MSCI and Wüest Partner published the «Switzerland Annual Property Index» for direct property investments. In 2016, the total return across all property segments was equal to 6.4 percent. While the net income return has once again decreased slightly to a current level of 3.9 percent, the capital growth yield has increased somewhat further to 2.5 percent. The overall performance is therefore 0.2 percentage points below the previous year’s result.

The most recent increase in the capital growth yield has been caused by a further rise of the investors willingness-to-pay as the pressure to invest has continued to intensify. As a consequence, discount rates have experienced a further drop causing the capital growth yield to rise.

Like in recent years, the best performance has been achieved by residential properties. The total return for this segment was 8.2 percent; this does, however, represent a small decline of 0.2 percentage points when compared to last year. The performance of office properties remained unchanged at 5.0 percent, while the 4.7 percent performance of retail properties represents a decline of 0.6 percentage points.

Further details are available under the following link: https://www.msci.com/www/ipd-factsheets/ipd-wuest-partner-switzerland/0164581460

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