

Office properties



Market Report Autumn 2024

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Preface

Against the backdrop of the current challenging market environment, companies are being prompted to act with particular caution and to examine their location decisions with more scrutiny than before. While ambitious sustainability requirements and increasing ESG requirements have introduced more quality and innovation to the Viennese real estate market, they have also resulted in rising construction costs and rent prices. In this environment shaped

by unresolved tension, it is more important than ever to make the right location decision.

Our EHL office specialists are on hand to give you the advice you need, with competence, expertise and a sense of responsibility. We consider our long-standing customer relationships to be the best proof of the highest degree of integrity exercised by our specialists.



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Executive Summary

The main drivers behind location searches at present are energy efficiency, sustainability and a strong feel-good atmosphere. This development is further accelerated by ESG requirements and the EU taxonomy.

Production of new space & vacancy rate

At around 91,000 sqm, the volume of new space produced this year is significantly higher than last year and is expected to continue rising to around 121,000 sqm next year. The supply of high-quality properties being let for the first time has thereby increased on a slow, yet constant basis. The vacancy rate has stabilised at a low level of 3.3 %, but is expected to rise slightly again in the medium term due to the avid construction of new builds.

Stable rent prices

Following the recent hikes, rent prices have now stabilised, with prime rents currently amounting to EUR 28.00/sqm. The limited availability of modern office space in top locations has continued to exacerbate the pressure on prime rents.

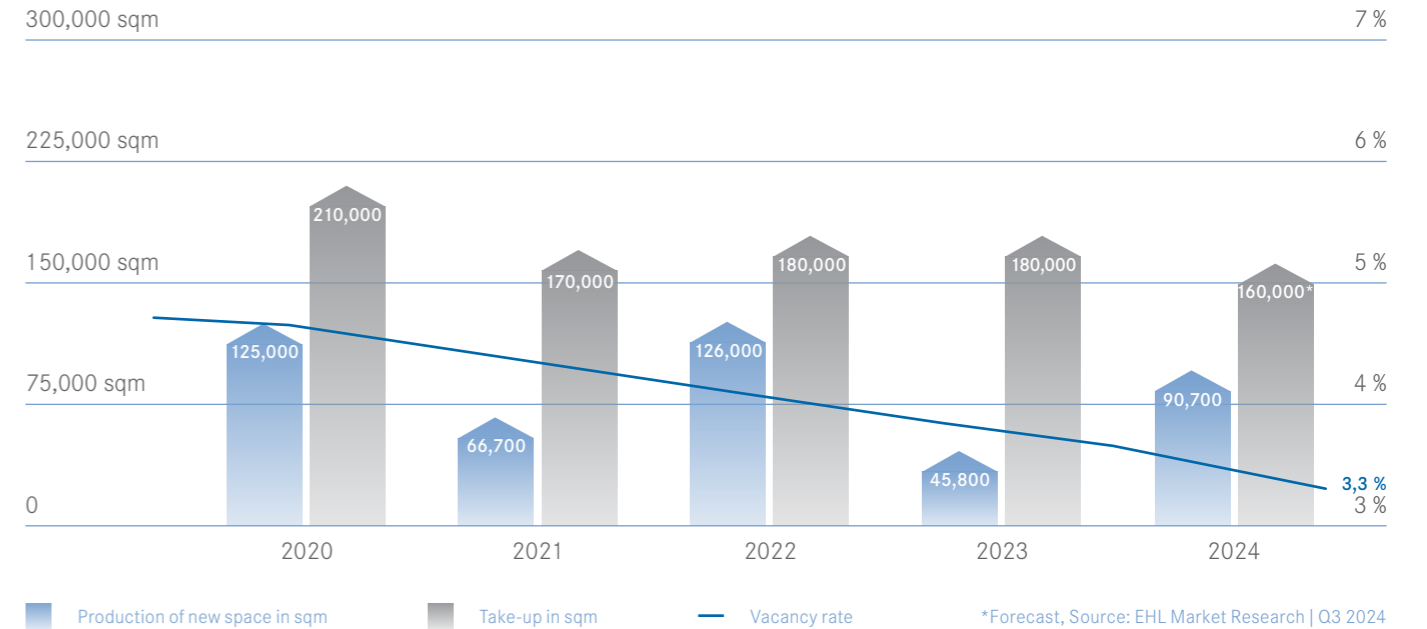
Letting performance

Due to the present market disequilibrium, we expect the volume of let office space to fall slightly to approx. 160,000 sqm this year. Prime locations remain subject to high excess demand.

Investment

With the overall market environment still strongly influenced by the shift in the interest rate landscape and the challenging economic situation in Austria and Germany, the investment market remains tough. However, despite the strenuous situation at hand, there are positive indications for the future, particularly in the office real estate sector, where investment activity is most active at present. Investments in core real estate and real estate with strong cash flow remain feasible.

Office Market Vienna 2020 - 2024



Market overview

Production of new space	90,700 sqm	→	Office supply	Total market**	VRF***
Take-up*	160,000 sqm	→	Office space in sqm	11,696,600 m ²	6,070,827 m ²
Vacancy rate	3.3 %	↘	Vacancy rate	3.3 %	3.38 %
Prime yields	4.5 %	→			
Prime rets EUR/sqm/month	28.00 €	→			
Nom. GDP EUR billion acc. to WKO	490.73	↓			
Economic growth acc. to WKO	-0.6 %	↓			
Inflation rate acc. to Statistik Austria	2.3 %	↓			

* Forecast
 ** All indicators are based on the total market (old and new buildings), unless indicated otherwise
 *** According to the Vienna Research Forum, www.viennaresearchforum.at

↑ Increasing ↗ Slightly increasing → Stable ↘ Slightly decreasing ↓ Decreasing Source: EHL Market Research | Q3 2024

Striking a balance between ESG requirements and cost awareness

Current demand for new office space is strongly influenced by the need to implement increasing ESG requirements. Companies are seeking to introduce particularly employee-friendly and environmentally conscious concepts at their new office locations. To many companies, a relocation represents the opportunity to achieve innovative and future-orientated working environments, with priority always being given to sustainability and quality.

Nevertheless, the quality of the fixtures, furnishings and location continue to only be reduced in exceptional cases.

In a market shaped by this tension between cost awareness and the quest for higher quality, many letting processes are currently much more complex and time-consuming than they were just a few years ago.

The projects completed this year are characterised by their high standard of furnishings. Examples include the striking refurbishment of FRANCIS in the Althan Quartier (approx. 47,700 sqm), the new modern GRAND CENTRAL building in Floridsdorf (approx. 12,500 sqm) and the sustainable ROBIN Seestadt (approx. 10,000 sqm) in Aspern. Office space in the prestigious CARRÉ Muthgasse building (approx. 13,000 sqm) will also be placed on the market at the end of 2024 or beginning of 2025.

However, high demands in terms of the quality of fixtures and fittings inevitably lead to rising rent prices and higher furnishing costs. In a market shaped by this tension between cost awareness and the quest for higher quality, many letting processes are currently much more complex and time-consuming than they were just a few years ago. Plans, investment costs and their distribution between tenant and landlord are closely examined and subject to intense negotiation.

For economic reasons, companies are now often electing to reduce the size of their office space. This approach has been made possible by the introduction of flexible and hybrid working models such as desk sharing, co-working spaces or reduced working hours.



First-time occupancy rents

In €/sqm/month | EHL Rent Index of 100 existing and/or refurbished office buildings at various locations

Completions 2024

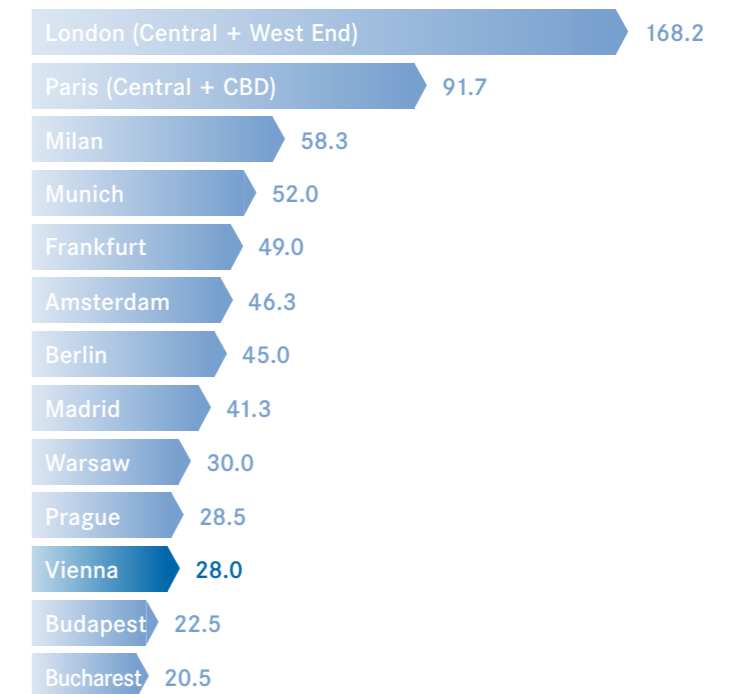
Property	Address	Size
FRANCIS	1090; Julius-Tandler-Platz 3	47,700 sqm
GRAND CENTRAL	1210; Schlosshoferstrasse 17	12,500 sqm
ROBIN Seestadt	1220; Sonnenallee 28-30	10,100 sqm
DOCKS VILLAGE IM DRITTEN	1030; Landstrasser Gürtel 49+51	9,000 sqm
Favoritenstrasse 73-75	1100; Favoritenstrasse 73-75	6,800 sqm
Technologiezentrum Seestadt, TZ 3	1220; Seestadtstrasse 27	4,600 sqm

Source: EHL Market Research | Q3 2024

Vacancy rates in European comparison (in %)



Prime rents in European comparison (in EUR/sqm/month)



Source: EHL Market Research | BNP Paribas Real Estate | Q2 2024

Vienna Office Regions

1 Inner City | Surroundings



- Selected properties**
- 1010, Goldenes Quartier Office
 - 1010, Haus am Schottentor
 - 1010, Strauchgasse 3
 - 1020, LeopoldQuartier OFFICE*
 - 1040, Ensemble Schwarzenbergplatz
 - 1090, FRANCIS

Rents	€ 16.0-28.0
Rents tendency	↗
Supply	→
Demand	↗

2 Lassallestrasse | Messe | Prater



- Selected properties**
- 1020, 2nd Central
 - 1020, Austria Campus
 - 1020, E-Zone
 - 1020, Galaxy Tower
 - 1020, Lassallestrasse 3
 - 1020, Quartier Lassalle
 - 1020, Vienna Works
 - 1020, Weitblick, Viertel Zwei*

Rents	€ 13.0-27.0
Rents tendency	↗
Supply	→
Demand	↗

3 Eastern Region | Erdberg



- Selected properties**
- 1030, ENNA*
 - 1030, Landmarx
 - 1030, MQM
 - 1030, Solaris
 - 1030, Tricore
 - 1030, ViE
 - 1110, Office Campus Gasometer

Rents	€ 11.5-19.5
Rents tendency	↗
Supply	↗
Demand	↗

4 Main Railway Station | Quartier Belvedere



- Selected properties**
- 1030, DOCKS
 - 1030, LOOP Offices*
 - 1030, Village Works*
 - 1100, LAX 2B
 - 1100, QBC
 - 1100, The Icon Vienna
 - 1100, Tower Canettistrasse
 - 1110, LMNT Offices*

Rents	€ 15.0-23.0
Rents tendency	↗
Supply	↘
Demand	→

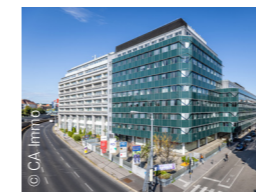
5 Southern Region | Wienerberg



- Selected properties**
- 1100, myhive am Wienerberg
 - 1100, The Brick
 - 1120, Euro Plaza
 - 1120, Inno Center
 - 1230, Silo Next*
 - 1230, Silo Plus
 - 2345, Campus 21

Rents	€ 12.0-18.0
Rents tendency	→
Supply	→
Demand	→

6 Western Region



- Selected properties**
- 1120, Forum Schönbrunn
 - 1120, O.A.X.*
 - 1120, VIO Plaza
 - 1140, Workstation Wien West
 - 1150, Storchengasse 1

Rents	€ 10.0-19.0
Rents tendency	↗
Supply	→
Demand	↗

7 Northern Region



- Selected properties**
- 1190, CARRÉ Muthgasse*
 - 1190, Square 1
 - 1200, Millennium Tower
 - 1210, GRAND CENTRAL
 - 1210, Peak Vienna
 - 1210, Plus Energie & Quartier 21*
 - 1210, TwentyOne

Rents	€ 11.5-25.0
Rents tendency	↗
Supply	↗
Demand	↗

8 Vienna Donau City | Surroundings



- Selected properties**
- 1220, Andromeda Tower
 - 1220, Ares Tower
 - 1220, DC Tower 1+2*
 - 1220, IZD Tower
 - 1220, Saturn Tower
 - 1220, VIENNA TWENTYTWO*

Rents	€ 13.0-28.0
Rents tendency	↗
Supply	↗
Demand	→

9 Seestadt Aspern



- Selected properties**
- 1220, Campus West
 - 1220, HOHO Wien
 - 1220, ROBIN Seestadt
 - 1220, SeeHub
 - 1220, Seeparq
 - 1220, Sirius
 - 1220, Technologiezentrum Seestadt

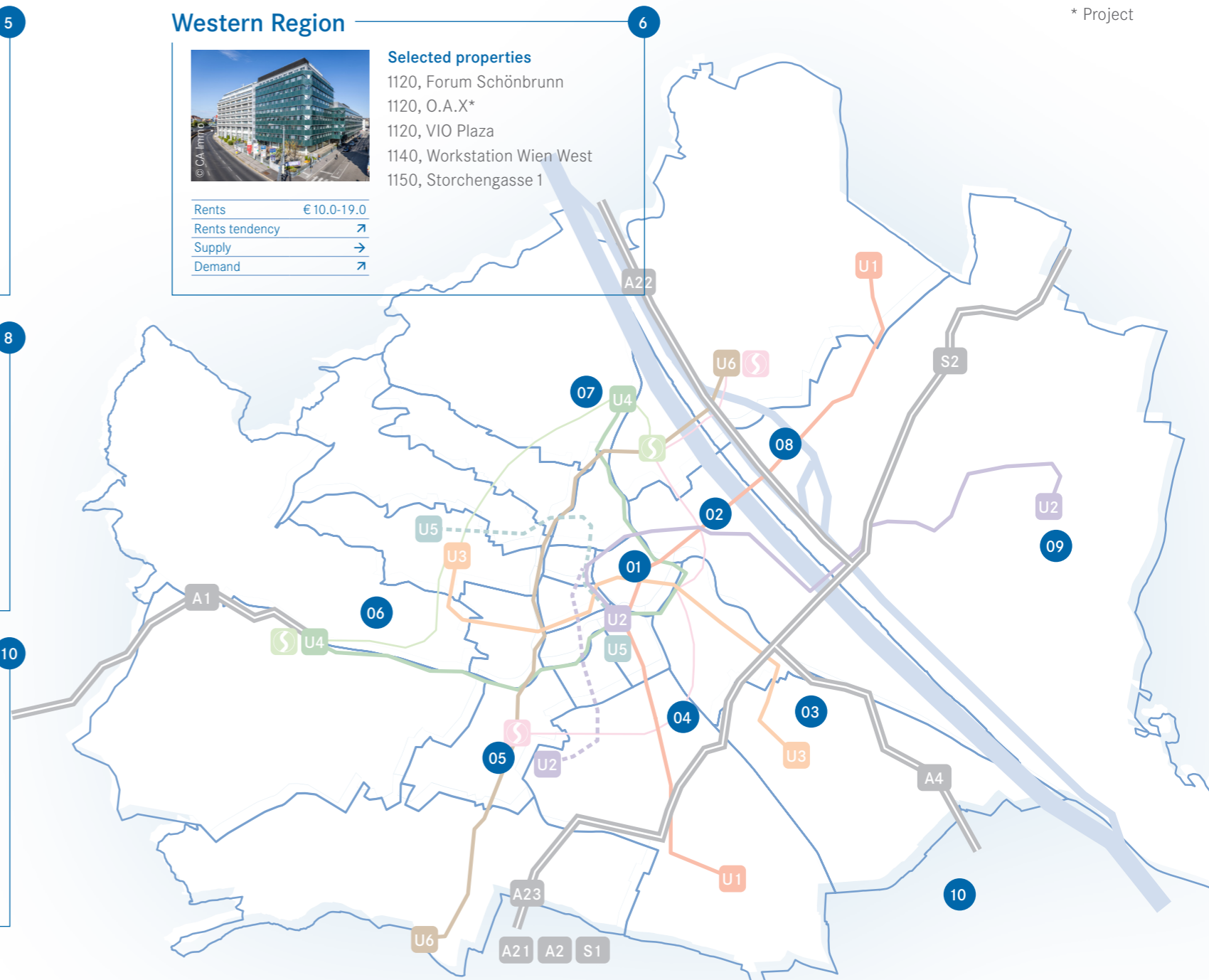
Rents	€ 11.5-18.0
Rents tendency	→
Supply	↗
Demand	→

10 Airport City Vienna | Surroundings



- Selected properties**
- 1300, Office Park 1
 - 1300, Office Park 2
 - 1300, Office Park 3
 - 1300, Office Park 4
 - 2320, Concorde Business Park

Rents	€ 9.5-22.0
Rents tendency	→
Supply	→
Demand	→



* Project

Completion volume rises once again

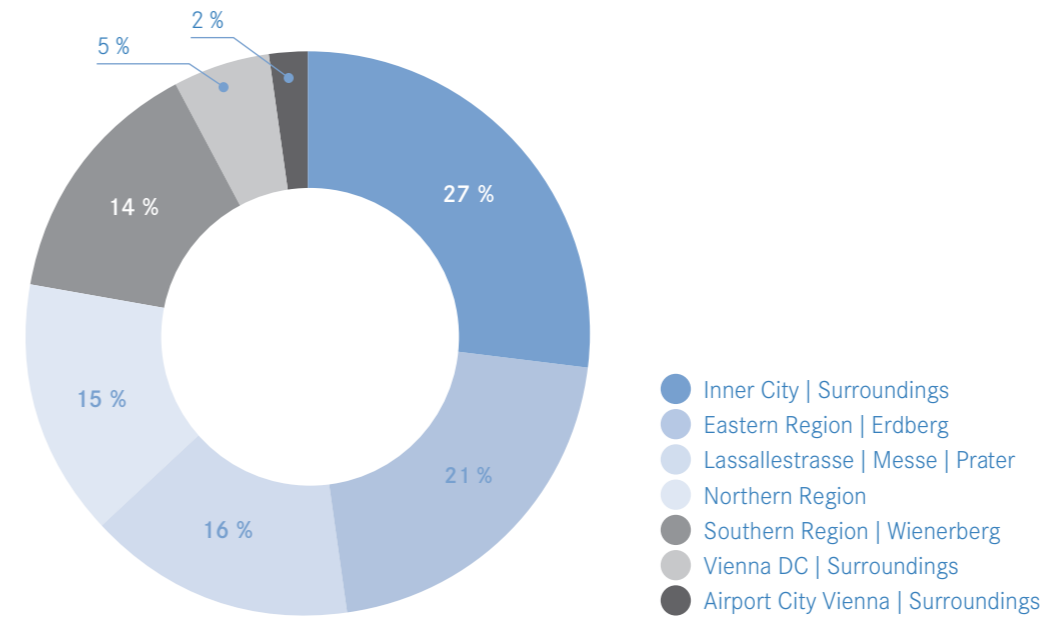
Despite the expected doubling of the completion volume compared to the previous year, the vacancy rate remains at a very low 3.3 % due to the high number of pre-lets. In 2025, we expect the completion volume to reach around 121,000 sqm, which could help to ease the market situation.

Rentals 2024 (selected examples)

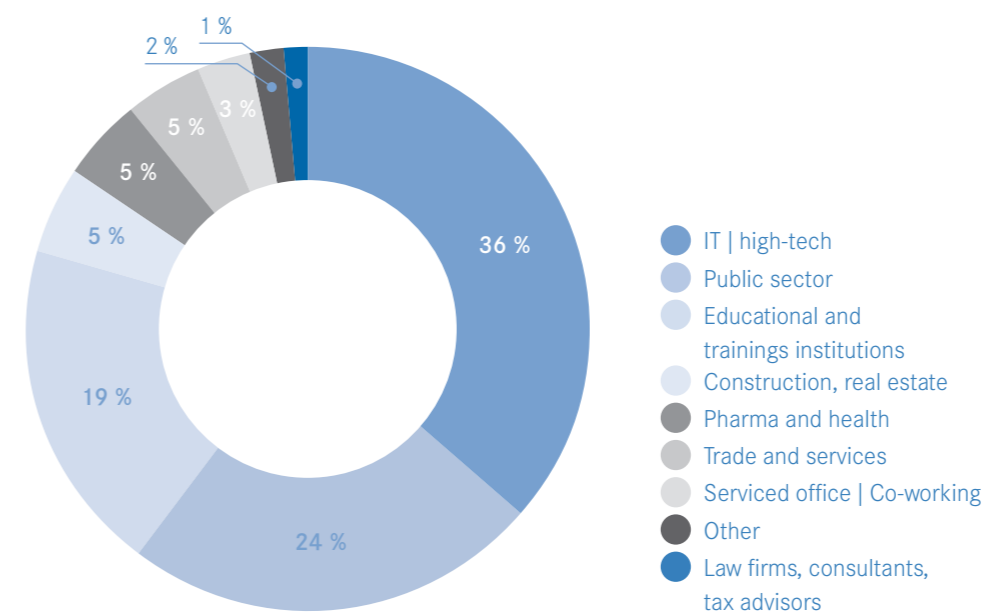
Tenant	Address	Size
European Handball Federation	1030; Baumgasse 60A	6,000 sqm
Canon Österreich	1120; EURO PLAZA	4,500 sqm
Public Tenant	1010; Schottenring 14	3,700 sqm
University	1020; Walcherstrasse 11	2,800 sqm
Bernard Gruppe	1020; E-Zone	2,200 sqm
Cellectric Biosciences	1210; Central Hub	1,800 sqm
Ivoclar Vivadent GmbH	1090; FRANCIS	1,600 sqm
TUI	1300; Office Park 4	1,500 sqm
Public institution	1070; Mariahilferstrasse 116	1,200 sqm
AON	1090; FRANCIS	1,000 sqm

EHL provided consulting services to tenants and/or lessors. Source: EHL Market Research | Q3 2024

Take-up by regions



Take-up by sectors



Take-up > 1,000 sqm included
Source: EHL Market Research | Q3 2024



Our office-reference projects

See our expertise in action with a small selection of our lettings. From ultra-modern office concepts to sustainable office solutions – discover which projects are part of our portfolio.



FRANCIS



GLA 47,700 sqm
District 1090 Vienna

A medical institute (approx. 3,500 sqm) and Valmedica Althan GmbH (approx. 1,200 sqm) have decided to rent space in the FRANCIS. EHL acted in an advisory capacity on the tenant or landlord side.

VIO PLAZA



GLA 22,000 sqm
District 1120 Vienna

Brandl Talos (approx. 2,400 sqm), ECOVIS Austria (approx. 2,800 sqm) and aws Austria Wirtschaftsservice (approx. 5,500 sqm), among others, have decided to rent space in the spectacular VIO PLAZA. EHL acted in an advisory capacity on the tenant or landlord side.

Central Hub | TwentyOne



GLA 21,000 sqm
District 1210 Vienna

The striking “Central Hub” office project (approx. 50,000 sqm) is located in the middle of the up-and-coming TwentyOne business cluster. Completion is planned for the beginning of 2025. EHL has been mandated on a co-exclusive basis.

LOOP Offices



GLA 14,200 sqm
District 1030 Vienna

The visionary office building (approx. 14,200 sqm) impresses with its striking appearance and ecological design. EHL is mandated on a co-exclusive basis and is in the middle of the marketing process.

Muthgasse 109A



GLA 3,300 sqm
District 1190 Vienna

woom, the leading Austrian manufacturer of children’s bicycles, rents an innovative office building in timber construction at Muthgasse 109 A (approx. 3,300 sqm) as a single tenant. EHL acted in an advisory capacity on the tenant and landlord side.

EURO PLAZA



GLA 26,500 sqm
District 1120 Vienna

Amadys Telecom Austria GmbH (approx. 1,000 sqm), HPC IBK GmbH (approx. 400 sqm) and MTEL Austria (approx. 1,200 sqm) have opted for the Euro Plaza location. EHL acted in an advisory capacity on the tenant and/or landlord side.

CARRÉ Muthgasse



GLA 5,700 sqm
District 1190 Vienna

The prominent office building is characterised by its prestigious lobby and spacious roof terrace. EHL has been exclusively mandated to market one of the two components (approx. 5,700 sqm) and is in talks with several prospective tenants.

LMNT Offices



GLA 19,000 sqm
District 1110 Vienna

The highly visible LMNT Offices project (approx. 19,000 sqm) is in a perfect strategic location between Vienna’s city centre and the airport and boasts a perfect price/performance ratio. EHL is mandated on a co-exclusive basis.

Investmentmarkt

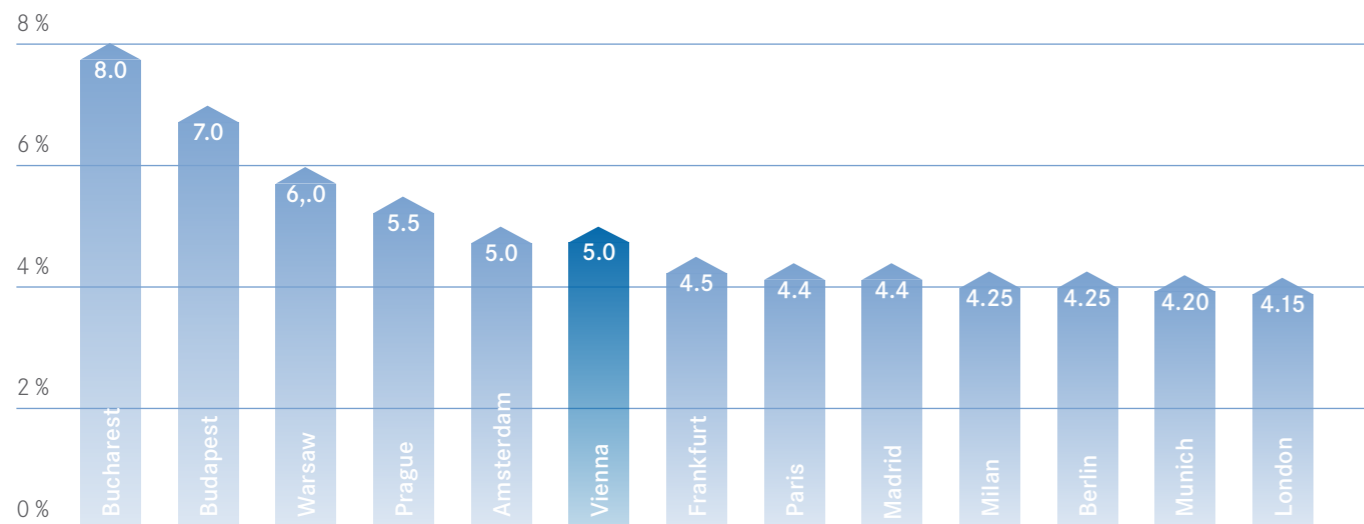
The real estate market is currently showing signs of uncertainty. High financing costs and rising construction prices are putting a strain on property developers. However, ESG-compliant new buildings are less affected by these factors. EHL remains optimistic and sees potential for major transactions over the coming year.

Nevertheless, the real estate market is currently showing clear signs of uncertainty and reluctance among investors, especially compared to the years before the Ukraine crisis. The impact of interest rate hikes has significantly influenced the market, with due diligence, approval procedures and financing transactions taking longer as a result.

Property developers are the ones most acutely affected by the economic challenges. High financing costs, rising construction prices and falling exit prices are forcing many to temporarily suspend construction projects. In the medium term, this could lead to a shortage of urgently required office space in attractive locations.

At the same time, ESG-compliant new buildings are less affected by the market distortion. By contrast, they are subject to lower price adjustments due to their compliance with current EU sustainability requirements. Older properties, on the other hand, are struggling with significant price markdowns as they often no longer meet investors' rising expectations in terms of sustainability.

Prime yields on office properties in European comparison (in %)



Source: EHL Market Research | BNP Paribas Real Estate | Q2 2024

Nevertheless, the market remains active, especially in the office real estate sector, which is the strongest segment accounting for around 50% of the transaction volume to date. This momentum is being driven by several major transactions and numerous deals in the range of EUR 20–60 million. Other transactions are already in the pipeline, indicating present demand for this asset class.

However, the reluctance of banks to provide new financing remains a major constraint on larger transactions.

is expected to further support this trend and potential interest rate corrections by the ECB next year will likely give the market fresh impetus.

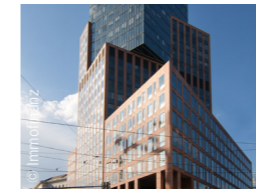
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Another positive development is the growing interest in core real estate, especially among family offices and private foundations. These market players are taking advantage of the current market environment to invest in real estate with stable cash flows, which was not readily available in previous boom periods.

In recent months, investor scrutiny has increased significantly. EHL remains cautiously optimistic and expects some of the ongoing scrutiny to lead to major transactions both in the final quarter of 2024 and early next year. A convergence of price expectations between buyers and sellers

Referenzprojekte Investment

City Tower Vienna



GLA 26,600 sqm
Client Immofinanz

EHL Investment Consulting brokered the prominent City Tower Vienna office tower in Marxergasse in Vienna's 3rd district, which is fully leased to the Republic of Austria and houses the Justice Centre Wien Mitte.

ViE



GLA 14,100 sqm
Client CA Immo

EHL Investment Consulting brokered the DGNB Platinum certified office property with 14,100 sqm rental space and a multi-tenant structure with a strong credit rating in a top location and accessibility in Erdberger Lände.

Gasgasse 1-7



GLA 7,500 sqm
Client S IMMO AG

EHL Investment Consulting brokered the office building, which is fully leased to the Republic of Austria and houses Fünfhaus District Court.

Mariahilfer Strasse 121b



GLA 4,300 sqm
Client S IMMO AG

EHL Investment Consulting brokered the office building with around 4,300 sqm of usable space, including around three quarters of the office and a quarter of the retail space, which is almost completely leased to a number of renowned companies.

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