

- SWX IAZI Real Estate Price Index: As in the previous quarter, the price growth for apartment buildings for the 4th quarter of 2018 has stagnated at -0,2%. On an annual basis, price growth was only 2,4%. The performance of MFA in the fourth quarter of 2018 was 1,0% (previous quarter: 0,5%). On an annual basis it is still 5,7% (previous quarter: 7,3%). Performance is the total return (including net cash flow return and value appreciation).
- UBS: It is expected that the already high vacancy rate of 2,7% for rental apartments will increase again in the course of the year in view of the high number of existing building permits. This is likely to put pressure on rents, particularly in the periphery. In the urban centres, real estate values are particularly dependent on interest rates. With interest rates expected to rise, there is also a risk that values will fall here, despite stable expectations for rents.
- SECO: At -4 points, the consumer sentiment index remains slightly above its long-term average (-9 points) in January 2019. Despite less favourable predictions regarding the economy in general, the outlook for the labour market and consumers' own budget has improved.

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	●	↗	●	→	●	→	●	→	→	↘

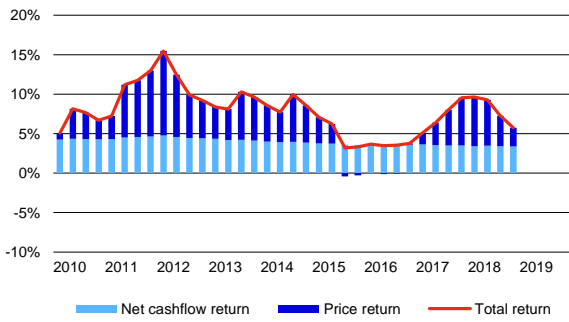
All valuations are done from a owner/seller perspective. The circles describe the actual situation: green: unproblematic situation; yellow: some problems; red: problematic situation. Arrows describe the forecast for the following 12 months: ↗: expected improvement; →: stable; ↘: expected aggravation.

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

Source: Fahrländer Partner.

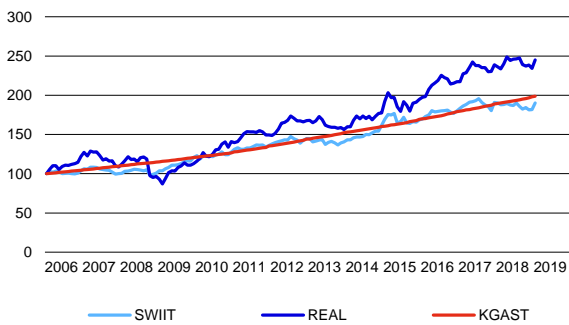
For all sources please check the glossary and impressum on the last page.

3 SWX IAZI Investment Real Estate Performance Index



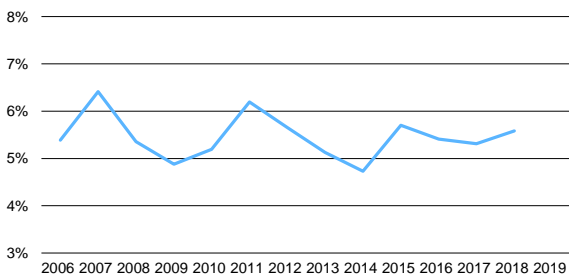
Source: IAZI, cf. meta analysis real estate FPPE.

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.

- UBS economists expect the economy to weaken considerably and expect GDP growth rates of 1,5% and 1,7% respectively in 2019 and 2020. After the Swiss economy left the Swiss franc shock behind in 2018, economic risks in Europe and China as well as political factors should weigh on the local economy in 2019.
- In January 2019, the KOF Economic Barometer fell from 96,4 points (revised from 96,3 points) to 95,0 points. It has fallen for the fourth time in a row and is now 5 points below its long-term average. The downward tendency that emerged at the end of last year continues. The economic outlook for Switzerland continues to dampen at the beginning of 2019.
- SECO: At the end of January 2019, 123'962 unemployed were registered with the Regional Employment Centres (RAV), 4'301 more than in the previous month. The unemployment rate thus rose from 2,7% in December 2018 to 2,8% in the reference month.

6 Economic forecasts Swiss economy

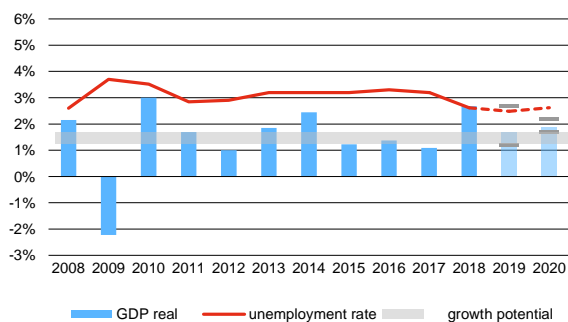
	SECO		KOF		Créa		CS		UBS		BAK		Arithmetic means	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
GDP, real	1.5	1.7	1.6	2.1	2.7	2.2	1.7	-	1.5	1.7	1.2	1.7	1.7	1.9
	↘		↘		↗		→		→	→	↘		→	→
Private consumption	1.1	1.5	1.2	1.6	1.6	1.7	1.4	-	1.5	1.7	1.5	1.5	1.4	1.6
	↘		↘		↗		→		→	→	↘		→	→
Public consumption	0.7	0.7	1.5	0.8	-	-	0.9	-	0.5	0.6	0.7	0.6	0.9	0.7
	↗		↗				→		→	→	↗		→	→
Equipment investments	3.0	3.0	2.2	2.1	3.2	2.1	3.0	-	1.2	1.6	1.8	2.1	2.4	2.2
	↘		↘		↘		→		→	→	↘		→	→
Investments in construction	1.3	0.9	0.9	0.7	0.2	-0.2	0.5	-	0.8	0.8	-0.4	0.2	0.6	0.5
	↘		↗		↘		→		→	→	→		→	→
Exports	3.1	3.5	2.9	5.0	3.9	4.0	3.0	-	0.9	3.0	2.5	3.5	2.7	3.8
	↘		↘		↘		↘		→	→	↘		→	→
Imports	3.2	3.7	3.2	4.4	2.5	1.3	3.0	-	1.5	3.1	2.0	3.3	2.6	3.2
	↘		↘		↘		→		→	→	↘		→	→
Unemployment rate	2.4	2.5	2.4	2.5	2.9	3.2	2.3	-	2.5	2.5	2.4	2.4	2.5	2.6
	→		↘		↘		→		→	→	→		→	→
Consumer prices	0.5	0.7	0.6	0.7	1.3	1.2	0.7	-	1.0	1.0	0.7	0.9	0.8	0.9
	↘		↘		↗		→		→	→	↘		→	→

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: 18.12.2018 (19.9.2018), KOF: 13.12.2018 (3.10.2018), Créa: 25.10.2018 (31.5.2018), CS: 18.12.2018 (19.9.2018), UBS: 12.12.2018 (12.12.2018), BAK: 6.12.2018 (13.9.2018).

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.

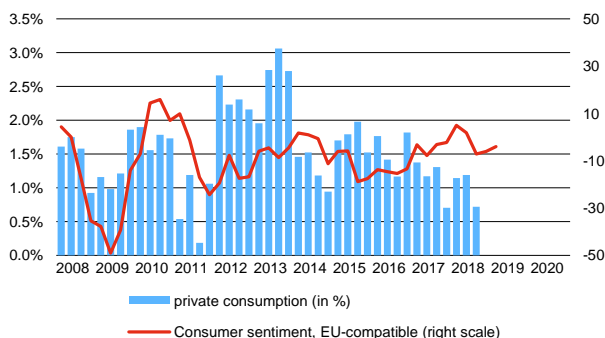
7 Evolution of GDP (real) and unemployment rate



Note: The potential growth lies between 1,6% and 1,8%, according to calculations by Fahländer Partner; the values for 2018, 2019 and 2020 are forecasts; since June 2016, the unemployment rate is based on occupation numbers according to the pooling 2012-2014.

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

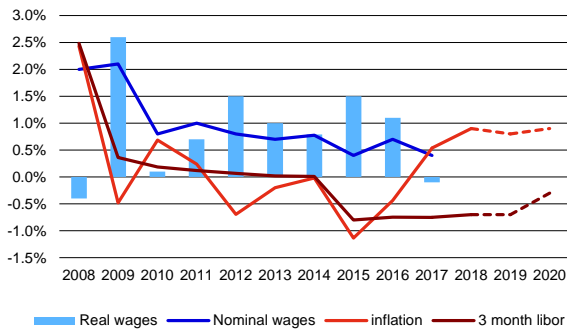
8 Private consumption and consumer sentiment



- SECO: Consumer sentiment in Switzerland remains slightly above average. Despite less favourable predictions regarding the economy in general, the outlook for the labour market and consumers' own budget has improved.

Source: SECO.

9 Real wages and rate of price increase

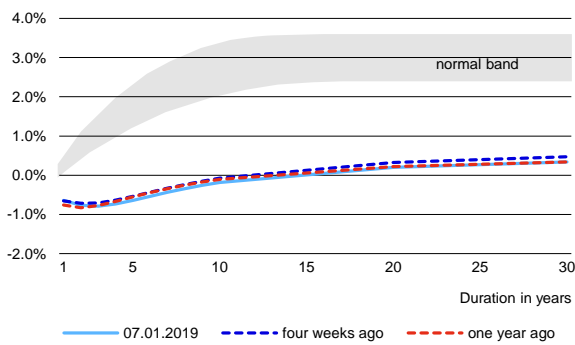


Inflation forecast SNB	2018	2019	2020
Forecast December 2018	0.9%	0.5%	1.0%
Libor	-0.75%		
Forecast September 2018	0.9%	0.8%	1.2%
Libor	-0.75%		

– For the year 2018, the SNB continues to anticipate inflation of 0,9%. The forecast for 2019 has been revised down from 0,8% to 0,5%; for 2020, from 1,2% to 1,0%.

Source: FSO, cf. meta analysis economy FPPE.

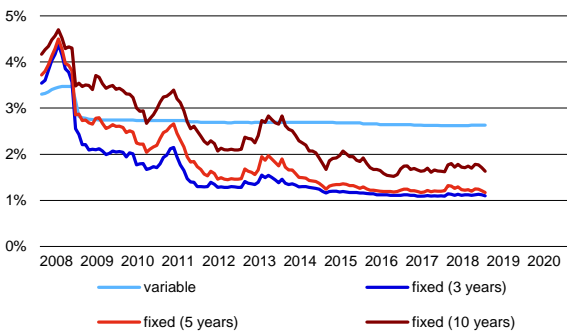
10 Yields on Confederation bonds



Duration	07.01.2019	four weeks ago	one year ago
1 year	-0.65%	-0.66%	-0.76%
5 years	-0.64%	-0.54%	-0.55%
10 years	-0.18%	-0.08%	-0.11%

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

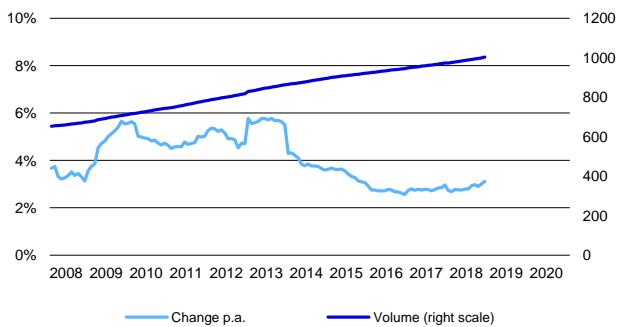
11 Mortgage rates



Mortgage	December 2018
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.

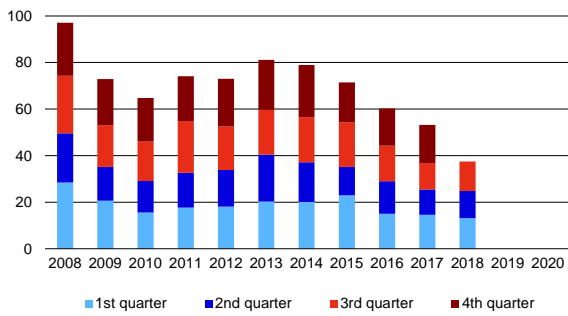
12 Mortgage volume inland (in bn CHF)



November 2018	Volume in billion CHF	Change p.a.
Mortgage claims	1003.6	3.1%

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

13 Net immigration permanent resident population (in '000)

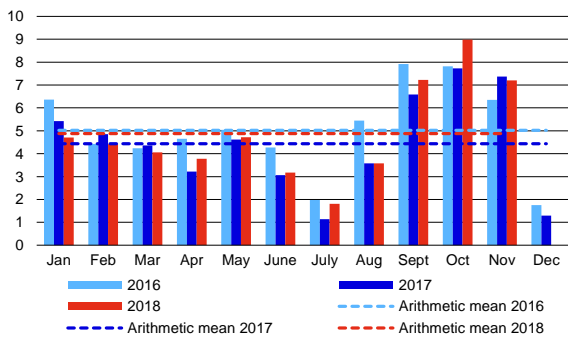


3rd quarter 2018

Net immigration permanent resident population (in '000)
12.6

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

14 Net immigration monthly (in '000)

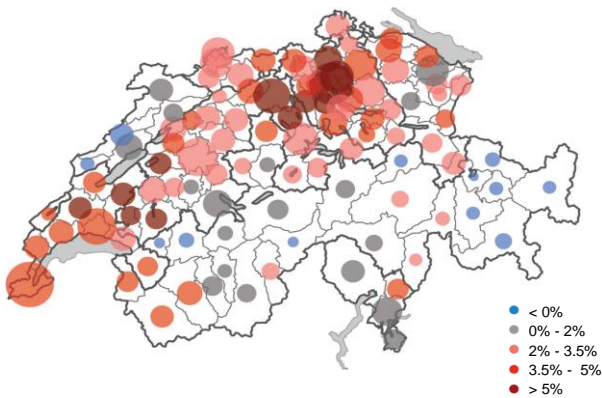


November 2018

Net immigration permanent resident population (in '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 201.

Maps: FSO Geostat/Swisstopo.

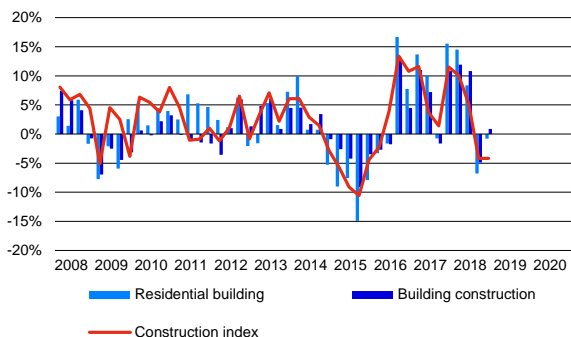
Source: FSO, cf. Immobilien-Almanach Schweiz 2019.

16 Forecast construction activity

in m CHF	2019	2020	2021	Change p.a.	2019	2020	2021
Building construction	55'091	55'040	54'964	Building construction	-0.9%	-0.1%	-0.1%
Residential building	34'084	33'946	33'707	Residential building	-1.4%	-0.4%	-0.7%
Industrial buildings	11'624	11'654	11'751	Industrial buildings	-1.1%	0.3%	0.8%
Infrastructure	9'383	9'441	9'506	Infrastructure	1.3%	0.6%	0.7%

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

17 Construction index Credit Suisse / SBV (nominal)

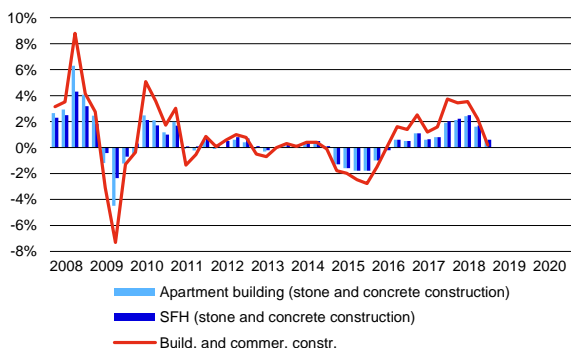


4th quarter 2018	Index (1996=100)	Change p.a.
Construction index total	138	-4%
- Building construction	117	1%
- Residential building	124	-1%

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.)

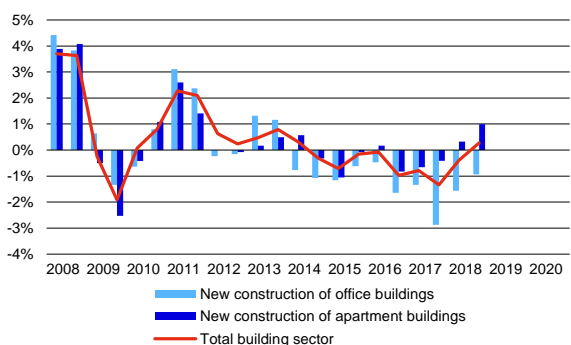


4th quarter 2018	Index (2007=100)	Change compared to previous quarter	Change p.a.
Stone and concrete construction			
- Apartment building	104.7	0.6%	-0.3%
- SFH	105.4	0.6%	-0.3%
Build. and commer. constr.	107.3	0.2%	-0.7%

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.)

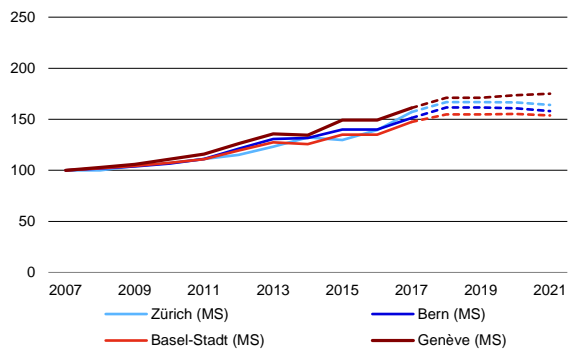


2nd half year 2018	Index (2010=100)	Change compared to previous half year	Change p.a.
Total building sector	101.9	0.3%	0.6%
- Office buildings	99.1	-0.9%	-0.2%
- Apartment buildings	101.6	1.0%	1.2%

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

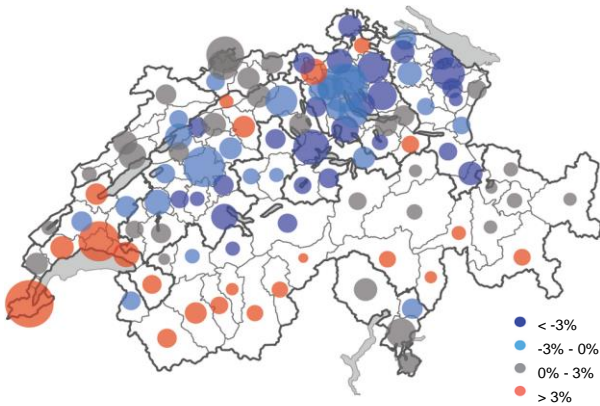
Source: FSO, vedi Meta-analisi immobiliare FPRE.

20 Market value index apartment buildings



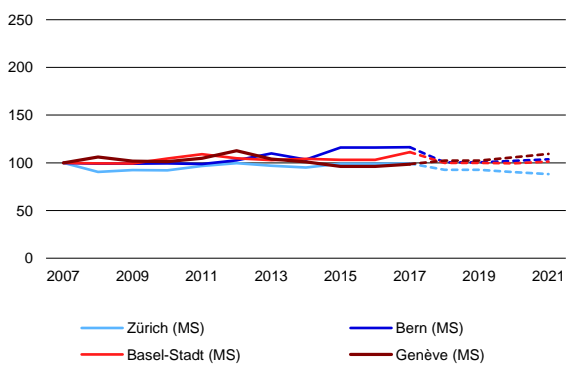
Note: market value index (2007=100).
Source: RESC Fahrländer Partner, base scenario November 2018.

21 Market value evolution apartment buildings 2017-2021



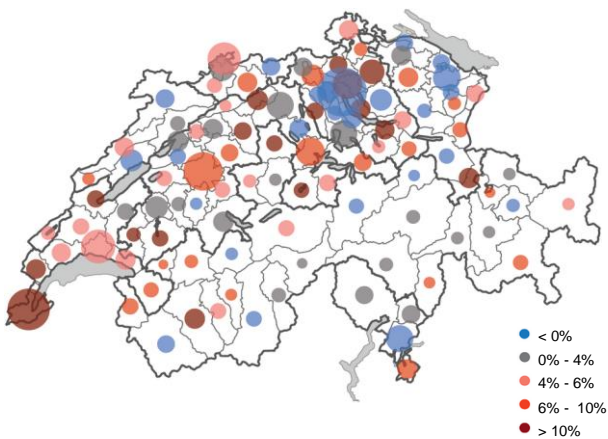
Note: all values are based on new constructions (excl. depreciation); Circle radius in relation to stock of rented apartments 2015; maps: FSO Geostat/Swisstopo.
Source: RESC Fahrländer Partner, base scenario November 2018.

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



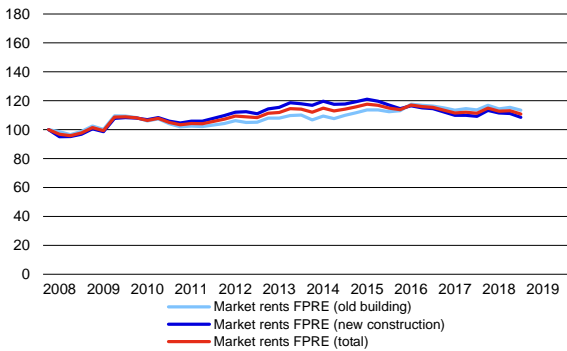
Note: all values are based on new constructions (excl. depreciation); Circle radius in relation to stock of office space 2015; maps: FSO Geostat/Swisstopo.
Source: RESC Fahrländer Partner, base scenario November 2018.

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	2019	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.

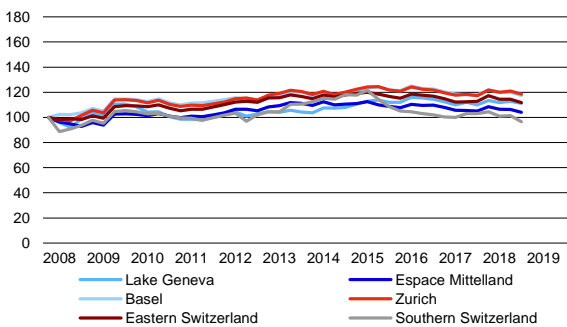
25 Market rents rented apartments (RA) Switzerland



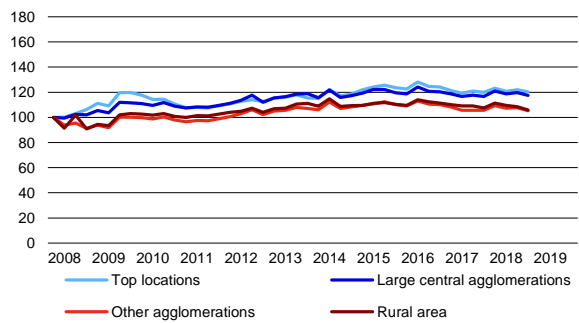
4th quarter 2018	Index (=100)	Changes to previous quarter	Change p.a.
Lake Geneva	111.3	-1.4%	1.1%
Jura	93.8	-0.5%	-2.0%
Espace Mittelland	104.1	-2.0%	-0.9%
Basel	117.4	-2.1%	-0.3%
Zurich	118.4	-2.0%	0.9%
Eastern Switzerland	111.8	-2.3%	-0.8%
Alps	102.3	-4.2%	-7.6%
Southern Switzerland	96.5	-4.8%	-6.3%

Source: Fahrländer Partner, meta analysis real estate FPRE.

26 Market rents RA by region



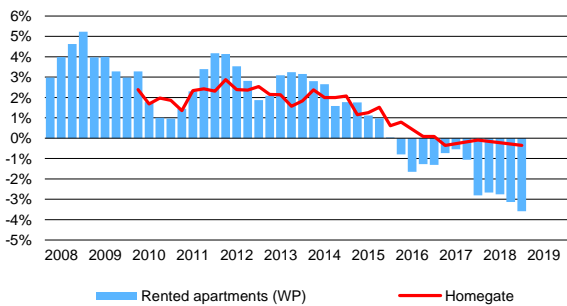
27 Market rents RA by spatial type



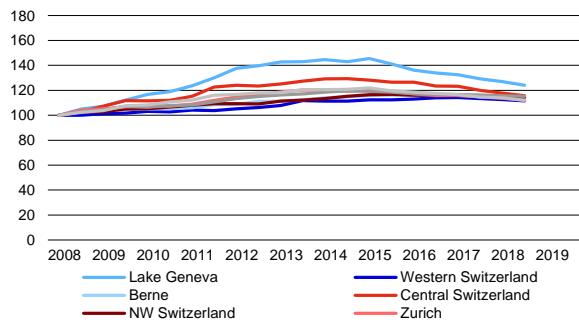
Source: Fahrländer Partner, meta analysis real estate FPRE.

Source: Fahrländer Partner, meta analysis real estate FPRE.

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



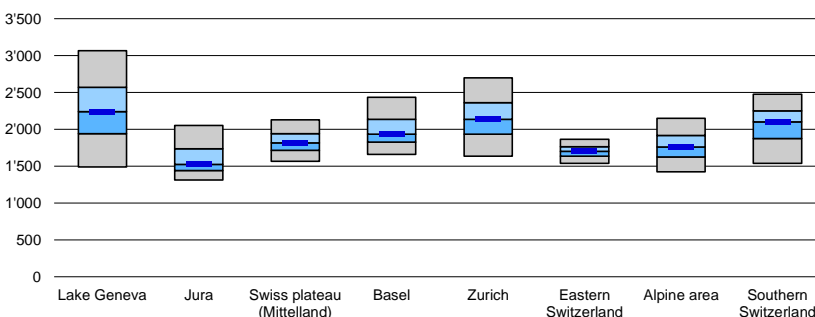
29 Quoted rents RA by regions



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

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.

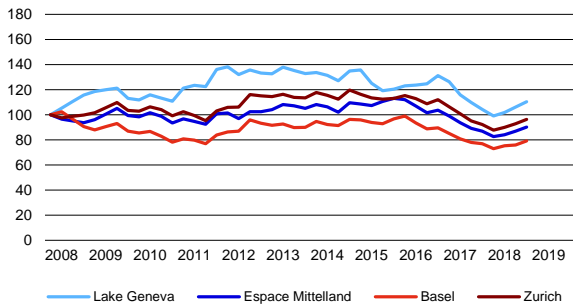
31 Forecast office space

	CS(2)		FPRE(1)		UBS(2)	WP(2)
	Rents	Rents	Prices	Rents	Rents	Rents
	Forecast	2019	2019	2020	2019	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.

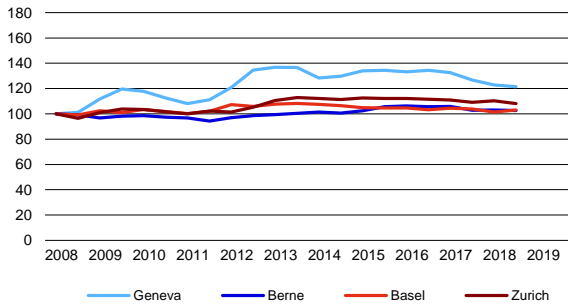
32 Market rents for office spaces by region (net rents)



4th quarter 2018	Index (=100)	Changes to previous quarter	Change p.a.
Lake Geneva	110.5	4.2%	5.9%
Espace Mittelland	90.3	3.9%	4.0%
Basel	79.2	4.2%	3.0%
Zurich	96.3	3.6%	4.2%

Source: Fahrländer Partner, meta analysis real estate FPRE.

33 Quoted rents for office space (net rents)



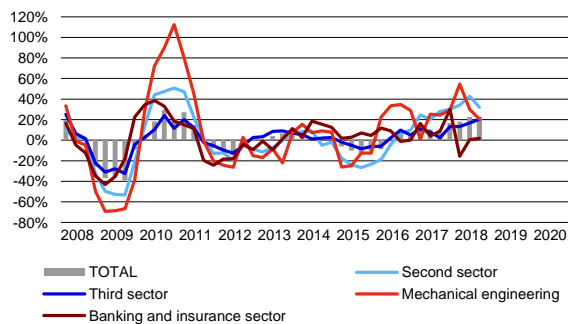
Source: SNB, Wüest Partner, meta analysis real estate FPRE.

34 Office space: supply rate for the major Swiss centres

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.

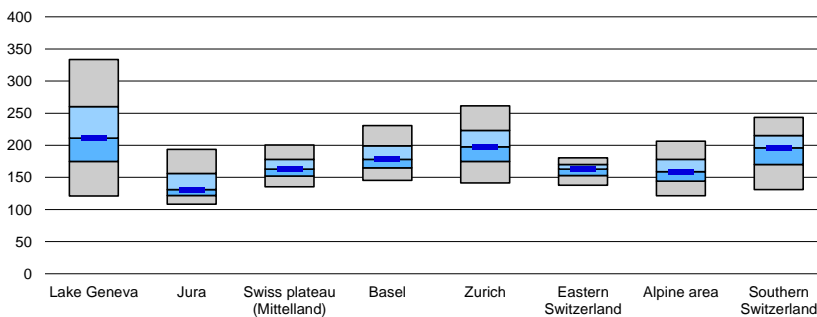
35 Change in job vacancies



Index of job vacancies	Change p.a. 3rd quarter 2018
TOTAL	23.0%
Second sector	31.9%
Mechanical engineering	20.5%
Third sector	20.2%
Banking and insurance sector	1.8%
Real estate sector	21.7%
IT sector	44.2%
Other services	36.9%

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	4th quarter 2018
4	Closing Prices	SWIIT, REAL KGAST	SIX KGAST	31.01.2019 31.01.2019
5			SFA	3rd quarter 2018
6	Cf. meta analysis economy FPRE	Forecasts	SECO KOF Créa Credit Suisse UBS BAK	18.12.2018 13.12.2018 25.10.2018 18.12.2018 12.12.2018 06.12.2018
7	Cf. meta analysis economy FPRE	Forecasts	SECO	2018 fig. 6
8	Cf. meta analysis economy FPRE	Private consumption Consumer confidence	SECO SECO	3rd quarter 2018 1st quarter 2019
9	Cf. meta analysis economy FPRE		FSO	2017
10	Cf. meta analysis real estate FPRE		SNB	22.10.2018
11-12	Cf. meta analysis real estate FPRE		SNB	December 2018
13	Cf. meta analysis real estate FPRE		FSO, SEM	3rd quarter 2018
14	Cf. meta analysis real estate FPRE		SEM	November 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	4th quarter 2018
18	Cf. meta analysis real estate FPRE		SBV	4th quarter 2018
19	Cf. meta analysis real estate FPRE		FSO, FOM	2nd 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	4th quarter 2018
28			Homegate Wüest Partner	4th quarter 2018 4th quarter 2018
29	Cf. meta analysis real estate FPRE		WP	2nd half year 2018
30			IMBAS FPRE	4th quarter 2017
31	Cf. forecast below			
32	Cf. meta analysis real estate FPRE		Fahrländer Partner	4th quarter 2018
33	Cf. meta analysis real estate FPRE		WP	2. 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		SECO	October 2018
36			IMBAS FPRE	4th quarter 2017
Forecasts		Schweizer Immobilienmarkt 2017 Immobilien-Almanach Schweiz 2019 Immo-Monitoring 2019 I 1 UBS Real Estate Focus 2019 Hochbauprognose 2019-2025	Credit Suisse Fahrländer Partner Wüest Partner UBS BAK	2017 2018 2018 2018 2017

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