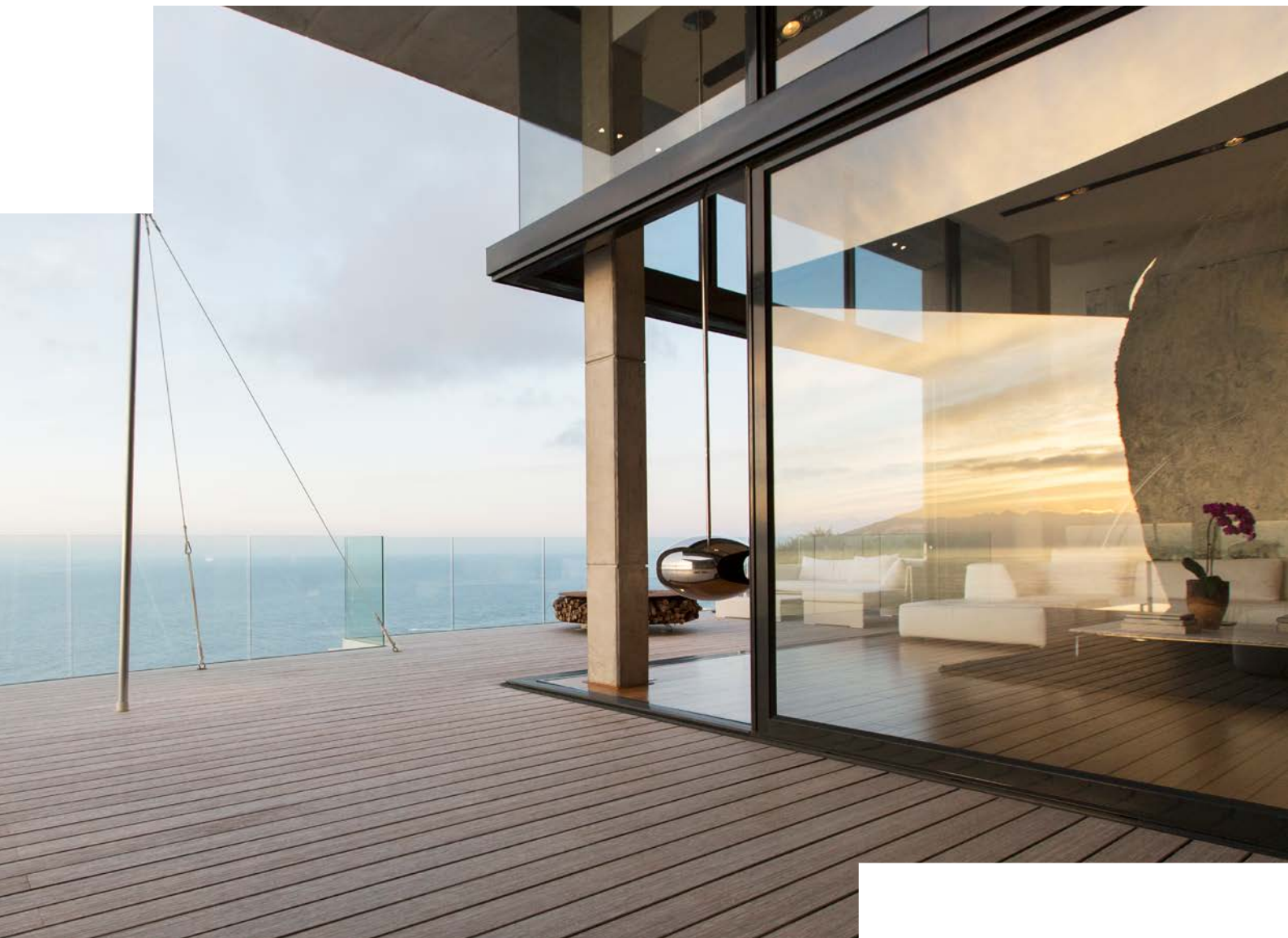


# Our offer for real estate entrepreneurs and promoters



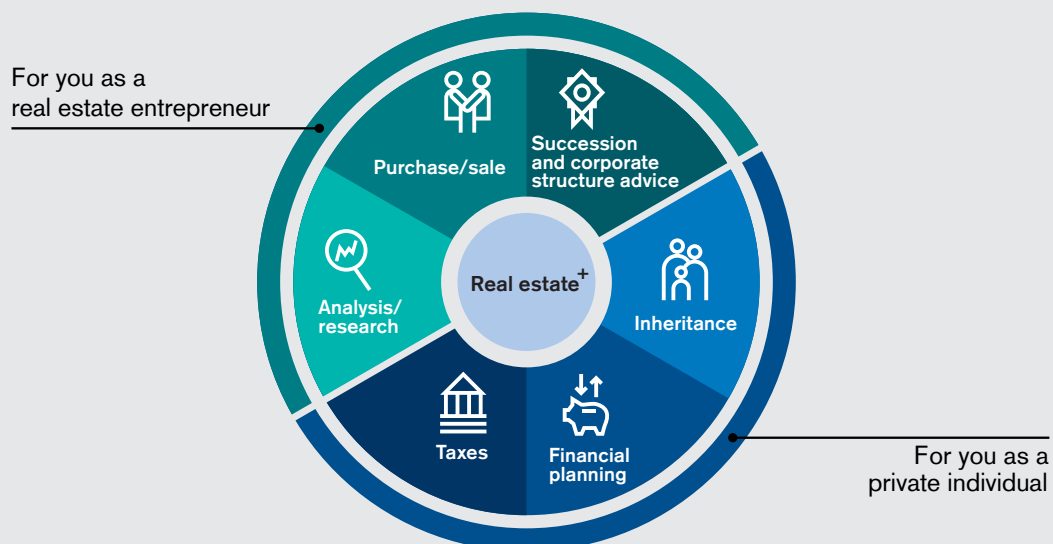
# Credit Suisse – the Bank for Entrepreneurs

---

We will support you, as a real estate entrepreneur and as a private individual, in dealing with complex questions during the development of your real estate portfolio and promotions.

Investment properties can provide a safe haven among different investment options. However, in contrast to various financial investments, managing a real estate portfolio requires dealing with complex questions. Decisions, the wisdom of which can often only be judged in the distant future, need to be made continuously.

We can support you in the decision-making process by providing analysis and assisting with transactions, as well as demonstrating the implications of different courses of action. We appreciate that your decisions are relevant to you as an entrepreneur and a private individual. Our experts will advise you from both perspectives to find the optimal solutions.



## Example

A real estate entrepreneur with two grown-up children starts thinking about the long-term future of his investment properties. The business is currently operated as a sole proprietorship. This means there are numerous questions and scenarios to be discussed, such as whether there is the possibility of succession within the family? Selling individual properties? If yes, which ones? Which scenarios have which tax implications? Does the legal structure also fit in the long term?

As the Bank for Entrepreneurs for entrepreneurs, we will support you in evaluating and judging different scenarios not only from the perspective of a company, but also, that of a private individual. This is always done in coordination with personal preferences, in order to find the best solution possible.

### Analysis/research

Our services for you:

- Fact sheets on all of Switzerland's municipalities provide information that can help with the decision-making process in relation to residential real estate
- Analysis of larger residential real estate portfolios in comparison with Swiss real estate funds, as well as portfolios of multi-family dwellings
- Project-specific market and location analyses, which provide answers to individual questions
- Consultation with our real estate economists

### Inheritance

Our services for you:

- Our inheritance advisors will show you how you can shape the future according to your wishes with lifetime donations, wills, prenuptial agreements, and contracts of inheritance
- Support in the area of adult protection law for the purpose of ensuring the management of the business in the event of loss of mental capacity
- Support with the termination of a community of heirs or conversion to a stock company, if necessary, in buying out heirs who are not taking over the business

### Purchase/sale

Our services for you:

- Property valuations from a Switzerland-wide network of appraisers operating in compliance with Credit Suisse guidelines
- Offer of attractive investment properties, which we offer discreetly at the request of our clients
- Solutions for complex real estate businesses with various involved units

### Financial planning

Our services for you:

- Analysis and planning of achievable, long-term net revenues from your properties or real estate company
- Explaining your financial situation after retirement
- Explaining optimization possibilities in terms of your professional and private retirement provision

### Succession and corporate structure advice

Our services for you:

- Accompaniment and continuous support in the succession process, from the vision until after the solution has been implemented
- Consultation on corporate structure with a focus on tax, inheritance, and other implications

### Taxes

Our services for you:

- Demonstrating scenarios when purchasing and selling real estate
- Reviewing the optimal structure for your real estate portfolio (direct versus indirect holding of properties)
- Optimizing maintenance of property in terms of tax
- Demonstrating optimal financing, taking into account your other income and financial situation

# Analysis/research

---

Our Swiss Real Estate Economics experts analyze in detail what is happening on the real estate market and are known for their market-leading studies. We use these studies to provide you with extensive expert knowledge, which we also offer you as a real estate entrepreneur to successfully implement your visions and projects.

## **Analyses of individual markets and locations**

As a basis for decision-making for large, direct real estate investments, we carry out project-specific market and location analyses for you. We compile a comprehensive analysis taking into account different data sources and provide answers to crucial questions, in accordance with your needs. This information allows you to make fact-based strategic decisions and develop your projects effectively or optimize them further. Contact your client advisor for an offer.

## **Expert discussion**

Our Swiss Real Estate Economics experts are available for a simple chat or more detailed discussion for specific questions. Get in touch with your client advisor.

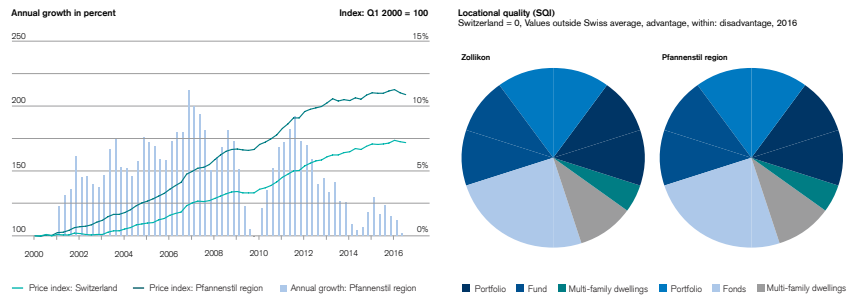
## **Example**

Would you like to construct a larger residential building with retail spaces on the first floor of a central location in one of your neighboring municipalities? We will show you how high the absorption potential in the location is, which apartment sizes are sought-after, and in which price segment you should position it. With the help of the building application, we can explain in detail which regional developments to expect, and how these can negatively affect demand. Furthermore, we discuss the marketability of the retail spaces and identify possible tenants. A concise conclusion summarizes the most important findings as a clearly laid-out foundation for decision-making.

We provide the facts, so that your projects have a solid foundation.



## Credit Suisse Fact sheet for residential properties in the municipality of Zollikon



For illustrative purposes only

### Municipality fact sheets for residential properties

Our municipality fact sheets for residential properties offer a valuable decision-making tool when judging opportunities. Based on an extensive pool of data, the most informative indicators are clearly illustrated on three pages. This allows the strengths and weaknesses of municipalities to be easily identified and makes it easier to compare the features of the local real estate markets. Your client advisor will be happy to provide you with fact sheets on your desired municipalities.

The fact sheets contain information on:

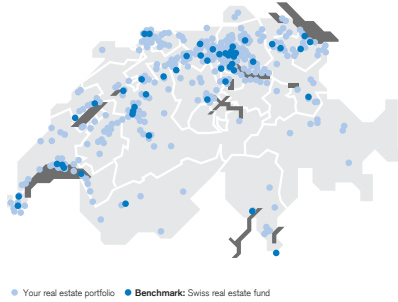
- Locational quality
- Demographics
- Construction activity and absorption
- Price level and development
- Vacancies
- and many other facts and figures



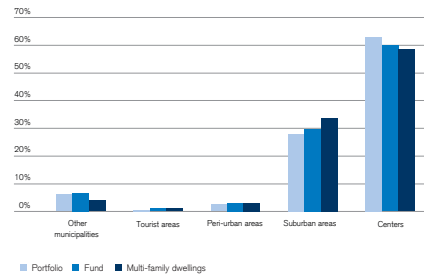
## Credit Suisse Portfolio analysis for sam sample

Your properties in comparison with  
Swiss real estate values.

Geographical overview



Distribution according to type of municipality



For illustrative purposes only

### Portfolio analysis: residential properties

For larger real estate portfolios with ten or more properties, we offer a customized benchmarking analysis. Based on the address details of your properties, we assess your portfolio with regard to regional diversifications and the most important macro and micro locational indicators. The portfolio will be measured against the residential properties of Swiss real estate funds and portfolios of multi-family dwellings in Switzerland.

The analysis will provide you with information on:

#### Macrolocation

- Availability
- Taxes, demographic potential
- Industry structure
- Risk of surplus and vacancy

#### Microlocation

- Public transport
- Motorized private transport
- Noise pollution
- Shopping
- Medical care
- Educational facilities
- Leisure activities

# Purchase/sale

---

Financing properties is a core product of every bank. But you can expect more than just financing from us. Whether you are looking for an investment property or would like to place a large real estate portfolio with investors, we offer the relevant expert advice and are also able to carry out complex transactions.

## **Real estate valuations**

Valuations are the foundation of every purchase or sale. We offer you access to accredited real estate appraisers for different categories of real estate across Switzerland. The wealth of experience that these experts have gives you the security of a valuation in line with the market. If you then want financing from us, you can be confident in the quality of the valuation, which will form the foundation of your request for financing.

## **Database with attractive properties for purchase**

We offer our clients selected properties for purchase on a discreet real estate market. As the seller, this gives you the option to inform your client advisor of your intention to sell. The property will then be put on offer in a pool of interested real estate investors who are also clients of ours. Conversely, if you are on the lookout for attractive properties, you can also inform your client advisor, who will review the options with you. Unlike platforms on the internet, we offer our clients the highest level of discretion.

## **Example**

A long-term client and regionally-based promoter is planning to construct an investment property with a variety of uses, which the client does not want to hold in their own portfolio for diversification reasons, but wants to sell to an investor after completion. We have the opportunity to introduce the client to potential real estate investors and guide them through the entire process. A buyer who will take over the property after completion and the subsequent leasing can be found in the large pool of investors. As a result of the delayed property takeover, construction financing is now required, which we will tailor to the client's needs.

## **A partner for complex transactions**

We offer extensive expertise for complex real estate transactions, as we have access to direct and indirect real estate investments. We offer this through an internal and external network of investors. We act as a broker between you as the seller or buyer and the potential counterparties. We can also give structured guidance. Thanks to asset swaps or sale and lease-back options, we offer ambitious solutions to larger transactions.



We have a network of experts at our disposal and bring extensive market expertise to the table, so that you will be happy with your transactions in hindsight, too.



# Succession and corporate structure advice

---

We help you to make the right decisions early on. Succession is a very emotional subject at first, which must be approached with understanding. Of course, the facts also play a key role in avoiding later surprises. We guide you through this process with the necessary understanding, jointly looking for the ideal solution that we can implement together.

## **Succession advice**

The objective of successful succession planning is aligning and optimizing the various needs of the numerous groups involved. In the center stands the current owner, who is looking for answers to a variety of questions. These may include some of the following questions:

- How can I ensure that my life's work will be continued according to my wishes?
- How can I maintain my standard of living after a handover?
- Does a family takeover come into consideration?
- What options are there to optimize the handover process in relation to tax?
- How can a successor guarantee financing?
- What will happen to current tenants in my properties?
- Who should I involve in the succession process, and when?

The earlier that these questions are dealt with, the better the solutions that can be found. Every year, we accompany hundreds of entrepreneurs through this process, which we carry out gradually following a well-structured approach in close collaboration with the parties involved – from first thought, right through to completion. We proceed with this matter in five steps (see table on page 11).

## **Corporate structure advice**

The structure of a corporation has particular significance in relation to succession. At the time of handover, the legal form entails a number of factors. A central topic is complexity: Should properties be distributed among successors or can shares be transferred to a real estate company?

Furthermore, tax implications are significant. What does a transfer of business assets to private assets mean from a tax perspective? Which legal form and which procedures concerning this matter have which impacts? In order to avoid surprises, the course must be set correctly and in a timely manner. Finally, your visions and plans should not be clouded by unexpected occurrences.

## Example

A real estate entrepreneur wants to transfer his life's work to new hands in a few years. We actively accompany him in reviewing different succession scenarios. Alongside sale to a third party, family-internal handover to his daughter is also thoroughly reviewed. The latter option has the significant benefit that clients and employees know the daughter well and also value her, and she is motivated to follow in her father's footsteps. This background means it is worth reviewing a family-internal succession in more detail. However, it must also be ensured that the entrepreneur who is handing over can maintain his standard of living and that his daughter is in a position to handle the takeover. Together, we compile the legal and tax aspects into optimal plans, as well as a financing model for the daughter's share purchase.

This scenario ultimately offers the most benefits and we begin by implementing individual steps well before the actual handover. In the end, the client's daughter successfully continues the 20-year-old real estate company and her parents can carry out their visions and plans for the third stage of their life thanks to farsighted planning.

### The five phases of the succession process

Phase	1. Initialization	2. Analysis of current situation	3. Evaluation	4. Preparation	5. Handover and conclusion
<b>Content</b>	<p>Entrepreneur's initial consideration of succession</p> <p>Succession process is initiated</p>	<p>Assessment of current situation (business and personal)</p> <p>List entrepreneur's ideas/goals</p>	<p>Evaluate and prioritize various options both within the family and externally</p>	<p>Prepare the company, departing entrepreneur, and incoming entrepreneur for the handover</p>	<p>The successor assumes management and ownership, both formally and symbolically</p>
<b>Services</b>	<ul style="list-style-type: none"> <li>▪ Trigger the thought process</li> <li>▪ Explain the phases of the succession process</li> <li>▪ Assemble a project team</li> </ul>	<ul style="list-style-type: none"> <li>▪ Assess the company's current situation</li> <li>▪ Assess and secure the entrepreneur's personal situation (marital property law and inheritance law, child and adult protection law)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Point out advantages and disadvantages of possible succession options</li> <li>▪ Point out requirements for implementing each option</li> <li>▪ Contribute experiences from other solutions related to succession</li> <li>▪ Search for potential buyers</li> </ul>	<ul style="list-style-type: none"> <li>▪ Structure private wealth and company's assets</li> <li>▪ Make property regime provisions, define estate settlement and advance directives, arrange private financial planning</li> <li>▪ Support successor in drawing up a business plan and liquidity planning</li> </ul>	<ul style="list-style-type: none"> <li>▪ Conduct asset transactions</li> <li>▪ Manage portions of assets that have been freed up (asset allocation)</li> <li>▪ Provide company with ongoing assistance after handover</li> </ul>

**Offer for  
private  
individuals**

# Inheritance

---

## How should my wealth be passed on?

You have spent decades successfully earning assets – and you want to not only maintain your wealth but pass it on according to a plan in good time. Our inheritance advisors will show you the statutory framework, so that you can shape your personal, familial, and entrepreneurial situation according to your wishes.

### **Have I put my affairs in order?**

Our qualified advisors assist you with questions such as:

- What provisions can I make, so that future decisions regarding my real estate are made in accordance with my wishes without delay?  
How can I legally give my relatives power of attorney in the event of loss of mental capacity?
- What aspects in particular need to be kept in mind when dealing with financing real estate?
- Which properties and other assets are included in my estate?
- How can I ensure that my successor manages my real estate or real estate company in accordance with my wishes?
- How can I ensure that my distribution wishes are formulated at an early stage and guaranteed?

- Is it advisable – especially taking my property into account – to appoint an executor?
- What tax implications does a gift have during my lifetime? What inheritance tax will result for heirs and beneficiaries under a will?

### **Analysis of the situation in terms of marital property law and inheritance law**

Our inheritance advisors will analyze your wealth and familial situation, as well as existing obligations and will review the implementation of your lifetime donations and wishes regarding dividing your estate. In doing this, the advisor takes into account both heirs protected by obligatory share and different types of families, professional situations and their impact on the estate. In addition, we will point out new rights of self-determination in the law on the protection of adults and show you the resulting possibilities that advance directives and living wills offer.

## Example

A client with a large property portfolio (both in direct ownership and held in a real estate company) has involved us in succession planning and included their children in the process early on. In the context of a consultation with our inheritance advisor, the possible options were discussed and the respective provisions were put in place. In addition, we made the client aware that the desired continuation of real estate management is ensured in the event of loss of mental capacity, with the help of an advance directive. Our client can look to the future calmly, safe in the knowledge that provisions are in place for the continuation of the business and that the real estate management side can be handed over to their children gradually.

# Financial planning

---

## Is my standard of living guaranteed in old age, as well?

**Over the last decade, real estate prices have, for the most part, gone in only one direction – up. However, the Swiss real estate crisis of the 1990s and the 2007/2008 financial crisis illustrated the vulnerability of real estate investments. As a real estate entrepreneur, you should not rely exclusively on property as your retirement provision. Forward-looking financial planning will allow you to not only secure your accustomed standard of living but will also represent interesting investment opportunities in other properties.**

### Example

A client has been able to continuously expand her real estate portfolio over the last 30 years. Over this period of time, this has resulted in a portfolio of ten properties. The investor was able to make a good living from the income from rent. However, several properties are now due to be completely renovated and this, coupled with very high investments, could also lead to a loss in rent and the client's standard of living would be endangered. Together with our client, we worked out an extensive financing plan at an early stage. Financing for the investments was put in place, as well as compensation for loss of income, so that her income was not jeopardized during the renovations.

### What long-term income from properties and retirement provision can I expect?

- How can I take care of long-term and tax-optimized maintenance planning for my properties using a financial plan?
- How can I optimally organize financing my properties? How high are my annual real estate costs, taking into account different levels of leverage and a selected investment strategy?
- What contribution will my properties make to covering my living costs after retirement?
- What benefits can I expect after retirement? How can I optimize my expected benefits, particularly in the areas of professional and private provision? What tax benefits does this offer?

### Financial planning

Our financial planning is a comprehensive analysis of your financial situation, taking into account your real estate, your retirement provision, as well as taxes, and inheritance law. The aforementioned advisory topics, as well as any interactions, will be addressed at the same time. On the basis of concrete proposals for optimization, we will point out how you can achieve your personal plans and goals. In our financial plan, we show you the effects on a time line and describe the advantages and disadvantages of our proposals.

# Taxes

---

## Why pay more unnecessarily?

**As a real estate entrepreneur, you continually need to deal with questions and actions that have far-reaching consequences. Where will I invest? Over what period of time? What type of financing will I choose? As a real estate entrepreneur, you should always take into account the tax consequences when making decisions, in order to positively influence your tax position.**

### **Our tax advice shows what tax benefits there are**

- Should I hold my properties directly or through a real estate company? Which statutory considerations are relevant with regard to choosing the correct structure?
- What tax implications are attached to the sale of a property that I hold directly? Which taxes are incurred if I hold the property through a real estate company?
- How can I optimize the maintenance of my property from a tax perspective?
- Which taxes are incurred in the event of gifting a property in my lifetime or as an inheritance?

### **Structuring the tax situation**

You can positively influence your tax burden through forward-looking planning. We work with you to consider your tax options in relation to your properties and mortgaged liabilities and show you areas for potential optimization. We also analyze your plans with you and point out the possible tax implications.

## Example

Our client owns and manages a real estate company that owns more than 20 investment properties across Switzerland. He receives an offer from an investor to buy five of his properties. Initially, the offer seems very generous, which is why our client had a detailed review carried out.

Together with our tax advisors, we reviewed the implications for each individual property with regard to property gains tax. The respective anticipated tax burden was set in the context of carried out investments. This persuaded our client to put forward a suitable offer, which was then accepted.





**CREDIT SUISSE (Switzerland) Ltd.**

P.O. Box

CH-8070 Zurich

**[credit-suisse.com/entrepreneur](https://www.credit-suisse.com/entrepreneur)**

The information provided herein constitutes marketing material. It is not investment advice or otherwise based on a consideration of the personal circumstances of the addressee nor is it the result of objective or independent research. The information provided herein is not legally binding and it does not constitute an offer or invitation to enter into any type of financial transaction. The information provided herein was produced by Credit Suisse Group AG and/or its affiliates (hereafter "CS") with the greatest of care and to the best of its knowledge and belief. The information and views expressed herein are those of CS at the time of writing and are subject to change at any time without notice. They are derived from sources believed to be reliable. CS provides no guarantee with regard to the content and completeness of the information and where legally possible does not accept any liability for losses that might arise from making use of the information. If nothing is indicated to the contrary, all figures are unaudited. The information provided herein is for the exclusive use of the recipient. Neither this information nor any copy thereof may be sent, taken into or distributed in the United States or to any U. S. person (within the meaning of Regulation S under the US Securities Act of 1933, as amended). It may not be reproduced, neither in part nor in full, without the written permission of CS. The key risks of real estate investments include limited liquidity in the real estate market, changing mortgage interest rates, subjective valuation of real estate, inherent risks with respect to the construction of buildings and environmental risks (e.g., land contamination). Your Personal Data will be processed in accordance with the Credit Suisse privacy statement accessible at your domicile through the official Credit Suisse website <https://www.credit-suisse.com>. In order to provide you with marketing materials concerning our products and services, Credit Suisse Group AG and its subsidiaries may process your basic Personal Data (i.e. contact details such as name, e-mail address) until you notify us that you no longer wish to receive them. You can opt-out from receiving these materials at any time by informing your Relationship Manager.

Copyright © 2019 Credit Suisse Group AG and/or its affiliates. All rights reserved.