

	YoY Chg	12-Mo. Forecast
<b>6,070,827 sq m</b> Modern Office Stock Q1 2024	▲	▲
<b>33,310 sq m</b> Take-up Q1 2024	▼	▬
<b>EUR 28.00</b> Prime rent, sq m / month	▲	▲
<b>3.47%</b> Vacancy rate	▼	▼
<b>5.00%</b> Prime office yields Q1 2024	▲	▬

### ECONOMIC INDICATORS

	YoY Chg	12-Mo. Forecast
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<b>-1.1%</b> GDP Growth rate Q1 2024	▲	▲
<b>3.5%</b> HICP, inflation in % Q1 2024	▼	▼
<b>6.8%</b> Unemployment rate in % Q1 2024	▲	▼

Sources: Österreichisches Institut für Wirtschaftsforschung, Statistia, Vienna Research Forum (VRF)

### ECONOMY

GDP in Austria recorded a decline in the Q1/2024, falling by -1.1% compared to the Q1 of the previous year. Nevertheless, this decline is steadily decreasing and thus shows a positive trend (Q4/2023: -1.6%, Q3/2023: -2.0%, Q2/2023: -1.7%). The decline in economic output is largely due to declines in industry (-2.0% compared to Q1/2023) and wholesale (-4.8% compared to Q1/2023) - private consumption continues to support the economy as a counterpart.

Following the inflation-related declines, the accommodation and gastronomy industry was able to build on the catch-up effect of the pandemic and recorded a slight growth (+0.7%). Although the number of overnight stays in the 2023/2024 winter season rose by 2.6%, it is still 2.5% below the level of the pre-pandemic winter of 2018/19 (approx. 73 Mio overnight stays).

The year-on-year inflation rate at the end of Q1/2024 amounted to 3.5%. This is a decrease of -0.60% compared to the previous month. A further downward trend is expected, even though it is slightly slower than in the Eurozone.

### OFFICE SUPPLY

Vienna's modern office stock currently totals 6,070,827 sq m, which is divided into 59% class A and 41% class B office space (Vienna's total office stock of all classes is approx. 11,650,000 sq m).

Demand for flexible and sustainable office space remains high and only around 100,000 sq m of high-quality office space will be made available to the market in 2024. The "Francis" refurbishment represents the largest development with approx. 47,000 sq m. Further innovative and modern office developments (e.g. "LOOP Offices") are about to start construction and offer exciting options for companies looking ahead to 2026.

### OFFICE DEMAND

In the first quarter of 2024, letting performance on the Vienna office market (according to VRF) added up to 33,310 sq m (38,984 sq m in total). This represents a year-on-year decline of -14.91% or -15.08% less than in Q4/2023. 38 lettings were recorded, with the largest being in the submarket Erdberg (East) with 6,000 sq m.

The CBD submarket remains the most popular and active submarket with a 23.5% share of total take-up.

### VACANCY

The downward trend in the vacancy rate continues and stood at 3.47% at the end of Q1/2024. Compared to Q3/2023, the vacancy rate fell by 0.14%, which represents a year-on-year decrease of 0.44%. This trend is expected to continue in 2024.

The submarket with the lowest vacancy rate was *Central Station* at 1.07%.

### RENTAL LEVELS & YIELDS

In 2023, rental levels marked a moderate upward trend due to the high demand in prime locations as well as high inflation. Still prime rents in Vienna are low by European standards but are expected to keep a slight upward trend: Prime rents range between

- EUR 18.00-28.00/sq m in **prime** locations
- EUR 14.00-19.00/sq m in **good** locations
- EUR 12.00-15.00/sq m in **average** locations

Prime yields for modern office buildings picked up and stand at the level of **5.00%**.



LOOP-Offices

### MARKET STATISTICS Q1 2024

SUBMARKETS	MODERN OFFICE STOCK (SQ M)	CLASS A (SQ M GLA)	CLASS B (SQ M GLA)	VACANCY RATE (%)	TOTAL NEW LEASE VOLUME (SQ M GLA)
Inner Districts - CBD	2,187,123	991,133	1,195,990	2.58%	7,831
Donaucity	537,736	287,634	250,102	4.15%	793
Prater/Lassallestrasse	754,083	668,495	85,588	5.77%	6,532
Erdberg - St.Marx (East)	722,170	616,867	105,303	2.72%	7,684
Central Station	548,461	446,892	101,569	1.07%	96
Wienerberg (South)	495,981	342,945	153,036	6.19%	6,921
North	441,092	275,917	165,175	2.20%	2,068
West	281,117	169,733	111,384	3.52%	776
AirportCity	103,064	68,228	34,836	12.04%	609
<b>Vienna Total</b>	<b>6,070,827</b>	<b>3,867,844</b>	<b>2,202,983</b>	<b>3.47%</b>	<b>33,310</b>

Source: Vienna Research Forum

### VIENNA OFFICE SUBMARKETS



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