Allreal pleased to report increase in profits in financial year 2021, putting it on course for growth

— **Net operating profit significantly higher than in the previous year**
— **Major acquisition in western Switzerland strengthens business model**
— **Projects & Development division doubles operating profit**
— **New sustainability strategy with ambitious goals**
— **Proposal for higher profit distribution of CHF 7.00 per share**

In the financial year 2021, Allreal's net profit was significantly higher than in the previous year. For Allreal – a real estate company with its own Projects & Development division – the acquisition of several companies in western Switzerland marks a significant expansion of its business activities there and an improvement in the risk profile, thereby creating an additional driver of steady and high-quality portfolio growth. In addition, Allreal presented its revamped sustainability strategy in the previous year. The company is focusing on areas where it has the most influence and is setting itself ambitious goals.

Allreal's net profit including revaluation effect went up by 9.2 percent in the period under review from CHF 167.2 million in 2020 to CHF 182.6 million in 2021. Revaluation gains for investment real estate again had a positive impact on net profit.

Excluding revaluation effect, the company is pleased to report a net operating profit of CHF 133.3 million, compared with CHF 124.7 million in the previous year – an increase of 6.9 percent. This was primarily a result of higher rental income on account of the portfolio growth, as well as of profit from the sale of development real estate in the Projects & Development division.

Business activity focused on the long term and geared towards sustainability

In expanding its business activities in western Switzerland in October 2021, Allreal has reached an important milestone in the history of the company. With the acquisition of investment real estate amounting to CHF 486 million, the company increased the value of its overall real estate portfolio to considerably more than CHF 5 billion for the first time. In doing so, it achieved a broader geographic diversification and an increase in the residential share.

Allreal also acquired an extremely attractive portfolio of development projects in the cantons of Geneva and Vaud with a potential investment volume of over CHF 700 million. The projects will ensure long-term growth potential for Allreal over a number of years and will be realised by the general contractor Roof, which it also acquired. This means that both areas of business will benefit from the expansion of the business activities in western Switzerland.

Proposal for higher profit distribution of CHF 7.00 per share

Allreal's share price was volatile in the period under review, but traded sideways in year-on-year terms. Allreal's share price closed at CHF 202.00 on the cut-off date, meaning that it was almost unchanged on the year. Including profit distribution of CHF 6.75 per share in April 2021, the result was a positive overall performance of 2.6 percent.

Given the pleasing increase in profits, the growth potential from the expansion into western Switzerland and the stable business development, the Board of Directors will propose a profit distribution of CHF 7.00 per share at the annual general meeting scheduled for 8 April 2022, an increase of CHF 0.25. This is composed of a dividend of CHF 3.50 per share and a distribution of CHF 3.50 per share from capital reserves, which is tax-free to Swiss private investors.

Real Estate division performs very well

Allreal achieved an excellent result in the Real Estate division. With the expansion of the portfolio in Western Switzerland, the market value of investment real estate increased to CHF 5.11 billion. The properties newly added to the portfolio have been contributing to net income since mid-October 2021 and had already generated rental income of CHF 2.2 million by the end of the year.

An office property in Wetzikon ZH acquired in the second half of the year 2020 contributed in the reporting period the first time over the full 12 months to earnings. Together with the properties from the Grünhof site and Hardstrasse 299/301 in-house projects in the city of Zurich that were realised and let, rental income went up to CHF 204.4 million in the financial year 2021 from CHF 200.4 million in 2020.

At 1.6 percent, the cumulative vacancy rate was persistently at a very low level compared with the previous year and in a direct market comparison, reflecting the high quality of the property portfolio. However, this result is also a testament to Allreal's prudent portfolio management in combination with customer-focused real estate management. The early extension of various lease agreements that were important for the company ensures that there will again be no major change in the vacancy rate in the coming year.

Direct expenses for yield-producing properties in the period under review stood at CHF 27.8 million. This resulted in an expense rate of 13.6 percent. When taking into consideration the substantial expansion of the portfolio, the net yield amounted to a healthy 4.0 percent.

Owing to a reduction in the discount and capitalisation rates, the continuing low vacancy rate and stable rental income, the portfolio as a whole was revalued upwards by CHF 64.3 million. The revaluation – which was carried out by the external property valuer – in addition to the changes in the portfolio led to the market value of the overall portfolio being increased by around 12.8 percent to CHF 5.11 billion.

Projects & Development division benefits from high sales proceeds

Earnings from Allreal's Projects & Development division were considerably higher than in the previous year (CHF 53.4 million, up from CHF 46.6 million in 2020), with earnings from sales Development significantly affecting the result (CHF 21.0 million, up from CHF 3.7 million in 2020). In the Realisation department, however, business remained challenging. The impact of the coronavirus was evident to some extent, first with delays resulting from inefficiencies in the construction process and subsequently with a rise in additional expenses, which led to a considerable reduction in margins. The gross margin in third-party business amounted to 9.1 percent, down from 12.0 percent in the previous year.

The Development department manages projects for Allreal's own portfolio and for third parties up to the planning application stage in close cooperation with the Realisation department. The potential construction volume of the work carried out stands at around CHF 1.9 billion. This means that the Development department takes a key strategic position within the company because it contributes substantially to the targeted expansion of investment real estate and the capacity utilisation of the Realisation department.

The volume of projects completed by the Realisation department decreased by 5.6 percent to CHF 343.2 million in the year under review. Of this volume, third-party projects accounted for 78.6 percent and in-house projects for 21.4 percent.

The secured order backlog as at the end of the year amounted to around CHF 694 million, corresponding to capacity utilisation for around two years.

The division was pleased to report an operating profit of CHF 20.9 million in the financial year 2021, up from CHF 10.6 million in 2020.

Stable financing situation

As at the cut-off date, financial liabilities had increased to CHF 2.73 billion, up by around CHF 547 million on the previous year. The average interest rate for financial liabilities had decreased again to 0.61 percent by 31 December 2021, by which point the average fixed-interest period had decreased to 44 months from 49 months a year earlier, which is relatively low.

In the financial year 2021, Allreal issued a 0.6 percent bond issue of CHF 250 million maturing in 2030, meaning that the company had refinanced 49.4 percent of financial liabilities through the capital market by the cut-off date. Fixed-rate mortgages accounted for 27.9 percent and fixed advances for 22.7 percent.

Group equity rose to CHF 2.56 billion, corresponding to a net asset value (NAV) per share of CHF 177.25 before deferred taxes. The equity ratio at the end of the year amounted to 44.1 percent and net gearing to 103.7 percent. This means that the company still has considerable debt capacity of around CHF 1.2 billion

Clear commitment to more sustainability

In publishing its sustainability strategy in 2021, Allreal took an important step towards ensuring sustainable success. The ESG strategy sets ambitious targets. For example, Allreal wants to become completely carbon neutral across its entire portfolio of yield-producing properties by 2050 at the latest and halve the share of fossil fuel in its energy consumption by 2030.

The company will therefore complete a consumption inventory of its yield-producing properties and draw up individual strategies for these properties by the end of 2022. In addition, the company will launch a broad-based drive to install solar power systems and renew its building management systems. Active management of user behaviour will also help to cut emissions.

In relation to the activities of the Projects & Development division, Allreal is focused on the systematic use of renewable materials. In-house projects will involve taking the entire life cycle of individual materials into account as quickly as possible.

Growth path supports positive outlook for the financial year 2022

In view of the fact that interest rates remain low by historical standards and that the economy is performing well, the outlook for the Swiss real estate and construction sector is good. As a result of the expansion of its portfolio in western Switzerland, Allreal is expecting income from real estate and in turn profits in the Real Estate division to increase. In the Projects & Development division, the company is expecting income from business activity to stabilise. Thus, the tried-and-tested business model that combines real estate with projects and development endures.

Allreal therefore expects net operating profit for the financial year 2022 to exceed the level of the previous year.

The Board of Directors and Group Management would like to take this opportunity to thank employees for contributing to the company's success, as well as shareholders for the trust they have placed in us.

Market environment

Transaction market

Swiss real estate investments have not lost their appeal. In particular, demand for residential and commercial real estate in central locations is undiminished. However, there are exceptions to the rule in relation to a reluctance to pay for properties that remain vacant, properties in locations with little potential and those with an increased need for investment owing to a tightening of ESG requirements.

Meanwhile, the pandemic has shown institutional investors that investment real estate is crisis-resistant owing to stable rental income. Attractive yield-producing properties and land for development and realisation in central locations therefore continue to be a rare commodity, which is reflected in rising prices and falling initial returns. Although the global increase in inflation that has been evident for a number of months now is also likely to lead to a slight rise in interest rates in Switzerland, they are still at a very low level by historical standards. Real estate therefore remains an attractive investment option.

Office rental market

Uncertainty during the pandemic concerning future space requirements has given way to a clear space usage strategy for many companies. The experience gained by working from home has resulted in hybrid working models becoming established which will allow employees to work from home going forward, but are not intended to be a substitute for office work. The need for office space will tend to fall – albeit with regional differences – but the rental market will be supported, as a decline is to be expected on the supply side in the medium term. The need for more meeting zones and a workplace buffer in the event that employees are on site at the same time is limiting the decline in demand. Opportunities are therefore emerging for landlords who are able to implement individual solutions to make use of space in the short term. In addition, suppliers who provide professional support to their customers in the development of hybrid working models will be at an advantage.

Residential rental market

The Swiss residential rental market does not seem to have taken too kindly to the pandemic. Developments on the market are still characterised by the investment crisis resulting from the low interest rates and the construction activity this has brought about in recent years. Although vacancy rates recently fell slightly in terms of Switzerland as a whole, the expanded capacities continue to dominate market events and are resulting in excess supply in the conurbations and in rural areas. In the core cities, however, demand for rental apartments remains very high, which is why vacancies are not apparent in those locations. The key statutory tenancy reference rate is unlikely to fall further, which will also support rents in the medium and long term.

Home ownership

Demand for condominiums and houses remains high. Indeed, prices in the market have shot up in some cases. Transaction prices have continued to rise and there is no sign of this trend being reversed any time soon. Although the high prices and the affordability requirements when granting mortgages have restricted the group of potential home buyers, a younger generation of buyers that can afford residential property thanks to an inheritance or an advance on inheritance is increasingly emerging. In addition, residential property continues to be a sought-after investment, including for individuals.

Projects & Development

Although the Swiss construction sector was able to provide its services almost without interruption during the coronavirus crisis, it did not escape the pandemic completely unscathed. Market participants still demand a high degree of flexibility in their financial and capacity planning, which puts even more pressure on margins that are already low. The shortage of construction materials has turned out to be a challenge in the past year. A great deal of flexibility will continue to be required given the fact that global supply chains are still restricted to some extent. The consequence of this is inefficiencies at building sites and additional costs which can only be passed on to the owners to a limited extent in view of the fact that competition is already intense.

Institutional owners have used the time during the pandemic to build up their own expertise internally and are placing an increased focus on general planner or building management models. As a result, the market share accounted for by total and general contractors is decreasing. At the same time, various large projects are approaching completion, which will release additional capacity into the market. In view of these changes, the market situation remains tense and consolidation in the sector is likely to accelerate.

On that basis, it is crucial that general and total contractors narrow down their specialisation, focus on specific regions or carve out attractive niches. Sustainability and technological innovation are examples of areas in which there are opportunities to carve out a niche.

Real Estate division

Allreal's rental income in the Real Estate division increased by 2.0 percent from CHF 200.4 million in 2020 to CHF 204.4 million in the reporting period.

Commercial real estate generated rental income of CHF 160.3 million, compared with CHF 163.8 million in 2020. This represents 78.4 percent of total rental income. Residential real estate accounted for the other 21.6 percent, generating rental income of CHF 44.1 million, compared with CHF 36.6 million in 2020. The expansion of the portfolio in western Switzerland means that its share of total rental income will continue to increase in the financial year 2022.

When broken down by the various types of use, offices and services accounts for 55 percent, residential for 25 percent, trade and warehousing for 9 percent, parking for 6 percent and retail for 5 percent.

The ten largest tenants made up 57.4 percent of Allreal's earnings from the rental of commercial real estate (2020: 57.1%). The share taken up by the five largest tenants was unchanged at 41 percent.

As at the end of 2021, the average term of fixed-term leases for commercial real estate was 5.7 years, a significant increase. Only 12 percent of rental agreements are due to expire and be up for renewal within the next two years. Thanks to successful and early contract extensions in the 2021 financial year, a large part of the rental contracts to be renewed in 2023 has already been secured for the long term.

The fact that the vacancy rate remains very low is testament to Allreal's excellent work in the areas of portfolio and real estate management. It went up only slightly from 1.4 percent in 2020 to 1.6 percent in 2021, which reflects the high quality and robustness of the portfolio.

Proximity to the customer is key to Allreal's success. For this reason, it aims to maintain as many yield-producing properties as possible via its own facility management organisation. Although the share of self-managed yield-producing properties fell owing to the expansion of the portfolio in western Switzerland, the medium-term intention is still to bring the management of other properties in-house.

New lease agreements were concluded in the period under review for a total of around 126 000 square metres of space. Specifically, the early extension of the lease with a major tenant at the Richti site in Wallisellen ZH for some 39 000 square metres of office space, as well as with the main tenant MAN Energy Solutions at the Escher-Wyss site in Zurich-West, are notable successes. Other significant agreements that were concluded or extended included those for the commercial properties at Herostrasse 12 and Vulkanstrasse 106 in Zurich Altstetten and Bellerivestrasse 30 in Zurich Riesbach.

Unlike in the previous year, waived rent payments in connection with the coronavirus crisis were no longer significant and came to just CHF 0.5 million (2020: CHF 1.5 million).

As expected, real estate expenses remained stable, standing at CHF 27.8 million (2020: CHF 27.9 million). Among the large refurbishment and renovation projects that were completed were those at the Grünhof site in Zurich Aussersihl, at Hardstrasse 305 in Zurich-West, at Zollstrasse / Josefstrasse 23–29 / Klingenstrasse 4 in Zurich and at Unterdorfstrasse 2/4 in Fällanden ZH. The expense rate in terms of total rental income was 13.6 percent (2020: 13.9%). It is to be assumed that the expense rate will settle in the future around an average of 15 percent as a result of additional investment in the area of ESG.

Owing to low losses of earnings and stable real estate expenses, Allreal's net yield was high (4.0%), underlining the quality of both its existing portfolio and the newly acquired yield-producing properties in western Switzerland.

Marked portfolio expansion in western Switzerland

Allreal has acquired a top-quality investment portfolio in western Switzerland with a market value of CHF 486 million, the bulk of which consists of residential real estate with low vacancy. Of the 21 properties that have now been transferred to the portfolio of yield-producing properties, all but one are situated in the Canton of Geneva. In total, the annual target rental income of this portfolio is CHF 14.2 million.

The new acquisitions to the portfolio include a modern commercial building in Plan-les-Ouates GE with 9,721 square metres of floor space and a residential complex at Rue de Vermont in the city of Geneva with 95 apartments, as well as other attractive properties in the city of Geneva and its suburbs. In all, 492 residential units have been transferred to Allreal with the acquisition of the portfolio in western Switzerland.

Since spring 2021, the new build in the inner courtyard of the Grünhof site has been included in the portfolio of yield-producing properties. Allreal developed and realised a project on the site in Zurich Aussersihl with a new-build in the courtyard formerly used for commercial purposes and a replacement building consisting of eight rental apartments and commercial space at Badenerstrasse 131, although this had already been transferred to the portfolio of yield-producing properties in the previous year. The annual target rental income for the Grünhof site as a whole is CHF 4.3 million.

The commercial building at Bellerivestrasse 36 in Zurich Riesbach was reclassified in the period under review from the portfolio of yield-producing properties to investment real estate under construction. The development and realisation of the comprehensive modernisation of the building is being implemented by Allreal's Projects & Development division. The property is being refurbished in accordance with the plans of the Danish architecture firm C.F. Møller. In achieving LEED Platinum certification, the building will meet high sustainability standards once the work is completed in 2023. The annual target rental income is CHF 7.1 million.

As at the cut-off date, the portfolio of investment real estate comprised 87 yield-producing properties consisting of 42 residential buildings and 45 commercial buildings, as well as three investment properties under construction.

Valuation of the investment property portfolio carried out by an external property valuer as at 31 December 2021 resulted in a positive value adjustment before taxes of CHF 64.3 million, compared with CHF 55.2 million in 2020. The reduction in the discount and capitalisation rates by an average of 20 basis points was crucial for the higher valuation. The high occupancy rate and a forecast for stable cash flows from real estate transactions also had a positive impact.

Residential real estate accounted for CHF 50.9 million of the total value adjustment (2020: CHF 18.9 million), commercial real estate for CHF 6.3 million (2020: CHF 6.9 million) and investment real estate under construction for CHF 7.1 million (2020: CHF 29.4 million).

Changes in the portfolio and its positive performance led to the market value of the property portfolio increasing from CHF 4.53 billion in 2020 to CHF 5.11 billion in 2021 – a year-on-year increase of CHF 580.4 million.

The market value of the portfolio of yield-producing properties amounted to CHF 4,954.6 million and that of investment real estate under construction to CHF 151.1 million as at the cut-off date.

The expansion of the portfolio in western Switzerland resulted in the share of yield-producing properties located in the canton of Zurich being reduced to 80 percent, down from 87.5 percent as at 31.12.20. Of the market value as at 31 December 2021, the city of Zurich accounted for 47.2 percent (31.12.2020: 51.2%), the remaining canton of Zurich for 32.8 percent (36.3%), the cantons of Geneva and Vaud for 13.4 percent (5.1%), the two cantons of Basel for 4.9 percent (5.3%), the canton of Bern for 1.1 percent (1.4%) and the canton of Zug for 0.6 percent (0.7%).

Within the Real Estate division, Allreal recorded net profit excluding revaluation effect of CHF 123.4 million (2020: CHF 118.6 million).

Projects & Development division

Allreal concentrates the Group's development and realisation expertise in the Projects & Development division. The division plans and implements its own projects, buys and sells development real estate, and provides services in the area of developing and realising projects for third parties. In the financial year 2021, earnings from Allreal's Projects & Development division were considerably higher than in the previous year (CHF 53.4 million, up from CHF 46.6 million in 2020). The company benefited strongly from positive one-off effects resulting from the sale of development real estate.

The market situation for the Realisation department was challenging. The impact of the coronavirus was particularly evident in inefficiencies in the construction process. In some cases, work was scheduled but had to be postponed at short notice, which led to a high degree of flexibility being required in the construction process. In addition, supply shortages made planning and using construction materials more difficult. Nevertheless, Allreal managed to complete practically all the projects that were terminated in the period under review at the handover stage on time and to the required quality. However, these circumstances all had a noticeable effect on margins.

Even in the previous year, the volume of projects completed was less dynamic than expected owing to the economic situation. This pattern continued in the period under review – albeit to a lesser extent – resulting in a figure of CHF 343.2 million, compared with CHF 363.4 million in 2020. Earnings from the Projects & Development division's Realisation department amounted to CHF 24.5 million in the period under review (2020: CHF 33.7 million). The gross margin in third-party business fell to 9.1 percent. Capitalised company-produced assets resulting from the completion of in-house projects amounted to CHF 6.2 million (2020: CHF 7.1 million).

Allreal disposed of two pieces of land from its development reserves in the period under review. In Dielsdorf ZH, the company sold the land at Neuwisen with 46 419 square metres to a data centre provider, while in Rümlang ZH Allreal also sold part of the Bäuler development reserve for a profit. In the case of these sales, the company profited from the high price level on the transaction market. As with the sale of residential real estate, the sale of development real estate generated sizeable income of CHF 21.0 million, compared with CHF 3.7 million in 2020.

Of the earnings from the Projects & Development division, projects for third parties accounted for CHF 26.2 million, or 49.1 percent, in the period under review (2020: CHF 35.8 million/76.8%), while projects for sale and for Allreal's own portfolio accounted for CHF 27.2 million, or 50.9 percent (2020: CHF 10.8 million/23.2%).

Operating expenses fell by 7.4 percent year on year to CHF 40.2 million (2020: CHF 43.4 million). This resulted in an operating profit of CHF 20.9 million (2020: CHF 10.6 million).

Development

The Development department manages projects for Allreal's own portfolio and for third parties with a potential construction volume of around CHF 1.9 billion. Because the acquisition of new land and sites is making business activity more difficult owing to the high prices, all the more weight should be given to the acquisition of development properties in western Switzerland in the period under review to the value of around CHF 270 million. These development projects have an investment volume of over CHF 700 million and will ensure long-term growth potential for Allreal.

In western Switzerland, Allreal is developing a new residential and commercial quarter with high sustainability standards in Chavannes-près-Renens on a plot of 33 111 square metres. The usage plan – which is currently being worked on – is likely to be published publicly in 2022 and will form the basis of the planning application once it takes legal effect. Construction is expected to start in the next two to three years.

There are also development projects in the canton of Geneva, including in Veyrier at Route du Pas-de-l'Echelle, where Allreal is planning a residential construction project with around 80 subsidised apartments on a plot of 13 288 square metres. The development plan procedure is ongoing. Allreal is developing another project in Geneva at Chemin Mestrezat, where the development plan procedure is ongoing. The residential complex will comprise 57 units in total.

Allreal is planning a residential complex with 63 condominiums to be sold to third parties and 43 rental apartments for a private owner on Spiserstrasse in Zurich Albisrieden. A judging panel decided in favour of the project submitted by ADP Architektur Design Planung AG for the competition to develop the 4,600-square-metre site. The planning application will be submitted in the first quarter of 2022. Construction is scheduled to start at the end of 2022. The investment volume amounts to about CHF 75 million.

A replacement new-build project has been launched at Renggerstrasse in Zurich Wollishofen. The commercial property has been owned by Allreal and part of its portfolio of yield-producing properties since 1999. A new residential property with 21 units will be built on the land, which covers 1,389 square metres. The property will remain in Allreal's portfolio once completed. The investment volume amounts to about CHF 12 million. It is envisaged that construction will start in autumn 2022 and that the property will be occupied from the second half of 2024.

Realisation

In the financial year 2021, the volume of projects completed by the Realisation department amounted to CHF 343.2 million, compared with CHF 363.4 million in 2020. This represents a fall of 5.6 percent, year on year. Owing to inefficiencies in the construction process and the declining order volumes, the gross margin for the planning and realisation of third-party projects fell to 9.1 percent (2020: 12.0%).

Of the total volume of projects completed, third-party projects accounted for CHF 269.6 million (or 78.6%), down from 280.4 million (or 77.2%) in 2020. The share of in-house projects came to CHF 40.2 million (or 11.7%), down from CHF 62.9 million (or 17.3%) in 2020. In the case of development projects for sale to third parties, the share amounted to CHF 33.4 million (or 9.7%), up from CHF 20.1 million (or 5.5%) in 2020.

New-build projects made up CHF 215.2 million (or 62.7%) of the total volume of projects completed in the period under review, compared with CHF 219.3 million (or 60.3%) in the previous year. The share of renovation and conversion projects stood at CHF 128.0 million (or 37.3%), down from CHF 144.1 million (or 39.7%) in 2020.

The secured order backlog as at the cut-off date amounted to around CHF 694 million, corresponding to capacity utilisation for around two years.

Completed projects

Allreal realised the Bellaria residential development in Zurich Wollishofen on behalf of Helvetia Insurance Group. The five-floor apartment buildings comprise 180 rental apartments in total. The project, which was submitted by Michael Meier and Marius Hug Architekten, received the "best architects" award. The construction sum came to around CHF 60 million. The construction work for this project in a prime location was successfully completed in 2021 and the residential complex handed over to the owner.

At Badenerstrasse 170/172 in Zurich Wiedikon, Allreal implemented a total refurbishment and extension of the KPMG office complex on behalf of Swiss Life with around 45,000 square metres of floor space. The construction sum exceeded CHF 100 million. This project was likewise handed over to the user on schedule in summer 2021.

Allreal has built a residential complex called Wohnen am Chatzenbach on Ettenfeldstrasse in Zurich Seebach for a private investor. The site consists of four apartment buildings and one replacement building with 11 rental apartments, as well as office space and commercial units. The replacement building had already been successfully handed over to the owner in the previous year. Completion of the new builds in the second half of 2021 marked the successful conclusion of the project. The construction sum came to around CHF 38 million in total.

At the Grünhof site in Zurich Aussersihl, the realisation of the striking new build in the inner courtyard was successfully completed. The replacement building at Badenerstrasse 131 had already been completed in the previous year and transferred to the portfolio of yield-producing properties. The construction sum for the revaluation of the whole site stood at nearly CHF 100 million. The Grünhof site is owned by Allreal and fully let.

One of the projects completed in western Switzerland by the general contractor Roof was at Chemin des Semailles in Lancy GE. Other projects successfully realised were at Chemin de Joinville in Meyrin GE, where 53 new apartments were built; Chemin de Couvaloux in Chêne-Bougeries GE; Route de Vandœuvres in Vandœuvres GE; and Route de Troinex in Troinex GE. The construction volume totalled CHF 58 million.

Other projects completed in the period under review included:

New built Annex Nord, Postareal	Baden AG
Hochstrasse residential complex	Basel
Sägefeldweg residential complex refurbishment	Biel BE
Bahnweg residential complex	Lausen BL
Bälliz complete refurbishment	Thun BE
Alter Züriweg residential complex*	Zufikon AG
PartnerRe tenant fit-out*	Zurich

* in-house projects

New and ongoing projects

At Hohlstrasse in Zurich Altstetten, work on the Letzi Turm project is progressing well. Allreal, as the total contractor, is erecting two 70-metre residential high-rise buildings for Swiss Federal Railways comprising 178 rental units. Together, the two towers represent more than 27 000 square metres of floor space and a volume of 84 000 cubic metres. The project is due to be completed and handed over to the client in the second half of 2022. The project volume amounts to around CHF 74 million.

In Adliswil ZH, the company is developing and realising a residential and commercial complex on the Dietlimoos-Moos development site for a private investor. The Höfe Adliswil residential and commercial estate is being created on six construction lots, comprising a total of 325 apartments and about 9,000 square metres of space reserved for trade and services. The individual buildings are being realised in stages, with the first four lots likely to be completed between summer 2022 and summer 2023. In total, the construction volume comes to more than CHF 200 million.

In Petit-Lancy GE, the general contractor Roof, which is part of Allreal, is developing and realising the Le Bâtie residential construction project – an apartment building consisting of 30 apartments. The project is already far advanced and is likely to be completed in summer 2022. In Meyrin GE, an apartment building with a total of 17 condominiums is under construction. The property will be certified according to the Minergie standard and completed in the first half of 2022.

The Projects & Development division recorded a net profit of CHF 13.8 million in the period under review, compared with CHF 7.8 million in the previous year.