

Business model and strategy

Allreal combines a stable-income real estate portfolio with the activities of a general contractor (project development and realisation).

Underpinned by this proven and successful business model, Allreal is able to cover the entire value chain of a property – from project development and realisation all the way through to profitable long-term property investments. This integrated approach also generates numerous synergies that benefit clients and the company alike.

Allreal does not operate in the main or secondary construction industries, nor does it have any participating interests in these sectors. This means that our company's independence and transparency as regards contract placement are always guaranteed. Contracts are awarded solely on the basis of objective and economic criteria.

Allreal defines its most important operating and financial target values as follows:

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| Return on equity excl. revaluation effect | 6–7% p.a. |
| Share of residential segment in total rental earnings | > 20% |
| Net yield on investments and yield-producing properties (at cost of acquisition) | ≥ 5% |
| Equity ratio | > 35% |
| Net gearing (ratio of net financial debt and equity) | < 150% |
| Interest cover ratio | > 2.0 |
| Capital gearing on investment real estate and development real estate | < 70% |
| Distribution yield | < 80% of net operating result (excl. revaluation effect) |

Real Estate division

Active management and continuous expansion of the portfolio of residential and commercial properties secure stable and long-term value creation. Individual properties and entire real estate portfolios are acquired, held or sold depending on market conditions and the opportunities they generate. Allreal's

subsidiary, Hammer Retex, has extensive experience of facility management and has a particularly strong presence in central Switzerland and the Zurich area. Hammer Retex is primarily a service provider for third parties, but it also undertakes facility management for certain properties within Allreal's own portfolio. For properties not managed by Hammer Retex, Allreal collaborates with companies that have strong local and regional roots.

Allreal handles various additional activities, including sales of residential property developed and realised by ourselves for the account of the Projects & Development division, and providing advice on real estate transactions for private individuals, companies and institutional investors.

Allreal's investment properties are located mainly in the Zurich metropolitan area and other Swiss business centres. Residential properties account for at least 20% of total rental income.

Allreal holds the third-largest real estate portfolio of all listed Swiss real estate companies.

Projects & Development division

The Projects & Development division provides services in project development and the realisation of real estate. The division's offer comprises all services connected with the development and realisation of new buildings and the conversion or renovation of buildings aimed at delivering fair market returns and optimal added value. The implementation of the buildings is economically and ecologically balanced.

The Projects & Development division provides these services for third parties, for its own account (resale), or for the account of the Real Estate division.

With branches in Bern, Cham, St. Gallen and Zurich, the Projects & Development division is one of the largest suppliers in German-speaking Switzerland.

Real Estate

Portfolio Management
Real Estate Management
Sales/Contracting

Experience
Value creation
Expertise

Projects & Development

Project Development
Realisation