

# Vienna Office Market View

FIRST QUARTER 2008

High volume of lettings without major pre-lettings in 1<sup>st</sup> quarter.

Lowest completion rate per quarter since years.

Vacancy rate below 5%.

Office demand in the first quarter of 2008 was surprisingly positive.

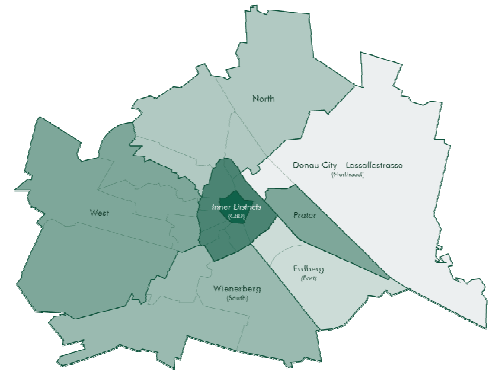
Lettings increased slightly compared to Q4 2007 but remained equal compared to Q1 2007. We expect good and stable demand for the second and third quarter 2008.

Office lettings below 1,000 sq m space reached over 60 % of total demand in the first quarter. Major pre-lettings such as in Q4 2007 were not accomplished.

In the first quarter of 2008 the lowest completion volume (with about 22,000 sq m) since 2005 was recorded. Five buildings with over 5,000 sq m will be completed in the second quarter or refurbishments will be completed. Hereof 56 % are already pre-let or owner-occupied.

Due to high take-up and low supply the vacancy rate decreased below 5 % (4.9 %) which is a new record number. The vacancy rate will fall further during the 2<sup>nd</sup> quarter.

## OFFICE LOCATIONS IN VIENNA



## LETTING TRANSACTIONS Q1 08

Occupier	Name	sq m
<b>CBD</b>		
Peek & Cloppenburg	Belvedere Office Vienna	3,340
Wolf Theiss	Schubertring 14	1,909
Investkredit	Porzellangasse 4	933
Arthur D. Little (*)	Schottengasse 1	530
<b>Donau City - Lassallestrasse (Northeast)</b>		
SV-Chipkarten	ezone	2,000
Haslerbau (*)	ezone	616
<b>Wienerberg (South)</b>		
ÖBB	Inno-Center	3,954
<b>North</b>		
UBM Realitäten	floridotower	2,464
TBWA	Skyline	1,170
Alphabeth (*)	H29   19	420
<b>West</b>		
Nespresso	Kai West	1,820
VKKJ	Bull Office	1,496

(\*) CB Richard Ellis acting as consultant to either the tenant or the landlord.

## Q1 2008\* at a glance

Take-Up	↑
Supply	↓
Prime rents	↑
Vacancy rate	↓
Yields	→

\* In comparison to Q4 2007

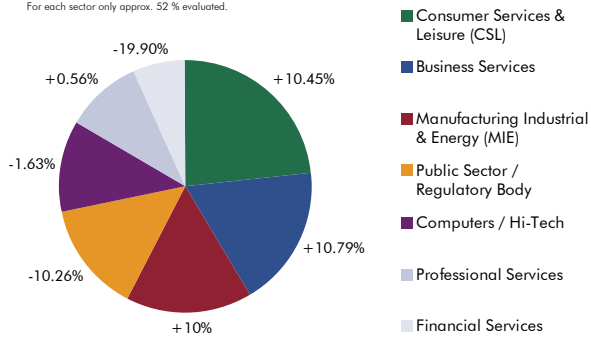
## OFFICE MARKET INDICATORS IN VIENNA

Vienna	Q1 08	Compared to Q1 07	Compared to Q4 07	Q2 08e
Total Stock	9.8 Mln.	+1%	+/- 0%	9.8 Mln.
Office Take-up	110,000	+/- 0%	+10%	110,000
Supply	22,000	-84.7%	-40.5%	59,000
Vacancy	4.9%	-1.5%	-0.2%	4.7%

Source: CB Richard Ellis

**LETTINGS BY SECTOR Q1 08 compared to Q4 07**

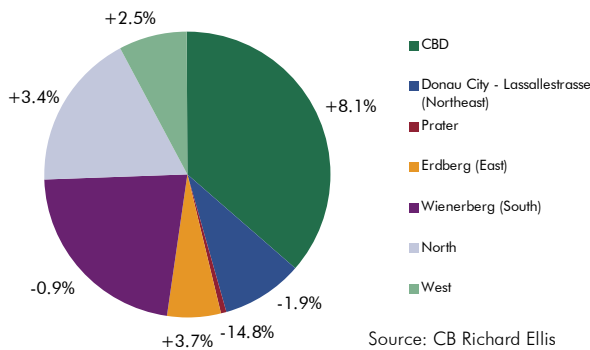
For each sector only approx. 52 % evaluated.



Source: CB Richard Ellis

Over 50 % of all lettings were accomplished in the two sectors Business Services and Consumer Services & Leisure (CSL). These sectors listed the strongest increases with 10 % each.

**LETTINGS BY SUBMARKET Q1 08 compared to Q4 07**

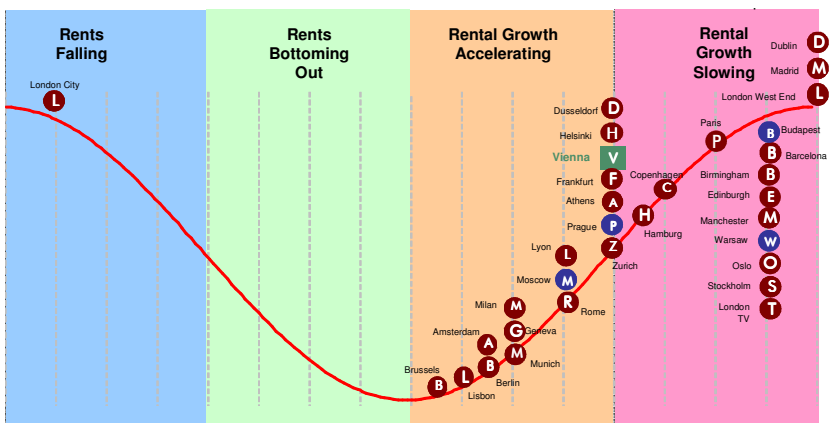


Source: CB Richard Ellis

The most popular office location is the CBD (inner districts), recording more than 36 % of all lettings, followed by Wienerberg (South) and North.

Prime rents reached a value of EUR 22.5 /sq m per month in the first quarter and will increase to EUR 24.0 /sq m per month by the end of the year.

**EMEA Office Market Rent Cycles, Q1 2008**



Markets do not necessarily move along the curve in the same direction or at the same speed. The rental cycle reflects the trend in net effective rents, taking into account leasing incentives

Source: CB Richard Ellis

For further questions please contact:

**Dr. Andreas Ridder**

andreas.ridder@cbre.com

**Georg Fichtinger**

georg.fichtinger@cbre.com

**DI Constanze Daburon**

constanze.daburon@cbre.com

Tegetthoffstrasse 7

A-1010 Vienna

Austria

Tel. +43 1 533 40 80 www.cbre.at



**EMEA Offices**

Abu Dhabi (971) 2 681 4399	Kolding CB Richard Ellis Cederholm A/S (45) 70 22 9603
Aarhus CB Richard Ellis Cederholm A/S (45) 70 22 9602	Leeds (44) 113 233 7666
Aix-en-Provence (33) 4 42 60 01 31	Lisbon (351) 21 311 4400
Amsterdam (31) 20 626 2691	Liverpool (44) 151 227 4611
Athens CB Richard Ellis- Atria (30) 210 360 3667	London (44) 20 7182 2000
Barcelona (34) 93 444 7700	Lyon (33) 4 72 83 48 48
Belfast (44) 28 9043 8555	Madrid (34) 91 598 1900
Belgrade (381) 11 222 3407	Malaga (34) 95 207 0710
Berlin (49) 30 72 61 54 0	Manchester (44) 161 455 7666
Birmingham (44) 121 609 7666	Marbella (34) 95 276 5130
Bratislava (421) 2 3255 3300	Marseille (33) 4 96 11 46 11
Bristol (44) 117 943 5757	Milan (39) 02 303 7771
Brussels (32) 2 643 3333	Moscow (7) 495 258 3990
Bucharest CB Richard Ellis Eurisko (40) 21 3131020	Munich (49) 89 2420 600
Budapest (36) 1 374 3040	Nairobi (254) 20 272 4848
Bulawayo (263) 9 630 20	Neuilly sur Seine (33) 1 46 24 53 46
Cape Town Broll Property Group (27) 21 419 7373	Oslo - CB Richard Ellis Atrium (47) 40 00 57 66
Casablanca (212) 229 532 50	Palma de Mallorca (34) 97 145 6768
Copenhagen CB Richard Ellis Cederholm A/S (45) 70 22 9601	Paris (33) 1 53 64 00 00
Dubai (971) 4 362 0818	Port Elizabeth Broll Property Group (27) 41 363 5559
Dublin (353) 1 618 5500	Porto (351) 226 167 240
Durban Broll Property Group (27) 31 277 2900	Poznan (48) 61 855 1931
Edinburgh (44) 131 469 7666	Prague (420) 224 814 060
Frankfurt (49) 69 17 00 77 0	Pretoria - Broll Property Group (27) 12 431 7180
Gaborone (267) 3188 200	Rome (39) 06 4523 8501
Geneva CB Richard Ellis PI Performance (41) 22 322 80 60	Sofia - Elta Consult AD (359) 2 987 7647
Glasgow (44) 141 204 7666	Southampton (44) 23 8033 8811
Gothenburg (46) 8 4101 8700	Stockholm (46) 8 4101 8700
Hamburg (49) 40 80 80 20 0	Saint Petersburg Maris Properties LLC (7) 812 346 5900
Harare (263) 4 707 101	Tel Aviv - M.A.N. Properties Real Estate Consultants (972) 3 561 6161
Helsinki Realia Management Oy (358) 207 80 3750	The Hague (31) 70 750 8900
Hoofddorp (31) 23 565 7700	Thessaloniki CB Richard Ellis-Atria (30) 2310 279248
Istanbul (90) 212 259 36 29	Toulouse (33) 5 62 72 44 60
Jersey (44) 1534 874141	Valencia (34) 96 316 2890
Johannesburg Broll Property Group (27) 11 441 4000	Vienna (43) 1 533 4080
Kampala (256) 41 345165	Warsaw (48) 22 544 8000
Kyiv (38) 44 390 0000	Wroclaw (48) 71 719 8908
Kosice (421) 911 611745	Zagreb (385) 1 6187 336
Krakow (48) 12 626 0168	Zaragoza (34) 97 648 4635
	Zurich CB Richard Ellis PI Performance (41) 44 226 30 00

**DISCLAIMER 2008 CB Richard Ellis**

Information herein has been obtained from sources believed reliable. While we do not doubt its accuracy, we have not verified it and make no guarantee, warranty or representation about it. It is your responsibility to independently confirm its accuracy and completeness. Any projections, opinions, assumptions or estimates used are for example only and do not represent the current or future performance of the market. This information is designed exclusively for use by CB Richard Ellis clients, and cannot be reproduced without prior written permission of CB Richard Ellis.

