

VIENNA | LIVING | Q1 2026

Vienna Living Figures Q1 2026

▼ 1,242 apt.
Completions

▲ EUR 19.75
Prime rent/sq m/month

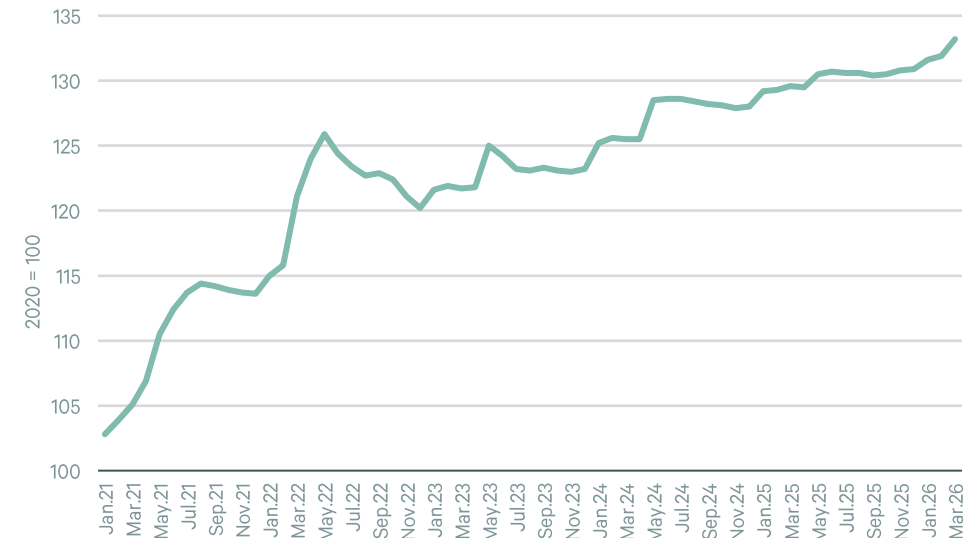
▶ 4.00%
Prime yield

Arrows show change from previous quarter

A slight increase in new construction volume is expected, though without any noticeable impact

- In the first quarter of 2026, approximately 1,240 new apartments were completed in Vienna, fewer than in any quarter of the previous year. Although announced completions for the current year surpass those completed in 2025, the overall level of completions remains low, amounting to approximately 9,000 units. A noticeable relief or reversal of the trend in Vienna’s structurally undersupplied housing market is therefore not expected in 2026 either.
- Although construction costs had initially stabilized toward the end of last year, the construction cost index shows an increase again at the start of the year. Unlike in previous years, however, the primary driver is not rising labor costs, but rather the geopolitical and economic repercussions of the Iran conflict, which are still difficult to assess. It is not yet possible to conclusively determine whether this will lead to another inflation-driven rise in costs or whether cost levels will stabilize again in the coming months.
- In Q1 2026 the prime rent increased once again due to the shortage of rental housing in Vienna. Compared to Q4 2025, the prime rent currently stands at EUR 19.75/sq m/month. The prime yield, however, remains at 4.00%.

Construction cost index for total construction costs in residential and housing development (base=2020)



Source: Statistik Austria, CBRE Research

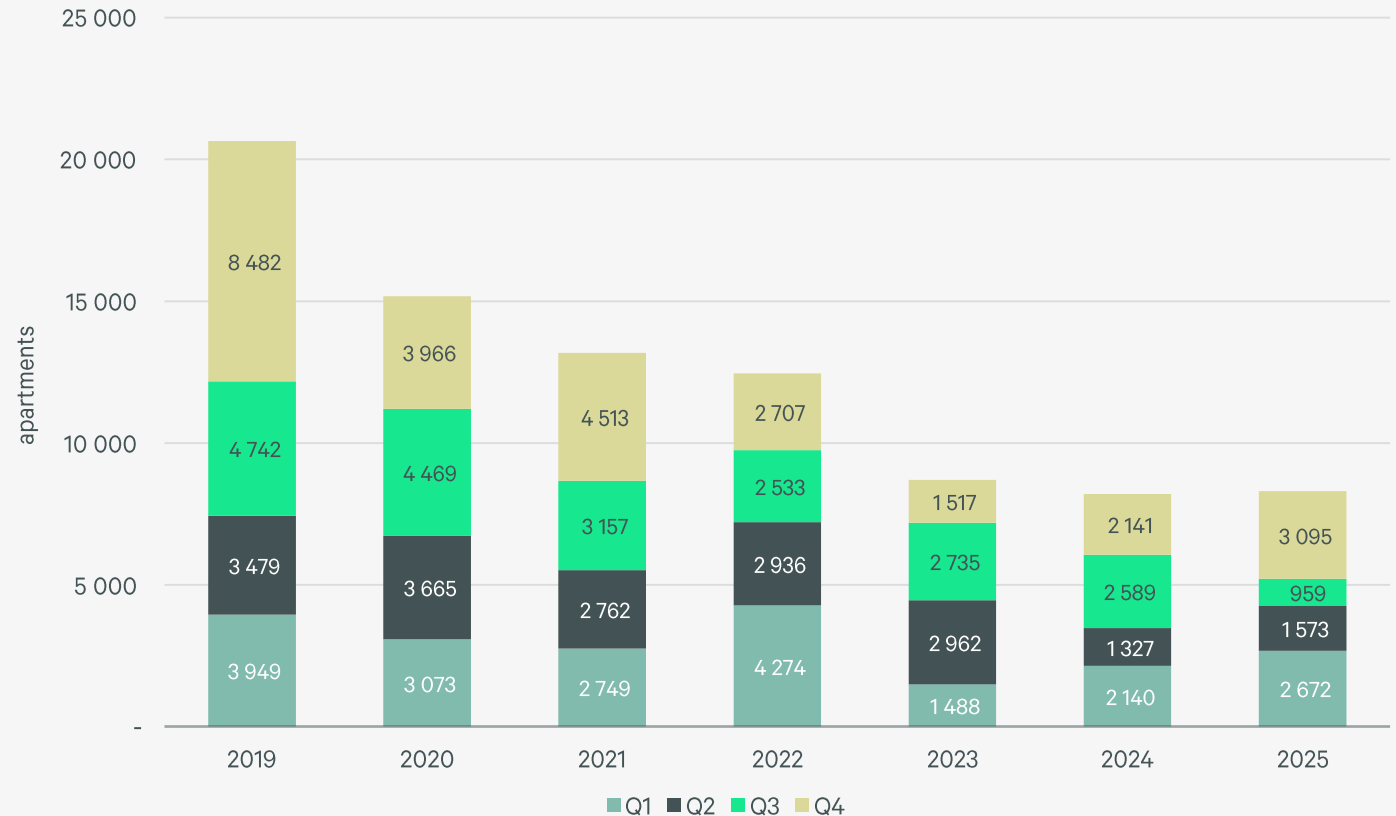
Subdued outlook despite a short-term uptick

While the structural shortage in Vienna’s housing market continues to worsen, a look at the building permits issued suggests that the situation is unlikely to ease in the medium term. In 2025, a total of 8,300 apartments were approved for high-density housing. Although this represents a slight increase of 1.25% compared to 2024, the level remains far too low to provide any noticeable relief to the housing market. The last time fewer building permits were issued for high-density residential construction in Vienna was in 2014.

In the fourth quarter of 2025, more than 3,000 apartments received building permits, marking the best quarterly result since Q1 2022. While this increase represents a cautious ray of hope, a sustained turnaround is currently unlikely. Over the course of the first quarter of 2026, various geopolitical developments have noticeably dampened Austrian economic and inflation forecasts, a trend also reflected in construction costs for the first three months. Accordingly, the further development over the course of 2026 remains to be seen. Should these uncertainties not subside, it is to be expected that project developers will continue to adopt a rather cautious approach to their activities.

Against this backdrop, both commercial developers and limited-profit housing associations are calling for shorter approval and processing times to provide support to the industry, which is struggling economically.

Number of building permits (of buildings with 3 or more apartments) in Vienna



Source: CBRE Research, Statistik Austria

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