

- SWX IAZI real estate price index: At 1,9%, price growth for apartment buildings is quite remarkable in the 2nd quarter of 2019 (previous quarter: 1,3%). On an annual basis, price growth also increased, by 3,1% (previous quarter: 1,9%). The performance of apartment buildings in the second quarter was 2,6% (previous quarter: 2,1%). On an annual basis it amounted to 6,5% (previous quarter: 5,2%). Performance is the total return and includes the net cash flow return and the increase in value.
- In the 1st quarter 2019, employment growth in the traditional office market sectors was 1.9% compared with the same quarter of the previous year. The main driver of this growth is the business services sector (3.2% more employees than in the previous year). Negative impulses came from the banking and real estate sectors (-0.6% and -1.6% compared with the previous year).
- According to the KOF Employment Indicator of the 3rd quarter of 2019, most firms in domestically driven sectors plan to boost their headcount over the next few months.
- SECO: The consumer sentiment index from July 2019 stands at -8 points and remains slightly below its long-term average (-5 points). The assessment has hardly improved in comparison with April 2019's survey (-9 points).

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	●	↗	●	→	●	→	●	→	→	↘

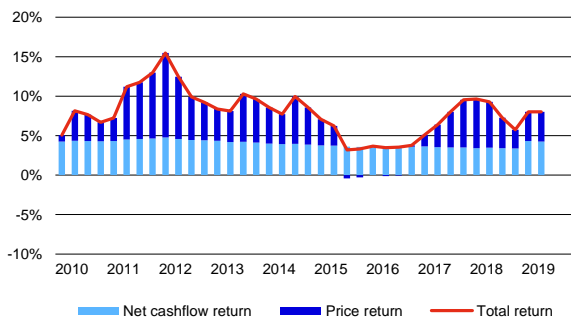
All valuations are done from a owner/seller perspective. The circles describe the actual situation: green: unproblematic situation; yellow: some problems; red: problematic situation. Arrows describe the forecast for the following 12 months: ↗: expected improvement; →: stable; ↘: expected aggravation.

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

Source: Fahrländer Partner.

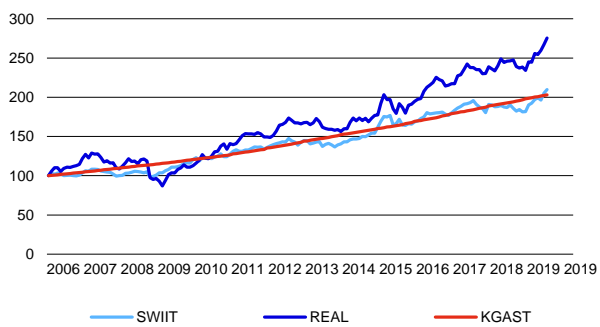
For all sources please check the glossary and impressum on the last page.

3 SWX IAZI Investment Real Estate Performance Index



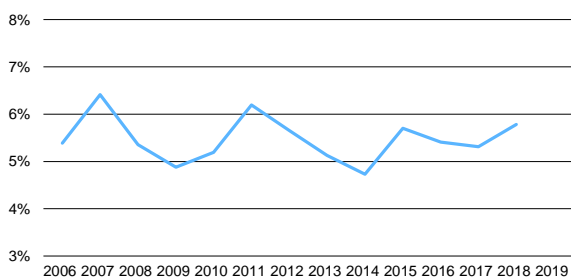
Source: IAZI, cf. meta analysis real estate FPPE.

4 SWIIT (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 has risen by 3,3 points in July to 97,1 from 93,8 in June 2019 (revised from 93,6). Slightly more favourable signals than before are coming from manufacturing, other services, accommodation and food service activities as well as financial and insurance services. On the other hand, the indicators for demand from abroad have a dampening effect.
- The procure.ch/Credit Suisse PMI fell by 3,0 points to 44,7 points in July 2019. The purchasing managers' index did not reach such low levels during the recession in the euro zone in 2012 or as a result of the significant appreciation of the CHF in January 2015. The last time this was the case was in July 2009.
- According to SECO, in the end of July 2019, 97'578 unemployed were registered at regional unemployment offices, 356 more than in the previous month. The unemployment rate remained at 2,1%.

6 Economic forecasts Swiss economy

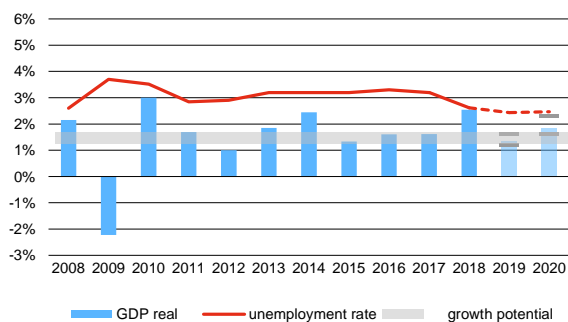
	SECO		KOF		Créa		CS		UBS		BAK		Arithmetic means	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
GDP, real	1.2 ↗	1.7 →	1.6 ↗	2.3 ↗	1.4 ↘	1.9 ↘	1.5 →	1.8 →	1.3 ↗	1.6 →	1.2 ↗	1.7 ↘	1.4	1.8
Private consumption	1.2 ↗	1.4 →	1.0 ↗	1.3 ↗	1.4 ↘	1.7 →	1.4 →	1.4 →	1.3 ↘	1.6 ↘	1.2 →	1.2 ↘	1.3	1.4
Public consumption	1.2 ↘	0.8 →	1.4 ↘	1.4 ↗	-	-	0.9 →	1.0 →	0.8 ↗	0.6 →	1.0 ↗	0.7 ↗	1.1	0.9
Equipment investments	0.8 →	2.8 →	2.1 ↗	3.5 ↗	0.3 ↘	2.4 ↗	1.5 ↘	2.0 ↘	1.2 ↗	1.5 ↘	0.6 ↘	2.0 ↘	1.1	2.4
Investments in construction	0.6 →	0.6 ↘	0.3 ↗	-0.5 ↘	0.7 ↗	2.3 ↗	0.9 →	1.1 →	0.7 ↗	0.8 →	-0.1 ↗	0.2 →	0.5	0.8
Exports	3.1 ↗	3.2 →	4.4 ↗	4.5 ↘	2.2 ↘	4.6 ↗	2.5 →	3.0 →	4.8 ↗	3.0 →	3.3 ↗	2.5 ↘	3.4	3.5
Imports	2.3 ↘	3.2 ↘	3.5 ↗	5.8 ↗	2.6 ↗	2.6 ↗	2.6 →	2.5 →	2.4 ↗	3.3 ↗	1.4 ↘	2.6 ↘	2.5	3.3
Unemployment rate	2.4 →	2.6 →	2.4 →	2.4 ↘	2.5 ↘	2.5 ↘	2.4 →	2.5 →	2.5 →	2.5 →	2.4 ↗	2.3 →	2.4	2.5
Consumer prices	0.6 ↗	0.6 →	0.5 →	0.6 →	0.6 ↘	0.6 ↘	0.5 →	0.5 →	0.6 →	1.0 →	0.6 →	0.6 ↘	0.6	0.7

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: 13.6.2019 (14.3.2019), KOF: 13.6.2019 (27.3.2019), Créa: 31.5.2019 (25.10.2018), CS: 18.6.2019 (19.3.2019), UBS: 11.7.2019 (1.3.2019), BAK: 5.6.2019 (12.3.2019).

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.

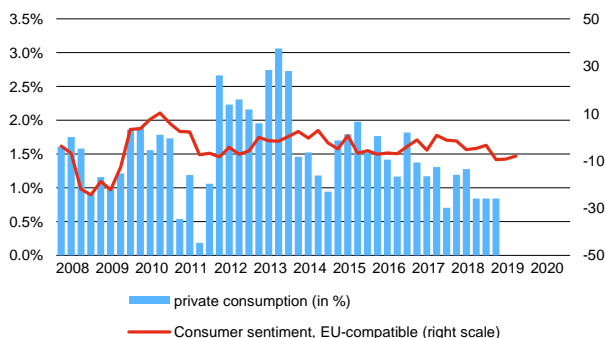
7 Evolution of GDP (real) and unemployment rate



Note: The potential growth lies between 1,6% and 1,8%, according to calculations by Fährländer Partner; the values for 2019 and 2020 are forecasts; since June 2019, the unemployment rate is based on occupation numbers according to the pooling 2015-2017.

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

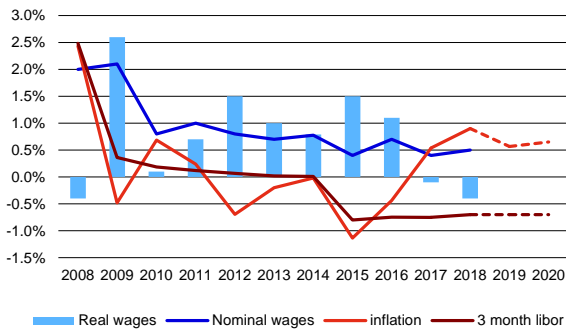
8 Private consumption and consumer sentiment



- SECO: The consumer sentiment index from July 2019 stands at -8 points and remains slightly below its long-term average (-5 points). The assessment has hardly improved in comparison with April 2019's survey (-9 points). The subdued sentiment is due in particular to households' budget situation,

Source: SECO.

9 Real wages and rate of price increase

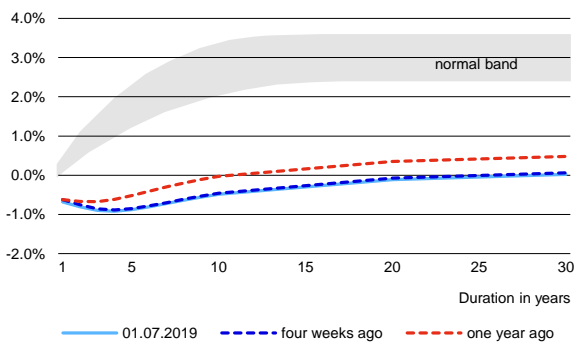


Inflation forecast SNB	2019	2020	2021
Forecast June 2019	0.6%	0.7%	1.1%
Libor	-0.75%		
Forecast March 2019	0.3%	0.6%	1.2%
Libor	-0.75%		

– For 2019, the SNB expects inflation to reach 0,6% (previous quarter: 0,3%). For 2020 the forecast is 0,7% instead of 0,6%; for 2021 it is 1,1%.

Source: FSO, cf. meta analysis economy FPPE.

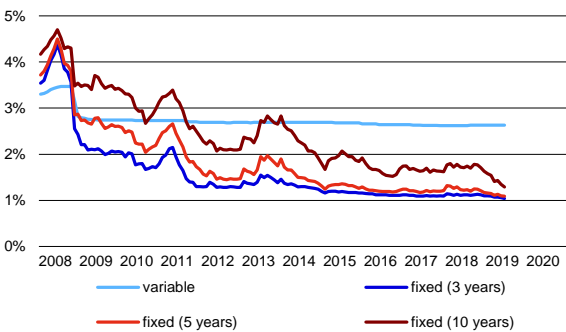
10 Yields on Confederation bonds



Duration	01.07.2019	four weeks ago	one year ago
1 year	-0.68%	-0.63%	-0.62%
5 years	-0.88%	-0.85%	-0.52%
10 years	-0.49%	-0.46%	-0.03%

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

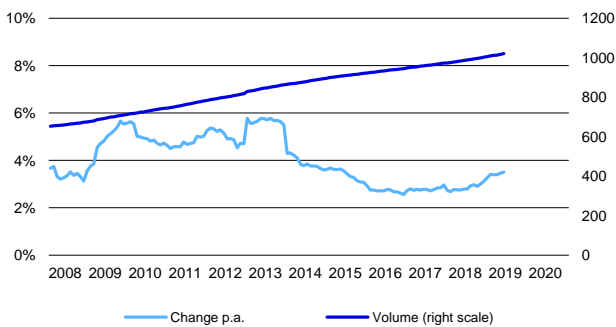
11 Mortgage rates



Mortgage	June 2019
variable	2.6%
fixed (3 years)	1.0%
fixed (5 years)	1.1%
fixed (10 years)	1.3%

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

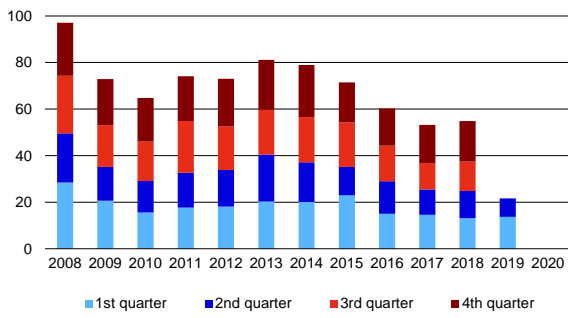
12 Mortgage volume inland (in bn CHF)



May 2019	Volume in billion CHF	Change p.a.
Mortgage claims	1021.0	3.5%

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

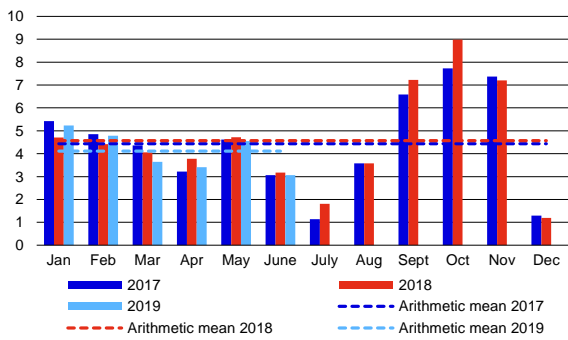
13 Net immigration permanent resident population (in 1'000)



2nd quarter 2019	Net immigration permanent resident population (in 1'000)
	8.0

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

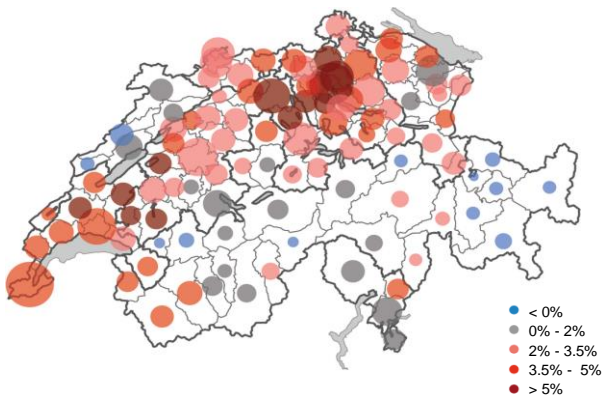
14 Net immigration monthly (in 1'000)



June 2019	Net immigration permanent resident population (in 1'000)
	3.1

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

15 Population growth by MS regions (2014-2017)



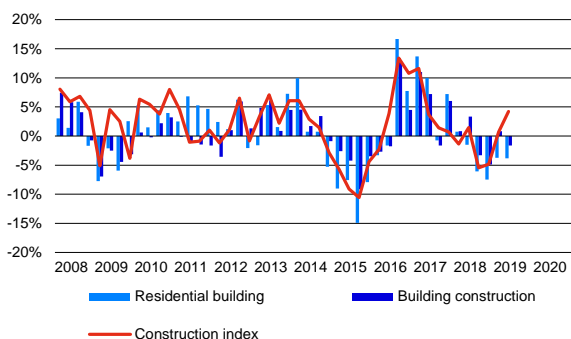
Note: circle radius in relation to population 201.
Maps: FSO Geostat/Swisstopo.
Source: FSO, cf. Immobilien-Almanach Schweiz 2019.

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)

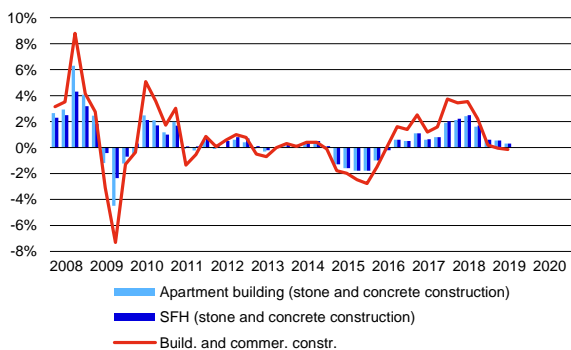


2nd quarter 2019	Index (1996=100)	Change p.a.
Construction index total	148	4%
- Building construction	121	-2%
- Residential building	125	-4%

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.)

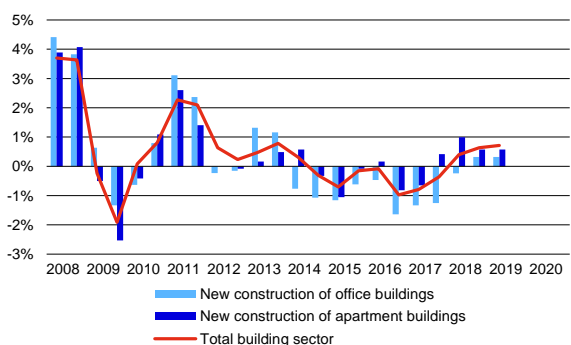


2nd quarter 2019	Index (2007=100)	Change compared to previous quarter	Change p.a.
Stone and concrete construction			
- Apartment building	105.2	0.3%	0.0%
- SFH	105.9	0.3%	-0.1%
Build. and commer. constr.	107.7	-0.2%	-0.1%

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.)

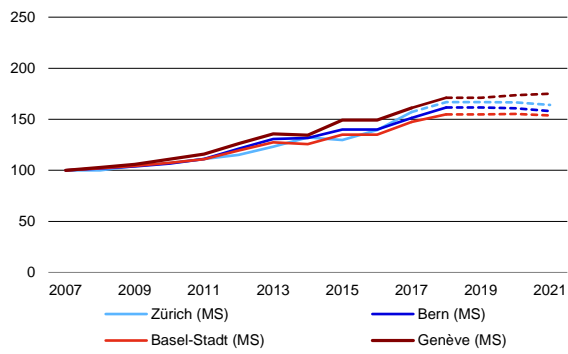


1st half year 2019	Index (2010=100)	Change compared to previous half year	Change p.a.
Total building sector	102.4	0.7%	0.5%
- Office buildings	99.4	0.3%	0.3%
- Apartment buildings	102.0	0.6%	0.4%

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

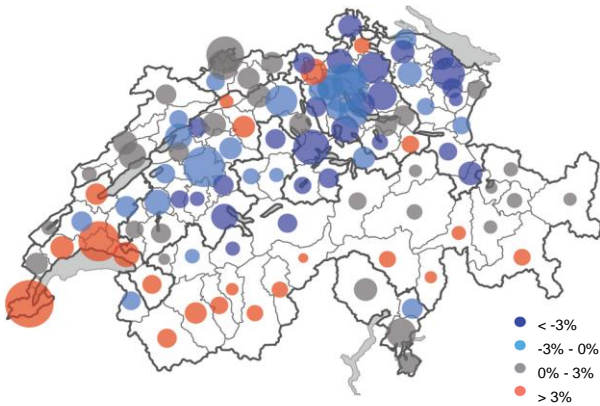
Source: FSO, vedi Meta-analisi immobiliare FPRE.

20 Market value index apartment buildings



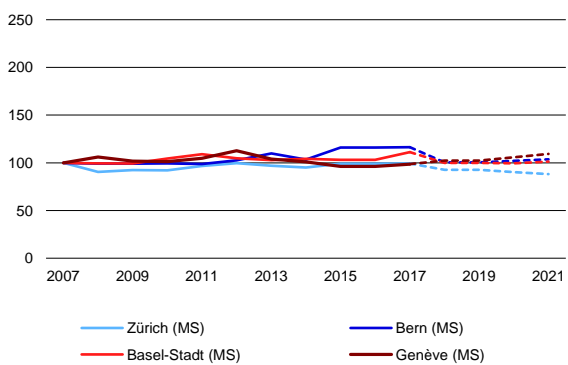
Note: market value index (2007=100).
Source: RESC Fahrländer Partner, base scenario November 2018.

21 Market value evolution apartment buildings 2017-2021



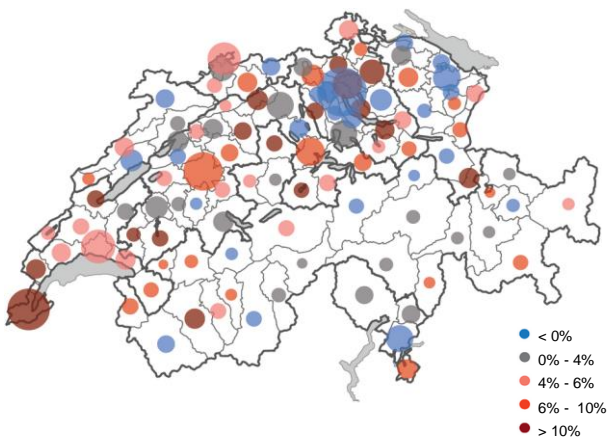
Note: all values are based on new constructions (excl. depreciation); Circle radius in relation to stock of rented apartments 2015; maps: FSO Geostat/Swisstopo.
Source: RESC Fahrländer Partner, base scenario November 2018.

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



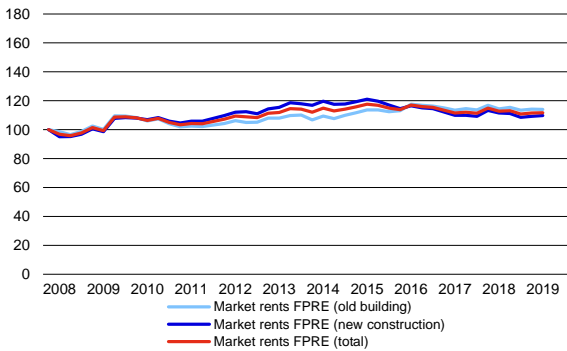
Note: all values are based on new constructions (excl. depreciation); Circle radius in relation to stock of office space 2015; maps: FSO Geostat/Swisstopo.
Source: RESC Fahrländer Partner, base scenario November 2018.

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

CS(2)		FPRE(1)		UBS(2)	WP(2)
Rents	Rents	Prices	Prices	Rents	Rents
2019	2019	2019	2020	2019	2019
-1.6%	↘	→	→	-2.5%	-1.9%

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

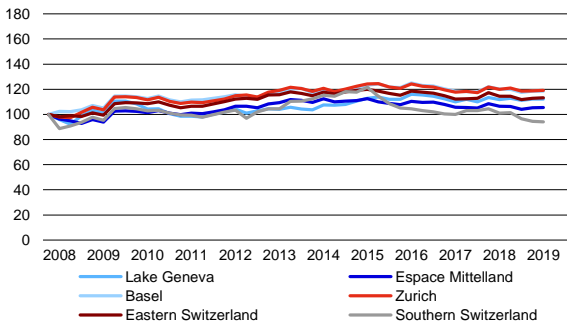
25 Market rents rented apartments (RA) Switzerland



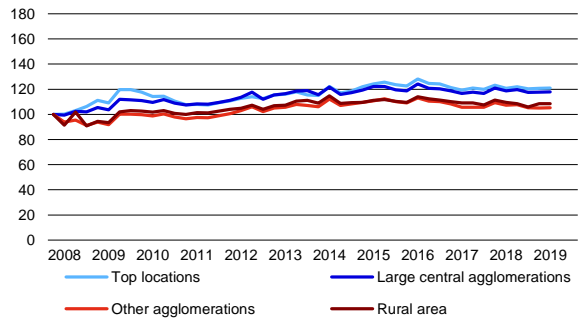
2nd quarter 2019	Index (=100)	Changes to previous quarter	Change p.a.
Lake Geneva	112.2	0.1%	0.4%
Jura	94.8	-0.6%	-0.9%
Espace Mittelland	105.5	0.2%	-0.8%
Basel	118.4	-0.1%	-1.4%
Zurich	119.2	0.3%	-0.6%
Eastern Switzerland	113.3	0.4%	-1.0%
Alps	103.3	1.0%	-4.8%
Southern Switzerland	94.1	-0.5%	-6.8%

Source: Fahrländer Partner, meta analysis real estate FPRE.

26 Market rents RA by region



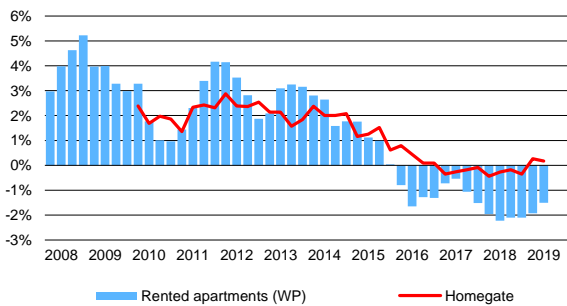
27 Market rents RA by spatial type



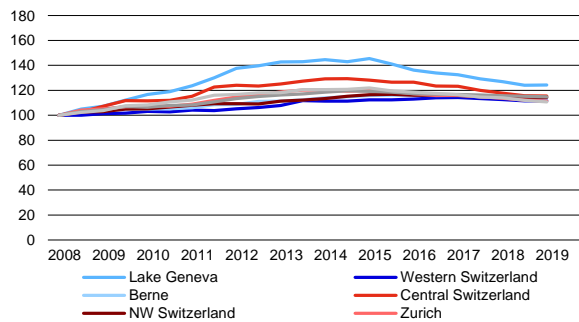
Source: Fahrländer Partner, meta analysis real estate FPRE.

Source: Fahrländer Partner, meta analysis real estate FPRE.

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



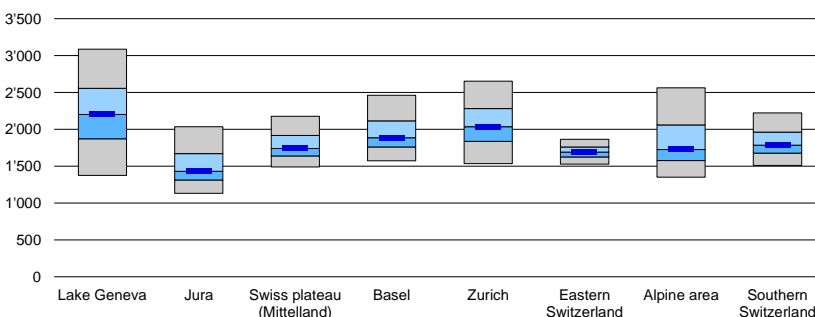
29 Quoted rents RA by regions



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.

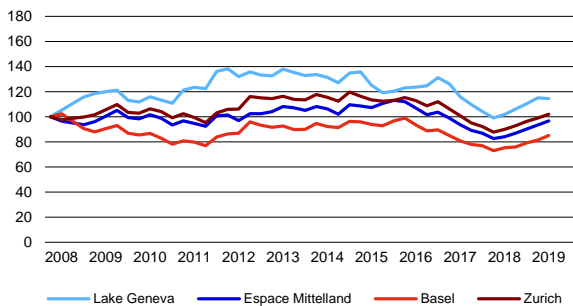
31 Forecast office space

	CS(2)		FPRE(1)		UBS(2)	WP(2)
	Rents	Rents	Prices	Rents	Rents	Rents
	Forecast	2019	2019	2020	2019	2019
Office	↘	→	→	↘	-2.0%	0.2%

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

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

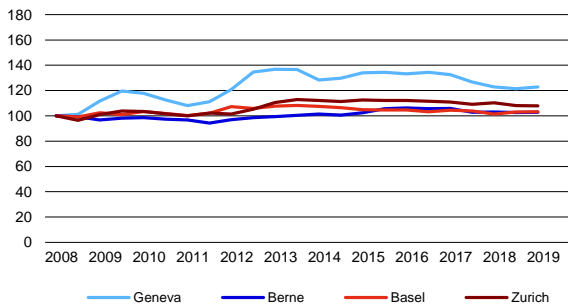
32 Market rents for office spaces by region (net rents)



2nd quarter 2019	Index (=100)	Changes to previous quarter	Change p.a.
Lake Geneva	114.4	-0.5%	12.3%
Espace Mittelland	96.7	3.4%	15.1%
Basel	85.0	4.4%	12.8%
Zurich	102.1	3.2%	13.4%

Source: Fahrländer Partner, meta analysis real estate FPRE.

33 Quoted rents for office space (net rents)



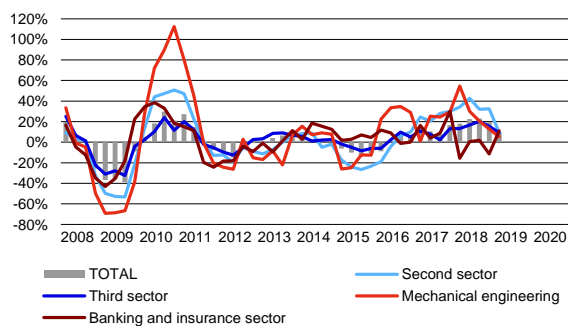
Source: SNB, Wüest Partner, meta analysis real estate FPRE.

34 Office space: supply rate for the major Swiss centres

Data as of		Zurich	Geneva	Basel	CH
1st Q. 2019	JLL	4.2%	5.4%	-	-
4th Q. 2018	CBRE	3.6%	5.2%	2.4%	-
1st Q. 2019	WP	4.6%	10.2%	2.3%	-
3rd Q. 2018	CS	7.0%	9.5%	6.4%	4.9%
Change compared to previous quarter	JLL	1.1%p	1.3%p	-	-
	CBRE	2.1%p	5.2%p	2.4%p	-
	WP	0.0%p	0.7%p	-0.1%p	-
	CS	-	-	-	-
Change p.a.	JLL	0.6%p	1.2%p	-	-
	CBRE	0.5%p	-0.3%p	2.4%p	-
	WP	-1.6%p	-0.1%p	-1.0%p	-
	CS	0.1%p	2.0%p	2.0%p	0.6%p

Source: JLL, CBRE, WP, CS.

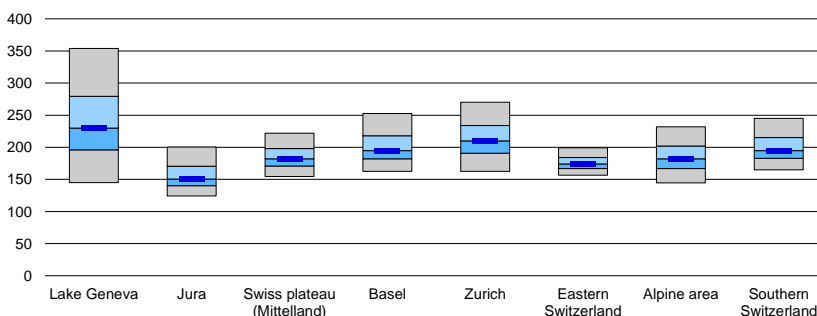
35 Change in job vacancies



Index of job vacancies	Change p.a. 1st quarter 2019
TOTAL	9.4%
Second sector	9.6%
Mechanical engineering	5.3%
Third sector	9.3%
Banking and insurance sector	11.0%
Real estate sector	5.2%
IT sector	40.0%
Other services	-28.1%

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	2nd quarter 2019
4	Closing Prices	SWIIT, REAL KGAST	SIX KGAST	31.07.2019 31.07.2019
5			SFA	4rd quarter 2018
6	Cf. meta analysis economy FPRE	Forecasts	SECO KOF Créa Credit Suisse UBS BAK	13.06.2019 13.12.2018 13.12.2018 13.12.2018 13.12.2018 13.12.2018
7	Cf. meta analysis economy FPRE	Forecasts	SECO	2018
8	Cf. meta analysis economy FPRE	Private consumption Consumer confidence	SECO SECO	1st quarter 2019 3rd quarter 2019
9	Cf. meta analysis economy FPRE		FSO	2019
10	Cf. meta analysis real estate FPRE		SNB	July 2019
11-12	Cf. meta analysis real estate FPRE		SNB	July 2019
13	Cf. meta analysis real estate FPRE		FSO, SEM	2nd quarter 2019
14	Cf. meta analysis real estate FPRE		SEM	June 2019
15	Immobilien-Almanach Schweiz 2019		FSO, FOM	2017
16	Cf. meta analysis real estate FPRE		BAK	2017
17	Cf. meta analysis real estate FPRE		Credit Suisse, SBV	2nd quarter 2019
18	Cf. meta analysis real estate FPRE		SBV	2nd quarter 2019
19	Cf. meta analysis real estate FPRE		FSO, FOM	1st half year 2019
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	2nd quarter 2019
28			Homegate Wüest Partner	2nd quarter 2019 2nd quarter 2019
29	Cf. meta analysis real estate FPRE		WP	1st half year 2019
30			IMBAS FPRE	2nd quarter 2019
31	Cf. forecast below			
32	Cf. meta analysis real estate FPRE		Fahrländer Partner	2nd quarter 2019
33	Cf. meta analysis real estate FPRE		WP	1. half year 2019
34	Cf. meta analysis real estate FPRE		Jones Lang Lasalle CBRE Wüest Partner Credit Suisse	1st quarter 2019 4th quarter 2018 1st quarter 2019 3rd quarter 2018
35	Cf. meta analysis economy FPRE		FSO, FOM	July 2019
36			IMBAS FPRE	2nd quarter 2019
Forecasts		Schweizer Immobilienmarkt 2018 Immobilien-Almanach Schweiz 2019 Immo-Monitoring 2019 I 2 UBS Real Estate Focus 2019 Hochbauprognose 2019-2025	Credit Suisse Fahrländer Partner Wüest Partner UBS BAK	2018 2018 2018 2018 2018

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