

OFFICE MARKET REPORT  
VIENNA

AUTUMN | WINTER

2021

YOUR SPECIALISTS FOR  
COMMERCIAL REAL ESTATE

YOUR SUCCESS  
IS OUR GOAL

Austria | Slovakia





**MODESTA REAL ESTATE** offers support and advice on all your questions relating to commercial real estate – both at the national and international levels.

The focus is clearly defined: Targeted and integrated solutions that are customer-oriented and lead to profit.

FOCUS ON CUSTOMER-ORIENTED SOLUTIONS

Modesta Real Estate is the specialist when searching for investment properties, office, logistics, industrial or commercial properties in Austria and the CEE region, as well as for the subsequent location analyses and contract negotiations. Modesta Real Estate also offers professional consulting and valuations, corporate real estate services and the design of highly-efficient marketing strategies for existing properties. With our know-how we help our clients to make the right decisions concerning property-specific questions. Modesta Real Estate's network extends from locations in Vienna and Bratislava throughout Austria to the entire CEE region and includes European and American investment companies and capital providers.

A young, dynamic team is specially trained in the commercial real estate sector and thus guarantees professional real estate consulting at the highest level.

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OVERALL ECONOMIC SITUATION IN AUSTRIA

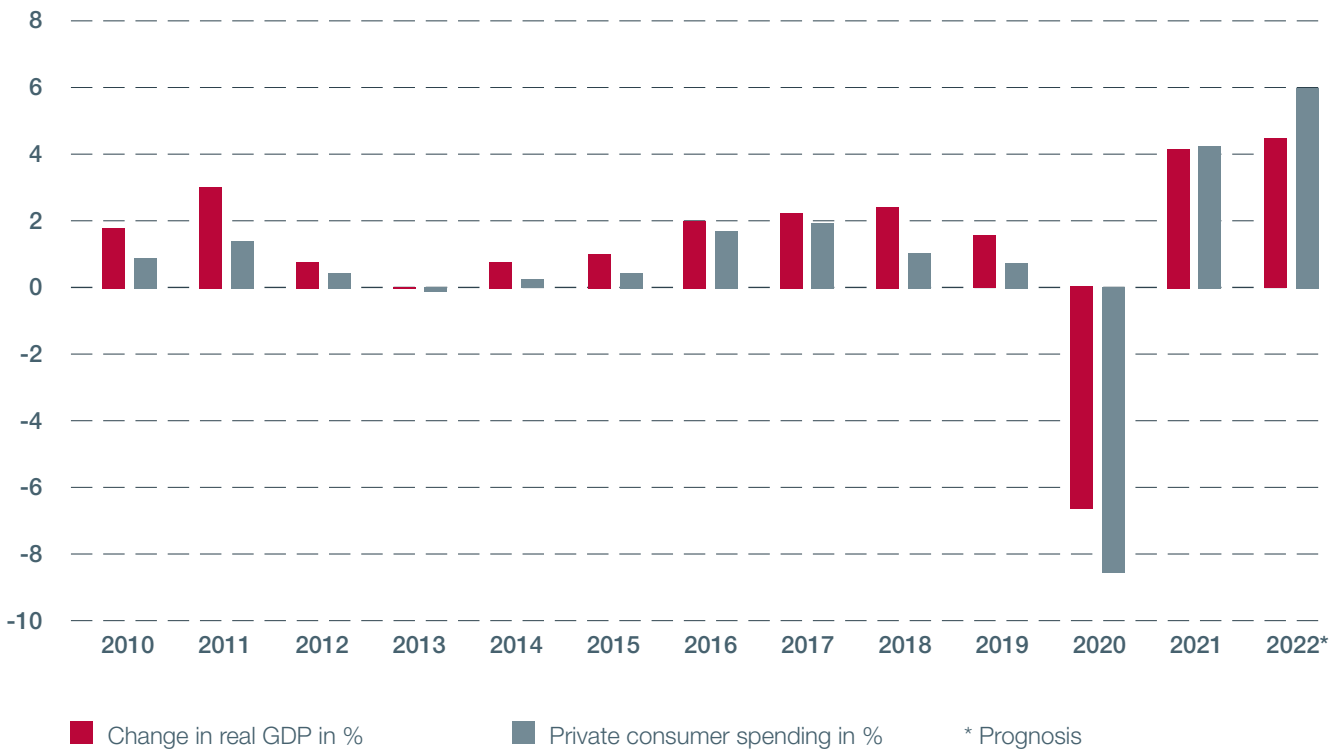
After a long period of forced recession, Austrian economic institutes have been talking about a recovery of the overall financial situation for some time now. Following the severe stalemate caused by the Covid crisis, there are now optimistic prospects for dynamic recovery strategies. Since spring 2021, this catch-up process has been driven primarily by easing the Covid containment measures and global economic recovery. **Economic output** has risen by around 4.4% compared with the previous year 2020. For 2022, the WKO (Austrian Federal Economic Chamber) even forecasts an increase of a further 4.8%.

**Consumer spending** by private households has risen by 4.5 percentage points compared with 2020 (change in real GDP), and a further increase of around 6.0% is expected for 2022. In 2020, the **unemployment rate** rose to 9.9%, owing to the Corona pandemic. In 2021, this is expected to fall to 8.2% and settle back at the 2019 level in the following year, 2022. Along with the falling unemployment rate, the **volume of work** is also rising.

The **inflation rate** has been revised significantly upward in 2021. Rising energy prices, airfares, catering services and housing maintenance are the main price drivers. Inflation is expected to moderate again once supply chain issues and the price effects associated with the previous year's low level settle down. The **state budget** continues to experience revenue shortfalls and is suffering from the unforeseen expense of the Corona stimulus packages.

Source: wko.at (as of October 2021)

Economic development Austria 2010 - 2022  
(each compared to the previous year)



CURRENT TRENDS

TREND TOWARDS THE HOME OFFICE EVEN AFTER THE PANDEMIC

The Corona pandemic has left its mark on the Viennese office and labor market. Not all of them are negative; flexible forms of work in particular are very popular among the workforces.

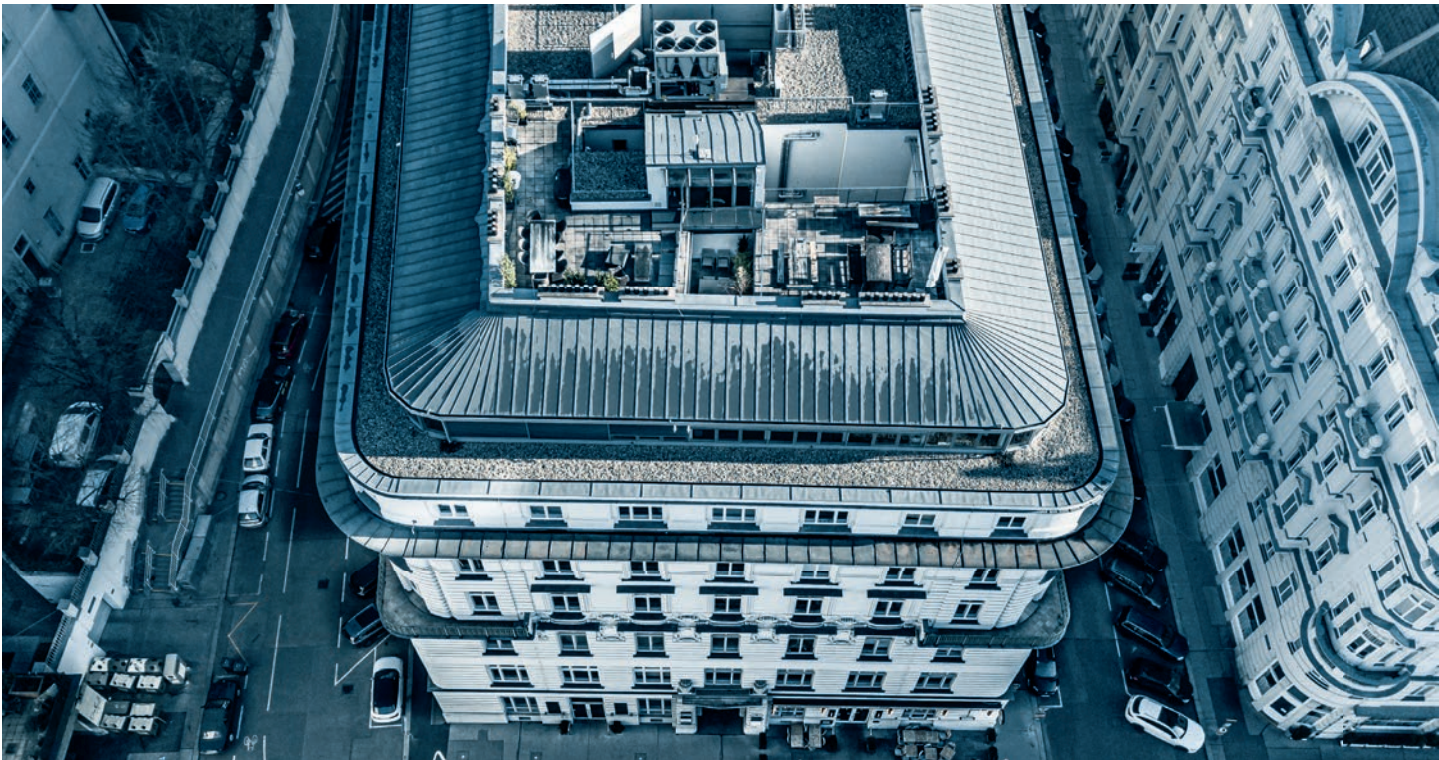
What was unthinkable for many companies two years ago became an unavoidable necessity with the first lockdown in 2020: working from home. Many industries have now recognized the advantages, but also the disadvantages, of this concept. Eliminating commute time, increased flexibility, better concentration, higher productivity and reduced costs are on the pro side of the home office. At the same time, however, many workers lack the social component of their daily professional lives.

Hybrid work models and the partial possibility of remote working are the logical consequence of this development. The introduction of new communication tools, the holding of virtual meetings and the resulting digitization within many industries are also leading to changes in office space design. Office space is being conceptualized differently than before, areas are being created for social interaction and co-working, and the fixed desk has already become obsolete in many companies. But it's not just redesigning of the existing office spaces that are on the agenda. Many companies see hybrid forms of working as an opportunity for long-term cost reduction, for example, optimizing their office space. Future demand will increasingly focus on highly modern and flexible properties in good locations. These developments are also reflected in the dynamics of the office property market and will continue in the coming year 2022.

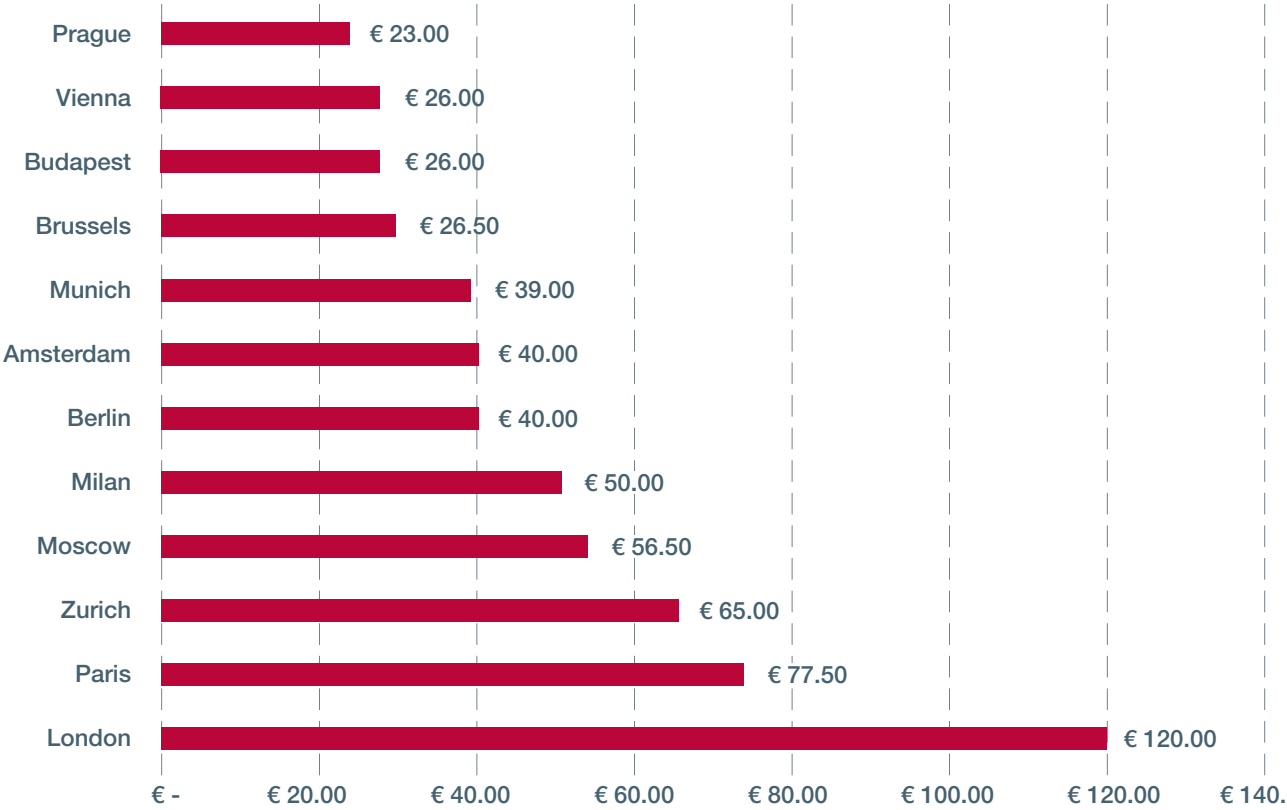


OFFICE MARKET VIENNA 2021 | OVERVIEW

Rental prices (per sqm, net)		
Top rentals	€ 26.00	→
Rentals in good locations	€ 14.50 – 19.00	↑
Rentals in average locations	€ 10.00 – 14.00	↑
Office Space Rentals		
Q1 2021	ca. 37,100 sqm (VRF)	↑
Q2 2021	ca. 15,250 sqm (VRF)	↓
Q3 2021	ca. 29,200 sqm (VRF)	↓
Q4 2021	ca. 48,000 sqm (prognosis)	→
Full-year forecast	ca. 130,000 sqm (prognosis)	↓
Vacancy	ca. 4.1 % (VRF)	↑
Available Office Space		
Current portfolio	5.95 Mio sqm (VRF)	→
New space development	ca. 70,000 sqm	↓



Office Top Rentals in Europe (per sqm, net)





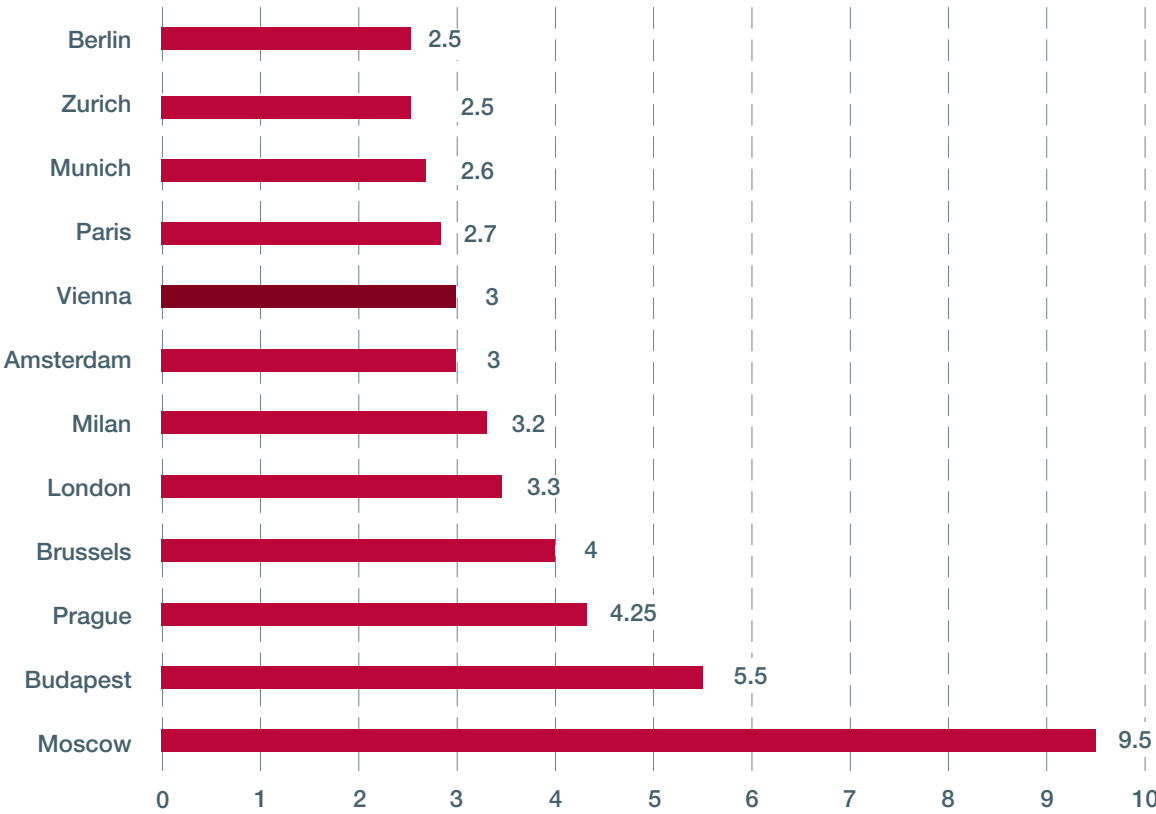


OFFICE MARKET VIENNA | OVERVIEW

Investment

Investment Volume 2021 (Prognosis)	1.5 Mil. %	↑
Prime Yields	3 %	→
Yields in B locations	4 – 4.5 %	→

Prime Yields in Europe





RENTAL PRICE OVERVIEW

Inner City



Rent Price: € 15.00 - 26.00

- Properties:
- Goldenes Quartier (1010)
  - Haus am Schottentor (1010)
  - Operngasse 6 (1010)

Inner Districts (CBD)



Rent Price: € 11.50 - 21.00

- Properties:
- myHive Ungargasse (1030)
  - Francis (Projekt, 1090)

North-East



Rent Price: € 12.00 - 18.00

- Properties:
- Austria Campus (1020)
  - Quartier Lassalle (Projekt, 1020)
  - Prater Glacis (1020)
  - Viertel Zwei (Projekt, 1020)

East



Rent Price: € 11.50 - 19.50

- Properties:
- Austro Tower (Projekt, 1030)
  - Solaris (1030)
  - ViE (1030)

West



Rent Price: € 10.00 - 14.50

- Properties:
- Forum Schönbrunn (1120)
  - Arcade Meidling (1120)
  - U4-Center (1120)
  - VIO Plaza (Projekt, 1120)

North



Rent Price: € 10.50 - 16.50

- Properties:
- Square One (1190)
  - Millenium Tower (1200)
  - Optimum (1200)
  - Rivergate (1200)

Central Station / Quartier Belvedere

Rent Price: € 15.00 - 21.00

- Properties:
- QBC 1+2 (1100)
  - The ICON Vienna (1100)
  - Bel & Main (Projekt, 1100)

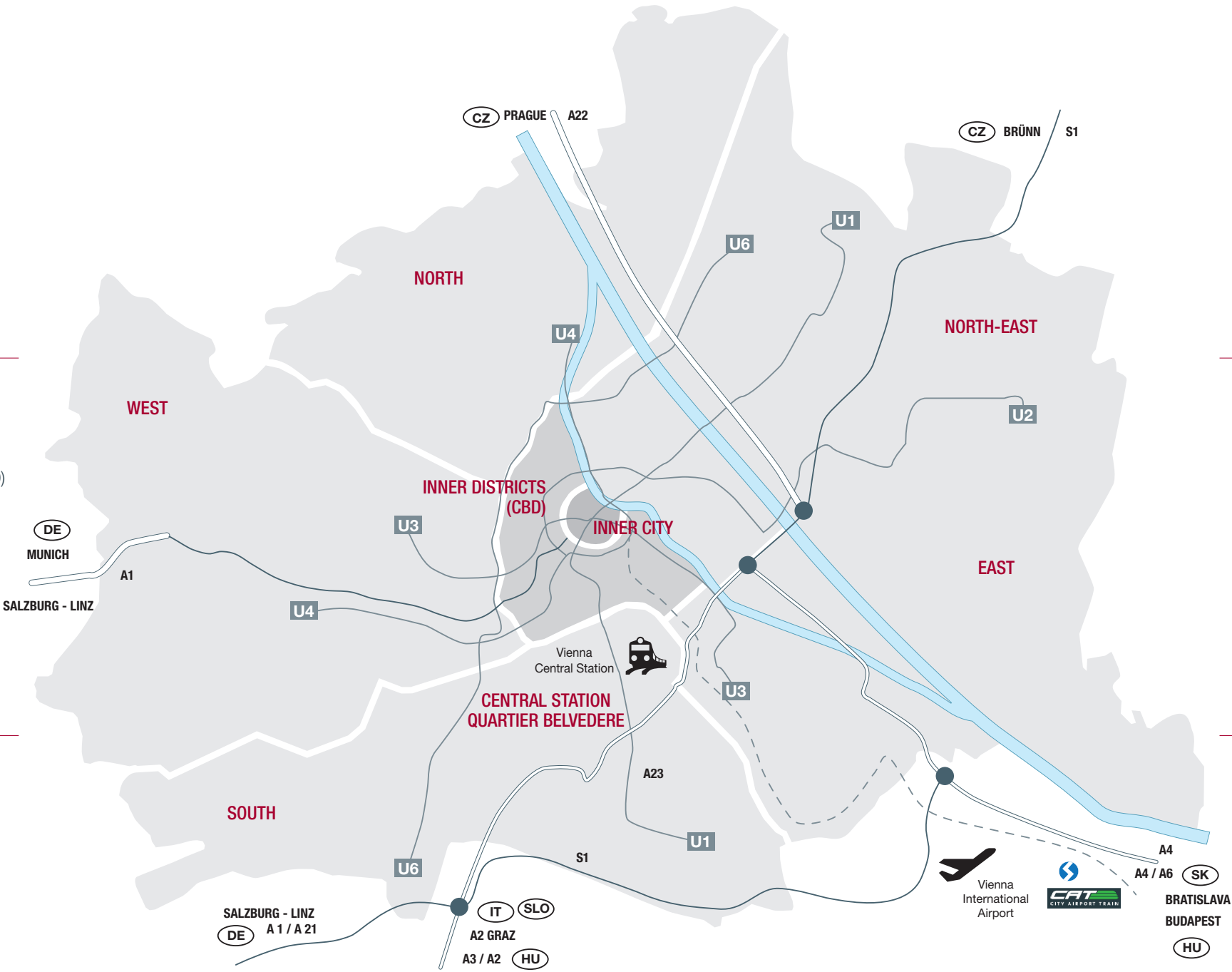


South



Rent Price: € 11.50 - 18.50

- Properties:
- The Brick (1100)
  - Euro Plaza (1120)
  - Inno Plaza (1120)
  - Silo Next (Projekt, 1230)
  - Silo Plus (1230)
  - Campus 21 (2345)







RENTALS 2021

Region	Property	Tenant	Area
Inner City	1010, Schreyvogelgasse 2	Bpv Hügel Rechtsanwälte	2,800 sqm
	1010, Schottengasse 4	Schulmeister Management	1,100 sqm
	1010, Schwarzenbergplatz 3	Pitkowitz & Partners	1,100 sqm
Inner Districts (CBD)	1030, Franzosengraben 1	Weidinger & Partner Wirtschaftstrainings- und Organisationsentwicklungsgesellschaft mbH	2,200 sqm
	1030, myhive am Wienerberg	AUVA – Allgemeine Unfallversicherung	9,100 sqm
	1040, Schwarzenbergplatz 13	Lukoil	3,800 sqm
	1060, Gumpendorferstraße 81	neunerImmo	1,400 sqm
Central Station	1100, Favoritenstraße 73	AMS - Arbeitsmarktservice	5,500 sqm
	1100, Canettistraße 5	Herold	2,500 sqm
	1100, QBC 1+2	Dedalus HealthCare	2,400 sqm
	1100, QBC 1+2	Infoscore Austria GmbH	2,300 sqm
East	1210, TwentyOne	Proxygen GmbH	5,000 sqm
	1210, TwentyOne	Allcyte	1,000 sqm
South	1120, Wolfganggasse 58-60	Die Berater Unternehmensberatungs GmbH	2,000 sqm
North	1020, Quartier Lassalle	Waff – Wiener ArbeitnehmerInnen Förderungsfonds	7,400 sqm
	1020, Tribüne Viertel Zwei	Red Bull Media House	5,200 sqm
	1200, Dresdnerstraße 85	Plandent GmbH	1,300 sqm
West	1130, Hietzinger Kai 133	Swietelsky	6,600 sqm



(PLANNED) COMPLETIONS 2021-2023

Property	Submarket	Area	Completion
Haus am Schottentor	Inner Districts (CBD)	14,500 sqm	2021*
Quartier Lassalle 1	Prater Lassallestraße	24,000 sqm	2021
Quartier Lassalle 5	Prater/ Lassallestraße	53,000 sqm	2021
Austro Control Tower	Erdberg	28,000 sqm	2021
Technologiezentrum Aspern	Donaucity	7,000 sqm	2021
QBC 1 + 2	Central Station	34,000 sqm	2021
Bel & Main	Central Station	17,000 sqm	2021
Operngasse 6	Inner City	2,000 sqm	2021*
Campus Ost	Donaucity Umgebung	7,500 sqm	2021
Alte Post	Inner City	8,500 sqm	2022*
Francis Vienna	Inner Districts (CBD)	38,000 sqm	2022*
Doppio Due	Inner Districts (CBD)	5,500 sqm	2022*
Eightytwo	Wienerberg (south)	11,000 sqm	2022
Herzig	Wienerberg (south)	11,000 sqm	2022
Silo Next	Wienerberg (south)	9,000 sqm	2022
Vienna TwentyTwo BT1	Donaucity Umgebung	8,000 sqm	2022
TwentyOne Innovation Hub BT1	North	12,000 sqm	2022
Quartier Lassalle	Prater/ Lassallestraße	70,000 sqm	2022*
Handelskai 100	Prater/ Lassallestraße	3,000 sqm	2023
DC Tower 2	Donaucity Umgebung	26,600 sqm	2023
Vio Plaza	West	22,600 sqm	2023

\*General overhaul

MOST IMPORTANT INSITUTIONAL TRANSACTIONS 2021

Property	Usage	Area	Seller	Buyer
Europlaza 1	Office	28,000 sqm	DWS	ARE Austrian Real Estate
Nordbahnstraße 50	Office	16,000 sqm	Reinvest	IMFARR
Schottenring 1	Office	15,000 sqm	ERGO	Privatstiftung
Square One	Office	30,000 sqm	Strabag	Warburg-HIH
Ikano Office Park	Office	11,600 sqm	Family Office	Privatinvestor
Ghegastraße 3	Office	5,800 sqm	Immofinanz	Privatinvestor
Canon Gebäude	Office	5,000 sqm	LHI	Octapharma
SCS (45%)	Retail	ca. 100,000 sqm	Unibail-Rodamco-Westfield	Crédit Agricole Assurances
AGM	Retail	30,000 sqm	REWE	Metro







OFFICE  
PROPERTIES

INDUSTRY  
& LOGISTICS

CORPORATE  
REAL ESTATE  
SERVICES

INVESTMENT  
CONSULTING

INTERNATIONAL



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