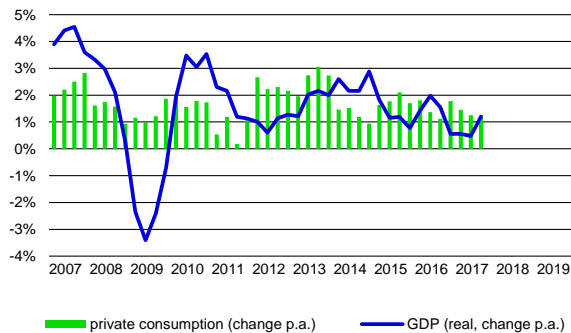


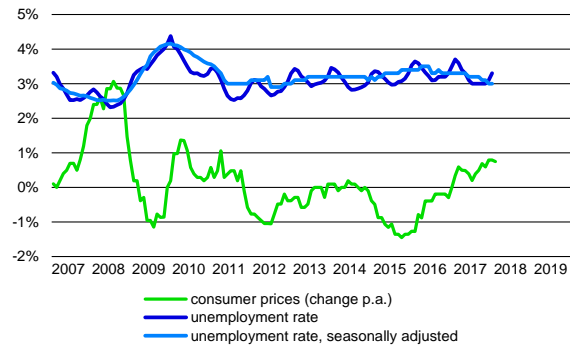
- UBS economists expect the economy to pick up considerably with growth rates of 1,8% for 2018 and 2019 as well. The weaker Swiss franc and the strong global economy are helping the Swiss economy put the franc shock behind it once and for all. UBS economists expect the SNB to hike interest rates for the first time in December of 2018.
- The KOF Economic Barometer does not continue its upward tendency, which started in September 2017, but has declined. In January 2018, the barometer declined compared to the previous month by 4,5 points to a value of 106,9. Despite the decline, the indicator remains well above its long-term average and the recovery of the Swiss economy is thus likely to continue.
- At 1,69 points, the UBS consumption indicator lay well above the long-term average in December 2017, conveying an optimistic snapshot of Swiss private consumption. Weaker figures for new car registrations prevented an even higher value.
- The procure.ch/Credit Suisse Purchasing Managers' Index (PMI) closed January 2018 at 65,3 points and therefore practically at the level of the previous month (-0,3 index points). The outlook for Swiss industry is good.
- FCA: in 2017, exports rose by 4,7% (real: +1,7%) to reach a new record high (220,4 bn CHF). Imports grew by 6,9% (real: +3,8), posting their strongest growth rate since 2010 (185,6 bn CHF). With a surplus of CHF 34,8 billion, the balance of trade closed the year 6% (or CHF 2,1 bn) lower than the previous year.

**GDP and private consumption**



Source: SECO.

**(1) Unemployment rate and inflation**



Source: SECO, FSO.

**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	2.3	1.9	2.3	1.7	1.5	2.0	1.7	-	1.8	1.8	2.4	-	2.0	1.9
Private consumption	1.4	1.5	1.6	1.5	1.4	1.4	1.3	-	1.4	1.6	1.6	-	1.5	1.5
Public consumption	0.7	0.5	1.2	0.6	-	-	1.8	-	1.0	0.8	1.3	-	1.2	0.6
Equipment investments	3.7	3.2	4.4	1.9	4.5	3.4	3.5	-	2.9	2.8	5.0	-	4.0	2.8
Investments in construction	1.1	0.3	1.8	1.7	1.4	0.1	1.0	-	0.7	1.0	0.8	-	1.1	0.8
Exports	4.5	4.1	6.2	4.3	2.8	4.7	4.0	-	3.5	3.3	5.0	-	4.3	4.1
Imports	3.9	3.8	4.6	4.6	4.3	3.5	3.5	-	2.8	3.1	4.9	-	4.0	3.8
Unemployment rate	2.9	2.8	3.0	2.9	3.3	3.4	3.1	-	2.9	2.7	3.0	-	3.0	3.0
Consumer prices	0.3	0.7	0.5	0.5	1.0	1.4	0.5	-	0.6	0.9	0.8	-	0.6	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: 19.12.2017 (21.9.2017), KOF: 14.12.2017 (5.10.2017), Créa: 17.11.2017 (30.5.2017), CS: 12.12.2017 (12.9.2017), UBS: 19.1.2018 (16.11.2017), BAK: 7.12.2017 (14.9.2017).

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.

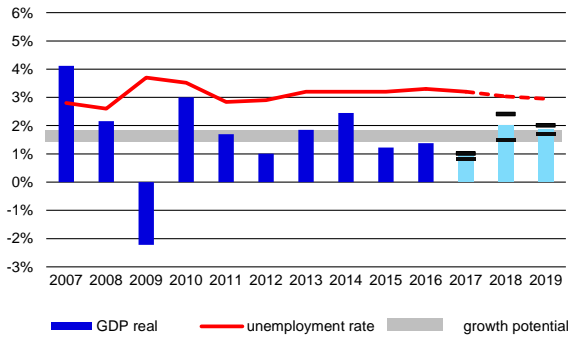
For all sources, please consult the last two pages «Sources and Glossary» and «Impressum».

GDP forecast Swiss economy

	2018							Ø	2019							Ø
	Créa	CS	UBS	SECO	KOF	BAK	KOF		UBS	SECO	Créa	CS	BAK			
GDP, real	1.5	1.7	1.8	2.3	2.3	2.4	2.0	1.7	1.8	1.9	2.0	-	-	1.9		

Evolution of GDP (real) and unemployment rate

(4)

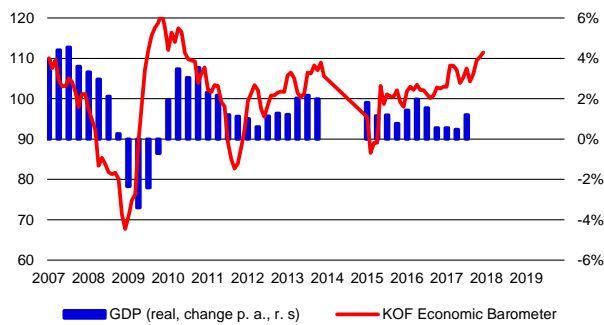


- The potential growth lies between 1,6% and 1,8%, according to calculations by Fahländer Partner.

Note: The values for 2017, 2018 and 2019 are forecasts.  
Since June 2016, the unemployment rate is based on occupation numbers according to the pooling 2012-2014 (revised from January 2014).  
Source: figure 1, page 1, Fahländer Partner (growth potential).

KOF economic barometer

(5)



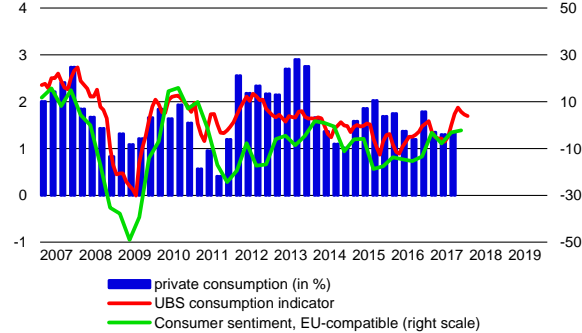
- The KOF Economic Barometer is a composite leading indicator for the Swiss economy. It comprises 219 variables which are combined based on statistically determined weights. It is one to two quarters ahead of the GDP growth rate of the previous year and thus enables an initial estimate to be made of how the Swiss economy will perform in the next or in the next two quarters.

- The KOF Economic Barometer does not continue its upward tendency, which started in September 2017, but has declined. In January 2018, the barometer declined compared to the previous month by 4,5 points to a value of 106,9. Despite the decline, the indicator remains well above its long-term average and the recovery of the Swiss economy is thus likely to continue.

Source: KOF, SECO.

Private consumption, consumer sentiment and UBS consumption indicator

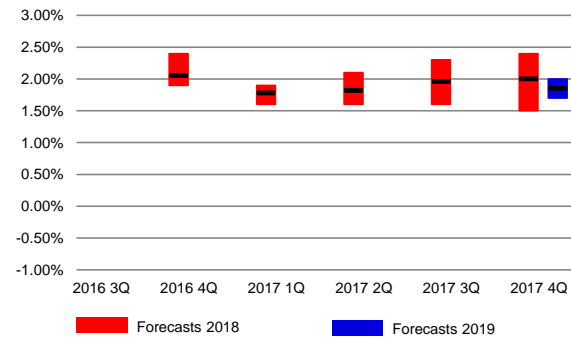
(6)



- At 1,69 points, the UBS consumption indicator lay well above the long-term average in December 2017, conveying an optimistic snapshot of Swiss private consumption. Weaker figures for new car registrations prevented an even higher value.

Source: CIO WM UBS, SECO.

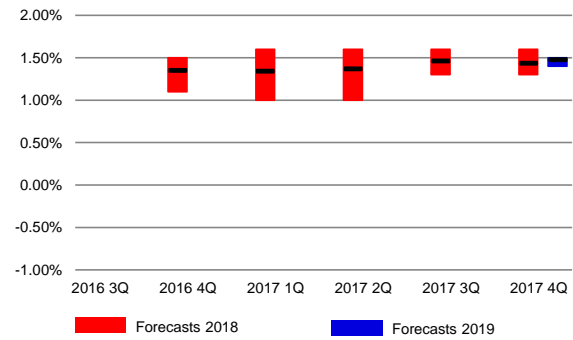
**Evolution forecasts GDP**



Source: cf. figure, page 1.

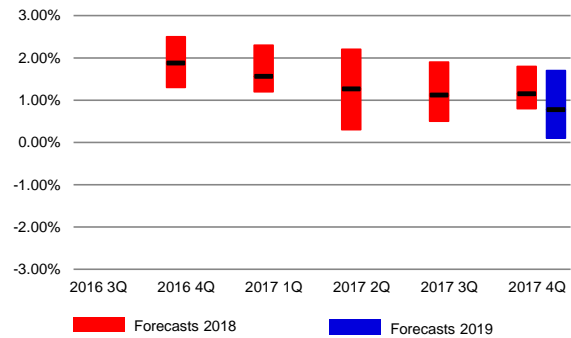
**(7) Evolution forecasts private consumption**

(8)



Source: cf. figure, page 1.

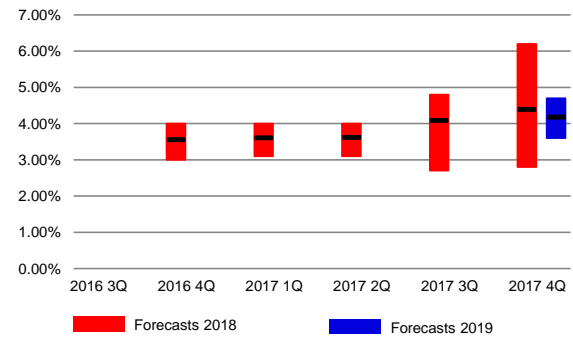
**Evolution forecasts investments in construction**



Source: cf. figure, page 1.

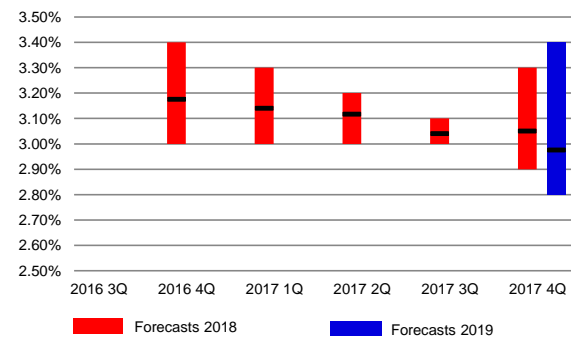
**(9) Evolution forecasts exports of goods**

(10)



Source: cf. figure, page 1.

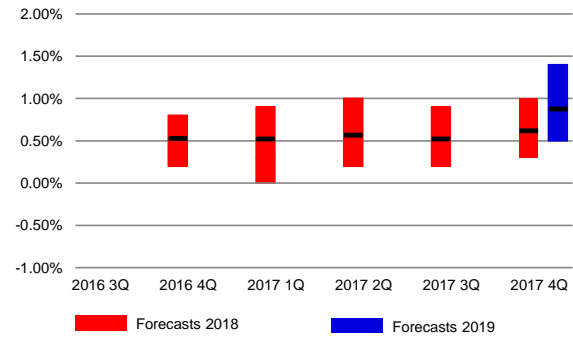
**Evolution forecasts unemployment rate**



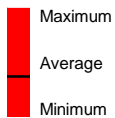
Source: cf. figure, page 1.

**(11) Evolution forecasts rate of price increase**

(12)



Source: cf. figure, page 1.

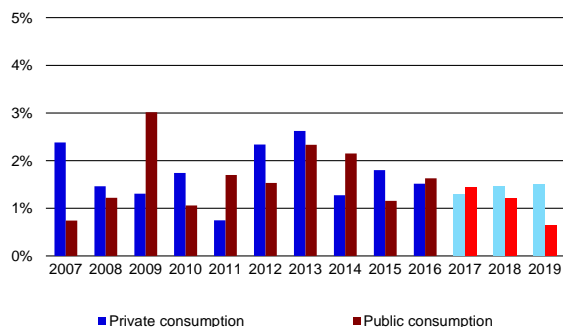


The horizontal axe shows the different forecast moments. The red bars show the band width of the forecasts for the year 2018, the blue bars for the year 2019. The average is illustrated in black.

	2018							2019						
	CS	SECO	Créa	UBS	KOF	BAK	Ø	Créa	SECO	KOF	UBS	CS	BAK	Ø
Private consumption	1.3	1.4	1.4	1.4	1.6	1.6	1.5	1.4	1.5	1.5	1.6	-	-	1.5
Public consumption	0.7	1.0	1.2	1.3	1.8	-	1.2	0.5	0.6	0.8	-	-	-	0.6

## Changes in consumption

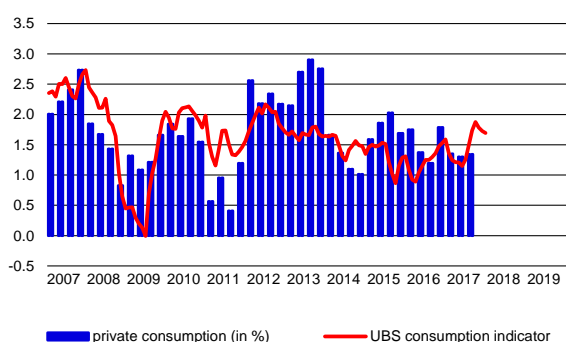
(13)



Note: The values for 2017, 2018 and 2019 are forecasts.  
Source: table 3, page 1.

## UBS consumption indicator

(14)



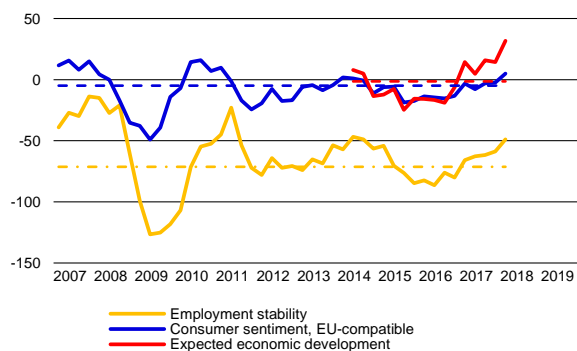
December 2017	Level of the index
UBS consumption indicator	1.69
3rd quarter 2017	Change p.a.
Private consumption (in %)	1.3%

- The UBS consumption indicator shows - ca. three months in advance to the official numbers - the evolution of the private consumption in Switzerland.

Source: WMR UBS, SECO.

## Consumer sentiment index

(15)



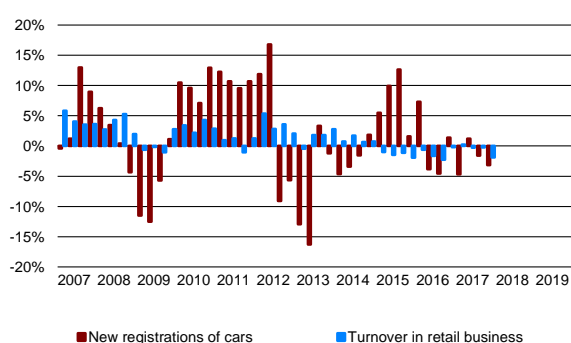
January 2018	Level of the index
Consumer sentiment	1
Employment stability	-49
Consumer sentiment, EU-compatible	5
Expected economic development	32

- Note: Since the second quarter 2007, the new EU-compatible index is displayed.

Note: The dashed line shows the corresponding mean.  
Source: SECO.

## Changes turnover in retail business and new registrations of cars

(16)



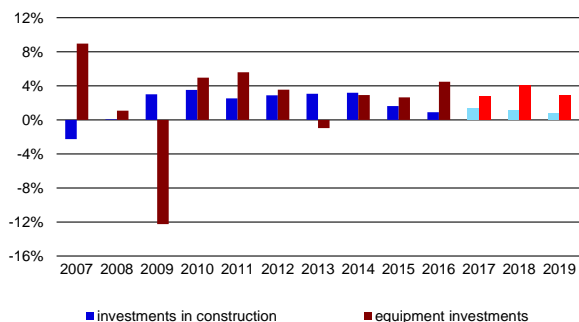
4th quarter 2017	Change p.a.
New registrations of cars	-3.1%
4th quarter 2017	Change p.a.
Turnover in retail business	-1.9%

Source: FSO.

	2018							2019						
	UBS	CS	SECO	KOF	Créa	BAK	Ø	KOF	UBS	SECO	Créa	CS	BAK	Ø
Equipment investments	2.9	3.5	3.7	4.4	4.5	5.0	4.0	1.9	2.8	3.2	3.4	-	-	2.8
Investments in construction	0.7	0.8	1.0	1.1	1.4	1.8	1.1	0.1	0.3	1.0	1.7	-	-	0.8

## Changes in investments

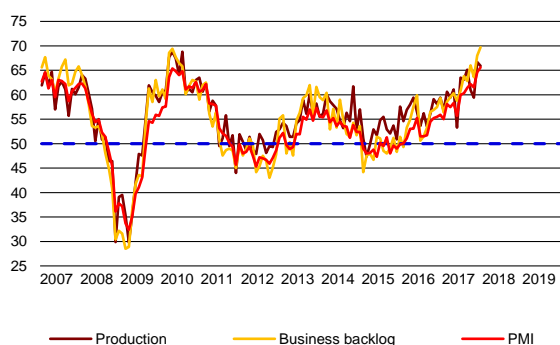
(17)



Note: The values for 2017, 2018 and 2019 are forecasts.  
Source: figure 3, page 1.

## Purchasing Managers Index (PMI)

(18)



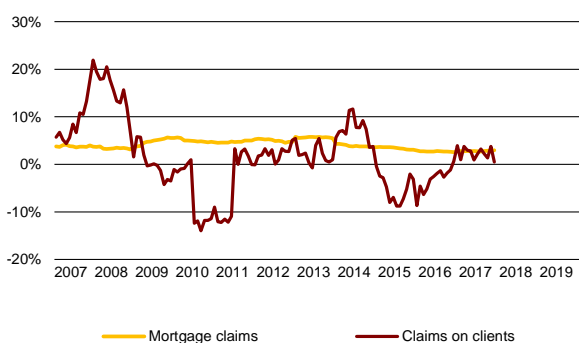
December 2017	Level of the index
PMI	65.6
Production	65.9
Business backlog	69.7

- The Purchasing Managers Index (PMI) is based on a monthly survey of Credit Suisse and procure.ch. The PMI shows an immediate picture of business development in industry.

Note: If the PMI or one of the subindices reads over (under) the 50.0-point-mark, this indicates an increase (decrease).  
Source: Credit Suisse, procure.ch.

## Changes in credit volume, inland

(19)

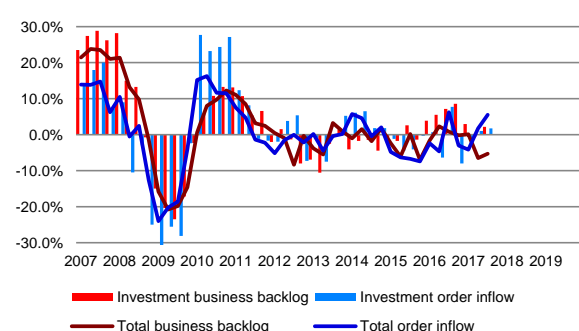


November 2017	Volume in billion CHF	Change p.a.
Mortgage claims	973.2	3.0%
Claims on clients	162.5	0.5%

Source: SNB.

## Changes order inflow and balance of capital goods

(20)



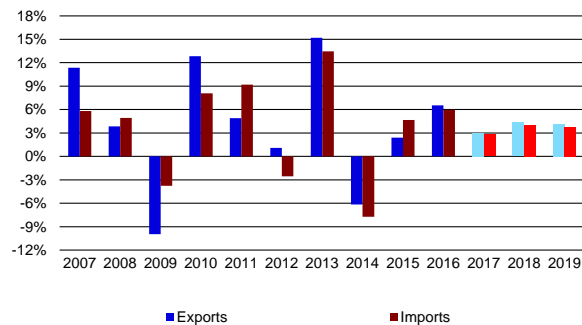
3rd quarter 2017	Change p.a.
Total order inflow	5.5%
Investment order inflow	1.7%
Total business backlog	-5.3%
Investment business backlog	2.2%

Source: FSO.

	2018							2019						
	Créa	UBS	CS	SECO	BAK	KOF	Ø	UBS	SECO	KOF	Créa	CS	BAK	Ø
Exports of goods	2.8	3.5	4.0	4.5	5.0	6.2	4.3	3.3	4.1	4.3	4.7	-	-	4.1
Imports of goods	2.8	3.5	3.9	4.3	4.6	4.9	4.0	3.1	3.5	3.8	4.6	-	-	3.8

### Changes in foreign trade: exports and imports

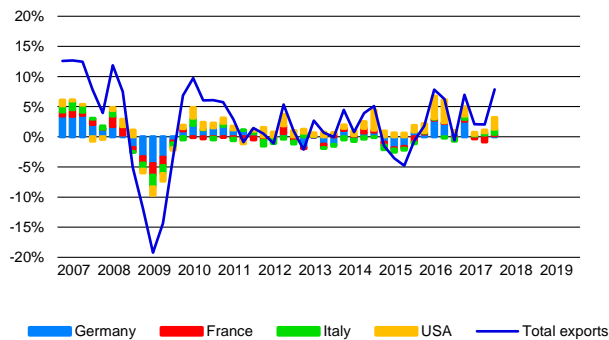
(21)



Note: The values for 2017, 2018 and 2019 are forecasts.  
Source: figure 3, page 1.

### Changes in exports to Germany, France, Italy, USA: contribution to growth in export volume

(22)

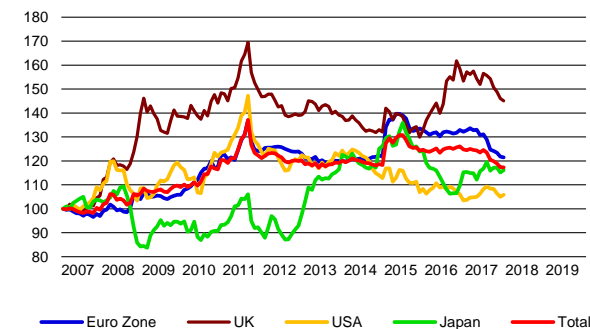


4th quarter 2017	Change p.a.
Total exports	7.9%
Germany	1.1%
France	4.4%
Italy	13.8%
USA	12.2%

Source: Swiss Customs Administration.

### Real exchange rate indices, export-weighted

(23)



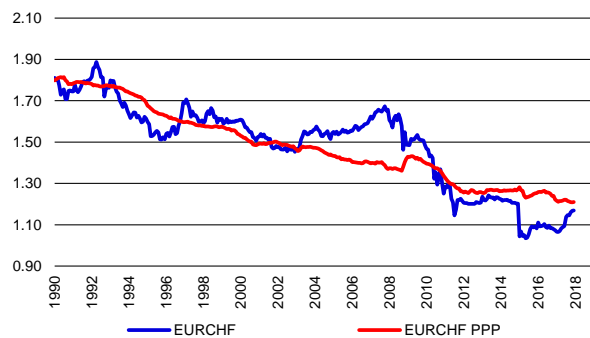
15.02.2018	Exchange rate
EUR	1.16
GBP	1.30
USD	0.92
JPY (100)	0.87

- The real external value of the Swiss Franc compared to the currencies of the most important trade partners of Switzerland is measured by the real export-weighted exchange rate index. It is often used as an indicator for the assessment of the price competitiveness of an economy. A fall in the exchange rate index means a depreciation of the Swiss Franc.

Source: SNB.

### EUR/CHF and Purchasing-Power Parity (PPP)

(24)



31.12.2017	PPP
PPP	1.21

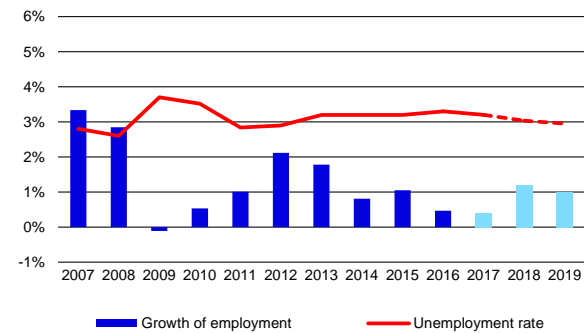
- The concept of purchasing-power parity (PPP) can be used to determinate the fair value of a currency. Purchasing-power parity exists when different currencies have the same purchasing-power due to the exchange rate and therefore the same basket of goods can be purchased with one unit of currency. If the EURCHF PPP is higher than the EURCHF exchange rate, the CHF is overvalued.

Source: UBS CIO, Macrobond.

	2018							2019						
	Créa	CS	KOF	BAK	SECO	UBS	Ø	BAK	CS	Créa	KOF	SECO	UBS	Ø
Unemployment rate	3.3	3.1	3.0	3.0	2.9	2.9	3.0	-	-	3.4	2.9	2.8	2.7	3.0

Unemployment rate

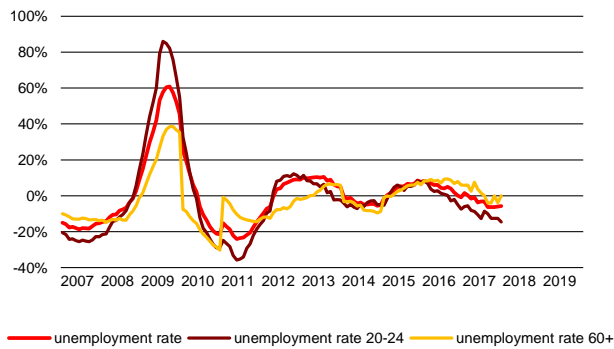
(25)



Note: The values for 2017, 2018 and 2019 are forecasts.  
 Note: Since June 2016, the unemployment rate is based on occupation numbers according to the pooling 2012-2014 (revised from January 2014).  
 Source: figure 3, page 1.

Changes in unemployment rate

(26)



Registered unemployed

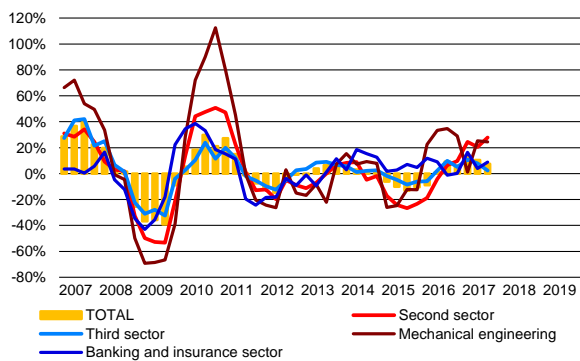
January 2018

	Number	Δ*	Rate
TOTAL	149'161	-9.3%	3.3%
Secondary sector	41'000	-14.5%	4.7%
Engineering	1'705	-26.1%	2.3%
Chemistry, petroleum refining	1'553	-1.5%	2.9%
Third sector	100'992	-6.1%	3.4%
Banking and insurance sector	7'065	-4.9%	2.9%

\* Changes to same month previous year  
 Note: Since June 2016, the unemployment rate is based on occupation numbers according to the pooling 2012-2014 (revised from January 2014).  
 Source: SECO.

Change job vacancies

(27)



Index of job vacancies

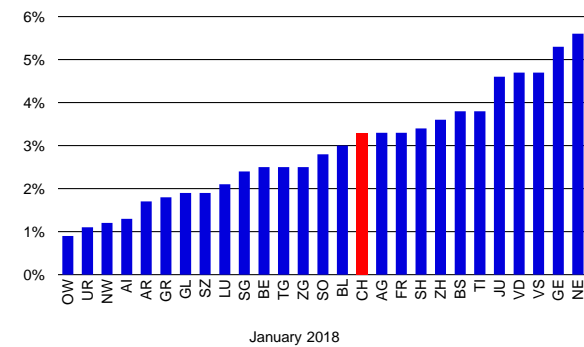
Change p.a.  
3rd quarter 2017

TOTAL	7%
Second sector	28%
Mechanical engineering	24%
Third sector	2%
Banking and insurance sector	9%

Source: FSO.

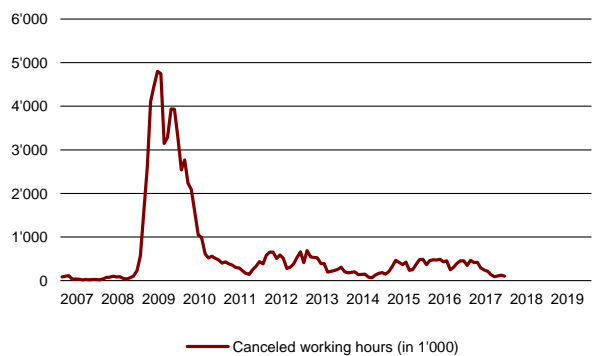
Cantonal unemployment rates

(28.a)



Short-time work

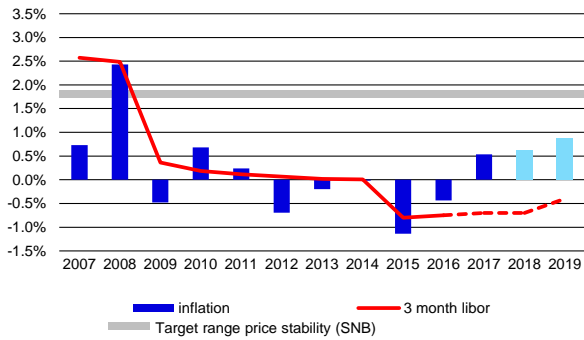
(28.b)



Source: SECO.

	2018							2019						
	SECO	KOF	CS	UBS	BAK	Créa	Ø	KOF	SECO	UBS	Créa	CS	BAK	Ø
Rate of price increase	0.3	0.5	0.5	0.6	0.8	1.0	0.6	0.5	0.7	0.9	1.4	-	-	0.9

## Rate of price increase



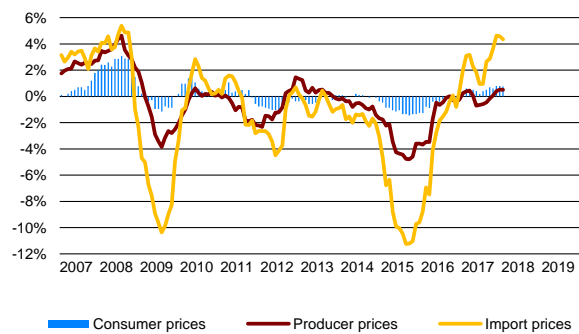
## (29)

Inflation forecast SNB	2017	2018	2019
Forecast December 2017	0.5%	0.7%	1.1%
Libor	-0.75%		
Forecast September 2017	0.4%	0.4%	1.1%
Libor	-0.75%		

- SNB: The conditional inflation forecast of December 2017 for the coming quarters is higher than it was in September. This is mainly due to increased oil prices and the further weakening of the Swiss franc. For 2017, the SNB anticipates an inflation rate of 0,5% (September: 0,4%), for 2018 of 0,7% (September: +0,4%).

Note: The values for 2017, 2018 and 2019 are forecasts.  
Source: figure 3, page 1, SNB.

## Changes in producer and import prices

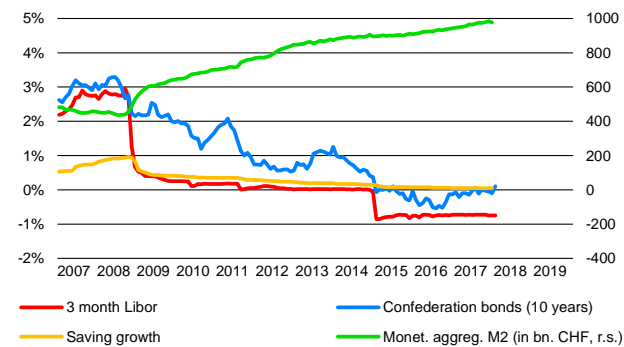


## (30)

January 2018	change to previous month	change p.a.
Consumer prices	-0.1%	0.7%
Producer prices	0.3%	0.5%
Import prices	0.5%	4.3%

Source: FSO.

## Interests and monetary aggregates

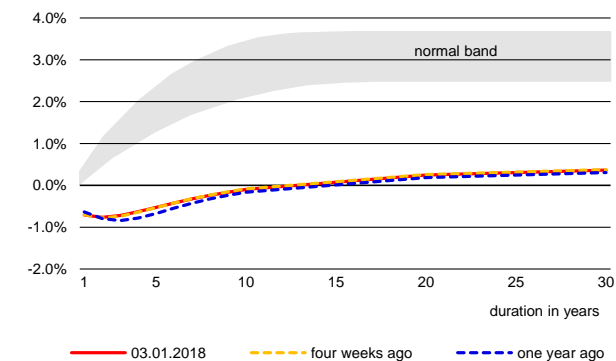


## (31)

January 2018	
3 month Libor	-0.7%
Confederation bonds (10 years)	0.1%
December 2017	
Saving growth	0.1%

Source: FSO.

## Yields on Confederation bonds



## (32)

	Expected interest rate			
	Interest rate 3-month-Libor		Yields on Confederat. bonds (10 years)	
	2018	2019	2018	2019
Seco	-0.7%	-0.4%	0.2%	0.4%
KOF	-0.7%	-0.4%	0.1%	0.4%
Créa	-	-	0.3%	1.1%

- Normal band: long-term expectations of growth (ca. 1% - 1.5%) plus long-term expectations of price increase (ca. 1.5% - 2%).

Source: SNB, Fahrländer Partner (normal band).



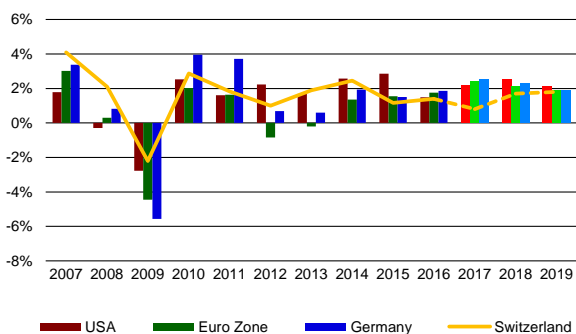
Economic forecasts global economy

(33)

	GDP, real						Rate of price increase						Unemployment rate					
	EU COM		OECD		DIW		EU COM		OECD		DIW		EU COM		OECD		DIW	
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
CH	-	-	1.7	1.8	-	-	-	-	0.6	0.6	-	-	-	-	4.5	4.4	-	-
GER	2.1	2.0	2.3	1.9	2.2	1.6	3.5	3.2	1.8	2.0	1.7	1.7	3.5	3.2	3.5	3.4	5.5	5.2
GB	1.3	1.1	1.2	1.1	1.4	1.5	2.6	2.1	2.6	2.2	2.5	2.2	4.7	4.8	4.4	4.6	8.6	8.3
JAP	1.2	1.0	1.2	1.0	1.2	1.2	0.8	1.2	1.0	1.7	0.5	1.1	2.8	2.7	2.8	2.8	3.1	3.0
USA	2.3	2.1	2.5	2.1	2.5	2.4	2.1	2.2	1.7	2.1	1.6	2.1	4.3	4.1	3.9	3.7	4.1	4.0
EU-27	2.2	2.0	-	-	-	-	1.5	1.8	-	-	-	-	7.7	7.2	-	-	-	-
Eurozone	2.1	1.9	2.1	1.9	2.1	1.7	1.4	1.6	1.5	1.7	1.6	1.7	8.5	7.9	8.5	8.0	8.6	8.3
OECD	-	-	2.4	2.1	-	-	-	-	-	-	-	-	-	-	5.5	5.3	-	-

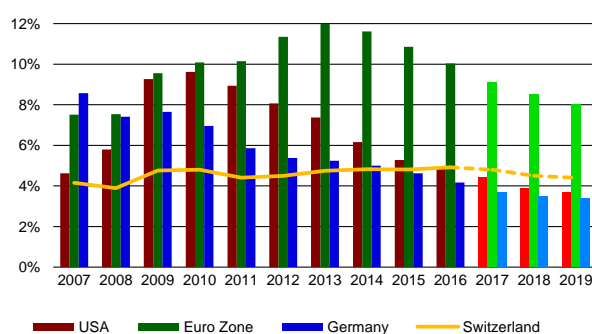
Changes to the previous year as a %. Consecutively, the date of the current forecast will be listed directly, the date of the previous forecast in parentheses:  
 European Commission (EU KOM): 9.11.2017 (11.5.2017), OECD: 28.11.2017 (1.6.2017), DIW: 14.12.2017 (7.9.2017).  
 Arrows: ↗ (previous forecast was adjusted upwards), ↘ (previous forecast was adjusted downwards), → (previous forecast kept).  
 The first forecast of the year will not be listed with an arrow.

International GDP



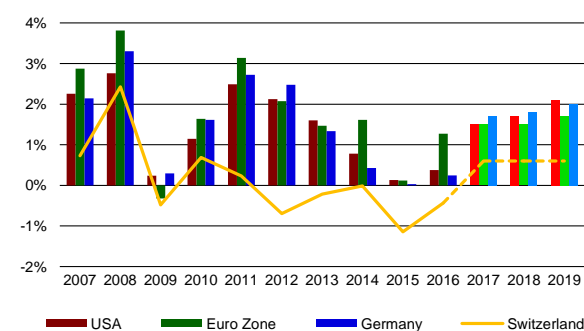
International unemployment rates

(34)



International expectations inflation

(36)

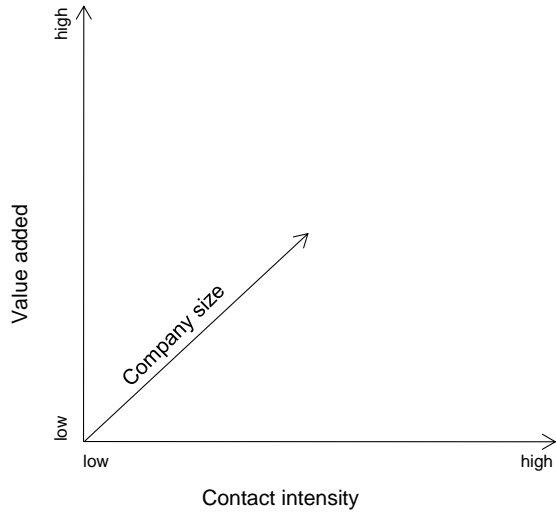


Note: The values for 2017, 2018 and 2019 are forecasts.  
 Source: OECD.

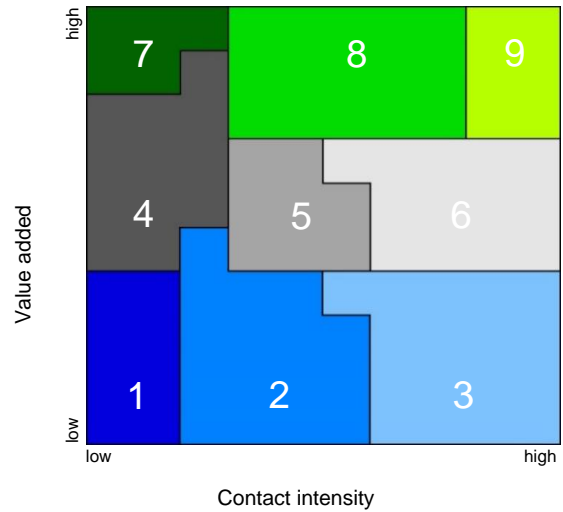
The segments of demand in the office market Fahrländer Partner & CSL Immobilien were calculated for the first time for the whole Switzerland. The segments of demand are an important instrument for the site analysis, market-oriented conception of office spaces and marketing/sale.

The segmentation of demand in the office market are a classification of businesses for the office market by the criteria value added, contact intensity and business size.

Three dimensions of the segment of demand in the office market (37)



Nine segment of the office space market (38)



### Nine segment of the office space market

The nine segments of demand represent different businesses which differ in their preferences and possibilities to implement these preferences in the office market. They are based on the Business Census of the Swiss Federal Statistical Office.

- |                           |                               |                           |
|---------------------------|-------------------------------|---------------------------|
| 1 Service centers         | 4 Back offices                | 7 Specialised performers  |
| 2 Local service providers | 5 Public-oriented enterprises | 8 Headquarters            |
| 3 Creative thinkers       | 6 Private consultancies       | 9 Exclusive front offices |

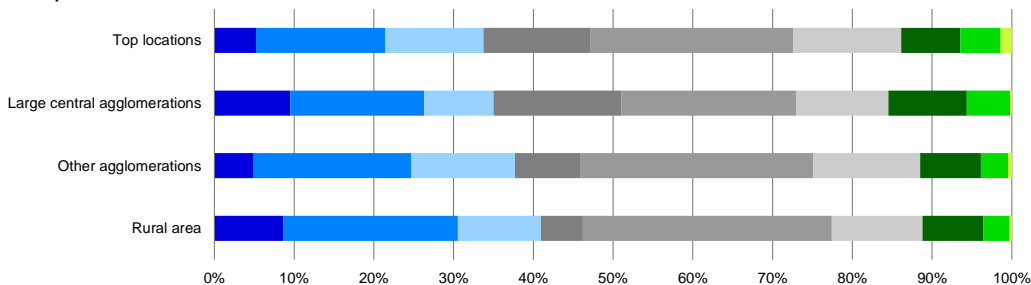
Source: Fahrländer Partner & CSL Immobilien.

The description of the method and the factsheets of the individual segments of demand can be found here:

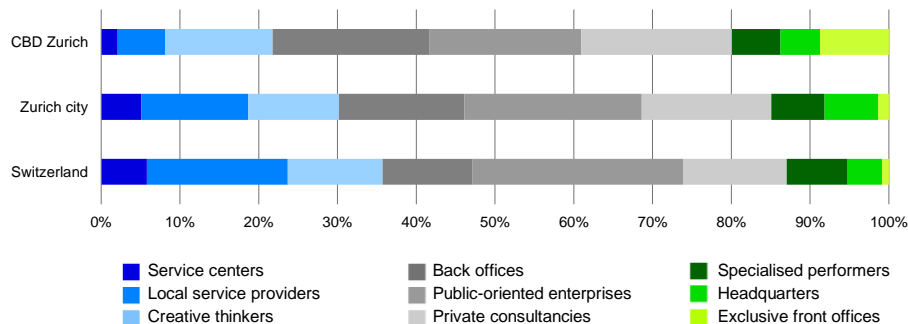
<https://www.fpre.ch/en/products/demand-office/>

Distribution of the segment of demand in the office space market by full-time equivalents (39)

### Types of space FPRE



### Zurich city



Note: CBD = Central Business District.

Source: Fahrländer Partner & CSL Immobilien.

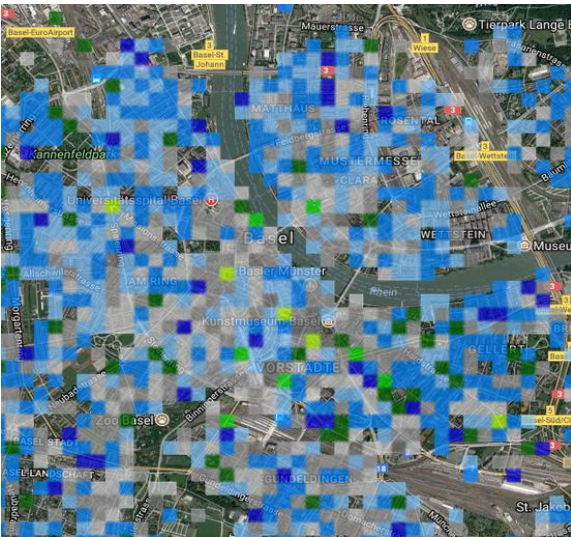
## Segments of demand in office market on a 100m grid

On a 100m grid, the dominant segments of demand can be now geographically located and illustrated.

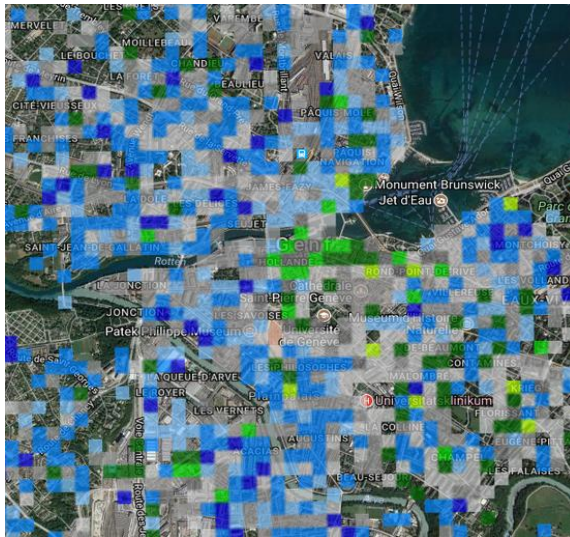
### Dominant segments of demand in office market (2015)

(40)

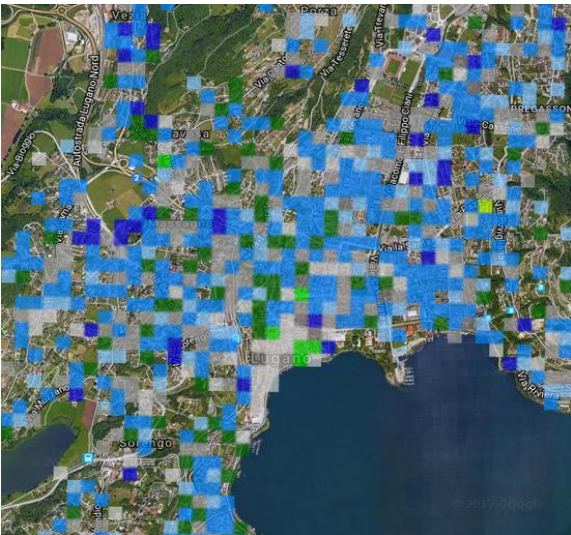
**Basel city**



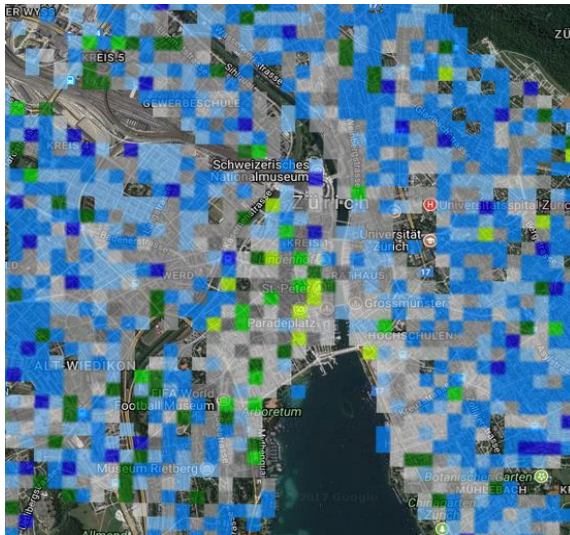
**Geneva city**



**Lugano city**



**Zurich city**



- |  |   |   |
|--|---|---|
| <span style="color: blue;">■</span> Service centers              | <span style="color: grey;">■</span> Back offices                | <span style="color: green;">■</span> Specialised performers   |
| <span style="color: lightblue;">■</span> Local service providers | <span style="color: grey;">■</span> Public-oriented enterprises | <span style="color: green;">■</span> Headquarters             |
| <span style="color: lightblue;">■</span> Creative thinkers       | <span style="color: grey;">■</span> Private consultancies       | <span style="color: yellow;">■</span> Exclusive front offices |

Source: Fahrländer Partner & CSL Immobilien.

Nb. of fig.	Note	Indicator	Source	Data as of
1	Real change as a % compared to previous year		SECO	3rd quarter 2017
2	Level as a % Changes compared to previous year.	Unemployment rate Consumer prices	SECO FSO	December 2017 January 2018
3	Changes compared to previous year.	Forecasts	SECO KOF Créa Credit Suisse UBS BAK	19.12.2017 14.12.2017 17.11.2017 12.12.2017 19.01.2018 07.12.2017
4	Real change as a % compared to previous year (at previous year prices).	Forecasts	SECO	2017 figure 3
5		KOF Economic Barometer GDP	KOF SECO	December 2016 3rd quarter 2017
6		Private consumption UBS consumption indicator Consumer confidence	SECO UBS SECO	3rd quarter 2017 December 2017 1st quarter 2018
7-12			SECO KOF Créa Credit Suisse UBS BAK	19.12.2017 14.12.2017 17.11.2017 12.12.2017 19.01.2018 07.12.2017
13	Real change as a % compared to previous year (at previous year prices).	Forecasts	SECO	2017 figure 3
14		UBS consumption indicator Private consumption	UBS SECO	December 2017 3rd quarter 2017
15		Consumer confidence	SECO	1st quarter 2018
16	Quarterly date, changes as a % compared to previous year. Sales in retail business, adjusted, real.	New registrations of cars Retail trade turnover	FSO FSO	4th quarter 2017 4th quarter 2017
17	Real change as a % compared to previous year (at previous year prices).	Forecasts	SECO	2017 figure 3
18		Purchasing Managers Index (PMI)	procure.ch, CS	December 2017
19	Outstanding credit (gross receivable), Change as a % compared to previous year (nominal values).		SNB	November 2017
20	Real change as a % compared to previous year (at prices of previous year), except construction business.		FSO	3rd quarter 2017
21	Real change as a % compared to previous year (at previous year prices).	Forecasts	SECO	2017 figure 3
22	Shares of exports to Germany, France, Italy and the USA to the relative growth of export volume in percentage points. Relative changes in growth of total exports as a % compared to the previous year (nominal values).		FCA Administration	4th quarter 2017
23			SNB	December 2017
24			UBS, Macrobond	31.12.2017
25	Unemployment rate as a percentage. Employment growth (full-time equivalent) in the second and third sector as percentage change compared to the previous year.	Unemployment rate Employment growth Forecasts	SECO SECO	December 2017 2017 figure 3
26	Changes compared to previous year.		SECO	December 2017
27	Changes compared to previous year.		FSO JOBSTAT	3rd quarter 2017
28.a		Unemployment rate	SECO	December 2017
28.b		Short-time Work	SECO	November 2017
29	Consumer price index (changes as a % compared to previous year). 3-month-Libor as a %	Inflation 3-month-Libor Forecasts	FSO SNB	January 2018 January 2018 figure 3
30	Changes compared to previous year.		FSO	January 2018
31		Interests Monetary base Saving growth	SNB SNB SNB	January 2018 December 2017 December 2017
32		Normal band	SNB Fahrländer Partner	January 2018 2017
33	Changes compared to previous year.	Forecasts	EU Commission OECD DIW	09.11.2017 28.11.2017 14.12.2017
34	Real change as a % compared to previous year (at previous year prices).		OECD	28.11.2017
35-36			OECD	28.11.2017
37	Special topic		FPRE & CSL Immo.	2015
38	Special topic		FPRE & CSL Immo.	2015
39	Special topic		FPRE & CSL Immo.	2015
40	Special topic		FPRE & CSL Immo.	2015

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**Impressum**      The meta analysis economy is compiled based on the newest available data.  
Authors: Mattia Farei-Campagna, Dominik Matter and Jaron Schlesinger.  
The meta analysis economy can be accessed or subscribed:  
  
<https://www.fpre.ch/en/products/meta-analysis/>

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