

OFFICE MARKET REPORT VIENNA
SPRING

Q1 | 2021

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COMMERCIAL REAL ESTATE

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FOCUS ON CUSTOMER- ORIENTED SOLUTIONS

Modesta Real Estate offers support with 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.

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

The Covid19 pandemic continues to influence the Austrian economy on many levels. In order to be able to make a forecast for the current economic situation of the country, the WKO (Austrian Chamber of Commerce) distinguishes between two scenarios: an opening scenario (lifting of the official measures from spring 2021) and a lockdown scenario (trade and body-related services are closed again).

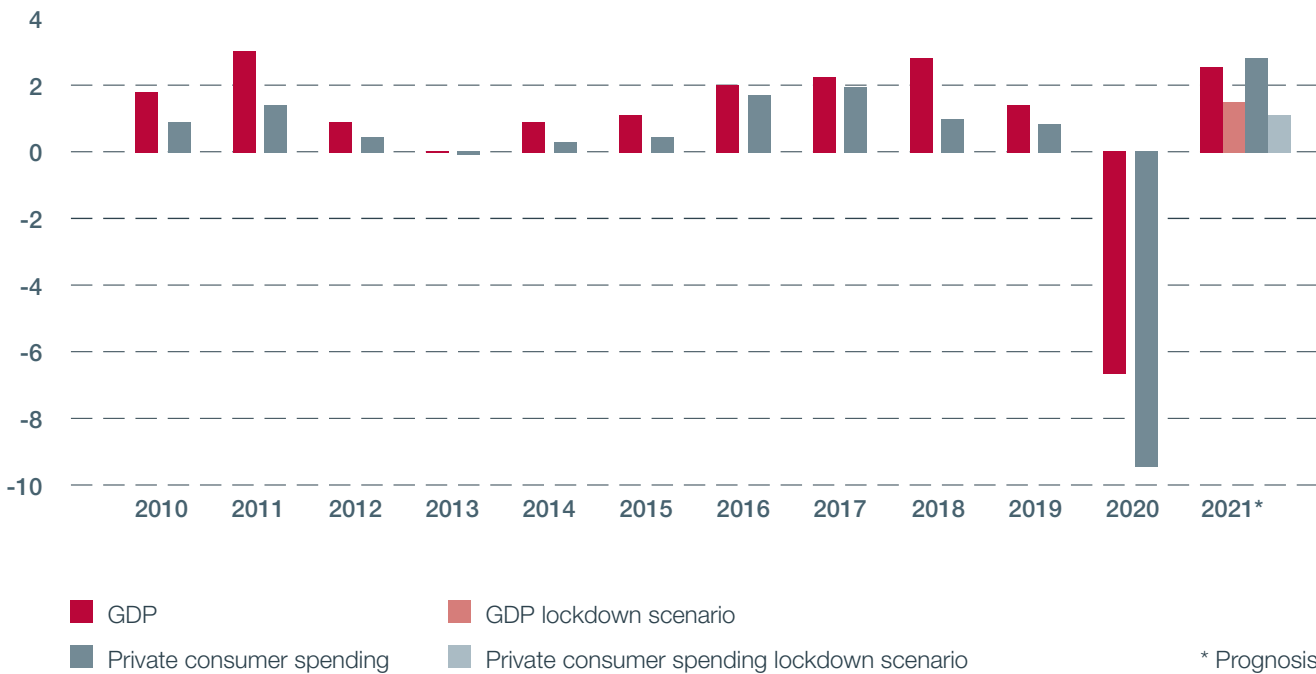
The opening scenario expects an increase in the real GDP by 2.3 %, the lockdown scenario assumes an increase by 1.5 % compared to the previous year 2020. In both scenarios, a slight increase in private consumption expenditure is predicted, but the pre-crisis level is not expected to be reached again until 2023. The national unemployment rate has risen to 9.9% in 2020; for 2021, the WKO forecasts a slight drop to 9.2% - 9.3%. Above all, the shortage of skilled workers is currently intensifying the problems of companies, many of whom are still heavily dependent on economic support from the state.

The national budget is still burdened by the Corona support policies. Rising economic activity, however, is causing spending to fall and thus increases government revenues.

Source: wko.at, March 2021

Economic Development Austria 2010 – 2021

(each compared to the previous year)



CURRENT TRENDS

OPTIMISM ON VIENNA'S OFFICE MARKET

The Corona pandemic continues to leave its mark on the Vienna office property market, but it is proving to be adaptable and mostly resistant to the crisis.

There is hope at the start of 2021! According to Vienna Research Forum (VRF), the letting performance in Q1 2021 is approximately 37,000 sqm, which is a huge increase compared to Q1 2020 and also a record total compared to the last 5 years.

Flexible working models and a re-thinking of office space design have already been observed for several years and were additionally driven by the changed working conditions during the pandemic. Many companies are currently considering the redesign of their office concepts, and open-plan offices in particular are rethinking their occupancy density. There is a clear focus on creating social meeting zones in combination with break-out areas and collaboration spaces. In addition, due to the integration of home office models, many companies are reacting by optimising their space requirements and office space is being reduced by 20 - 30% in many sectors. Other industries, such as companies from the IT sector or the pharmaceutical industry, are emerging as winners from the crisis and are expanding their locations.

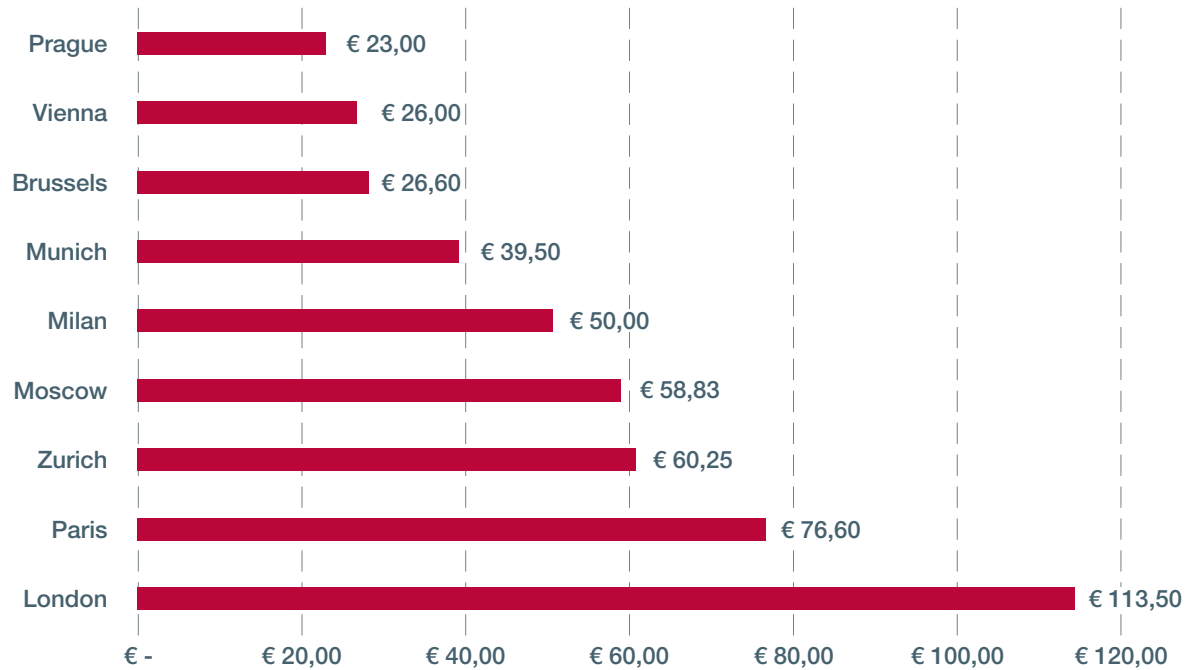


OFFICE MARKET VIENNA Q1 2021 | OVERVIEW

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 2020	ca. 13,000 sqm (VRF)	↓
Q1 2021	ca. 37,000 sqm (VRF)	↑
Vacancy		
	ca. 3.9 % (VRF)	↓
Available Office Space		
Current portfolio	5.9 Mio sqm (VRF)	→
New space development (prognosis)	ca. 80,000 m²	↓



Office Top Rentals in Europe (per sqm, net)

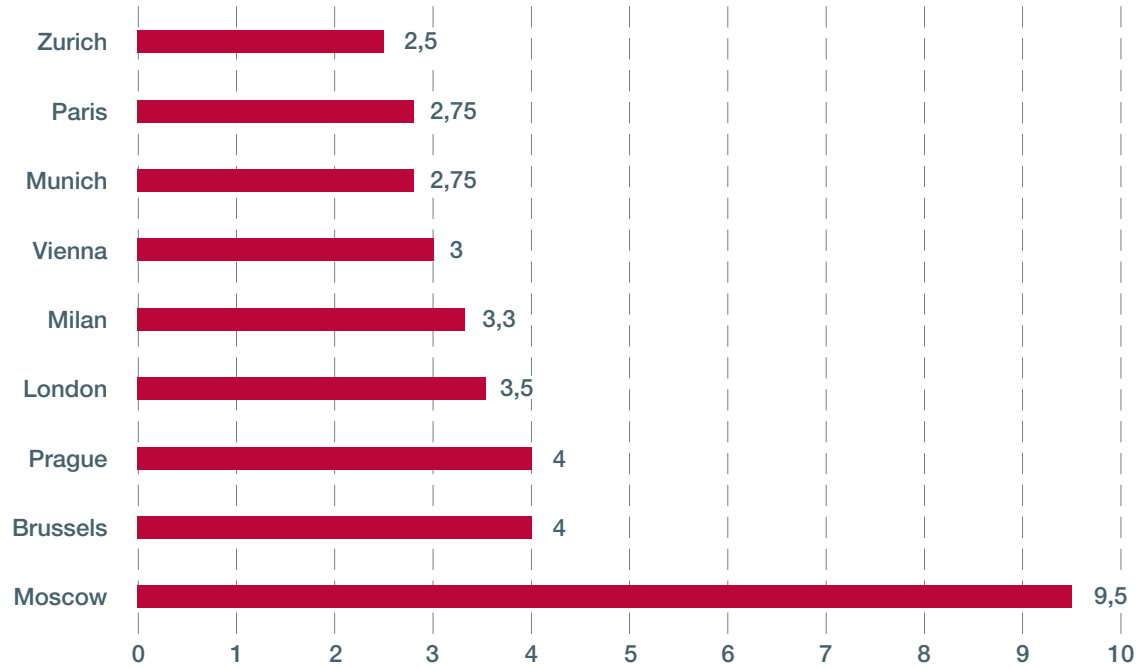


OFFICE MARKET VIENNA | OVERVIEW

Investment		
Prime yields	3 %	→
Yields in B locations	4 – 4.5 %	→
Top yields for logistics areas	4 %	↓



Prime Yields in Europe



RENTAL PRICE OVERVIEW

Inner City



Rent: € 15.00 - 26.00

Properties:

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

Inner Districts (CBD)



Rent: € 11.50 - 21.00

Properties:

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

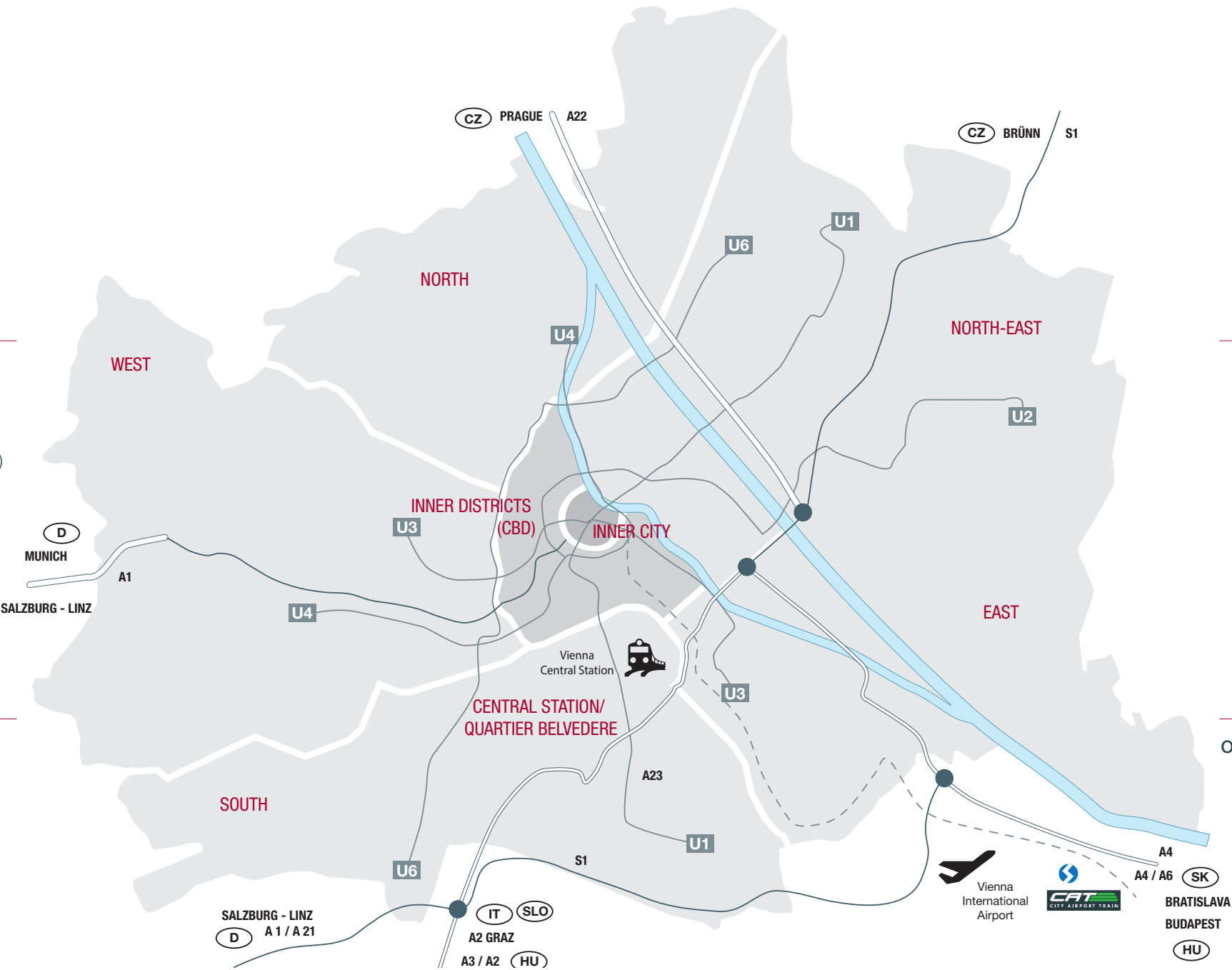
North-East



Rent: € 12.00 - 18.00

Properties:

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



Central Station / Quartier Belvedere

Rent: € 15.00 - 21.00

Properties:

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



South

Office buildings: € 11.50 - 18.50

Properties:

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



East



Rent: € 11.50 - 19.50

Properties:

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

West



Rent: € 10.00 - 14.50

Properties:

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

North



Rent: € 10.50 - 16.50

Properties:

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



SELECTED RENTALS Q4 2020 - Q1 2021

Region	Property	Tenant	Area
East	1030, Franzosengraben 1	Weidinger & Partner Wirtschaftstrainings- und Organisationsentwicklungsgesellschaft mbH	2.200 sqm
	1030, VIE	Institutioneller Mieter	1.250 sqm
Central Station	1100, Myhive am Wienerberg	AUVA (Allgemeine Unfallversicherungsanstalt)	9.100 sqm
	1100, Favoritenstraße 73	Arbeitsmarktservice	5.500 sqm
	1100, QBC 1+2	Infoscore Austria GmbH	2.300 sqm
	1100, QBC 2	Industrieunternehmen	2.000 sqm
	1100, The Icon Vienna	Australische Botschaft	1.200 sqm
	1100, Columbus Shops & Offices	Unzer Austria GmbH	1.000 sqm
South	1120, Wolfganggasse 58-60	Die Berater	2.000 sqm
North	1190, Muthgasse	AOP Orphan	4.800 sqm
	1170, Hintere Zollamtsstraße	Ready2order GmbH	1.100 sqm
West	1130, Hietzinger Kai 133	Swietelsky	6.600 sqm
Vienna DC	1220, Ares Tower	Eppendorf Austria	1.400 sqm

(PLANNED) COMPLETIONS 2021-2023

Property	Submarket	Area	Completion
Haus am Schottentor*	Inner City	14,500 sqm	2021
Das Lebendige Haus, Postgasse 8-10*	Inner City	9,000 sqm	2021
Doppio Due*	Inner Districts (CBD)	6,000 sqm	2021
Operngasse 6*	Inner Districts (CBD)	2,000 sqm	2021
Tribüne Viertel Zwei*	Prater/ Lassallestraße	5,200 sqm	2021
Quartier 1, Lassallestraße 1	Prater/ Lassallestraße	23,000 sqm	2021
Quartier 2, Lassallestraße 5	Prater/ Lassallestraße	45,500 sqm	2021
Bel & Main, Canettistraße	Central Station	17,000 sqm	2021
Triiiple	Erdberg	8,500 sqm	2021
Austro Control Tower	Erdberg	28,000 sqm	2021
Silo Next	Wienerberg (South)	12,400 sqm	2021
Campus Ost	Donaucity Surrounding	7,500 sqm	2021
Technologiezentrum Aspern BT 3	East	7,000 sqm	2021
Eightytwo	Wienerberg (South)	12,4000 sqm	2022
Vienna TwentyTwo BT1	Donaucity Surrounding	7,500 sqm	2022
TwentyOne Innovation Hub	North	12,000 sqm	2022
Francis	Inner Districts (CBD)	40,000 sqm	2023
TwentyOne Central Hub	North	30,000 sqm	2023
Herzig	Wienerberg (South)	10,900 sqm	2023
Viertel 2 Tower	Prater/ Lassallestraße	22,000 sqm	2023
Vienna TwentyTwo BT2	Donaucity Surrounding	10,000 sqm	2023
DC Tower 2	Donaucity Surrounding	26,000 sqm	2023
Triiiple	Erdberg	8,500 sqm	2023
Viertel 2 Tower	Prater/ Lassallestraße	22,000 sqm	2023
Vienna TwentyTwo BT2	Donaucity Surrounding	10,000 sqm	2023
DC Tower 2	Donaucity Surrounding	26,000 sqm	2023

*General overhaul

MOST IMPORTANT INSTITUTIONAL TRANSACTIONS Q4 2020 – Q1 2021

Property	Usage	Area	Seller	Buyer
MGC Office Park	Office	69,000 sqm	MGC Mode und Textil GHC	Hallmann Holding
TwentyOne Service Hub	Mixed use	60,000 sqm	Bondi Consult	Interxion
Rechenzentrum Geiselberg	Office	34,000 sqm	Erste Group Immorent	ARE Austrian Real Estate
Lassallestraße 1	Office	29,000 sqm	Ramses	EPH Eastern Property Holding
Nordbahnstraße 50	Office	15,500 sqm	Reinvest	Family Office
Canon Gebäude	Office	5,500 sqm	LHI	Octapharma
Bahnhofplatz 1	Office	4,750 sqm	Apleona Invest	Österr. Spezialfond



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YOUR LOCATION FOR
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