2018	2019
Office	→	→	→	↘	-2.0%	-0.3%

Note: market rents / transaction prices (1) resp. quoted rents (2).

Source: Credit Suisse, FPRE, UBS, Wüest Partner, meta analysis real estate FPRE.

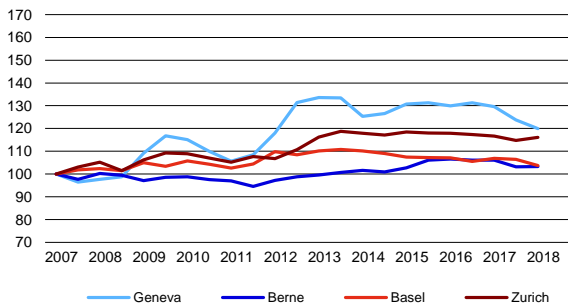
32 Market rents for office spaces by region (net rents)



3rd quarter 2018	Index (=100)	Changes to previous quarter	Change p.a.
Lake Geneva	106.0	4.1%	-3.4%
Espace Mittelland	86.9	3.4%	-2.6%
Basel	76.0	0.8%	-2.4%
Zurich	92.9	3.2%	-2.4%

Source: Fahrländer Partner, meta analysis real estate FPRE.

33 Quoted rents for office space (net rents)



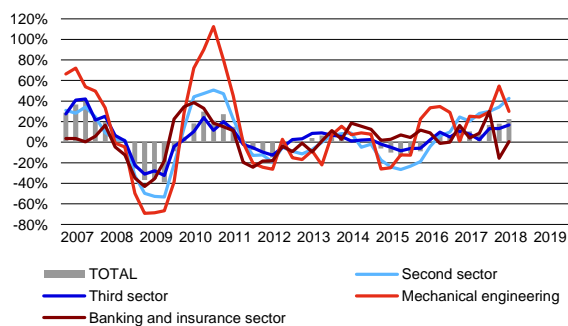
Source: SNB, Wüest Partner, meta analysis real estate FPRE.

34 Eastern Switzerland

Data as of		Zurich	Geneva	Basel	CH
3rd Q. 2018	JLL	3.1%	4.1%	-	-
2nd Q. 2018	CBRE	3.1%	-	-	-
3rd Q. 2018	WP	4.9%	9.6%	3.2%	6.6%
3rd Q. 2017	CS	6.9%	7.5%	4.4%	4.3%
Change compared to previous quarter	JLL	-0.1%p	-0.1%p	-	-
	CBRE	0.0%p	-	-	-
	WP	-0.6%p	-1.4%p	0.0%p	-0.5%p
	CS	-	-	-	-
Change p.a.	JLL	-0.6%p	-0.5%p	-	-
	CBRE	0.1%p	-	-	-
	WP	-1.9%p	-4.0%p	-0.6%p	-0.5%p
	CS	0.4%p	0.5%p	0.6%p	0.1%p

Source: JLL, CBRE, WP, CS.

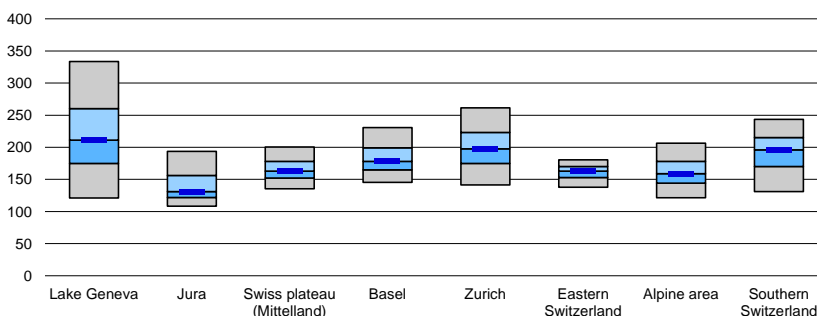
35 Change in job vacancies



Index of job vacancies	Change p.a. 2nd quarter 2018
TOTAL	22.6%
Second sector	42.7%
Mechanical engineering	29.9%
Third sector	16.7%
Banking and insurance sector	0.6%
Real estate sector	38.0%
IT sector	34.3%
Other services	51.9%

Source: FSO, cf. meta analysis economy FPRE.

36 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	2018
3			IAZI	3rd quarter 2018
4	Closing Prices	SWIIT, REAL KGAST	SIX KGAST	31.10.2018 31.10.2018
5			SFA	2st quarter 2018
6	Cf. meta analysis economy FPRE	Forecasts	SECO KOF Créa Credit Suisse UBS BAK	19.09.2018 03.10.2018 25.10.2018 19.09.2018 07.09.2018 13.09.2018
7	Cf. meta analysis economy FPRE	Forecasts	SECO	2017 fig. 6
8	Cf. meta analysis economy FPRE	Private consumption Consumer confidence	SECO SECO	2nd quarter 2018 4th quarter 2018
9	Cf. meta analysis economy FPRE		FSO	2017
10	Cf. meta analysis real estate FPRE		SNB	October 2018
11-12	Cf. meta analysis real estate FPRE		SNB	October 2018
13	Cf. meta analysis real estate FPRE		FSO, SEM	3rd quarter 2018
14	Cf. meta analysis real estate FPRE		SEM	September 2018
15	Immobilien-Almanach Schweiz 2018		FSO, FOM	2017
16	Cf. meta analysis real estate FPRE		BAK	2017
17	Cf. meta analysis real estate FPRE		Credit Suisse, SBV	3rd quarter 2018
18	Cf. meta analysis real estate FPRE		SBV	3rd quarter 2018
19	Cf. meta analysis real estate FPRE		FSO, FOM	1st half year 2018
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
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
24	Cf. forecast below			
25-27	Cf. meta analysis real estate FPRE		Fahrländer Partner	3rd quarter 2018
28			Homegate Wüest Partner	3rd quarter 2018 3rd quarter 2018
29	Cf. meta analysis real estate FPRE		WP	1st half year 2018
30			IMBAS FPRE	4th quarter 2017
31	Cf. forecast below			
32	Cf. meta analysis real estate FPRE		Fahrländer Partner	3rd quarter 2018
33	Cf. meta analysis real estate FPRE		WP	1. half year 2018
34	Cf. meta analysis real estate FPRE		Jones Lang Lasalle CBRE Wüest Partner Credit Suisse	3rd quarter 2018 2nd quarter 2018 3rd quarter 2018 3rd quarter 2017
35	Cf. meta analysis economy FPRE		FSO JOBSTAT	2nd quarter 2018
36			IMBAS FPRE	4th quarter 2017
Forecasts		Schweizer Immobilienmarkt 2017 Immobilien-Almanach Schweiz 2019 Immo-Monitoring 2019 1 UBS Real Estate Focus 2018 Hochbauprognose 2018-2024	Credit Suisse Fahrländer Partner Wüest Partner UBS BAK	2017 2018 2018 2017 2017

Disclaimer Fahrländer Partner Raumentwicklung and Real Estate Investment Solution elaborate the meta analysis economy with highest care. Despite this, it is not possible to guarantee the accuracy, correctness, timeliness and completeness of all the information. Also check original sources.

Impressum Real estate investments Switzerland is predominantly based on data of the meta analysis real estate and economy of Fahrländer Partner. The meta analyses real estate and economy are base of the newest available date.

You can subscribe for free to the meta analyses real estate and economy:
<https://metaanalysen.ch/de/>

The retransmission of the publication is wished. Please contact us before a large transmission.

You can subscribe for free to the publication real estate investments Switzerland:

<https://metaanalysen.ch/de/>

<http://www.re-solutions.ch>

Sponsoring The publication real estate investments is a free service offered by Fahrländer Partner Raumentwicklung and Real Estate Investment Solutions. We offer you the possibility to appear as a sponsor in this publication. Please contact us.

Contact	Fahrländer Partner		Real Estate Investment
	Raumentwicklung		Solutions AG
	Seebahnstrasse 89	Münzrain 10	Beethovenstrasse 49
	8003 Zürich	3005 Bern	8002 Zürich
	+41 44 466 70 00	+41 31 348 70 00	+41 44 209 60 20
	meta@fpre.ch	meta@fpre.ch	www.re-solutions.ch
	www.fpre.ch	www.fpre.ch	
