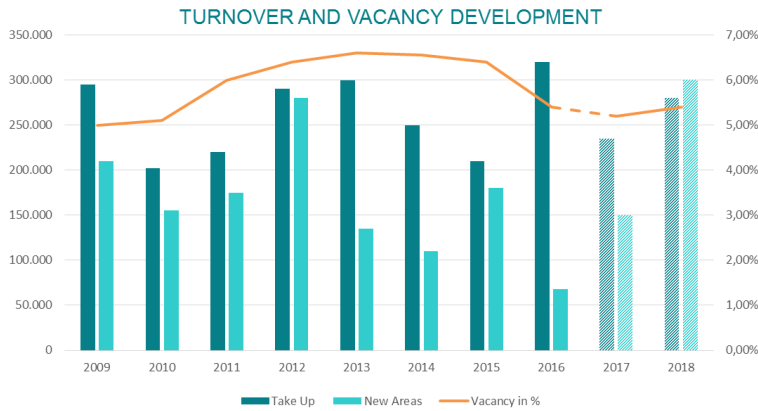


OFFICE MARKET VIENNA



Take Up

Office space take-up in Vienna was 315,000 sqm in 2016, well above the results of the last 5 years. For 2017, a decline to approx. 220,000 - 250,000 m² is expected.

Due to the continuing large sized office searches and also the new, modern office building space coming onto the market, a tangible increase in take up in 2018 is to be expected.

Overall demand has remained stable, especially in the small-size segment, with the main demand still being for modern space in a good locations.

Selected Lettings from 2017

Tenant	Space in sqm	Zip Code	Object
SVA	11,300	1030	Hintere Zollamtstraße 1
TPA Steuerberatung GmbH	8,600	1100	THE ICON VIENNA
Otto Bock Healthcare Product GmbH	4,600	1110	Brehmstraße 10-12
Sonepar Österreich GmbH	3,200	1120	Gaudenzdorfer Gürtel 67
Wiener Sozialdienste	3,100	1020	E-Zone
Magistrat der Stadt Wien MA 67	2,600	1100	Laxenburger Straße 36
Vrvis	1,500	1220	ARES Tower

Vacancy

The vacancy rate has slightly decreased compared to previous years, amounting to approx. 5.2% in Q3 2017. The trend towards conversion of older office buildings into apartments continues and has a positive effect on vacancy reduction with rising letting performance and low completions.

Rent levels

The top rent is achieved in the CBD and remains stable at currently € 26.00/ sqm / month. The average rents are rising, especially in good and high-quality properties in sought-after locations.

Completions 2017

Object	Space in sqm	Zip Code
SQUARE PLUS, Bauteil 1	28,000	1190
QBC, Bauteil 3+4	24,500	1100
Denk Drei, Viertel Zwei	23,000	1020
ORBI Tower	21,600	1030
Euro Plaza, Bauphase 6	12,500	1120
Futurebase	11,000	1210
Seepark Campus West	11,000	1220

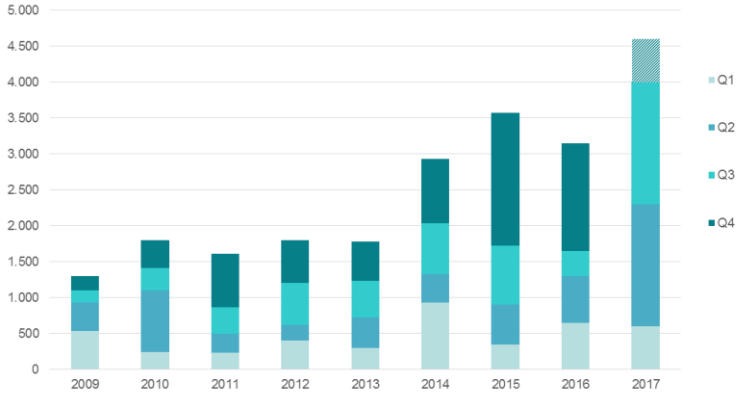
Supply

150,000 m² of new office space is expected to come on the market in 2017. Significantly more new space is expected in 2018.

The completion of the Austria Campus will add an additional 200,000 m² of office space.

INVESTMENT MARKET

TOTAL INVESTMENT VOLUME AUSTRIA

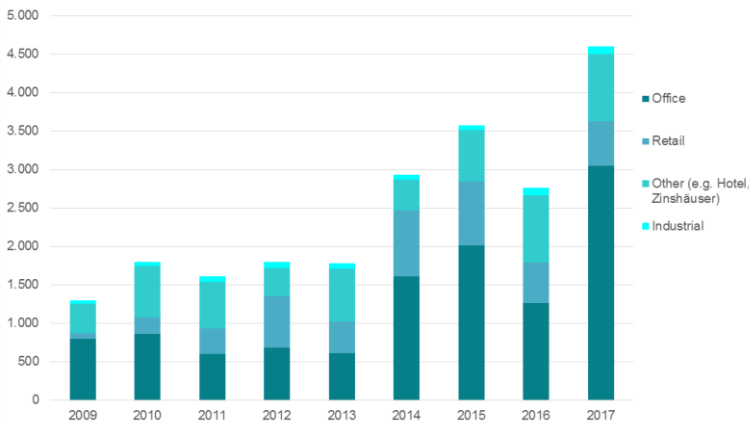


2017 Once again a Year of Records

By Q3 of 2017, the record from 2015 (approximately € 3.6 billion) was already exceeded with a total of € 4 billion invested. Approximately € 4.6 billion is expected by the end of the year. Compared to the same period last year (Q1 - Q3), sales more than doubled.

The significant increase in sales is partly to the very brisk market in the segment of more than € 100 million. THE ICON, the DC TOWER 1, and the ORBI TOWER are among the largest deals in volume this year. The office segment makes a significant contribution to the record result, with approx. 75% of Vienna transaction volume remaining the most important asset class.

TOTAL INVESTMENT VOLUME BY TYPE OF PROPERTY



Vienna most important location in Austria

The Viennese investment market plays an important role in Austria and can regularly absorb most of the turnover result. In 2017, it once again focused on investor interest with more than 75 % of the total Austrian volume. The main demand is for core investments with low vacancies.

The existing equity capital for real estate investments was above average in 2016/2017 in Austria, and investors have greater flexibility thanks to the current financing conditions. The most important foreign investors come from Germany, and investors from for example Russia, the Middle East and Asia are catching up.

Selected Deals 2017

Object	Space in sqm	Seller	Buyer
THE ICON VIENNA	81,500	Signa	Allianz
DC TOWER 1	74,500	BAI	Deka
OMV HQ (Hoch Zwei Plus Zwei)	43,000	S Immo AG	Deka
Obere Donaustraße 23-27 & 29	40,000	Deka	Reitenburg GmbH
Forstinger HQ	24,680	Immofinanz	XXXLutz
ORBI TOWER	23,500	IWS TownTown AG	Bank Austria Real Invest
Objekt Schemmerlstraße	23,300	Wolseley Group	Private Investor
q_bik	17,790	Savills Investment Management	Bank Austria Real Invest
Skyline	15,770	Savills Investment Management	KGAL
Seeparkcampus West	15,500	Kerbler-Gruppe	Erste Immo KAG

Yield

Prime office yields have fallen from 4.30% at the beginning of 2016, to around 3.90% (Q3), and this trend continues. The interest in well-rented office properties in B-locations is also increasing due to the low supply of prime product. Yields are around 5.20%, depending on the location, age and quality / rental structure of the property. In the industrial / logistics sector, prime yields are now 5.80%.

Forecast 2018

The shortage of investment product in Austria and Vienna looks set to continue. Demand for good investment product remains unabated, and the proportion of international buyers will increase due to their investment pressure. By the end of 2017, light yield compression is expected, with subsequent stabilization.

USED TERMINOLOGY

- CBD** Central Business District; includes the 1st district of Vienna and the area directly adjoining Wien Mitte and the Schwarzenbergplatz.
- Core Investment** Forms the focus of an investment strategy and should guarantee a basic yield with sufficient certainty. In the real estate sector, properties in a good location and full letting are core investments.
- Vacancy** Indicates unused or un-rented buildings or areas.
- Rental level** The amount of minimum and maximum rents per m² in defined areas.
- Yield** Usually expressed as a percentage, the yield is the total annual return on investments or securities. Used as a benchmark for assessing the profitability of a property.
- Yield Compression** Decline in returns.

VIENNESE SUBMARKETS

