

Vienna Research Forum:

Vienna office market: Rental market only slowly picking up

- Take-up in the second quarter at approx. 28,000 m²
- Largest take-up accounts for nearly 11% of rentals
- Vacancy rate amounts to 5.6%

In the second quarter of 2017, take-up on the Vienna office market totalled 28,300 m² – 40% less than in the second quarter of 2016. With a take-up of 54,600 m² in the first half of 2017, the result fell by 49 % when compared to the same period in the previous year.

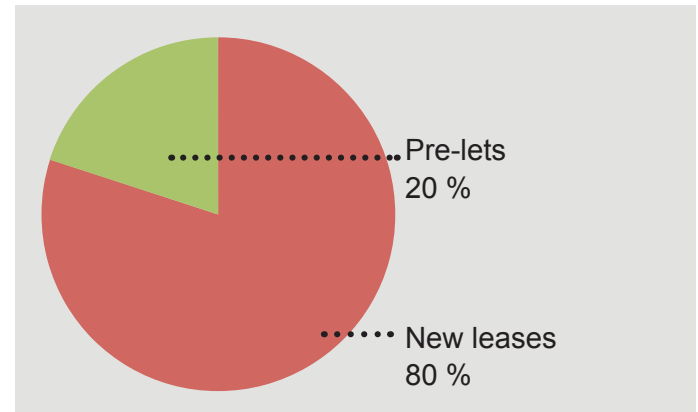
This is what the results of the Vienna Research Forum (VRF) show after evaluating the current key data of the Vienna office market. The VRF only takes into account modern office space built or completely renovated since 1990 and office space which meets certain quality criteria such as indoor climate, elevators or IT standards.

According to the Vienna Research Forum, the largest take-up was the lease of approx. 3,200 m² in the West submarket. This corresponds to approx. 11% of the total take-up on the Vienna office market in the second quarter. Further large-scale lettings were registered in the submarkets Prater/Lassallestraße and Central station with approx. 2,600 m² and 1,900 m² respectively. A total of 54 lettings were recorded in the second quarter – 10 more than in the previous quarter and 11 less than in the second quarter of 2016.

Submarket analysis Q2 2017, including vacancy and take-up:

Submarket name	Total usable building floor area in m ²	Total class A usable building floor area in m ²	Total class B usable building floor area in m ²	Vacancy rate in %	Total new lease volume Q2 2017
Inner Districs - CBD	2.204.031	956.629	1.247.402	3,0%	10.131
Donaucity	513.436	263.334	250.102	5,8%	1.068
Prater/Lasallestraße	592.603	491.215	101.388	6,4%	4.465
Erdberg - St. Marx (East)	665.592	549.973	115.619	9,4%	3.101
Main Train Station	427.489	284.188	143.301	4,5%	2.829
Wienerberg (South)	555.129	281.348	273.781	11,4%	2.377
North	416.758	199.733	217.025	4,6%	374
West	255.989	140.693	115.296	7,7%	3.978
Total	5.631.027	3.167.113	2.463.914	5,6%	28.323

A closer look at take-up based on type of rental shows that 80% account for new leases and 20% for pre-lets*.



Vacancy rate rose slightly to 5.6% in Q2

At the end of the second quarter of 2017, the vacancy rate in the VRF portfolio of modern office buildings in Vienna amounted to 5.6%, a slightly higher rate than in the previous quarter (5.5%) but still 1.4% lower than in the same period of 2016. The submarket with the lowest vacancy rate was the CBD – Inner Districts – with 3.0% and the submarket with the highest rate was Wienerberg-South with 11.4%.

For the first time, the VRF has also collected the total stock of modern office space for Vienna and updated it at the end of the second quarter: it amounts to 5,631,027 m²**, of which 56% belong to class A and 44% to class B real estate according to VRF standard. In the second quarter of 2017, the Orbi Tower in the Erdberg – St. Marx (East) submarket and construction phase 6 of the Euro Plaza were completed.

About the Vienna Research Forum:

The Vienna Research Forum initiator is the Association for quality promotion in the real estate sector (immQu) with the leading Vienna commercial

real estate companies Barreal Immobilienreuehand GmbH, CBRE GmbH, Colliers International, Immobilienmakler GmbH, EHL Immobilien GmbH, ÖRAG Immobilienvermittlungsges.m.b.H., OTTO Immobilien GmbH and Spiegelfeld International GmbH. They provide anonymously and independently of each other key parameters, such as take-up, vacancy rates, completions, to the VRF database. The data is then published quarterly to provide a comparative analysis which helps investors and companies.

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* The take-up registered by VRF only refers to new leases and pre-lets, renewals of rental agreements are not included.

** The stock of office space can change from quarter to quarter due to regular adaptations of unclassified objects, conversions and completions.