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investment



Investment Apartment Market Report | Spring 2023

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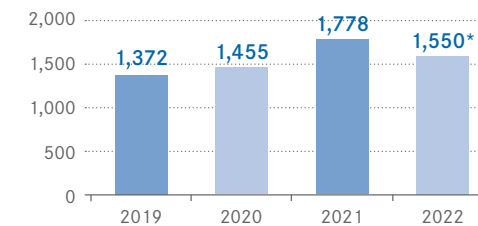
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Investment Apartments in Austria

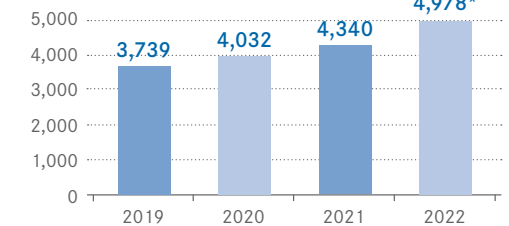
Market volume

Number of investment apartments sold in Austria



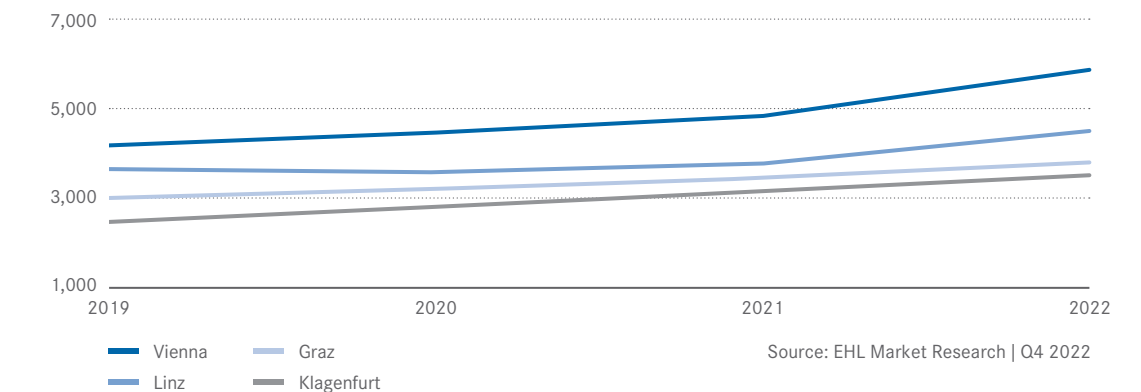
*Preliminary data

Average purchase price for transactions in Austria (in Euros/sqm)

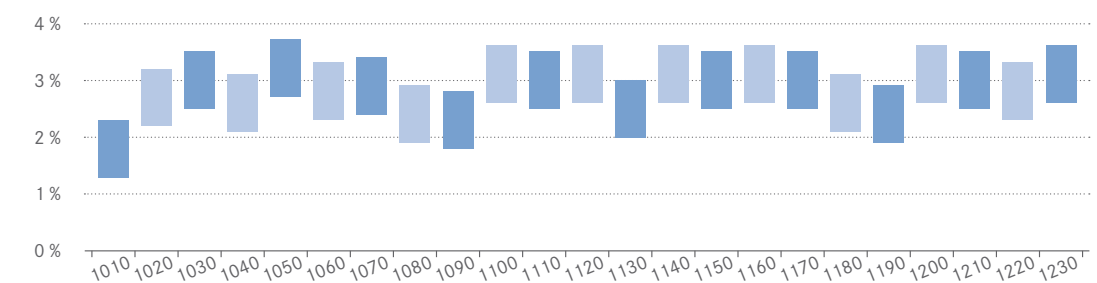


*Preliminary data

Average purchase price in city comparison (in Euros/sqm)



Investment apartment yields in the Vienna districts



Source: EHL Market Research | Q4 2022

These facts and figures were prepared in cooperation with the Austrian land registry experts at IMMOUnited GmbH.
Data collection criteria: Gross/net prices in the purchase contract | Apartments up to 100 sqm | Apartments up to € 1,000,000 net
Data per sqm of living space | Price information net | As per registration date. Data as of: 20.12.2022.

Introduction

In uncertain times, security is at the core of all investment decisions. Investment apartments have a special significance in this context – and very distinct advantages. As real investments, they offer excellent protection against inflation. Through registered ownership, they guarantee maximum legal security and, as residential properties, they provide long-term coverage for a basic human need. However, no two investment apartments are the same: The location, project design and position within the property have a considerable influence on the success of your investment.

This *Investment Apartment Market Report | Spring 2023* is designed as an initial orientation guide for your decisions. EHL has a highly qualified team of experts with experience gained in over 18,000 sold or rented investment apartments. With their know-how, they can find the optimal products for your personal investment goals and develop a sustainably successful real estate investment strategy that perfectly meets your expectations.



Karina Schunker MRICS
Managing Partner
EHL Wohnen GmbH



Ingrid Neugebauer MRICS
Head of Residential Properties
EHL Wohnen GmbH

Our all-inclusive service.

Step by step to your residential investment.

Based on an analysis of your requirements and project-related consultations, we will develop a personal profile that reflects your expectations

You will receive an overview of the investment apartment market with information on various products, providers, locations and prices.

We will provide you with a tailor-made offer for a residential investment that exactly meets your personal needs.

A full service package for your investment apartment with individual advising – from preparation of the contract and transfer of the apartment to continuing tenant support.

After you purchase your investment apartment, you can depend on EHL for rental and the search for quality tenants.

You select the form and properties for your investment. We help you complete the transaction.

Next generation investment apartments

Investment apartment buyers currently have a wide variety of options which, in spite of the challenging economic environment, contain outstanding prospects for success.

Over roughly 30 years, or a generation after the term was used for the first time, the “investment apartment“ has become increasingly attractive for private investors. And although the name of the product is still the same, it has developed to optimally meet the steadily changing demands of the real estate and financial markets.

The next generation investment apartments, meaning the properties currently entering the market, differ from their predecessors not just in details – and that exactly explains why this asset class continues to offer prospects for excellent and sustainable success and yields many decades after it established a fixed position as an investment alternative.

The changes and further development of the investment apartment as an investment instrument are apparent in all key product characteristics:

Different locations

In the beginning, investment apartments were almost exclusively found in central locations (in Vienna, within the beltway). Today they are being built primarily in previously suburban areas and increasingly in urban development quarters. These locations offer higher current yields and, due to the lower purchase prices, frequently good prospects for value growth.

Mixed use properties

The concept of new buildings dedicated entirely to investment apartments has been largely replaced by mixed use construction. The anticipated conflicts of interests between tenants and resident

owners has, for the most part, not materialised, and the combination of owner-occupied and investment apartments has often proved to be an optimal hybrid solution.

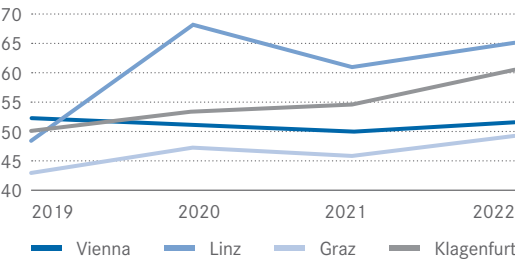
This is especially true for larger properties with wide-ranging internal price structures, for example residential towers with high-priced units on the upper floors and more moderately priced units suitable for investment on the lower floors.

Stability in size

The average size of investment apartments in Vienna has declined slightly from nearly 52 sqm to roughly 51 sqm over the past three decades. This reduction is principally attributable to today’s planning for new apartment types with its greater focus on efficient layouts and high functionality, also in smaller units, with no loss of living quality.

In contrast, the provincial capitals of Graz, Klagenfurt and Linz have seen a considerable increase in the average apartments size from 47 sqm to 58 sqm in the last three years. This development basically reflects the end of the trend towards smaller

Usable space in investment apartments in Austria (in sqm, based on transactions)



apartments since the corona pandemic and a greater interest in good apartment layouts that include an extra bedroom – factors that reflect the growing demand by potential tenants’ for home office opportunities.

Additional markets

New attractive markets now complement the traditionally robust, diverse offering in Vienna. Strong investment apartment markets can now be found in all cities/regions with structural, sustainable population growth. Included here are provincial capitals like Graz, Linz, Klagenfurt and St. Pölten, increasingly also the affluent suburbs surrounding Vienna and medium-sized cities with stronger economic development like Villach.

Lower debt component

The equity component required for the purchase of investment apartments is increasing continuously. On the one hand, this limits the realisable yield but, on the other hand, it leads to greater security and reflects the primary goal of many investors – which is to ensure long-term protection for the value of their assets with an investment apartment.

Owner use as an option

The previously strict separation (required by tax regulations) between investment and owner-occupied apartments is progressively fading. The growing popularity of apartments for private investment has led to new groups of investors, and personal use (by the buyer or a family member) plays an important role for many of these first-time buyers. In order to keep their options open, many investors are waiving the potential tax benefits. This is particularly true for buyers whose investments do not regularly include apartments.



Karina Schunker
Managing Partner
EHL Wohnen GmbH

Long-term stability for your assets

Speaking about security in an environment as volatile as the one we are currently experiencing could, at first glance, be considered overly optimistic. But uncertainty over the next few months – and perhaps one or two years – will not change the long-term stability provided by an investment apartment for your assets.

This stability is based on demographic developments that can be predicted for several decades in advance. Steady population growth is projected for numerous regions, and that will lead to a substantial demand for additional housing and, in turn, good rental opportunities for the investment apartments currently under construction.

The exit from fossil fuels also creates advantages for newly built properties that now meet future demands. In addition, greater awareness over the negative aspects of ground sealing will tend to slow the construction of additional housing in popular locations.

Most of all, the rapid increase in inflation is the major cause of anxiety this year – and the strongest argument in favour of real investments.

High negative real interest rates, and a corresponding upward potential for rents due to indexing, make today’s investment apartments, more than ever, an optimal, long-term investment with upside potential and the greatest possible security.

A diverse, multi-faceted offering

The investment apartment market in Vienna is the oldest and by far the largest in Austria. The offering is impressive, not only in numbers – the wide range of projects on the market give investors the best opportunities to find made-to-measure products that meet their special demands.

The residential construction boom in 2021 and 2022 also expanded the supply of investment apartments. The market has easily absorbed these new projects and set a new record with nearly 970 units in 2021. That represents an increase of more than one-third in a two-year comparison with 2019.

Investments rose to a total of 235 million Euros in 2021, the average square metre price increased by roughly nine per cent year-on-year to 4,829 Euros, and rents reached 12.42 Euros/sqm.

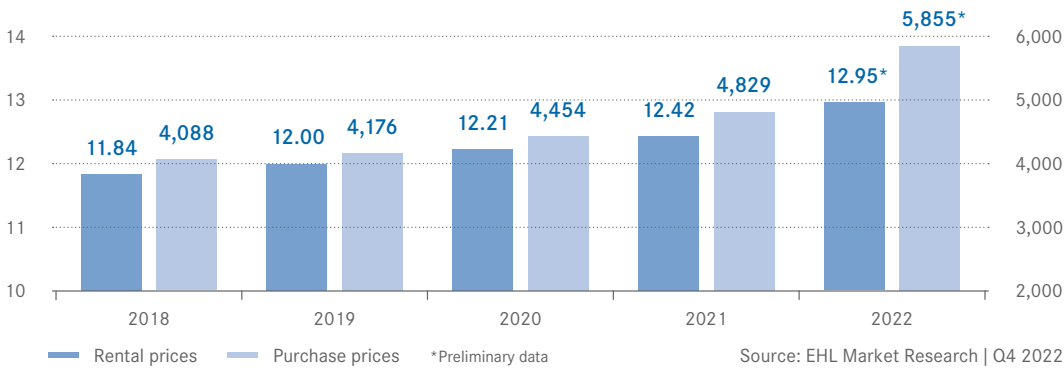
The positive trend that characterised recent years generally continued during the first half of 2022, despite a noticeable slowdown caused by the war in Ukraine and the related economic turbulence. All in all, roughly 770 investment apartments were sold in 2022 at an average purchase price of approximately 5,855 Euros/sqm.

Increase in the share of investment apartments purchased without input tax deduction

These impressive figures only partly reflect the pace of the current market development. An increasing number of apartments are being purchased for investment purposes, whereby the buyers are waiving potential tax benefits and specifically the input tax deduction. These apartments are not included in the investment apartment statistics although they were purchased by private persons for rental purposes.

The underlying reasons are, on the one hand, the declining importance of the tax benefits because the (already VAT-exempt) land component is continually increasing as a percentage of the total purchase price and the input tax deduction is, consequently, becoming much less important.

Average rental prices on first-time occupancy and purchase prices (in Euros/sqm)



On the other hand, waiving the input tax deduction gives buyers greater flexibility, for example through their own use or for rental to family members.

A very positive factor from the viewpoint of investors is the tremendous variety of the supply, which reflects a level not seen in other Austrian cities: Investment apartments in well-established locations, like the districts bordering the beltway, are facing increasing competition from properties in the peripheral urban development areas. Prime examples are the regions north of the Danube River in the rapidly growing Donaustadt district and (to a lesser extent) the Liesing and Favoriten districts in the south.

The offering of investment apartments in top-quality high-rises, for example the *Marina Tower*, has become significantly broader. However, potential owner-occupancy is an even stronger criterion

for the buyers at these locations and acquisitions are frequently completed without VAT exemption.

Sustainable energy: the benefits of new construction

A further plus point for the investment apartments currently entering the market is the focus on and support for the energy transformation. The necessary conversion from fossil to alternative and/or renewable energy carriers in most of the existing buildings will increase the costs for and in older properties and, indirectly, lead to a greater demand for sustainably built apartments.

Investment apartment properties with district heating, heat pumps or geothermal heat which, optimally, generate the required electricity with sustainable energy equipment have a special advantage that will also be reflected in better rentability at slightly higher prices.



INVESTMENT KNOW-HOW

Inflation-proof investments

Real values – especially real estate – are the classical protection against inflation. High inflation and the accompanying increase in interest rates make financing more difficult and more expensive but significantly improve the yield potential for investment apartments over the long-term.

After a longer period of relative stability, inflation started to increase rapidly at the end of 2021 and, in 2022, quickly reached a level last seen nearly ten years ago. This sharp rise in prices is connected with a significant devaluation of monetary assets but also holds a number of advantages from the viewpoint of property investors.

The first involves the “deflation” of debt – specifically, the decline in the value of monetary assets as a result of inflation is accompanied by a decline in the value of financial liabilities, while real assets maintain their real value, even in inflationary phases. The shift from financial assets to real

assets is, therefore, an obvious strategy for private investors. Even pure equity financing can provide effective protection for personal assets through the purchase of an investment apartment, and partial debt financing will turn inflation into a yield driver. This is all the more true today because real interest (nominal interest minus inflation) is strongly negative and has fallen to a record low of minus 7.85 per cent (as of November 2022).

A generally attractive market environment promises good sustainable yields for investment apartment buyers over the long-term. And even if the investment scene is clouded or complicated over the short-term by a new economic climate with rising interest rates and indexing, an inflation scenario creates an environment that speaks strongly in support of investment apartments. Yields that fail to meet the desired target in the first one or two years are less important when the investment is good and the planned horizon is 20 years or longer.

From Penzing to the Donaustadt

The investment apartment market in Vienna is highly differentiated and gives investors the opportunity to choose between different asset profiles. The market was previously dominated by traditional inner city residential areas through construction in selected available sites, but today’s offering is characterised by a growing number of options in urban development areas on the periphery. The size and price class of the projects are currently more diverse than ever – as is illustrated by the following overview of Austria’s most important investment apartment markets.

The location of an investment apartment property plays a decisive role in the success of the investment. The analysis and comparison of the advantages and disadvantages of various locations are, therefore, essential for evaluating the long-term development of value.

Rare inner city locations

A location within the beltway was predestined for investment apartments well into the 1990s and early years of the 21st Century. Strong demand combined with a rapidly declining and more owner-oriented offering has, however, led to a situation where investment apartments in central locations have become genuine rarities. Low yields which generally range from 1.7 to 2.6 per cent make taxable profit impossible in some cases, but excellent prospects for value appreciation can make an acquisition interesting for investors.

Beltway district classics

The growing shortage of suitable properties in city centre locations has made the western and southern districts outside the beltway the new investment apartment classics. Construction with 35 to 50 units at available sites between existing buildings and individual larger, good quality projects are in great demand by tenants, above all due to the usually excellent district infrastructure, and, consequently, represent solid investments. The limited possibilities for new housing development in heavily built districts like Meidling,

Ottakring, Rudolfsheim-Fünfhaus and Hernals as well as the progressive improvement in the image of these districts create good prospects for an increase in value. Rental yields normally range from 2.7 to 3.4 per cent and, with solid financing, can easily generate the necessary taxable profit.

Urban development investments

Extensive construction activity in the urban development areas to the north (Donaustadt, Floridsdorf) and south (Liesing, in part Favoriten) of the city has also led to interesting investment opportunities for private investors. Investment apartments at these locations are built less as pure investment properties and more as part of larger residential complexes where the units are both owner-occupied and used for investment.

The average yields at these locations range from 2.8 to 3.3 per cent and are slightly higher than in established residential areas. The prospects for value growth lie in the longer-term upgrading of these new urban quarters through the continuous improvement of transportation links and an attractive infrastructure.

This potential is currently limited, however, by extensive land reserves that lead to expectations of an increase in the apartment supply in the foreseeable future.

Low-cost tops in top properties

An interesting new investment market has emerged in prime properties that were basically designed for owner-occupiers: In these attractive new residential high-rises like the *Marina Tower* in Vienna’s second district, the upper, more expensive floors are usually purchased for personal use while the lower, less expensive floors are also well suited for rental.

Tenant demand has been driven by numerous apartment seekers who are looking to enjoy the amenities and international flair of these properties while remaining flexible without ownership. The yields for the lower cost units in luxury properties like the *Marina Tower* or *The Shore* range from 2.0 to 2.7 per cent, but the prospects for value appreciation are above average. However, the

slightly higher fixed costs in the event of vacancies must be considered, even though these phases are normally short.

Transactions and average square metre prices for sold investment apartments (Top 10 districts)

District	Quantity	Euro/sqm
14., Penzing	160	5,547.24
22., Donaustadt	139	6,440.79
10., Favoriten	110	5,935.01
12., Meidling	74	4,866.90
21., Floridsdorf	48	5,300.90
23., Liesing	43	5,487.30
3., Landstrasse	41	6,778.63
16., Ottakring	30	5,959.37
11., Simmering	26	4,793.73
17., Hernals	17	5,319.95

Source: IMMOUnited | Q4 2022



INVESTMENT KNOW-HOW

Tax benefits but no tax gifts

Investment apartments can bring significant tax benefits – but certain requirements must be met. The following three points are basically necessary to utilise the available tax benefits:

- Rental (including VAT) for 20 years.
- Taxable profit must be generated within this period (20 years beginning with the start of rental or a maximum of 23 years after the first expenses are incurred). That means the rental income must be higher than all property-related costs (e.g. financing expenses, ongoing maintenance costs, depreciation, administrative expenses). Any increase in value from the sale of the apartment must be excluded in the calculation of total taxable profit.
- If the property is used by close family members (e.g. children), an “arm’s length” rent must be calculated and the applicable tax must be paid. A written rental contract is also required.

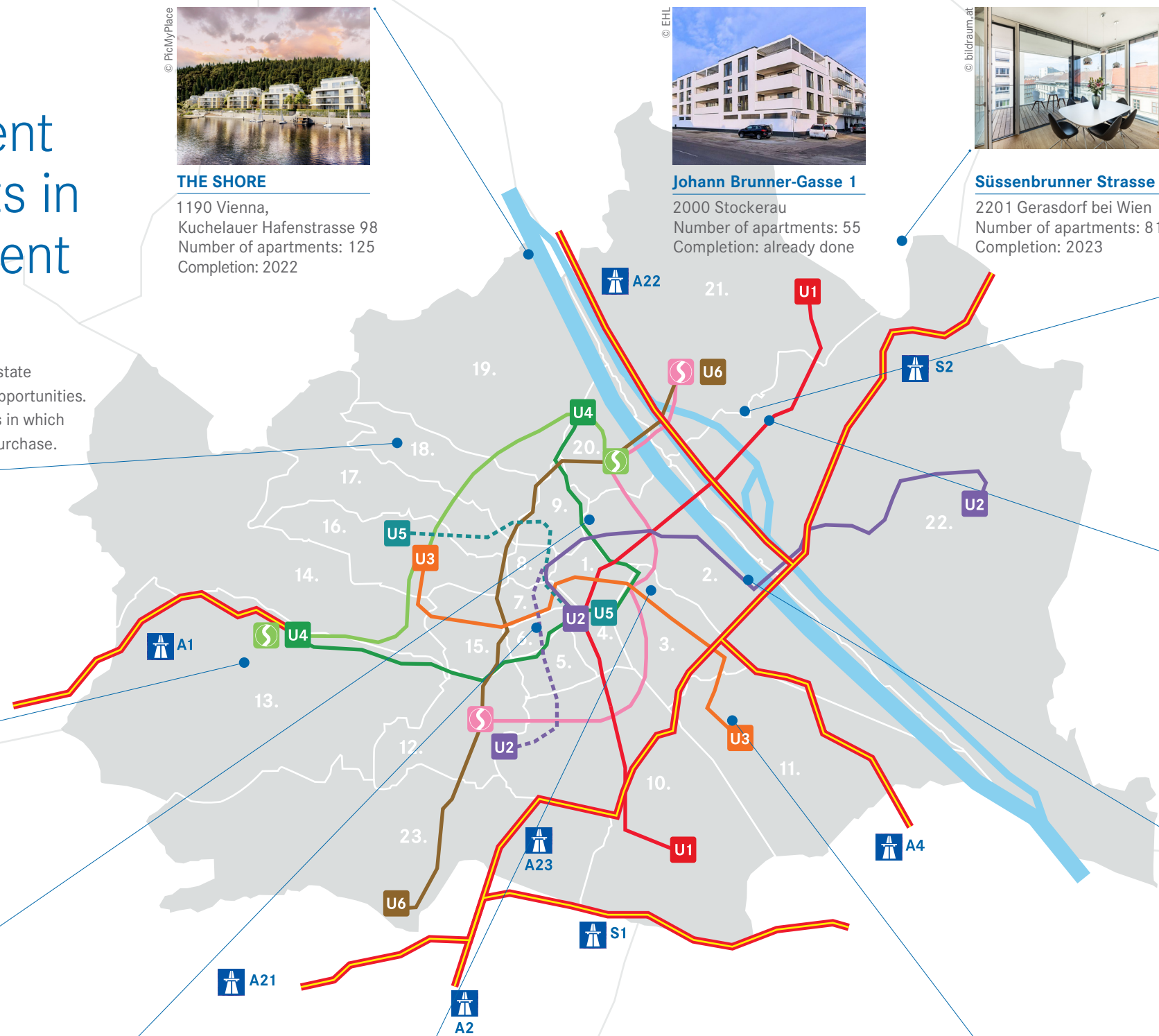
Meeting these requirements results in twofold benefits for investors:

- Deduction of input tax for the VAT included in the purchase price (20 per cent of construction and ancillary costs; the land component is exempt from VAT).
- VAT is deductible on all expenses and advertising costs connected with the apartment, respectively these costs represent deductions for the calculation of income tax. Ancillary costs consist chiefly of credit interest, maintenance expenses and administrative expenses as well as fees and duties.

A rule of thumb: Tax benefits increase in line with the following factors: the construction costs for the apartment as a percentage of the purchase price, the share of debt financing, and the investor’s income tax bracket. Financing should be selected to ensure that the total taxable profit will be reached by the end of the monitoring period, or the investment apartment will be classified as a hobby and the tax benefits must be refunded or will not be accepted by the tax authorities.

Selected investment apartment projects in Vienna & the affluent suburbs.

EHL's cooperation with numerous well-known real estate developers gives you a broad range of investment opportunities. Here is a selection of the most important properties in which investment apartments are currently available for purchase.



THE SHORE
1190 Vienna,
Kuchelauer Hafenstrasse 98
Number of apartments: 125
Completion: 2022



Johann Brunner-Gasse 1
2000 Stockerau
Number of apartments: 55
Completion: already done



Süssenbrunner Strasse
2201 Gerasdorf bei Wien
Number of apartments: 81
Completion: 2023



Drygalskiweg 59
1210 Vienna
Number of apartments: 74
Completion: 2025



Wagramer Strasse 113
1220 Vienna
Number of apartments: 53
Completion: Spring 2024



Marina Tower
1020 Vienna, Wehlstrasse 291
Number of apartments: more than 500
Completion: already done



au-side Living
2402 Haslau-Maria Ellend
Number of apartments: approx. 130
Completion: 2024



PARK SUITES
1180 Vienna, Hockegasse 49
Number of apartments: 34
Completion: End of 2022



Schweizertalstrasse 39
1130 Vienna
Number of apartments: 30
Completion: already done



DAS ARTMANN
1020 Vienna,
Obere Donaustrasse 19-21
Number of apartments: 75
Completion: May 2024



DAS RAY
1060 Vienna,
Gumpendorfer Strasse 60
Number of apartments: 56
Completion: End of 2023



The Embassy
1030 Vienna, Beatrixgasse 27
Number of apartments: 204
Completion: already done



KOLL.home
2700 Wiener Neustadt,
Kollonitschgasse 5
Number of apartments: 67
Completion: End of 2023



Kobelgasse 9-11
1110 Vienna
Number of apartments: 60
Completion: 2025

Focus on Vienna’s affluent suburbs and St. Pölten

The affluent suburbs surrounding Vienna

The dynamics created by rising migration to Vienna has also led to strong population growth in the surrounding areas. This development has been supported by improved traffic connections to the capital city (Railjet) and by the boom in home office.

The result has been an upsurge in the real estate market at many locations surrounding Vienna and a rapidly growing sector of private residential construction as an addition to the previously dominant combination of single-family homes and subsidised residential housing. Investment apartment buyers can now utilise an expanded range of attractive opportunities that are well-suited as diversification for an asset portfolio. The most important benefit is the lower purchase price level, which provides good protection against market fluctuations and, consequently, makes these investments particularly safe. Investors’ initial yields are hardly higher than in Vienna because the rents are correspondingly lower.

The substantial differences between the various regions and individual locations in the more affluent suburbs make a precise site analysis essential for successful investment. In addition to the micro-location of the property, other key factors include the population growth, traffic connections, quality of life and land reserves at the respective location.

The south

Mödling, the district bordering Vienna on the south, is home to some of the most popular residential locations in the surrounding regions. The high price levels in communities like Perchtoldsdorf and Hinterbrühl make most projects more suitable for owner-occupiers, but new residential

construction that is interesting from an investment viewpoint regularly appears on the market.

Depending on the quality and location of the property, the square metre prices for investment apartments range from 5,700 to 7,100 Euros. Other very good locations for investment apartments can be found in the slightly more distant Baden, a district with excellent traffic connections as well as numerous benefits provided by the local capital and nearby Bad Vöslau. These submarkets are large enough to support the rapid rental of new projects at good conditions and hold vacancies at a low level, even for subsequent rentals. Depending on the quality and location of the property, the square metre prices for investment apartments range from 5,200 to 6,200 Euros.

Wiener Neustadt, with its nearly 50,000 residents, enjoys a special position: This university town with perfect rail connections to Vienna (23 minutes travelling time) and important central functions for the region – as well as high recreational value due to its close proximity to Vienna’s local mountains – has the makings for sustainable success with investment apartments. Depending on the quality and location of the property, the square metre prices for investment apartments range from 4,200 to 5,000 Euros.

The east

Simmering, a district in the east of Vienna, and Schwechat, a town directly on its borders, have a combined population of more than 20,000 and all the necessary requirements for a sustainable improvement in the real estate market. The city is well known for its close proximity to Vienna International Airport and its position as an important business site for Austria (based on the airport and OMV), two factors that are responsible for continuous population growth.

In addition, connections to Vienna and the Slovakian capital Bratislava are excellent. The number of projects suitable for investment apartments is, however, limited, but attractive for investors with square metre prices of 4,100 to 5,400 Euros.

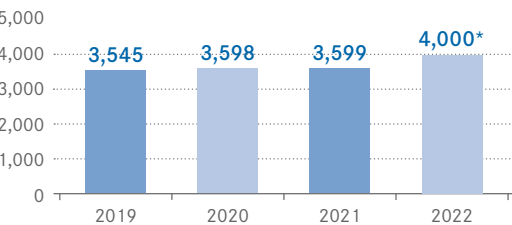
The north

Klosterneuburg, a city in the north with nearly 28,000 residents, is characterised by prices, rental yields and prospects for value growth that are comparable to the market in Vienna. Privately financed residential construction is dominated by projects designed for owner-occupiers – new construction with apartment sizes and layouts optimised for rental by private have recently been rare. Depending on the quality and location of the property, the square metre prices for investment apartments range from 7,100 to 9,700 Euros.

The district capital Korneuburg and the neighbouring smaller communities of Langenzersdorf and Bisamberg are the most attractive investment apartment locations in the areas north of the Danube River. Here, good traffic connections to the Vienna city centre via long-distance trains and rapid transit railway are an important growth driver. Korneuburg also benefits from the revitalisation in Vienna’s Donaustadt and Floridsdorf districts.

The price level is (still) clearly lower than in the south of Vienna, but the great success of several projects during the years from 2020 to 2022 leads to expectations of a further upward trend. Depending on the quality and location of the property, the square metre prices for investment apartments range from 4,600 to 5,500 Euros.

Average purchase prices for investment apartments in the Vienna suburbs (in Euros/sqm, based on transactions)



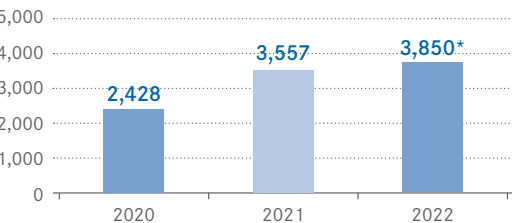
*Preliminary data

St. Pölten

The real estate market in the Lower Austrian provincial capital has developed from a scene almost exclusively influenced by local and regional investors into a market that has attracted national attention and first-time commitments by international investors. This development reflects the city’s revival in recent years as well as excellent future prospects that also open exceptional opportunities for investment apartment buyers.

A specific feature of St. Pölten is that the market is not only driven by its function as a provincial capital and university location. Excellent traffic connections to Vienna with travel time of only about 20 minutes via rail are another key factor that actually make St. Pölten “Vienna’s 24th district”. Rents and purchase prices are, therefore, increasingly approaching Vienna levels and confirm a certain upward structural potential. The square metre rents for new apartments in good locations range from 10.50 to 11.70 Euros, while the purchase prices at locations suitable for investment apartments range from 3,600 to 4,500 Euro in good residential areas.

Average purchase prices for investment apartments in St. Pölten (in Euros/sqm, based on transactions)



*Preliminary data

The special market situation in St. Pölten makes accessibility to the main railway station an important location criterion. The area between the railway station and the government quarter is very attractive, but the northern quarters of the city also benefit from good connections to the railway station and autobahn as well as the recreation paradise on the *Viehofner* and *Ratzersdorfer Lakes*.

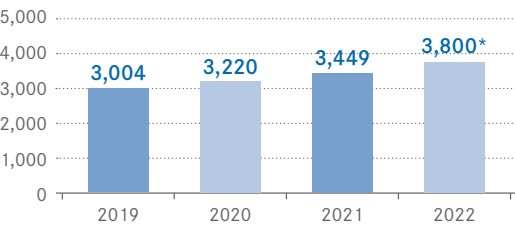
Attractive perspectives in the west and south

Graz

The provincial capital of Styria has established a firm position as the number two, after Vienna, on the Austrian market for investment apartments. Graz has been more successful than the other provincial capitals in attracting investors who have no personal connections to the city and are frequently looking to diversify an existing investment apartment portfolio. This is a result of strong population growth – which reached 11.8 per cent from 2012 to 2022. The principally good economic development of the city and the surrounding region has, in total, supported a substantial increase in the rental level and created corresponding yield opportunities for apartment buyers. The apartment offering is, however, sufficiently large, and a sizeable increase in rents is therefore not expected.

The purchase prices in good quality new construction projects generally range from 4,300 to 5,200 Euros/sqm, and rents in good locations range from 9.50 to 12.00 Euros/sqm.

Average purchase prices for investment apartments in Graz (in Euros/sqm, based on transactions)



*Preliminary data

Investment apartment buyers can find numerous interesting investment opportunities, above all in the Lend, Eggenberg and Jakomini quarters, while the offering in the inner city is directed primarily

to owner-occupiers. Previously less noticed quarters, like Liebenau and St. Peter, have recently shown good development and projects regularly find their way to market. Graz also frequently promotes tax-optimised developer projects with subsidised units that are attractive, above all, for private investors in the upper tax brackets.

CURRENT PROJECT

GATE 17

Triester Strasse 432, 8055 Graz

Number of apartments: 510

Completion: End of 2023

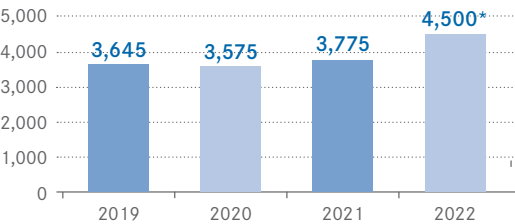
Linz

This provincial capital is more heavily influenced by major industrial complexes than any other major city in the country and therefore forms the heart of the booming central region in Upper Austria. Linz is also becoming more important through its role as a university city. Exactly these two factors serve as the motor for population growth, which was particularly strong year-on-year with an increase of more than one per cent to 209,85 residents in 2022.

For the apartment market, that means a sustainably secured demand basis: It is reflected in a solid rental market with square metre prices of 10.00 to 12.20 Euros and purchase prices of 4,400 to 5,300 Euros in good residential locations.

The supply is/will be roughly one-third lower than the 2021 level in 2022 and 2023. However, a number of previously started projects are expected to increase the offering in 2024 and 2025.

Average purchase prices for investment apartments in Linz (in Euros/sqm, based on transactions)



*Preliminary data

Low vacancies and a comparatively favourable price level, especially in relation to local purchasing power, make Linz attractive for investment apartment buyers. Investors from Upper Austria previously dominated the market, but the city is also a good option for investors from other provinces.

Densification projects in central locations are an especially promising option for investment apartment buyers. Interesting development trends can be seen in the southern quarter of Kleinmünchen, which benefits from its advantageous location on the Linz-Traun-Wels axis.

CURRENT PROJECT

Parzhofstrasse 25

4040 Linz

Number of apartments: 41

Completion: 2025

Klagenfurt

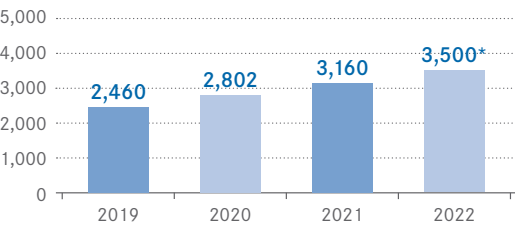
The real estate market in Klagenfurt receives considerably less national attention than the markets in the provincial capitals of Graz and Linz or the not much larger provincial capitals of Salzburg and Innsbruck.

Nevertheless, this largest city in the province of Carinthia is growing steadily as a result of continuous migration and now has more than 100,000 residents.

Construction activity has revived later than in other Austrian cities, and completions are therefore projected to peak in 2024. The vast majority of the new properties involve subsidised rental apartments, but an oversupply is not expected.

The price level is clearly lower than the other investment markets at 3,700 to 4,800 Euros/sqm, and rents are lower at 8.50 to 12.00 Euros/sqm. However, the gap to the other markets is much smaller than the gap for purchase prices – which leads to a higher rental yield for investors.

Average purchase prices for investment apartments in Klagenfurt (in Euros/sqm, based on transactions)



*Preliminary data

Projects near the inner city and along the northern axis are particularly good for investments because of their established infrastructure. However, real estate projects along the west-south axis benefit from close proximity to the Wörthersee recreational paradise and the nearby university with its *Lakeside Science & Technology Park*.

CURRENT PROJECT

Unsereins

Feschnigstrasse 161-181 9020 Klagenfurt

Number of apartments: approx. 149

Completion: 2024

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Our view is always directed ahead:

The EHL Group makes its corporate values come alive.
Every day. Competent. Dedicated. Passionate.
In all areas of its business.

Rental & Sale	Residential properties	Investment properties
Valuation	Investment apartments	Residential investment
Investment	Office buildings	Commercial real estate
Asset management	Retail properties	Land
Market research	Logistics properties	Hotels

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