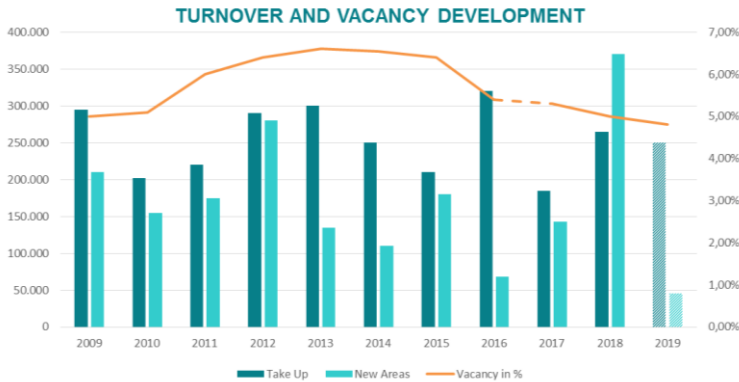


OFFICE MARKET VIENNA



Source: DPC Research

Selected Lettings from Q3 2018 – Q1 2019

Tenant	Space in sqm	Zip Code	Property
Wiener Wohnen	11,000	1030	Erdbergstr. 200
RBI (interim)	10,000	1090	Nordbergstr. 13
Spaces	9,000	1010	Tosca
Spaces	5,000	1100	ICON
Kammer der Steuerberater	3,700	1100	QBC2
KSW	3,700	1100	QBC2
L'Oréal	2,900	1100	ICON
JTI	2,700	1030	ViE
Daikin	2,300	1230	Silo Plus
Nagarro	2,200	1120	Euro Plaza 4
Netconomy	2,000	1020	Austria Campus
Catalysts	2,000	1020	Austria Campus

Source: DPC Research

Completions 2019

Property	Space in sqm	Zip Code
Inno Plaza	11,000	1120
Silo Plus	11,000	1230
Rathausstraße 1	9,000	1010
HoHo	7,700	1220
Technologiezentrum Seestadt, BT 2	7,100	1220

Source: DPC Research

Take Up

In 2018, office space take-up in Vienna amounted to around 265,000 sqm, which was well above the letting performance of 2017 (185,000 sqm).

Significantly, numerous tenant searches for space in excess of 2,000 m² contributed to the high take up, accounting for half of total take up. Co-working operators played an important role in these large-scale office searches, which accounted for over 32,000 m² of new space.

Due to the sustained strong economic growth and the resulting continuing strong demand, a strong total take up is also expected for 2019. The stable demand is offset by low new supply of offices, which is why tenants are tending to have to consider older buildings and B locations.

Vacancy

The vacancy rate has not changed compared to Q3 2018 and is around 5.00% in Q1 2019, which is a good result in view of the strong new-build production of the previous year. The trend towards conversions from older office buildings to apartments continued, which also had a positive effect on the vacancy rate.

With low demand for new space and stable demand, a further fall in the vacancy rate towards 4.80% is expected for 2019, which would mean a historic low.

Rent levels

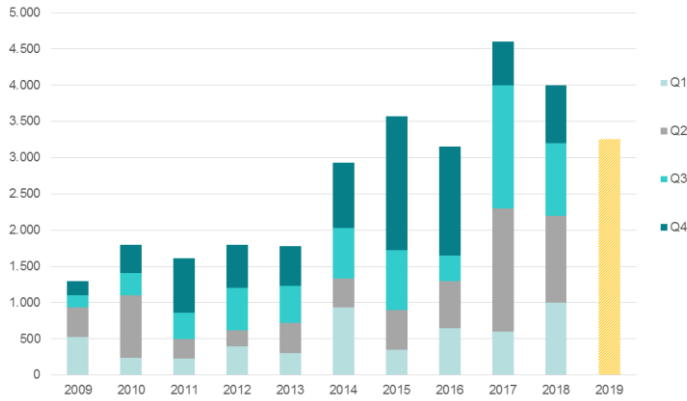
The prime rent is achieved in the CBD and is currently stable at € 26.00 / m². Average rents are rising, especially for good and high-quality properties in sought-after locations.

Supply

In the overall market of Vienna, 45,000 m² of new office space is expected to hit the market in 2019, which is in stark contrast to the record area production of the previous year (approx. 380,000 m²).

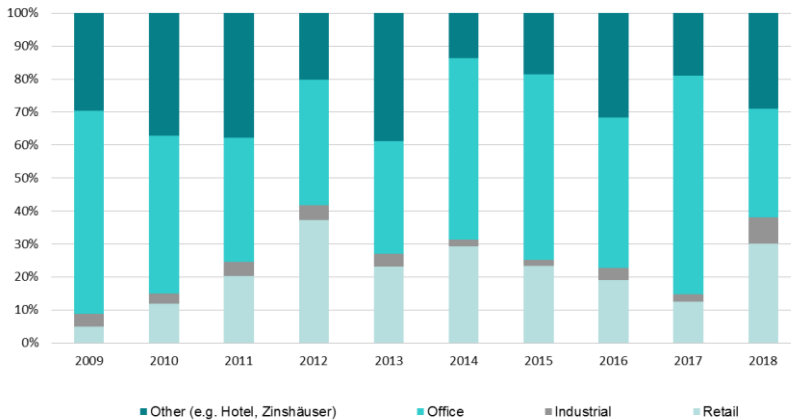
INVESTMENT MARKET

TOTAL INVESTMENT VOLUME AUSTRIA



Source: DPC Research

TOTAL INVESTMENT VOLUME BY TYPE OF PROPERTY (in %)



Source: DPC Research

Selected Deals Q3 2018 – Q1 2019

Property	Use	Space in sqm	Seller	Buyer
Smart City Süd	Mixed	24.800	Konsortium	LLB für VBV
U6 Center	Office	24.800	Hans, Immofonds	Westcore
Adler & Ameise	Office	24.000	WealthCap	TH Real Estate
The Brick	Mixed	21.300	Soravia	VIG
DC Tower 3	Student	20.000	S+B	Greystar
Columbus Center	Retail	19.700	Stiftungen	Alteris
Office Provider Monte Laa	Office	18.500	UBM	Inmark
APA Turm Muthgasse	Office	16.500	Neumann	SIGNA
Euro Plaza 6	Office	13.700	Kapsch	SIGNA
Brehmstr. 12	Office	11.500	Real I.S.	Hamburg Trust

Source: DPC Research

2018 stronger than expected

2018 brought the second strongest year to the Austrian investment market. At the end of the year, the total volume traded was around € 4 billion. Although this represented a decline to the record year 2017, the difference was lower than forecast. The large-volume transactions in excess of € 100 million that were missing in the previous year were partly offset by higher numbers of deals in the € 40-80 million segment, with the same level of demand among national and international investors. The office segment's share of the total volume was approximately 30%, while Residential was able to record the same ratio.

Vienna is Austria's most important location

In 2018, the Viennese investment market was able to capture most of the result - a good $\frac{2}{3}$ of the total Austrian volume. Strong demand continues for core investments with low availability.

The existing equity for real estate investments was above average in Austria. Approximately 55% of the total volume was implemented by national investors, while the most important foreign investor group still comes from Germany.

The interest in well-located office properties in B-locations was still high due to the low supply of prime products, with a yield of approx. 4.50% depending on the location, age and quality/ rental structure of the property.

In the industrial/ logistics sector, prime yields are currently at 5.15%, which represents a decline to Q3 2018 (5.30%).

Yield

The prime office yield has been stable at around 3.85% since Q3 2018 and sideways movement is still expected.

Forecast 2019

Demand from national and international investors remains high and at the same time projects for institutional investors are few and far between, which is why a slight yield compression is still expected for 2019.

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 net in defined areas.
- Yield** Gross yield (in %), indicates the ratio of the annual rental income to the net purchase price.
- Yield Compression** Decline in returns.

VIENNESE SUBMARKETS

