



Real Estate Services

kpmg.ch/realestate

All-encompassing Real Estate Advisory from one Source

M&A/Capital Market

- Structuring and execution of transactions (Lead Advisory)
 - Asset deals: Acquisition and disposal of properties and portfolios
 - Share deals: Mergers, spin-offs, IPOs, private placements
- Arrangement of indirect investments, such as funds or trusts
- Fund raising for specific projects
- Debt & Capital Market Advisory

Investment Advisory

- Investment advisory for national or international indirect real estate investments
- Structuring of real estate investments within portfolios
- Qualitative and quantitative analysis of investment products
- Monitoring and investment controlling, portfolio performance measurement

Strategy/Organization

- Strategy development and implementation
 - Business planning/business modelling
 - Corporate/public real estate management
 - Asset and portfolio management
- Analysis of organization and processes; organizational development, internal control system (ICS)
- Performance management/MIS/investment monitoring
- Risk management and financial modelling
- Turnaround and Restructuring
- Digital Readiness

Valuation/Due Diligence

- DCF-valuations of properties and real estate portfolios or companies
- Independent valuation reports for financial statements
- Valuations for acquisitions or disposals
- Feasibility studies and valuation of real estate developments
- Transaction-focused due diligence and process management
- Major Project Advisory

We are also pleased to answer your tax-related, legal and regulatory questions regarding real estate and we support you in process and cost optimisation as well as solutions for your IT infrastructure.

Our detailed Service Portfolio

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Strategy & Organization

Real Estate

The choice of a portfolio management approach has a considerable influence on the performance of real estate as a strategic investment. We offer comprehensive advice on broadening your range of real estate investment vehicles and help you establish efficient organizational structures, optimize processes and implement real estate management systems.

Our clients' challenges

- Lack of or unclear definition of processes, interfaces, skills and responsibilities
- Inefficient cost structure of the existing real estate portfolio (e.g. administration, operation, maintenance)
- Need to change the strategic focus
- Need for internal controlling and external benchmarks to measure efficiency and effectiveness
- Lack of knowledge about outsourcing potential or ways to increase liquidity



Our approach



Strategy / Organization

- Definition of vision and business case
- Environmental analysis
- Definition of responsibilities and objectives of the different divisions within the organization
- Specification of services
- Analysis of existing processes, interfaces and competencies



Structure and workflow management

- SWOT analysis of the current structure and workflow management
- Identification of potential for optimization and complementarities
- Development of a competence and skills matrix
- Comparison of structure and workflow



Processes and competencies

- Identification of priorities
- Definition of processes
- Identification of interfaces
- Definition of process owners
- Adaptation of workflow management



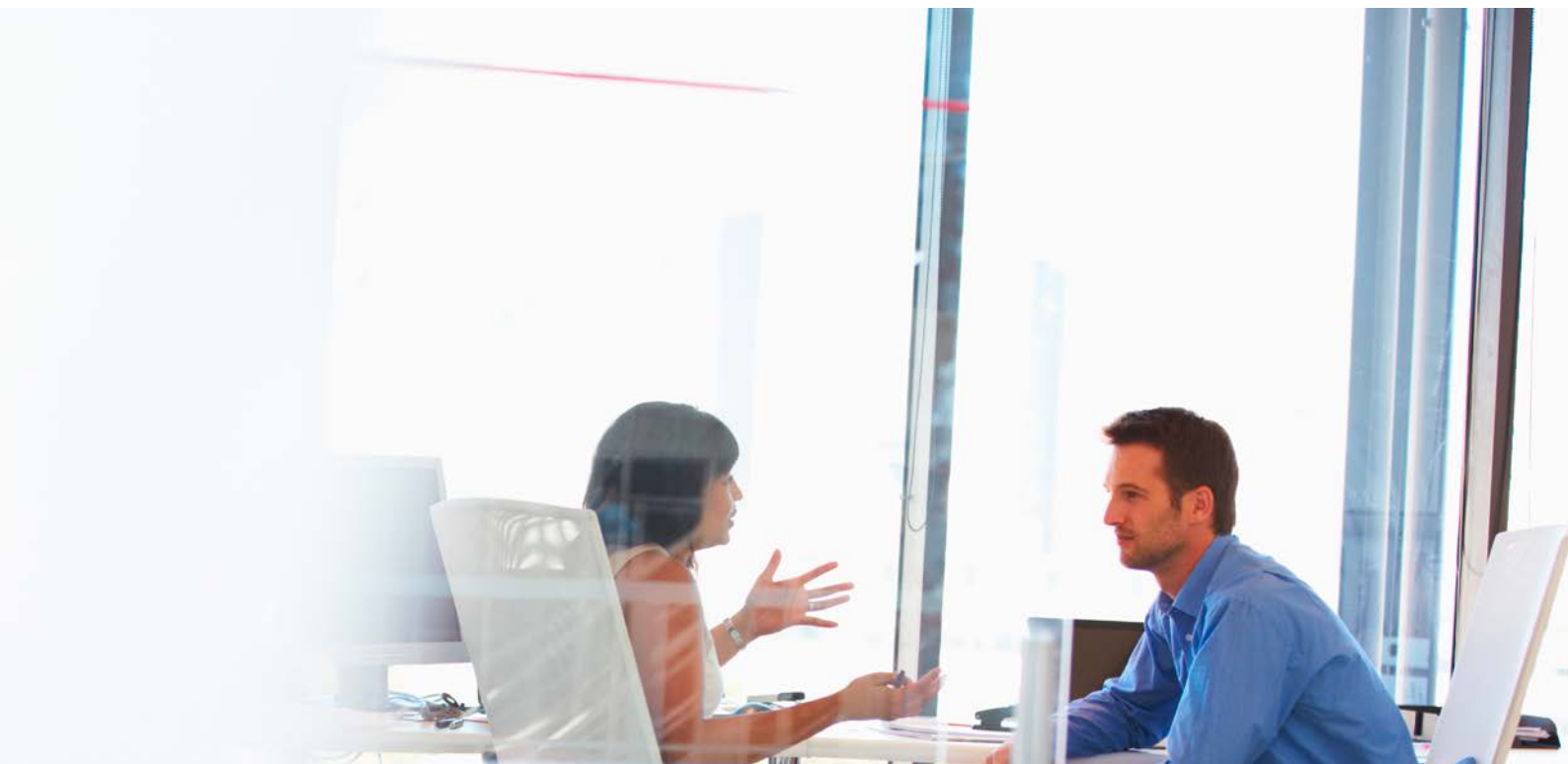
Identification of potentials and action plan

- Identification and quantification of potential for optimization and improved efficiency
- Preparation of support documentation
- Determination of objectives for process owners
- Launch of implementation measures



Benchmarking and review

- Definition of measurement categories
- Identification of control owners
- Benchmarking
- Controlling and review
- Learning and improvement processes



Added value with KPMG

Experienced real estate experts support you in the strategy and organizational development of your investment portfolio or in managing your operational real estate portfolio.

We help you to optimize your investment and business processes and define the interfaces to internal and external service providers and support processes. We work closely with you to identify and quantify the potential for optimization and improved efficiency. We determine and

prioritize potential measures and courses of action and help you prepare and implement processes and documents on the basis of a competence matrix. In line with your requirements, we identify benchmark categories and develop benchmarking systems which as well as enabling efficient benchmarking also ensure effective control and monitoring of process congruence and efficiency. We are there to assist you throughout this process and perform regular reviews for you.

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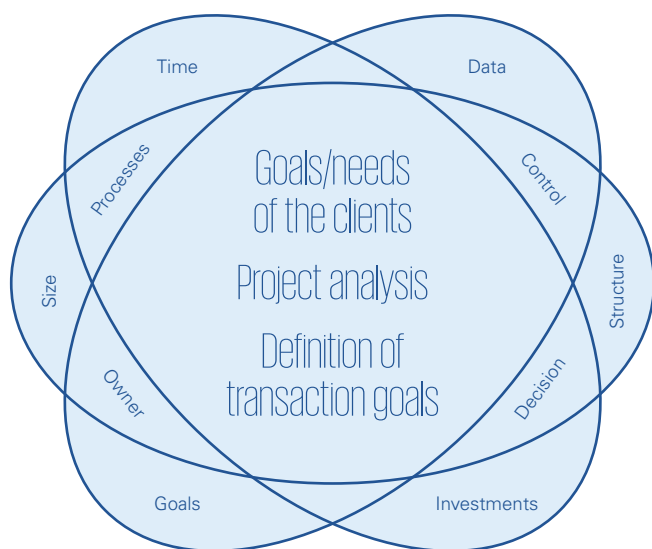
Real Estate Transaction Advisory

Real Estate

Buying or selling real estate, real estate portfolios or development projects is a complex undertaking. It requires an interdisciplinary approach in order to control all real estate-relevant value drivers and meet the requirements of investors, operators and users in the best possible way. Key success factors include the correct transaction set-up, optimum timing and a structured, results-orientated transaction process.

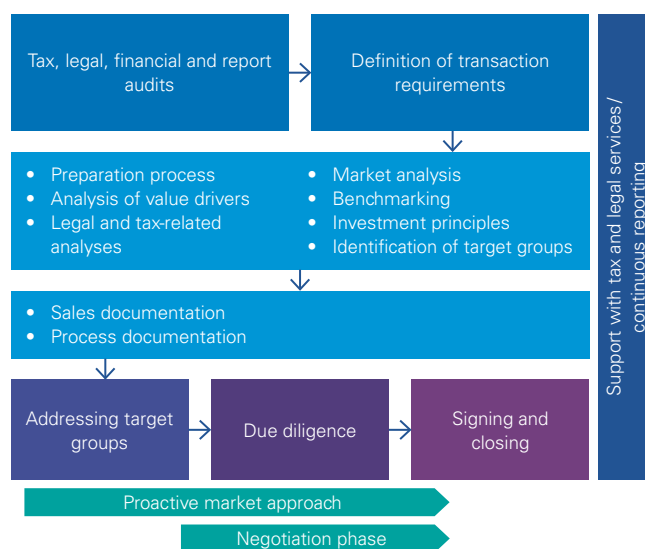
Our clients' challenges

- Portfolio optimization (risk/return profile)
- Identification and exploitation of value potential
- Implementation of growth strategies
- Generating liquidity or concentrating on the core business
- Changes in organizational structure
- Optimization of management capacities
- M&A support during sale or purchase



Our approach

We support our clients throughout all stages – from analyzing the requirements and objectives and setting up the transaction, to developing a structured, focused and effectively managed transaction process, through to completion of the transaction project within a specified timeline. This involves us assuming the role of transaction lead advisors and working closely with our client's project team.





Added value with KPMG

We help you determine the best transaction strategy and define and structure a results-oriented transaction process. Identification of the appropriate value drivers, as well as professionally prepared transaction documents and presentations, are key to the success of the transaction. To this end, we carry out a thorough analysis of all property- or company-related information and stimulate the interest of prospective buyers with our market analysis. Where necessary, KPMG Tax and Legal is involved in the

transaction process, ensuring that the transaction has the best possible tax and legal structure. As we have an established network of national and international investors, we are able to talk to potential buyers directly and confidentially and guide them during the due diligence process. At the same time we ensure that we never lose sight of the transaction objectives and that our proactive placement skills facilitate a successful closing within the defined time frame.

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Real Estate Valuation

Real Estate

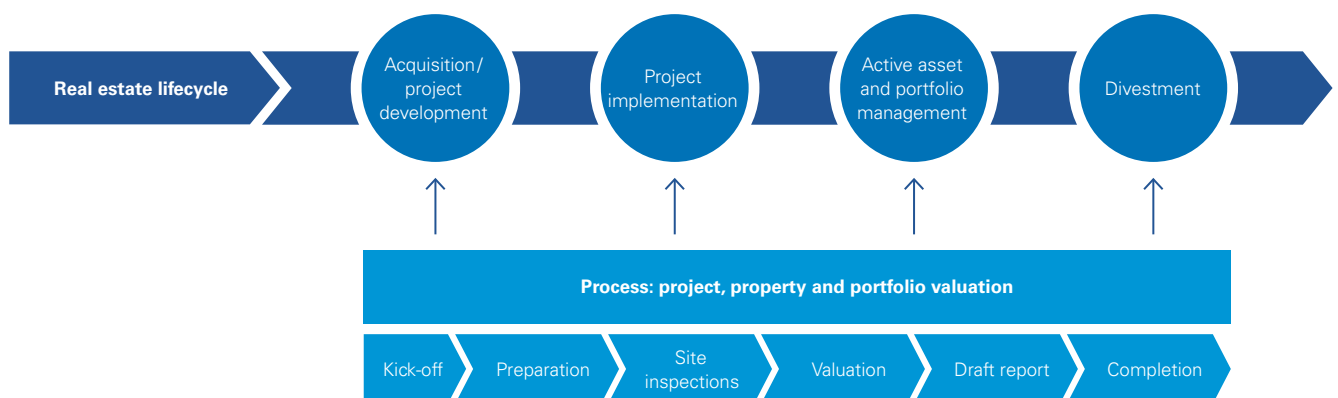
Knowledge of the intrinsic value of individual assets plays an important role when reviewing financial reports, during company valuations and in management information systems. The analysis of sale and purchase prices for companies, portfolios or properties is a key component of making effective business decisions.

Our clients' challenges

- Transparency on market values
- Identification of investment and divestment potentials as part of an active portfolio management
- Identification of risks and opportunities as well as cashflow-relevant factors for properties and real estate projects
- Recognized valuation results produced by an independent expert
- Quantification of options

Our approach

Throughout the entire lifecycle of your real estate investment, we help you realize the best solution in quantitative and qualitative terms and make your key decisions at the right time.



Added value with KPMG

Our expert appraisal of market values for individual properties, projects, portfolios and real estate companies meets national and international standards taking account of the applicable financial reporting standards. Our property valuations cover all aspects, from determining the market value, valuing the investments and conducting scenario analysis, through to assessing the economic efficiency. We can support you in the transformation to different financial

reporting standards (e.g. IFRS) with regard to a real estate valuation. Our valuations can also be used to optimize your financing mix or during succession planning.

Our market analyses and feasibility studies assist you with corporate and portfolio planning, the technical and strategic valuation of a company, as well as with price determination or purchase price allocation for transactions.



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Real Estate Valuation 2016

Real Estate Modelling

Real Estate

Our tools allow clients from different business fields to independently manage their real estate assets and to increase their efficiency and performance.

We deliver solutions for a variety of real estate related topics. Our real estate modelling solutions can help you value single properties and portfolios. In addition, we can support you in identifying abnormalities within a portfolio, benchmark individual assets against reference values and perform calculations to classify a portfolio in different investment segments. Furthermore, we can assist you in simulating how changes in macroeconomic factors as well as regulatory adjustments will impact your assets and help you identify the key value drivers.

Our clients' challenges

- Is a real estate company, pension- or endowment-fund capable of performing in-house-valuation on an annual basis to justify balance sheet values?
- What are the financial impacts if directly held assets are shifted to indirect vehicles by using asset swaps?
- How can regulatory changes influence the handling of a real estate portfolio? How to fulfill future obligations to pay out dividends?
- Are there procedures to optimize financing / an existing portfolio as a whole and how can outliers / potential threats / value drivers be identified?
- What if there are macroeconomic changes? Is it possible to measure the potential impacts?
- How to monitor a real estate portfolio, anticipate future developments and prepare accordingly? Are the corresponding reporting tools in place?

Our approach

- Application of our broad real estate intelligence to identify client issues and needs
- Check the data available and challenge the reporting as well as the implementation of the performance strategy
- Identification of crucial parameters
- Pre-execution / basic analysis of data
- Setup of the corresponding tool
- Detailed analysis of data
- Refining and testing of the model





Our solutions

Our teams have extensive experience in financial and real estate modelling and will develop a robust and flexible model tailored to your specific needs. Our professionals have a deep understanding of key value drivers and broad experience in real estate valuation, portfolio optimization

and financial modelling. We work cross-sectional and cover valuation, audit and tax-related issues and thus are able to provide holistic solutions. We provide you with local, national and international knowledge and expertise.



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Investment Advisory

Real Estate

Indirect real estate investments in Switzerland and abroad are becoming increasingly attractive to institutional investors. KPMG Real Estate offers detailed analyses to assist in the selection and structuring of real estate investments and provides advice on planned investments at both national and international level.

Our clients' challenges

- Pressure to invest and obligations to meet investment and ROI targets
- Lack of experience with portfolio strategies
- National and/or international diversification as an investment strategy
- Need for internal controlling and external benchmarks to evaluate returns, performance and risk profiles



Our approach



Review of investment opportunities

- Research into current investment products (banks, funds, insurers)
- Identification of investment opportunities
- Assessment and documentation of investment products
- Summary of key factors



Analysis

- Analysis of portfolio strategy and growth potential
- Analysis of key aspects of the products as the basis for investment decisions
- Presentation/comparison of performance and key risks, availability, tradability and liquidity



Due diligence

- Due diligence on possible investment products
- Management selection and interviews with managers
- Assessment of legal and tax issues for different investment structures
- Monitoring and controlling in the event of investment



Added value with KPMG

We help you develop your investment strategy. With an analysis of your real estate investments and your objectives as the basis, we work closely with you to identify possible courses of action for your investments and help you identify, select and structure suitable real estate investments.

- Analysis of national and international indirect real estate investments
- Quantitative and qualitative analysis of products; reports provide a basis for decisions
- Identification and realization of value potential
- Structuring of investments in the real estate portfolio
- Assessment of investment structures from a legal and tax perspective
- Investment monitoring and control
- Benchmarking, performance analysis and evaluation of different options

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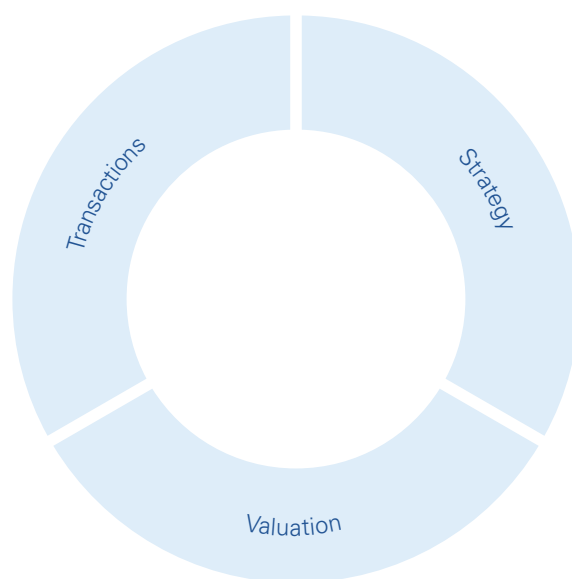
Pension Funds

Real Estate

In an environment of low – or even negative – interest rates, it is difficult for pension providers to generate sufficient returns on their investments to meet future requirements. In light of this, the real estate held by pension funds has become an important asset class, as stable and attractive risk-adjusted returns can be achieved with it.

Our clients' challenges

- Need to adapt the investment strategy
- Reconciliation of processes/organization and the investment volume
- Insourcing/outourcing and coordination of services
- Suboptimal portfolio composition
- Identification of attractive investment opportunities
- Inefficient cost structures and loss of earnings
- Risk and performance management
- Benchmarking and identification of potential



Strategy

- Development and implementation of strategy, organization and processes
- Asset and portfolio management support
- Performance management / management information systems
- Risk management
- Monitoring and investment controlling



Valuation

- Valuation of real estate and portfolios
- Acquisition and sales valuations
- Feasibility studies and valuation of project developments
- Transaction-oriented due diligence and process management
- Assessment of sustainability



Transactions

- Structuring and execution of transactions:
 - Sale of properties and portfolios
 - Asset swaps
- Setting up of funds and investment foundations



Added value with KPMG

Our multidisciplinary team of engineers, economists, auditors and legal and tax specialists has many years of combined experience in real estate valuations, transactions and in organizational and process development. Our activities are backed up by in-depth research into the direct and indirect real estate investment market.

We offer you the full range of services from a single source – be it supporting you in your investment strategy, designing your operational and investment processes, identifying potential real estate investments or supporting you throughout the acquisition process. We help you optimize your property portfolio, develop and implement management systems, and structure your direct or indirect investments.

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Research Services

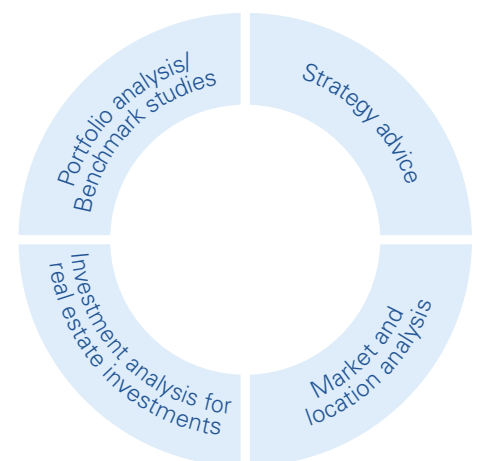
Real Estate



The increasing complexity and dynamics of real estate markets poses major challenges for management in the industry. Detailed knowledge of the market is essential when making investment or divestment decisions. Monitoring, analysis and interpretation of all relevant markets and submarkets on a methodical basis are among KPMG Real Estate's core competencies.

Our clients' challenges

- More intense competition and growing cost pressure
- Increasing demands on location and risk management
- Changes in demand, property needs and investment criteria
- Rapid technological advances
- Stricter regulation



Our approach



Strategy advice

- Help in answering strategic questions
- Setting, developing and monitoring objectives, policies and actions
- Design of integrated business models
- Identification of new target markets
- Analysis of objectives and profitability
- Optimization and utilization concepts
- Support with management decisions on the basis of cost-benefit and risk analyses



Market and location analysis

- Individual market and location analyses
- Regional supply and demand patterns
- In-depth analysis of the micro-location
- Analysis of risks and opportunities
- Recommendations for actions as the basis for decisions on investment projects



Investment analysis for real estate investments

- Analysis and comparison of direct and indirect real estate investments
- Comparison of investments in Switzerland and abroad
- Analysis of volatility, liquidity and leverage as well as the sector/regional focus and the associated legal structures including tax implications
- Development of custom solutions



Portfolio analysis / Benchmark studies

- Recommendations for an optimum real estate portfolio mix based on the risk/return profile and diversification potential with the help of sophisticated benchmarking models
- Identification of potential measures at portfolio and property level
- Tailored dashboard solutions for comparing key figures



For real estate in Switzerland, we carry out tailored market, project and property analyses, benchmark studies and portfolio analyses. We also provide assistance in analyzing indirect investment products in Switzerland and abroad and in drawing up strategic options at property level or for the entire organization.

Added value with KPMG

We provide you with a basis for evaluating your real estate decisions from a holistic perspective.

To this end, we analyze markets, portfolios and locations in accordance with your exact requirements. We identify value potential and point out risks and possible options. To facilitate effective portfolio management, we develop management models for decision-makers. We help you structure the investments in the portfolio and generate value through optimization measures. Our qualitative and

quantitative analyses of investment products enables you to develop a portfolio of indirect real estate investments in line with your strategy. We monitor the investment processes, management activities and performance indicators for you. We regularly assess your operational or investment real estate and your indirect real estate investments to ensure they are aligned with your objectives and requirements. This enables you to act proactively and make relevant adjustments and improvements.

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Succession Planning

Real Estate

When parting with your company, succession planning is a challenging process in which many different aspects need to be considered. When it comes to planning this strategic step in your company's development, it is important to have the right partner by your side. One that has the necessary expertise in succession processes to be able to handle all the corporate, financial, tax and legal issues in line with your interests.

Our clients' challenges

- How can corporate succession be planned strategically?
- How much is my company worth? What financial data is needed to value the business?
- At what price should I transfer the company to a successor from within the family without putting siblings at a disadvantage?
- How much can I sell the company for to third parties?
- How can I minimize any potential gap between the value of the company and the attainable price?
- What about the financial sustainability for the successor?
- How can the successor finance the acquisition?



Our approach



Comprehensive advice and coaching

- Planning and presentation of the different options
- Project support and management
- Coordinating and moderating meetings



Evaluation

- In-depth business analysis
- Valuation of companies and real estate
- Legal and tax analysis



Development

- Overall concept and development strategies
- Analysis and optimization of the organizational set-up
- Preparing the financial, legal and tax structures for the planned transfer



Solutions

- Identifying and presenting the different options
- Identifying and prioritizing of potential external buyers
- Structuring of solutions within the family based on matrimonial property, inheritance and tax law
- Structuring of corporate governance within the family (information and participation processes)



Sale

- Accounting, tax and legal advice when selling, whether to a company or to an internal or external management team
- Execution of a structured M&A process
- Support in transferring the business



Added value with KPMG

Our specialists listen to you carefully and understand your needs and the associated challenges relating to the transfer of your business. They explain the different options available to you and recommend the most suitable ones. We support you in all aspects of transferring the business to your successor or selling it to third parties or employees. At the same time, we work closely with you to ensure that the

succession process is planned in a detailed and timely manner and that all financial, legal and tax issues are fully covered. The project experience of our multidisciplinary team is your key to the successful execution of your project, during which we are at your side all the way through to the hand-over of your business.

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Major Project Advisory

Real Estate



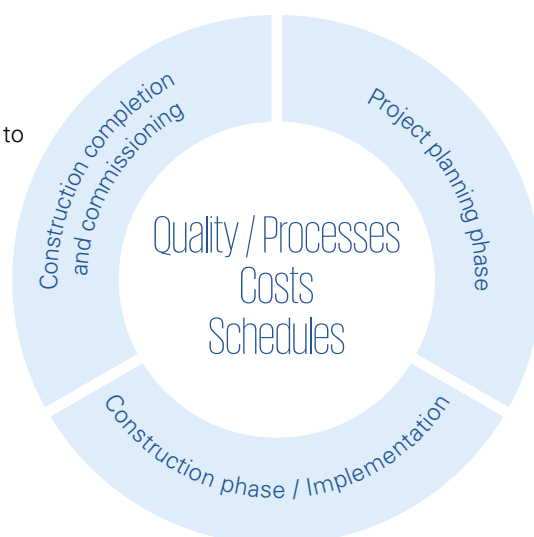
Are your construction projects all under control? On complex new build and conversion projects, Major Project Advisory helps you meet the cost, scheduling and quality objectives and respond to any problems at an early stage.

Our clients' challenges

- Construction projects becoming increasingly complex
- Need for a proactive, process-oriented approach from planning through to handing over the keys
- Maintaining a balance between costs, scheduling and quality of work
- Ensuring compliance in order processes and that deliveries match with what is required

Our approach

- Breaking down the process management into individual tasks to make project organization more efficient
- Reviewing the tendering procedure to identify flaws when awarding contracts
- Identifying a lack of transparency in the cost projections to improve the level of control and ensure more reliable execution
- Analyzing the additional costs and expenditure to determine the causes of budget overruns
- Performing a local inspection to show whether the components delivered conform with the supply or service contracts



Project planning phase

Review

- Scheduling, quotation, building specification, catalog of requirements
- Management/execution processes



Construction phase / Implementation

Analysis

- Tendering procedure
- Quality of work
- Process and cost management



Construction completion and commissioning

Control

- Final accounts
- Construction documentation
- Target/actual requirements



Added value with KPMG

Depending on the size of the project and the client's experience, Major Project Advisory can generate added value at different points during the project. Our multidisciplinary team, consisting of architects, construction engineers, business experts, economists, auditors, fiduciaries and legal and tax specialists, has many years of experience in conducting construction audits, including for special purpose properties. We offer you a full range of

services from a single source to help you implement and monitor internal control systems. We support you through all stages of the internal audit process, from planning and execution, to commissioning and accounting, through to reporting and follow-up. We analyze your core processes to identify potential compliance risks and conduct forensic inspections of sub-processes to find any inconsistencies.

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Real Estate Major Project Advisory 2016

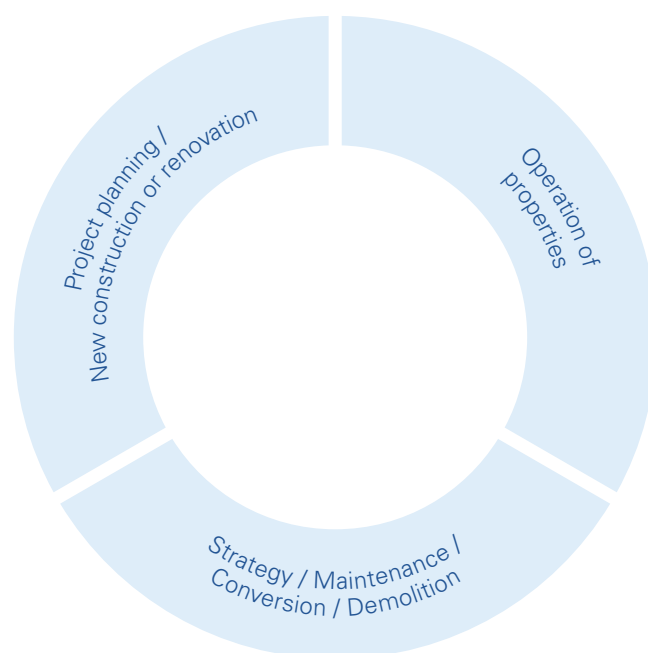
The Swiss healthcare landscape is changing, with many operators facing a number of challenges. Along with personnel expenses, the costs associated with running, maintaining and expanding the property portfolio are especially critical for successful business management.

Our clients' challenges

- Determination of acquisition costs and asset utilization costs in accordance with REKOLE® and the Swiss hospital costs ordinance (VKL)
- Determination of a rent level on the basis of market rates, cost coverage and affordability
- Determination of the market value of operationally essential and non-essential real estate
- Financing for renovations and expansions
- Control of construction costs and processes for larger conversions and new buildings

Our approach

Our services cover all stages of your property's lifecycle and can be tailored to individual properties or the entire portfolio.



Operation of properties

- Determination of the asset utilization costs in accordance with REKOLE® and the VKL ordinance
- Affordability calculations at property level
- Review of real estate-related processes and determination of potential options
- Benchmarking



Strategy / Maintenance / Conversion / Demolition

- Identification of maintenance backlogs and future requirements for the building stock
- Assessment of potential
- Scenario analyses and valuations
- Reconciliation of real estate management with operational processes



Project planning / New construction or renovation

- Optimum financing mix and support with raising capital
- Assistance in tendering procedures
- Control of construction costs and processes, quality monitoring and documentation
- Coordination of stakeholders
- Portfolio management support



Added value with KPMG

We support you in all matters relating to your real estate. We analyze your floorspace and cost structures, value your properties in accordance with the requirements of REKOLE® and the Swiss hospital costs ordinance (VKL) and assess the investments, costs, scheduling and processes for your construction projects. We help you optimize your real estate management and find the right financing mix, in addition to

assisting you in the search for investment partners for your projects.

For REKOLE® certifications, benchmarking and operations analysis, we have an experienced healthcare team that understands your business and will also help you optimize your business processes.

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Real Estate Healthcare 2016

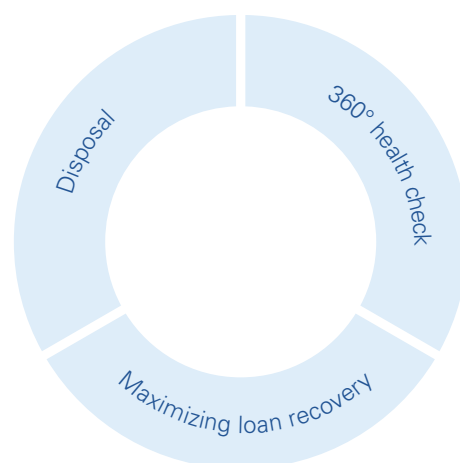
Hospitality Solutions for Banks

Real Estate

The Swiss hotel industry faces various challenges. The decline in tourism revenues has deteriorated further since the lifting of the Swiss franc cap. This situation will continue to have a negative impact on the financial position of a range of industry participants and may lead to covenant breaches or even amortization payment defaults.

Our clients' challenges

- Monitoring and identification of early warning signs
- Valuation of non-performing loans and potential losses
- Restructuring of existing loans
- Complex situations involving borrowers, different lenders, hotel operators and other stakeholders
- Review of alternative hospitality concepts
- Lack of transparency on the financials of operators
- Lack of specific hospitality and/or real estate expertise
- Lack of resources



360° health check

Comprehensive review of the loan / loan portfolio

- KPI and dashboard analysis (for portfolios)
- Legal opinions on loan agreements and collaterals
- Valuation reports and reviews of existing valuations

Independent hotel reviews

- Analysis of the hotel's operation
- KPI benchmarking (RevPAR, GOP, NOI, etc.)
- Development or review of business and liquidity plans
- Stress testing
- Assessment of efficiency improvement measures



Maximizing loan recovery

For individual loans, we provide support in the form of tailored restructuring measures that reduce short-term risk and maximize long-term recovery. On the basis of our multidisciplinary approach, we exploit optimization potential at all levels, such as by:

- restructuring loan agreements and negotiating covenant waivers
- strengthening equity capital
- making operations more efficient and effective
- developing alternative concepts (e.g. repositioning or conversion)
- evaluating renovations or other investments



We help lenders to shed individual loans or entire loan portfolios.

Performing loans

- Support in the form of a structured sales process
- Vendor due diligence
- Tax issues
- Drawing up an investment memorandum
- Search of investors
- Preparation and negotiation of contracts

Non-performing loans

Support with conversions, evaluating alternative business proposals or transferring debts to NPL investors

Added value with KPMG

We are a team of specialists with decades of experience in loan financing and in the hotel and real estate industries. We generate added value for our clients by combining multidisciplinary expertise in the areas of real estate, law, taxation, M&A and valuation, at both national and international level. We produce detailed analyses of complex

situations within short timeframes. We propose immediate stabilization measures to avoid potential losses and apply our extensive experience of preparing and implementing appropriate and effective recovery strategies, supporting the client all the way through to completion of the process.

“ Banks are preparing to restructure or reduce hotel loans or even shed them entirely. This trend is being accentuated by falling credit ratings in the hotel industry and accelerated by stricter capital requirements for lenders. ”



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We thank our clients for their trust in our real estate expertise.

«To give real service, you must add something which cannot be bought or measured with money, and that is sincerity and integrity.»

Douglas Adams



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