

2026 Austria Real Estate Market Outlook

REPORT

CBRE RESEARCH
JANUARY 2026



VIDEO



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Executive Summary

- The **Austrian economy** has come out of a two-year recession and is showing signs of recovery, characterised by an increase in consumption and exports, while the inflation rate is gradually declining from its still elevated level and labour market dynamics remain stable.
- Market dynamics in the **investment market** have returned to pre-crisis levels. Institutional investors are returning, as are international buyers. Prime yields are expected to continue falling in 2026.
- With completion figures low and continuing to decline, conditions in the **residential market** remain extremely tight. As there is currently no sign of a trend reversal, rents will continue to rise at a comparatively high level in 2026.
- After another year of subdued demand in the **logistics market**, developers have also responded to the current market situation and are increasingly focusing on pre-letting figures before bringing new projects into construction. This will result in a correspondingly volatile completion pipeline for 2026.
- The Vienna **office market** has had a strong year in terms of leasing thanks to several major deals. The vacancy rate has risen slightly, and the project pipeline for 2026 has already been significantly reduced. Office rents continue to rise, especially in prime locations.
- Sales in the **retail sector** saw stronger growth again in 2025, but inflation and high savings rates remain major challenges. Nevertheless, many brands will continue to expand into Austria in 2026, looking in particular for space on high streets and in successful shopping centres.
- In Vienna, the **hotel market** saw strong momentum in 2025, driven by record overnight stays and growing investor interest. However, the challenges for operators remain high, and good concepts are required.
- Vienna is one of the smaller Tier II markets for **data centres** in Europe but has gained in importance in recent years. The current installed capacity is around 53 MW, more than double that of 2016. Microsoft has three locations in operation in 2025.



Introduction

” Austrian real estate market at the beginning of a new cycle.

At the beginning of 2026, the Austrian economy is showing the first signs of recovery. The economy is growing again, sending positive signals to the property markets.

The market revival is already clearly visible on the investment market. 2025 was the strongest investment year since 2022, with Vienna in particular seeing a true rally in large transactions at the end of the year. Residential property remains the favourite among investors, but numerous buyers have also been found for offices, retail, hotels and logistics. Buyers' and sellers' asking prices are increasingly converging, not least due to advancing yield compression and pressure from financiers.

Developments on the rental markets vary. While rents on the residential markets are skyrocketing due to scarce supply in major cities, the logistics market is in a consolidation phase. The large supply is currently being absorbed, with demand for top-quality products in particular recovering. Meanwhile, the Vienna office market has had a strong year in terms of lettings due to large-scale deals, with ESG-compliant office space remaining in demand, especially in good locations.



Lukas Schwarz
Managing Director Austria



01

Economy

Austria is overcoming the recession, returning to economic growth

After two years of recession, Austria’s economy is showing signs of recovery and gradually picking up. The recession is considered to be over, and economic activity is back on a moderate growth path. Real GDP growth of 0.5 % is expected for 2025, with a slightly higher figure of 1.2 % forecast for 2026.

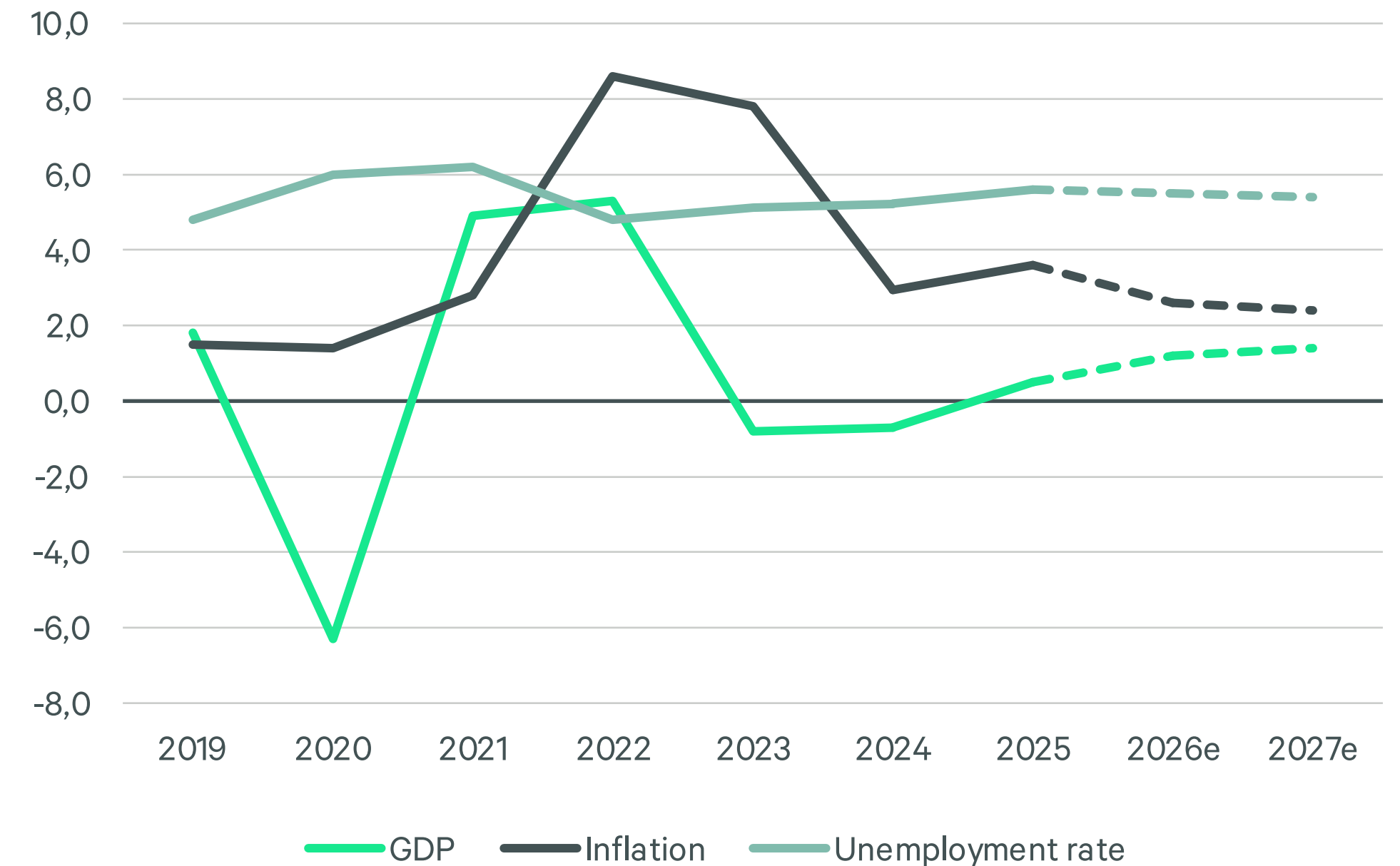
Private consumption has been restricted in recent years through increased inflation and modest real wage growth, but the expected decline in the currently high savings rate in the coming years will provide new impetus. In conjunction with a gradual improvement in real disposable income, a moderate increase in consumer spending is to be expected.

After three years of declining exports, a recovery is predicted for the coming year. In the wake of a global economic upturn, exports and gross industrial value added will gain momentum again. Previously, US import tariffs, trade policy uncertainties, competition from China and the weakness of German industry had weighed on the Austrian export economy.

Although the pace of inflation has slowed, it will still remain above the EU average at 3.6 % in 2025 and well above the ECB’s target of 2 %. A further decline over the coming years is expected, with an inflation rate of around 2.6 % in 2026 and a subsequent convergence towards around 2.4 % in 2027. This will be supported by the expiry of temporary energy policy measures and the associated stabilisation of energy prices and more moderate wage growth.

The subdued economic development of recent years is increasingly reflected in the labour market. The unemployment rate has risen slightly recently and currently stands at 5.6 %. Following a seasonal increase in unemployment at the beginning of 2026, unemployment is expected to fall over the course of the year. According to Statistik Austria, the working-age population will shrink steadily from 2025 onwards, which will have an impact on the unemployment rate. This will only be partially offset by rising labour force participation, particularly due to the gradual increase in the statutory retirement age for women.

Figure 1: Economic indicators Austria



Source: CBRE Research, Statistik Austria, WIFO, WKO, ILO

01

Economy

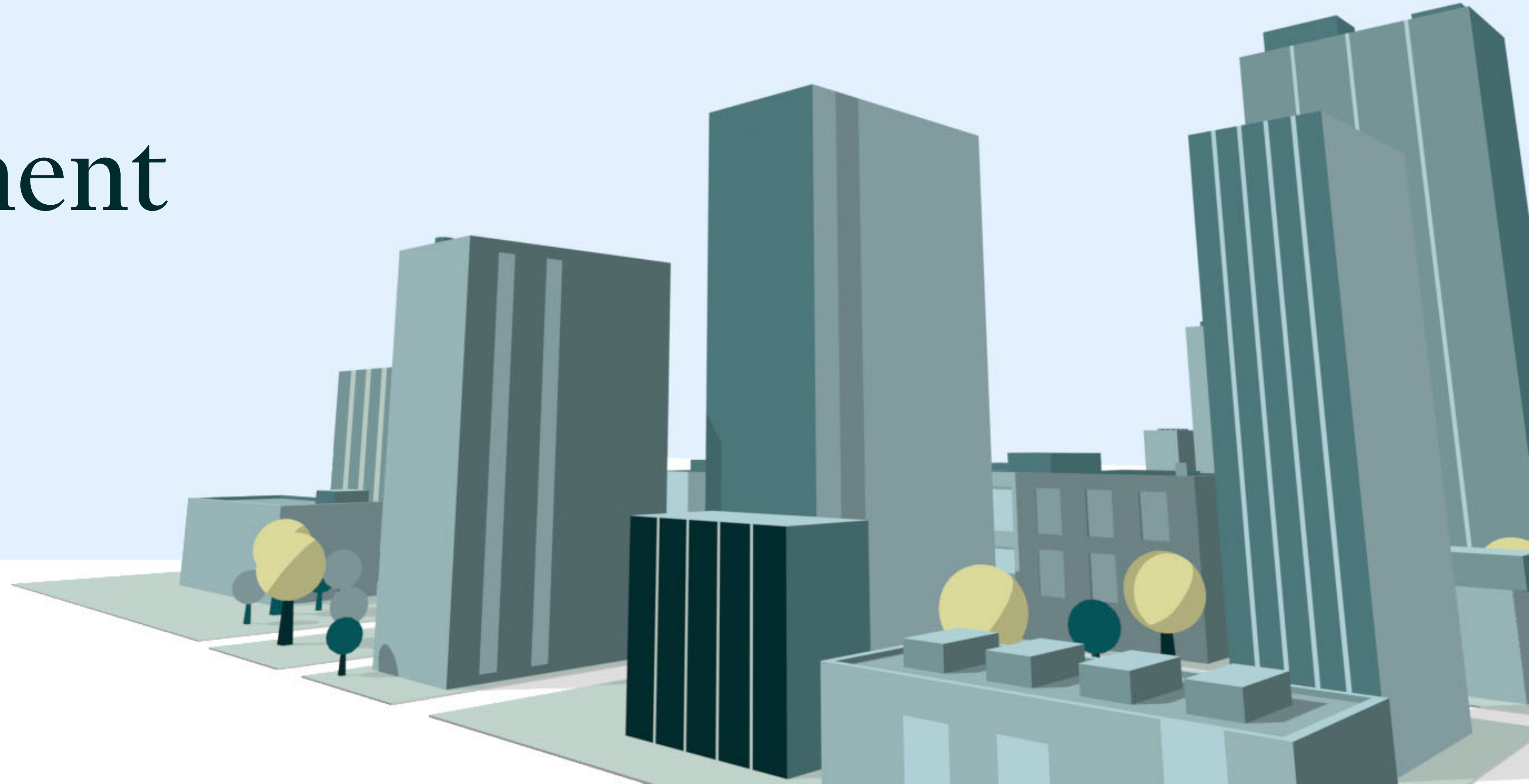
Trends to Watch

- **Ongoing economic recovery:** The economic recovery that began in 2025 continues and is gaining stability. Economic growth of 1.2 % is forecast for 2026. This development is primarily driven by growing investment, a gradual recovery in private consumption and a moderate upswing in exports.
- **Rising investment:** The upward trend in gross fixed capital formation will continue in the coming years. The interest rate cuts seen so far will strengthen the willingness to invest. Public investment is the strongest driver of this development.
- **Private consumption to remain subdued:** Real wages will initially stagnate, as wage increases will not fully offset inflation. An improvement in purchasing power is only expected in the medium term due to the long-term decline in inflation.
- **Domestic exports recover:** After two years of declining exports, domestic exports and gross industrial value added are expected to pick up again as the global economy regains momentum.
- **Inflation to fall in 2026:** Following the sharp rise in prices caused by the expiry of the electricity price cap (*Strompreisbremse*) and wage increases in 2025, the energy base effect will no longer apply. This will reduce inflation by around one percentage point and noticeably narrow the inflation gap with the eurozone.
- **Employment will rise slightly:** In the long term, unemployment will fall as a result of demographic factors and the economic recovery.



02

Investment



Market dynamics in the investment market are returning to pre-crisis levels

2025 was a strong year on the Austrian investment market. At EUR 4.1 bn, the investment volume is a remarkable 40 % higher than in the previous year. Almost EUR 2 bn of this was recorded in the final quarter alone, which was the strongest single quarter since 2019. With an investment volume of EUR 3.1 bn, Vienna remains by far the most sought-after market. Thanks to major transactions, the federal capital achieved its third-best result ever in 2025, which was 49 % higher than the previous year.

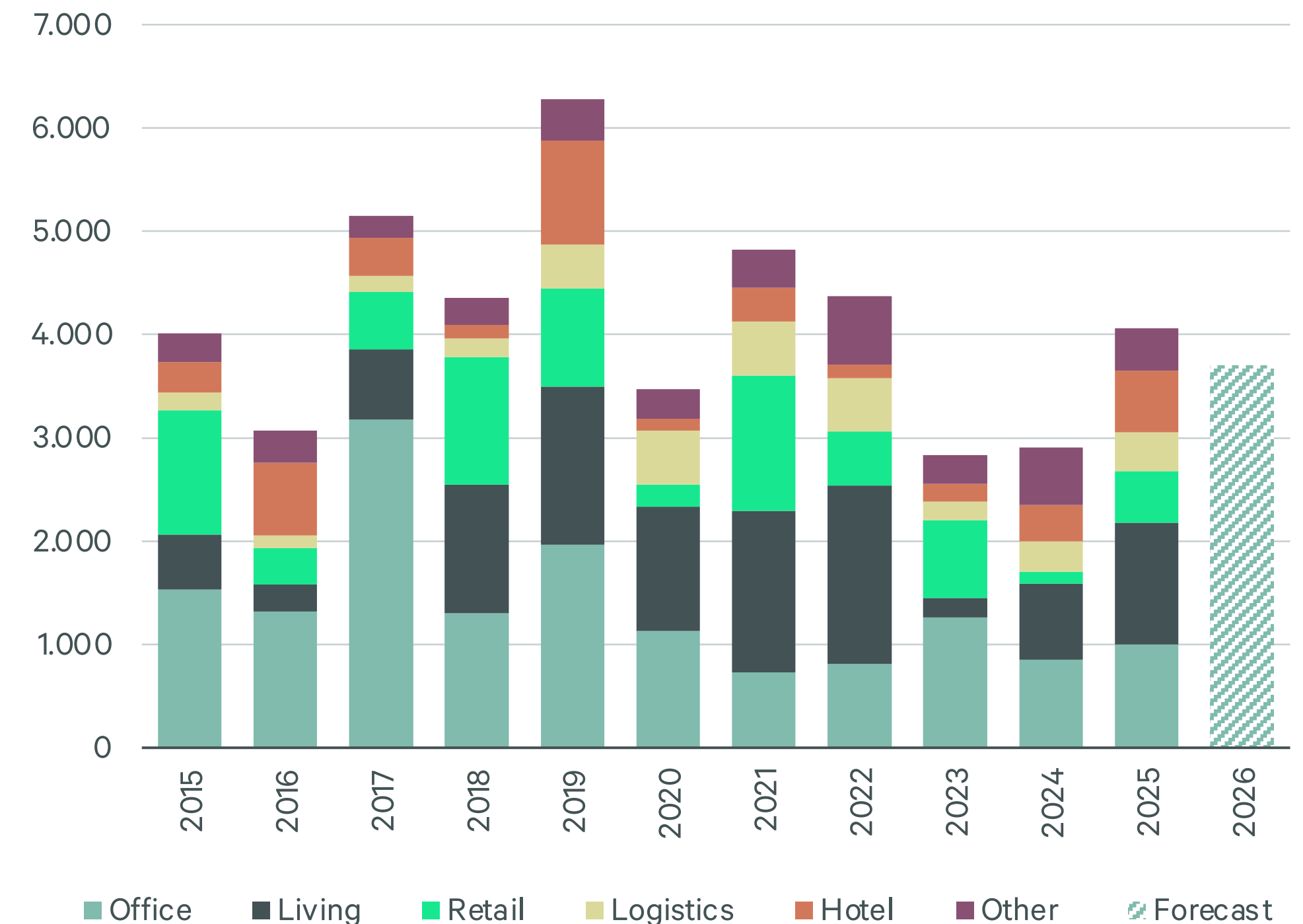
Residential real estate is the undisputed leader among asset classes, with a market share of 29 %. Almost EUR 1.2 bn was invested in Austrian residential real estate in 2025. Office real estate ranks second in the annual ranking based on several large transactions in the fourth quarter. Almost EUR 1 bn was invested in office buildings across Austria, accounting for 25 % of the total investment volume. Hotel properties also made a strong finish to the year, reaching almost EUR 600 m in 2025. Retail properties followed closely behind with an investment volume of half a billion euros and a market share of 12 %. Logistics and industrial properties rounded off the most sought-after asset classes with 9 % and EUR 375 m.

At first glance, however, the achieved result appears to be a continuation of the momentum seen in the pre-crisis years. While there is strong demand for individual asset classes and top products, many properties and locations continue to face price reductions and diverging purchase price expectations.

In 2025, 41 % of the investment volume came from international investors – their market share was highest in 2021. Just under EUR 1.7 bn was registered. German investors in particular performed strongly again, with a market share of 23 % and over EUR 900 m, with institutional investors returning to the market alongside private buyers.

Yields compressed slightly over the course of the year but remained stable at the end of the year due to continued high financing costs. Office properties are listed at 4.75 %. High street retail remains constant at 4.70 %, while logistics and hotels peak at 5.10 % and 5.40 % respectively. Residential property yields fell to 4.00 %. In 2026, there will be scope for further yield reductions, particularly in residential and hotel properties.

Figure 2: Investment volume Austria (EUR m)



Source: CBRE Research

02

Investment

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Several large transactions crossed the finish line at the end of the year and exceeded previous forecasts.

Lukas Schwarz
Head of Capital Markets



02

Investment

Trends to Watch

- **Market dynamics at pre-crisis levels:** With a total investment volume of EUR 4.1 bn, the year ended on a particularly strong note, with several large transactions in the final quarter, making it the strongest year since 2022. Based on stabilised conditions, we expect investment volume in 2026 to be in line with the five-year average of EUR 3.7 bn.
- **Yield compression continues, but at a slower pace:** Persistently high financing costs have recently slowed the pace of yield compression. Nevertheless, we expect prime yields for prime properties to fall across all asset classes in 2026.
- **Core and value-add products remain equally attractive:** Prime properties in good locations with the best tenant occupancy and building quality remain at the top of the shopping list, as do buildings in need of investment. Demand for these is also high, with correspondingly high yields.
- **Institutional investors are returning to the buyer side:** In 2025, private investors and family offices dominated the market, accounting for 30 % of the investment volume. Since the second half of the year, however, institutional buyers have also been making a comeback, particularly in the residential, but also in the office and retail asset classes. International capital, especially from Germany, has also regained a stronger presence in the market.
- **Residential property remains at the top of the shopping list, but demand remains broadly diversified:** Residential property will remain at the top of the agenda for many investors in 2026, but top office buildings, fully let new logistics buildings, well-positioned retail parks and, last but not least, Viennese hotel properties will also find buyers. In addition, there is growing interest in data centres and life science properties with laboratory space.



03

Living



Slight increase in completion figures does not yet bring relief

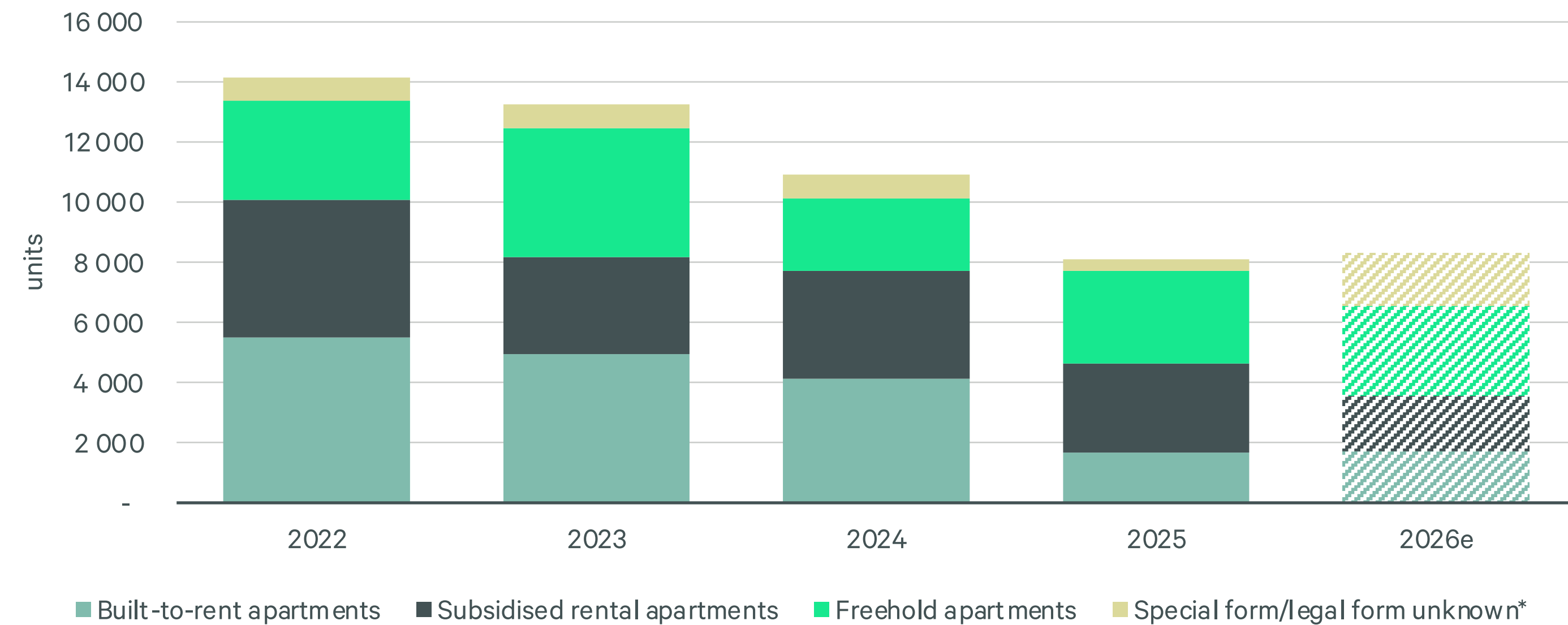
Structural undersupply in the Vienna rental market will continue to push prices up in 2026.

With only 8,100 apartments completed in 2025, a minimal increase in the new-build segment is expected in Vienna this year – to around 8,300 apartments (+2.5 %). However, given the continuing high population growth, pressure on the housing market will increase further. There remains a structural shortage in the market, particularly in the rental segment. This is also reflected in the short time it takes to rent out new apartments, which is often only a few days. In general, conditions remain challenging for many developers.

A review of building permits issued last year (Q1–Q3 2025: 5,280 apartments, down 16 % compared to 2024) shows a slight upward trend in the first half of the year compared to the previous year. However, this trend did not continue in the third quarter. In fact, the figure fell sharply once again in comparison with previous quarters. Taking into account the equally increasing construction periods, no easing of the situation is to be expected in the medium term.

Given the current developments, rents in Vienna will continue to rise this year. The amount of newly signed rental agreements is also taking on greater importance, as the adopted rent control law means that existing agreements can only be adjusted once a year. As a result, we expect a further increase to around EUR 20.30/sq m/month (+3.3 %) in 2026, particularly in the prime segment.

Figure 3: Completions 2022–2026e in Vienna



Projects >20 units, *assisted living, serviced apartments, holiday apartments, PBSA, rental and purchase options, tba.

Source: Exploreal, CBRE Research

03

Living

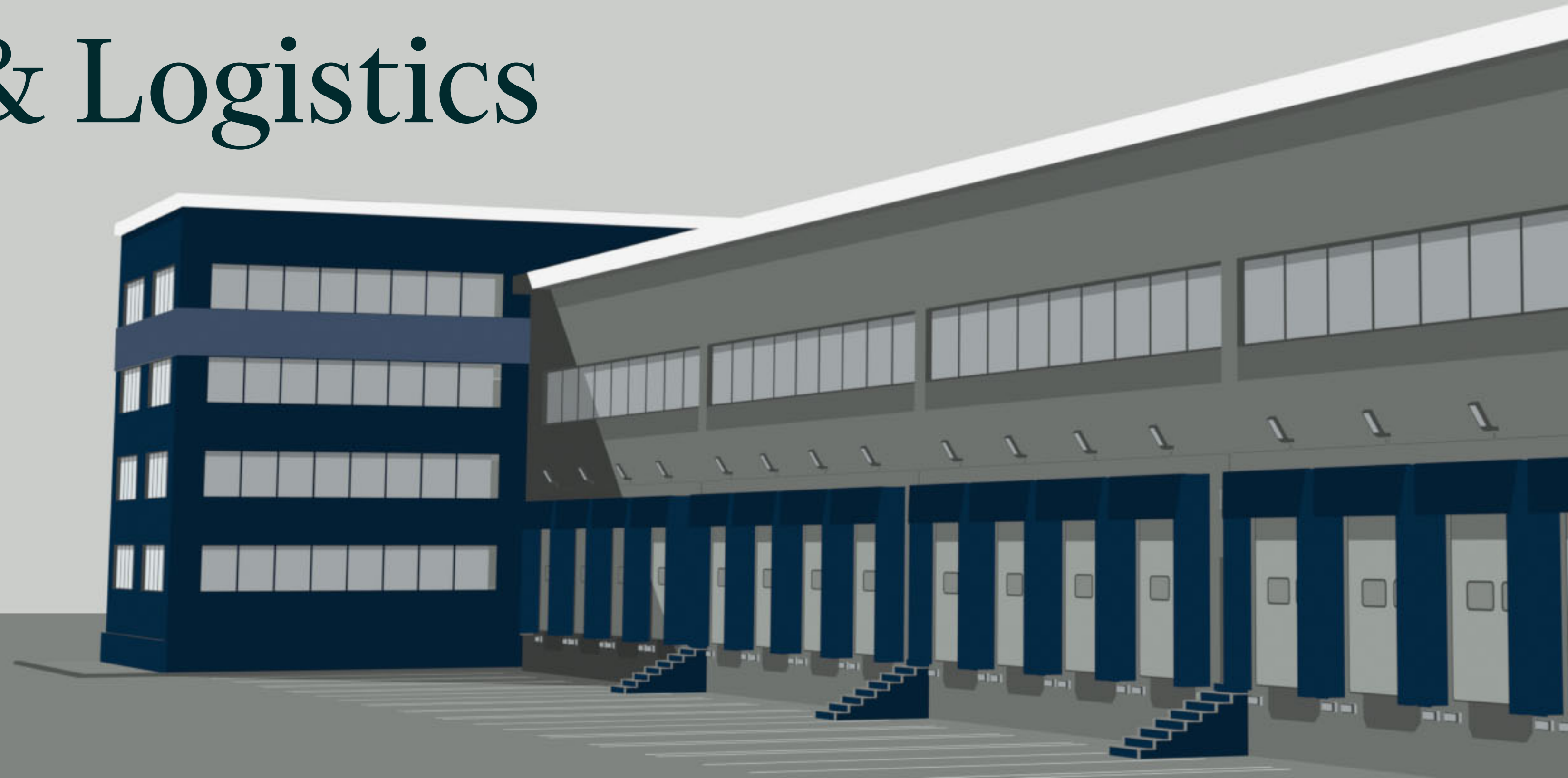
Trends to Watch

- **Rental segment facing a severe shortage:** The number of completed newly built apartments is expected to increase slightly in 2026 but will still be significantly below the figures for previous years. The lack of projects in the rental segment is a cause for concern. Around 3,600 new rental apartments are expected to be handed over in Vienna in 2026 (–23 % compared to 2025). In addition to a financing environment that remains unattractive – including high credit requirements for property developers and rising construction costs – the difficulty of achieving profitability in implementation is a major factor influencing developers' decision-making.
- **Tight supply and demand conditions:** Due to the unchanged market situation, prime rents in Vienna in particular will rise to a new record high in 2026. Over the course of the year, we expect prime rents to reach EUR 20.30/sq m/month in top locations. Average rents will also see a similar increase in 2026 as last year, which will have an additional impact on household spending.
- **Strong growth in the investment market:** Meanwhile, the investment volume in the residential asset class in Austria has increased significantly in 2025, reaching EUR 1.18 bn at the end of the year (+62 % compared to 2024). However, 65 % of this comes from sales of open-ended real estate funds – a decrease of 5 percentage points compared to 2024. Nevertheless, it is worth noting the increasing activity of foreign institutional investors (+133 % compared to 2024). They are once again more willing to buy in Austria. If the market situation improves in 2026, the return of forward deals can also be expected. Only slight downward changes are expected in prime yields – at the end of 2025, these stood at 4.00 % in Vienna.



04

Industrial & Logistics

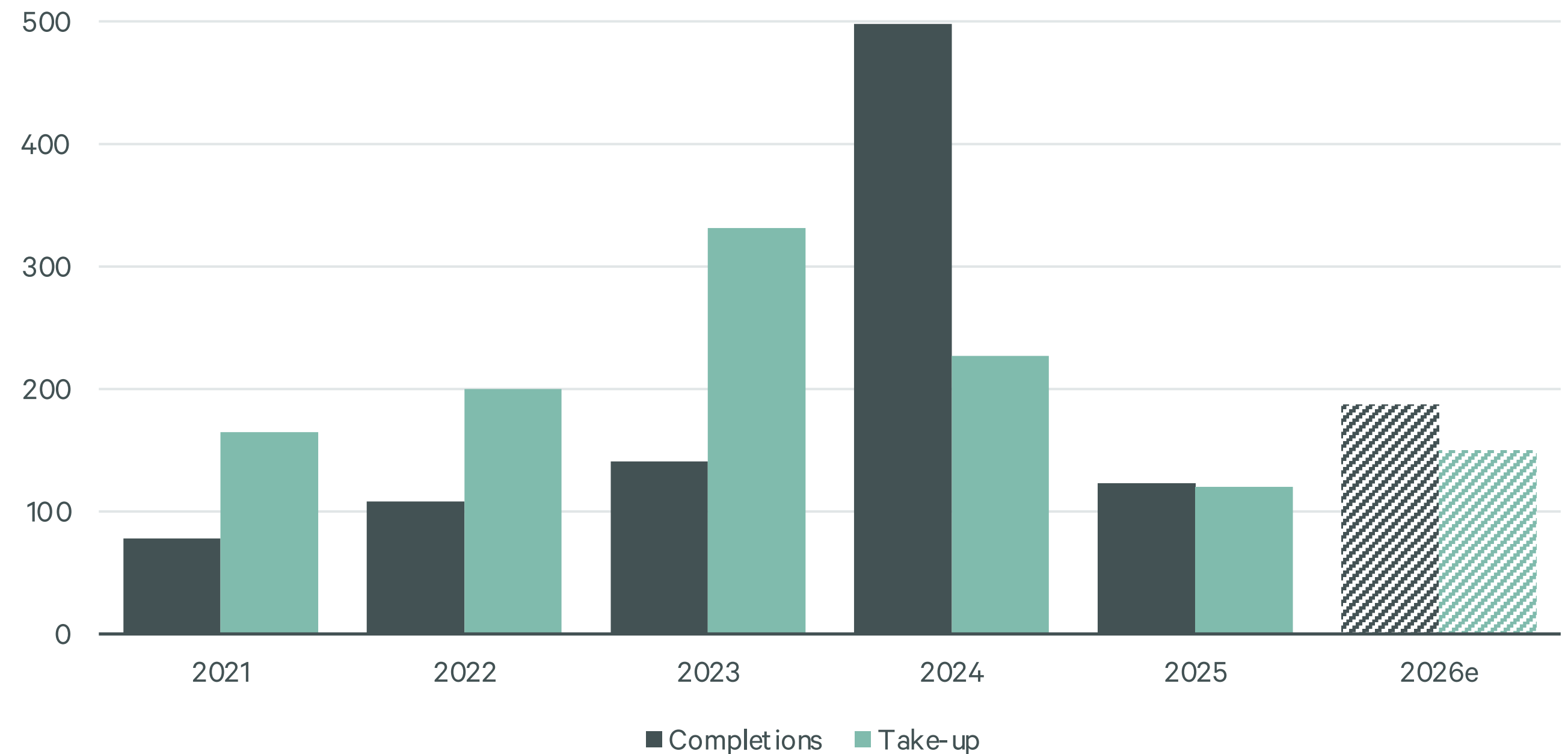


The Vienna market is showing the initial signals of a trend shift

After one of the most challenging years, the Austrian logistics market is now showing slightly positive signals again. Mainly due to good economic forecasts for 2026, a slight market upswing in the industry could take place. Although take-up more than doubled in the second half of the year due to a major deal, it amounts to a total of only 120,000 sq m for 2025 as a whole (-47 % compared to 2024) – uncertainties due to the customs dispute and the overall economic situation were too strong. We expect a further slight increase in letting performance in the coming year.

Developers will continue to adopt a cautious approach to completion performance in 2026. Some projects currently announced will only be implemented after a certain pre-let rate has been achieved, which will further reduce the current pipeline of 187,000 sq m. Due to the imbalance between supply and demand over the past two years, many spaces have not yet been absorbed. Accordingly, the vacancy rate (Class A+B) has risen sharply and currently stands at 9.8 % on the Vienna market. The further development of the vacancy rate will depend largely on the take-up of space over the course of the year.

Figure 4: Completions and Take-up in Vienna & surrounding (,000 sq m)



Source: CBRE Research

04

Logistics

” Only a moderate increase in prime rents to around EUR 7.35/sq m/month is expected on the Vienna market in 2026.

Daniel Pfeiffer

Director | Head of Sector
Industrial & Logistics Leasing



04

Logistics

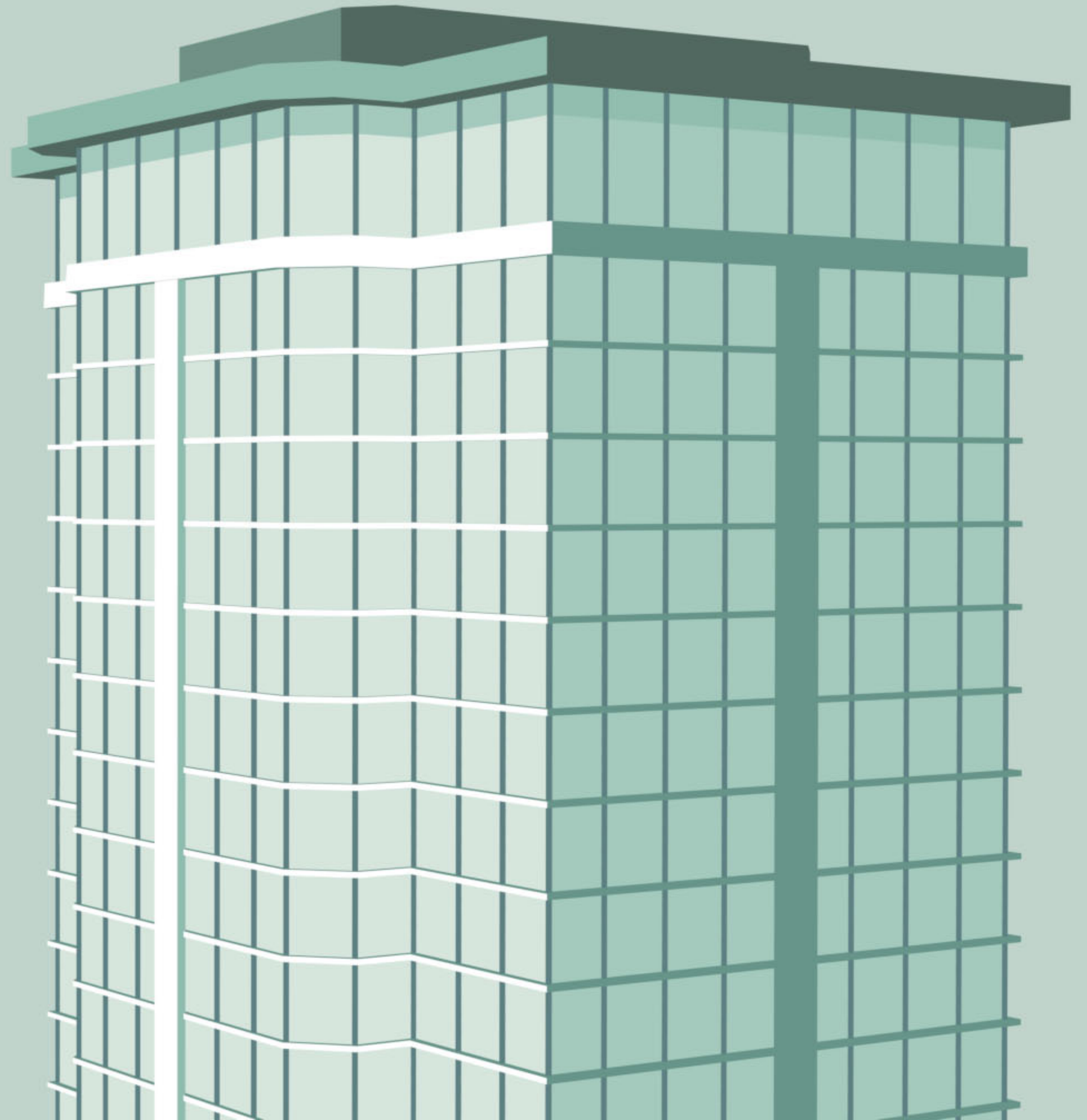
Trends to Watch

- **The relevance of pre-letting is increasing:** While the volume of logistics completions across Austria remains at a similar level to 2025 at around 270,000 sq m, around 187,000 sq m has currently been announced on the Vienna market for 2026. This would represent an increase of 50 % compared to 2025. However, due to still subdued demand and developer caution, some projects are likely to be postponed until 2027.
- **Slight improvement expected:** Take-up declined again in 2025 and, despite a slightly better overall economic situation and a stronger second half of the year, the outlook for 2026 remains subdued. Only a slight increase in letting activity is expected.
- **Location criteria are becoming increasingly important:** Locations close to cities and strategically well-connected transport hubs are expected to become more relevant in 2026. This is driven by rising e-commerce sales and changing consumer behaviour.
- **Slight rent increase in 2026:** The prime rent at Austria's most important logistics location, in and around Vienna, will increase only slightly to EUR 7.35/sq m/month in 2026. There is currently too much supply of speculatively built space available on the market to allow for larger jumps. If leasing activity picks up again, larger potential increases can be expected in the medium term. Premiums are currently being seen primarily for inner-city commercial and logistics spaces.
- **Larger deals in the pipeline:** The investment volume in the logistics asset class in Austria reached EUR 375 m by the end of 2025 – an increase of approximately 25 % compared to the previous year. The majority of this volume was transacted in the Vienna market. In 2026, a stable transaction volume is expected due to several larger deals currently in the pipeline. A key factor in these transactions is a project's occupancy rate being as close as possible to 100 %.



05

Office



Strong office leasing activity, driven by major deals

The Vienna office market maintained its above-average momentum at the end of 2025. The registered letting performance of 59,500 sq m represents the strongest fourth quarter since 2021. Mainly due to the very strong third quarter, the letting performance for the full year 2025 thus amounts to 227,300 sq m, which is 40 % higher than in the previous year and represents the best annual result since 2019.

The Vienna office market was extremely active in 2025, with several large deals accounting for much of this activity. A total of six new leases exceeding 5,000 sq m were registered, three of which even exceeded the 10,000 sq m threshold.

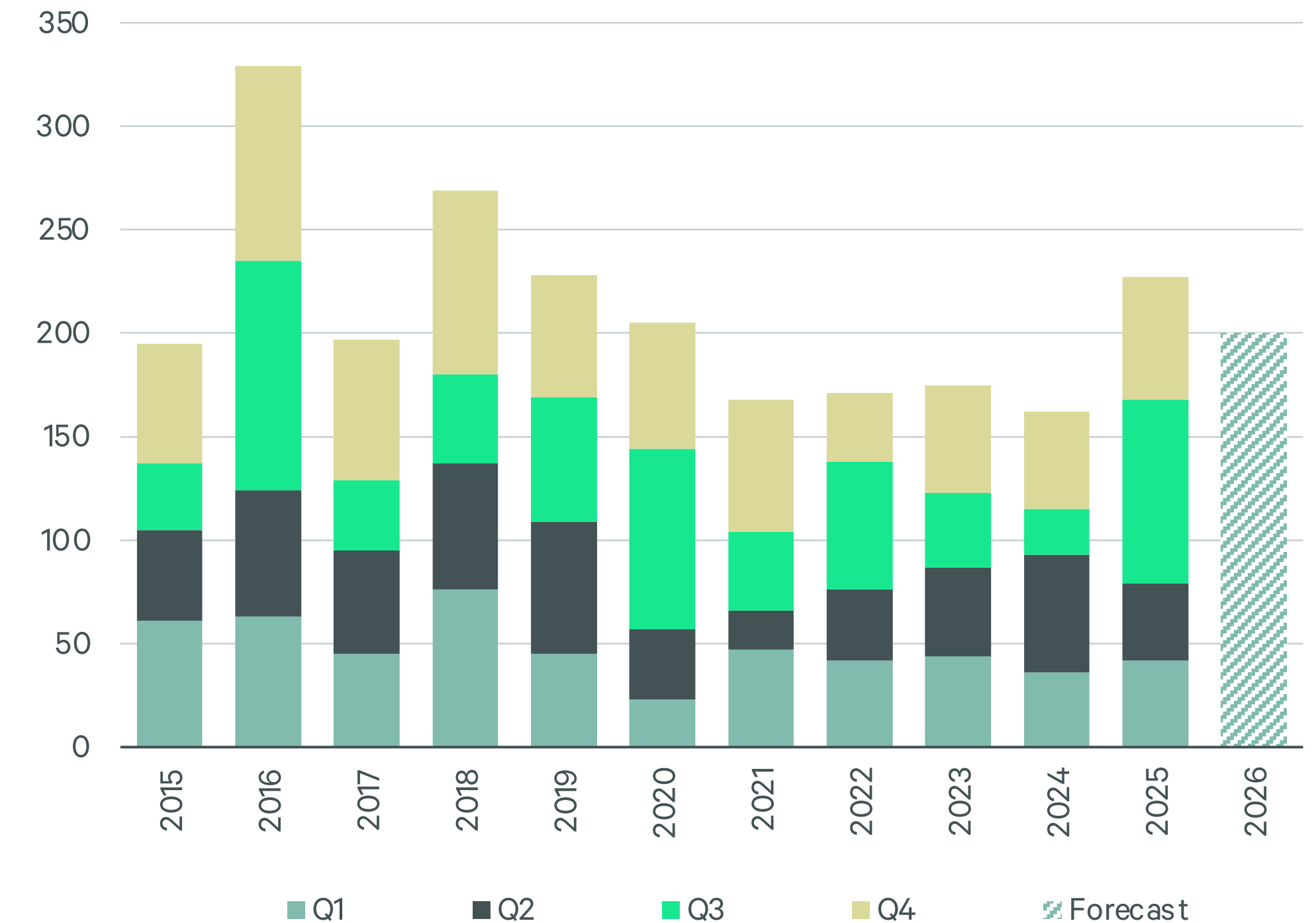
However, office rents are not developing evenly. While Vienna's prime rent remained stable at EUR 28.50/sq m/month at the end of the year, an increase of 2 % on the previous year, rent growth in prime locations such as the main station quarter was significantly higher. At the end of the year, the prime rent here was EUR 26.00/sq m/month, an increase of 11 % over the previous year. In average office locations, the prime rent also remained constant at EUR 18.75/sq m/month. The average rent rose by 3 % over the previous year to EUR 17.20/sq m/month.

The completion pipeline experienced a minor boom in 2025 with around 120,000 sq m of new or completely renovated office space. However, pre-letting rates are below the long-term average, meaning that some space is still available. Speculative construction activity has therefore been severely curtailed, which is another reason why completion output is falling sharply again. A further 76,400 sq m is expected in 2026.

The vacancy rate rose mainly due to new construction projects that have not yet been occupied, reaching 3.9 % at the end of the year. However, it remains one of the lowest vacancy rates in Europe. The vacancy rate for modern Class A+B stock also rose and now stands at 4.6 %.

In terms of sectors, the public sector remains the strongest source of demand at 32 %. Service companies follow in second place with 21 % and are significantly more cautious. The same applies to the IT sector, which has shrunk to a 7 % market share. Ahead of this, in third place with 11 %, are manufacturing and industrial companies. The financial sector also performed significantly better than in the previous year, with a share of 6 %.

Figure 5: Take-up Vienna (,000 sq m)



Source: CBRE Research

05

Office

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Prime rents continue to rise, particularly in top office locations such as Vienna Main Station Quarter.

Patrick Schild

Senior Director

Head of Leasing, Workplace & Design



05

Office

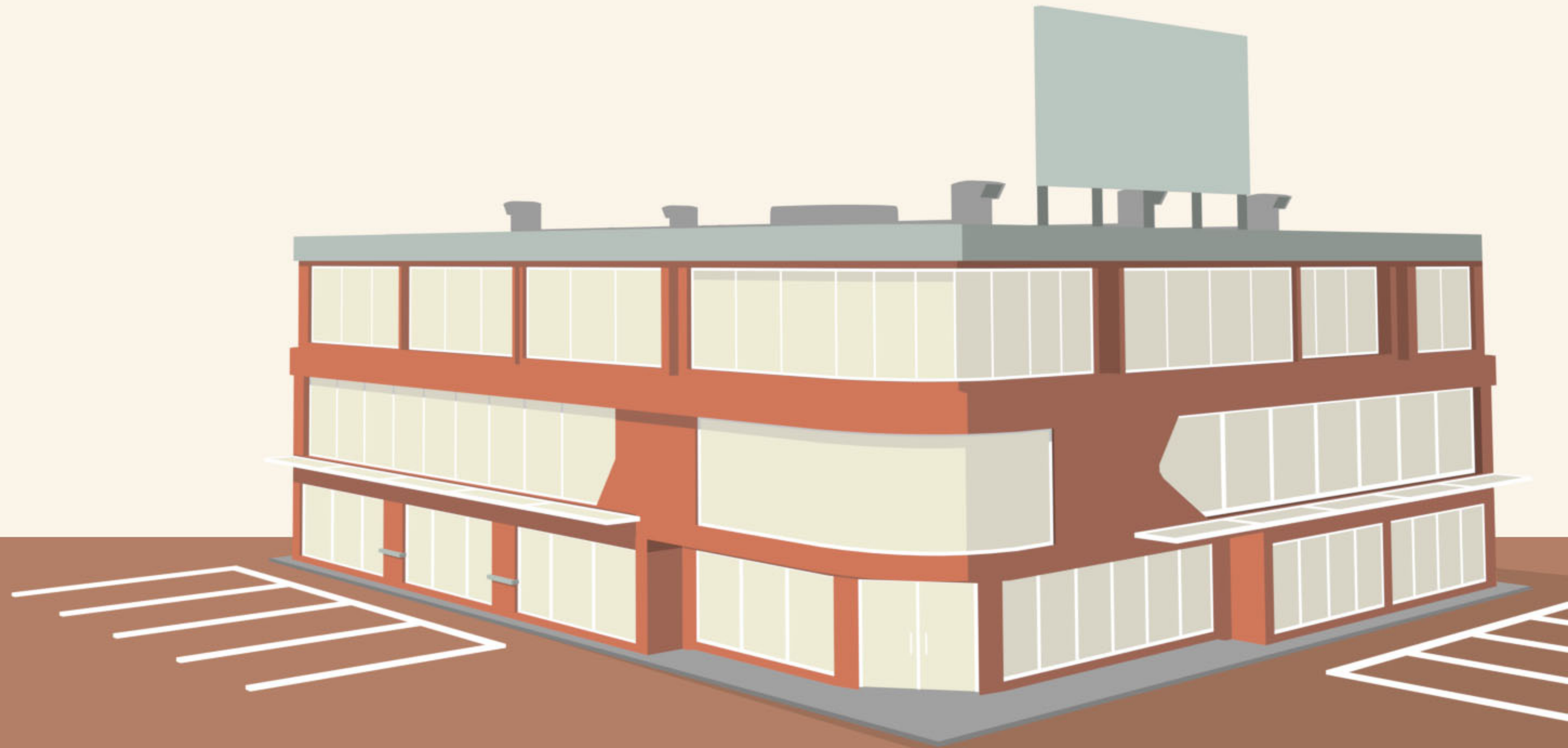
Trends to Watch

- **Rental market is more dynamic, but not without challenges:** Although the large-scale leases recorded in 2025 should not obscure the fact that the economic environment remains challenging for many companies, the leasing of office space continues to be scrutinised very closely, and many processes are still protracted. The Vienna leasing market demonstrated last year that demand for office space remains high. For 2026, we therefore expect take-up of 200,000 sq m, which is above the five-year average of 176,000 sq m.
- **Prime rents continue to rise:** Despite the current economic situation, high-quality ESG-compliant new buildings and completely renovated spaces with good transport links are very popular with tenants, which is why prime rents continue to rise.
- **Vacancy rates rise moderately, completions decline:** Vacancy rates will continue to rise moderately, mainly due to new construction projects that have not yet been occupied but should have almost reached their peak. Project developers are taking countermeasures, and speculative construction starts without prior letting have become rare. Accordingly, completion rates will decline significantly again in 2026.
- **Space efficiency and “back to office” are at the forefront:** Modern working environments should attract desired skilled workers to companies, but at the same time be well occupied. Accordingly, many companies are increasingly relying on “back to office” guidelines to ensure consistently high office usage throughout the week.
- **Conversion and repurposing continue to rise:** Demand for office space with basic fittings in decentralised locations is significantly limited. Renovating office space is often not economically viable, which is why office space is increasingly being converted into residential and hotel use, particularly in the Vienna market.



06

Retail



New brands expand despite sluggish sales growth

Retail sales growth stood at 1.3 % (real) in 2025. Although the inflation rate of 3.6 % for 2025 is still well above the ECB's 2 % target, a gradual decline is expected for 2026. Price increases have mainly been driven by the energy and gastronomy sectors, which have become almost 80 % and around 50 % more expensive since 2015. By contrast, the development in the clothing segment was much more moderate, with prices rising by only around 10 % over the same period. The persistently high price increases and the high savings rate are noticeably slowing down private consumption. These factors are also dampening sales growth, meaning that only a small increase of 0.7 % (real) is expected for 2026.

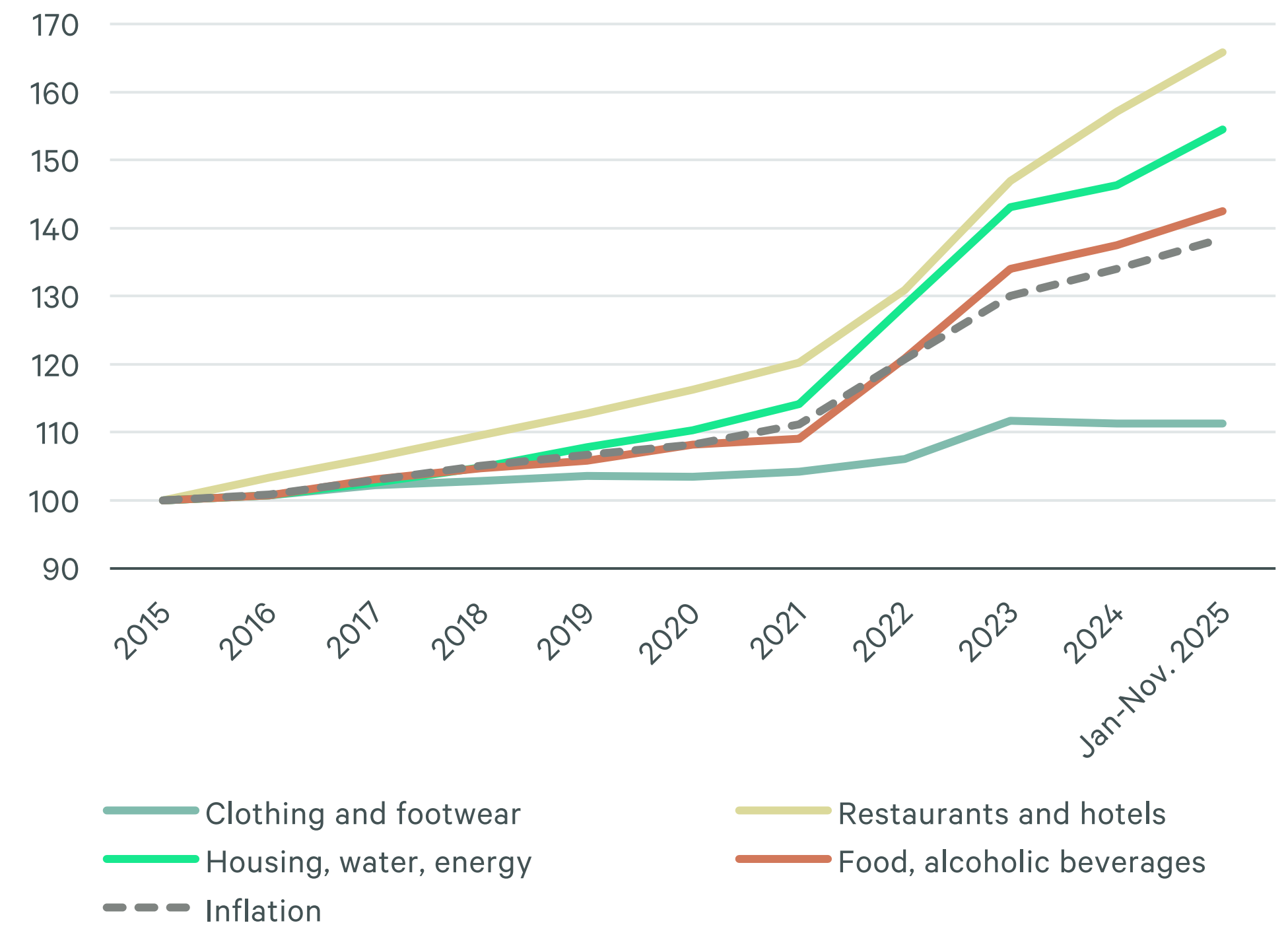
Regardless, major high streets are developing at a steady pace. Loewe and Celine have opened stores in Vienna's city centre, while Arket and Woolworth have opened on Mariahilfer Strasse. In Graz, the arrival of the department store Manufactum and Thalia is providing positive impulses. In Dornbirn, Messepark is being rebuilt and Spar is being expanded, which involves construction work and is therefore increasing demand in the city centre. Shopping centres with a high entertainment component continue to perform very well, and retail parks are also considered a safe option.

Several new entrants are planned for 2026: In the luxury segment, the Australian fashion label Zimmermann will open in the Golden Quarter. The Canadian outdoor clothing brand Arc'teryx and On Running will also open stores in Vienna's city centre. CBRE has also secured a location in the Multiplex for Virgin Active, a South African fitness centre chain, to open its first site in Austria. Non-food discounters also remain active, with Action, Woolworth and Normal AS from Denmark continuing their expansion in Austria.

A number of major refurbishment projects are in the pipeline, such as the modernisation of the Kärntner-ringhof, the former Lamarr and the Palais Corso in Vienna. In addition, numerous conversions of former kika/Leiner locations are planned in the coming years, which will bring additional dynamism to the market.

The retail investment market developed positively in 2025. While there was hardly any supply in 2024, several large transactions such as the Kaufhaus Tyrol were recorded. For 2026, several larger retail transactions are already on the market or in preparation.

Figure 6: Indices for selected main groups in retail (2015=100)



Source: Statistik Austria

06

Retail

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Numerous concepts are expanding despite consumer reluctance in the market. Relevant city centre locations and retail parks are considered safe options.

Walter Wölfler

Senior Director
Head of Retail Leasing



06

Retail

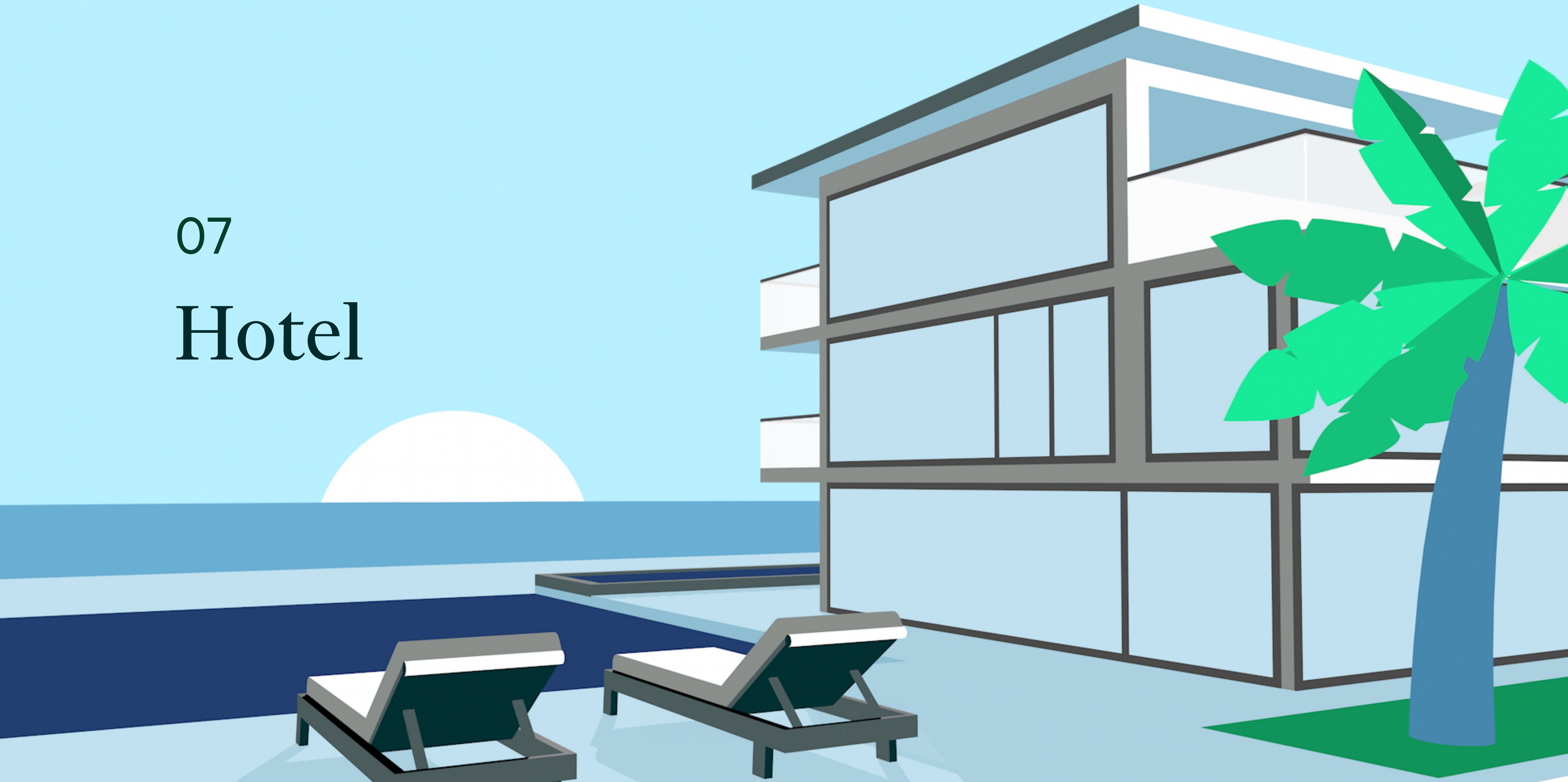
Trends to Watch

- **Entertainment and health services complement the tenant mix:** Shopping centres are increasingly focusing on entertainment and gastronomy offerings in order to increase footfall, length of stay, visitor loyalty and visitor numbers. Social compete concepts, such as DSTRCT in SCS, create additional appeal. Health and wellness providers and fitness centres are also increasingly being integrated, which is seen as an opportunity to fill vacant space.
- **F&B in Shops:** Catering offerings are increasingly being integrated directly into retail spaces, as Arket has already implemented with its café and Coffee Fellows in Thalia, for example.
- **Chinese providers remain popular, but an import tax is set to regulate:** Online platforms such as SHEIN and Temu continue to gain ground. With the expected abolition of the EUR 150 duty-free limit, the EU is taking measures to regulate imports from third countries. Brands such as Yoyosu, Uouorose and BYD are appearing in stationary retail. In addition, M&A activities are driving expansion, as demonstrated by JD.com's purchase of Media Markt.
- **Discounters are pushing into prime locations:** Discount concepts such as Woolworth on Mariahilfer Strasse and in the SCS shopping centre are establishing themselves more and more in prime locations. Key money also remains a factor in absolute prime locations given the limited space available.
- **Structural adjustments in the retail sector continue:** Current examples include the takeover of several Unimarkt branches by Rewe and Spar, the purchase of Leder & Schuh by MASS Schuhe and the acquisition of NKD by the South African Mr. Price Group. Insolvencies will remain high.



07

Hotel



Vienna's hotel market thrives with record overnight stays

The number of overnight stays keeps rising and can absorb the growing supply of rooms.

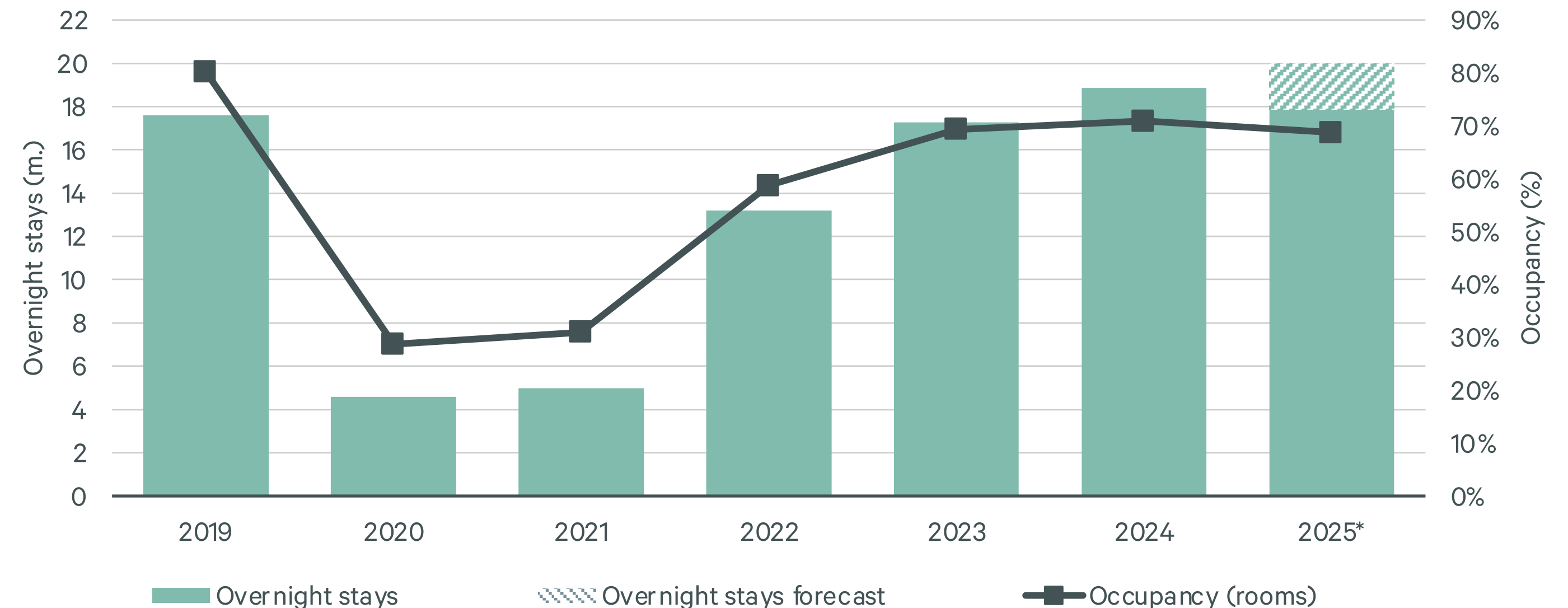
Vienna is set to break another record for overnight stays in 2025. By November, the capital had recorded 17.9 m overnight stays, once again exceeding the comparable period of the previous record year 2024 by 5.9 %. The positive demand trend is expected to continue in the coming years.

The number of overnight stays continues to exceed the simultaneous growth in room supply. Average occupancy in 2025 has been 69 % so far, with an increase expected by the end of the year, as December tends to be not only the month with the highest number of overnight stays but also the month with the highest occupancy. This means that last year's occupancy rate is likely to be exceeded.

From January to October 2025, the average RevPAR was EUR 81, while the average daily rate (ADR) was EUR 117. With the inclusion of the values for November and December, a significant increase in these key figures is to be expected. Overall, however, both indicators have stabilised and show a constant development compared to the previous year. This shows that hotel operators are under considerable economic pressure despite good occupancy rates due to increased personnel and operating costs.

Nevertheless, the hotel supply in Vienna will continue to grow. Around 1,500 new hotel rooms will be completed by the end of 2027. In 2026, for example, the Hotel Schani am Naschmarkt and The Companion Hotel near Westbahnhof will open.

Figure 7: Overnight stays and occupancy rates in Vienna



*Overnight stays and occupancy Jan–Nov
Source: CBRE Research, Wien Tourismus

07

Hotel

Trends to Watch

- **Further increase in overnight stays:** The trend towards new overnight stay records will continue without interruption. Another important factor will be the Eurovision Song Contest (ESC) 2026 in Vienna, which is expected to generate tens of thousands of additional overnight stays. In addition, the city remains one of Europe's leading convention and congress cities.
- **Modernisation of existing properties:** Instead of new construction projects, the focus is shifting increasingly to the optimisation of existing hotel properties. Value-add measures such as conversion, modernisation and refurbishment aim to increase the value of existing hotel properties in the long term and ensure their competitiveness.
- **Conversions of office space:** Repurposing and conversions become the focus of project developers and owners. Office space that is no longer marketable in particular is increasingly being considered for conversion into hotels or serviced apartments.
- **Serviced apartments are now in direct competition with hotels:** Originally designed for long-term stays, they are now mainly used for short-term stays and have taken on the character of hotels. With low personnel costs and space-saving designs, they are not only easier to operate but also more financially attractive than traditional hotel concepts.
- **Investment activity remains dynamic:** Around 15 % of the total Austrian transaction volume in 2025 was accounted for by hotel investments, corresponding to over EUR 597 m and representing an increase of almost 70 % compared to 2024. Viennese hotels in prime locations are highly sought after by institutional investors, hotel operators with a property strategy and private investors. Owing to the favourable market environment, these increasingly include investors who previously invested predominantly in other asset classes.



08

Data Centre



Vienna is developing into one of the hotspots for data centres in CEE

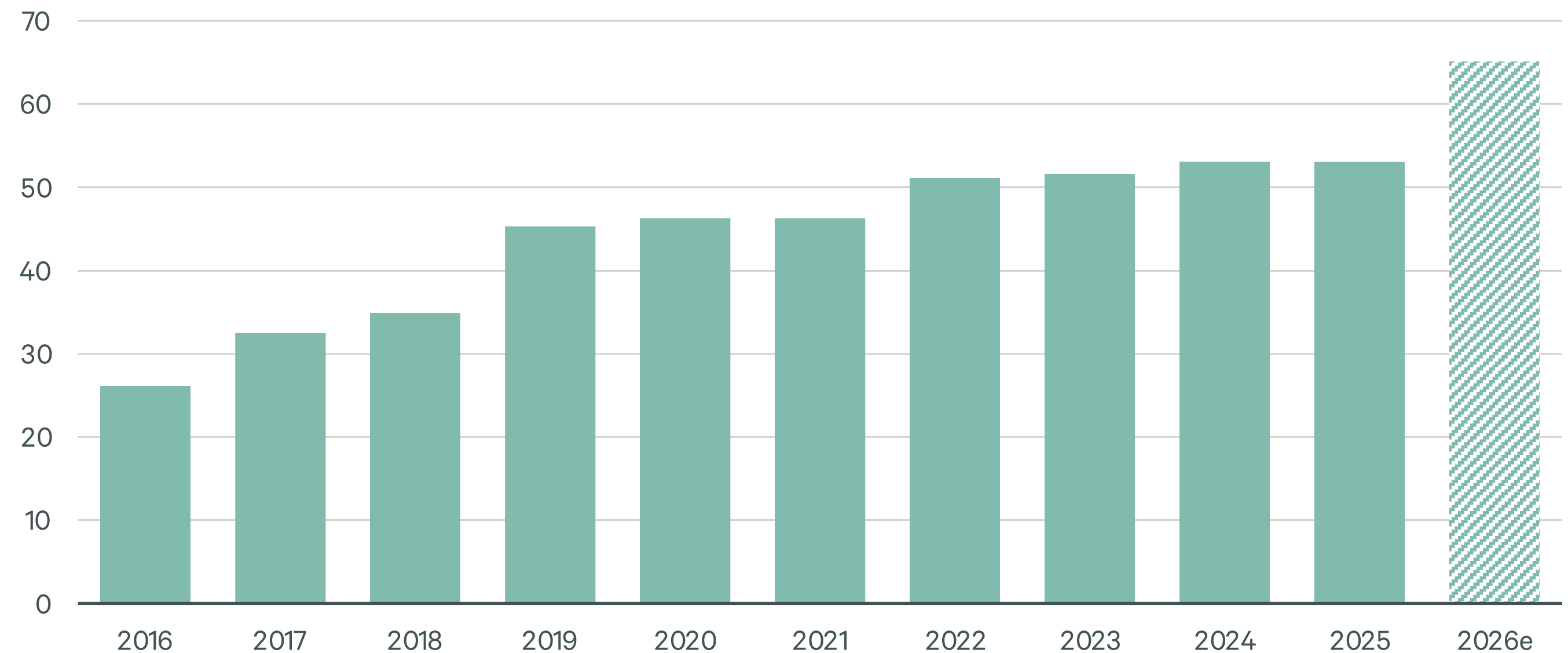
The required computing power and data volume are increasing significantly, particularly due to AI applications. Austria has one of the highest per capita mobile data consumption rates in the EU. Overall, data consumption is well above the OECD average and has grown by 27 % since 2022. This increase is also reflected in the demand for data centres and their infrastructure.

Although Vienna is one of the smaller Tier-II-markets in Europe, it has gained in importance in recent years. The currently installed data centre capacity is around 53 MW (2025), which is more than double the figure for 2016 (+103 %). A further increase to around 65 MW is expected by the end of 2026, representing further growth of +23 % compared to 2024.

The Vienna market is currently dominated by the two largest data centre operators, NTT and Digital Realty. Preferred locations are commercial areas in both the north (21st district) and south (23rd district). Microsoft commissioned three locations with an investment volume of EUR 1 bn in the second half of 2025. There are also several larger owner-occupiers who play an important role in regional demand, as well as smaller retail colocation data centres.

Vienna has applied for the EU’s “AI Gigafactories” strategy, which is set to provide EUR 20 bn in funding for five locations. In addition, “AI Factory Austria” will launch in 2026 as a new AI hub in collaboration with the Vienna University of Technology and the AIT, with planned investments of EUR 50 m until 2027.

Figure 8: Installed capacity in Vienna (in MW)



Source: CBRE Research

08

Data Centre

” By 2030, the energy consumption of data centres in Austria could increase three to fivefold.

Marc Steinke
Associate Director
Head of Research



08

Data Centre

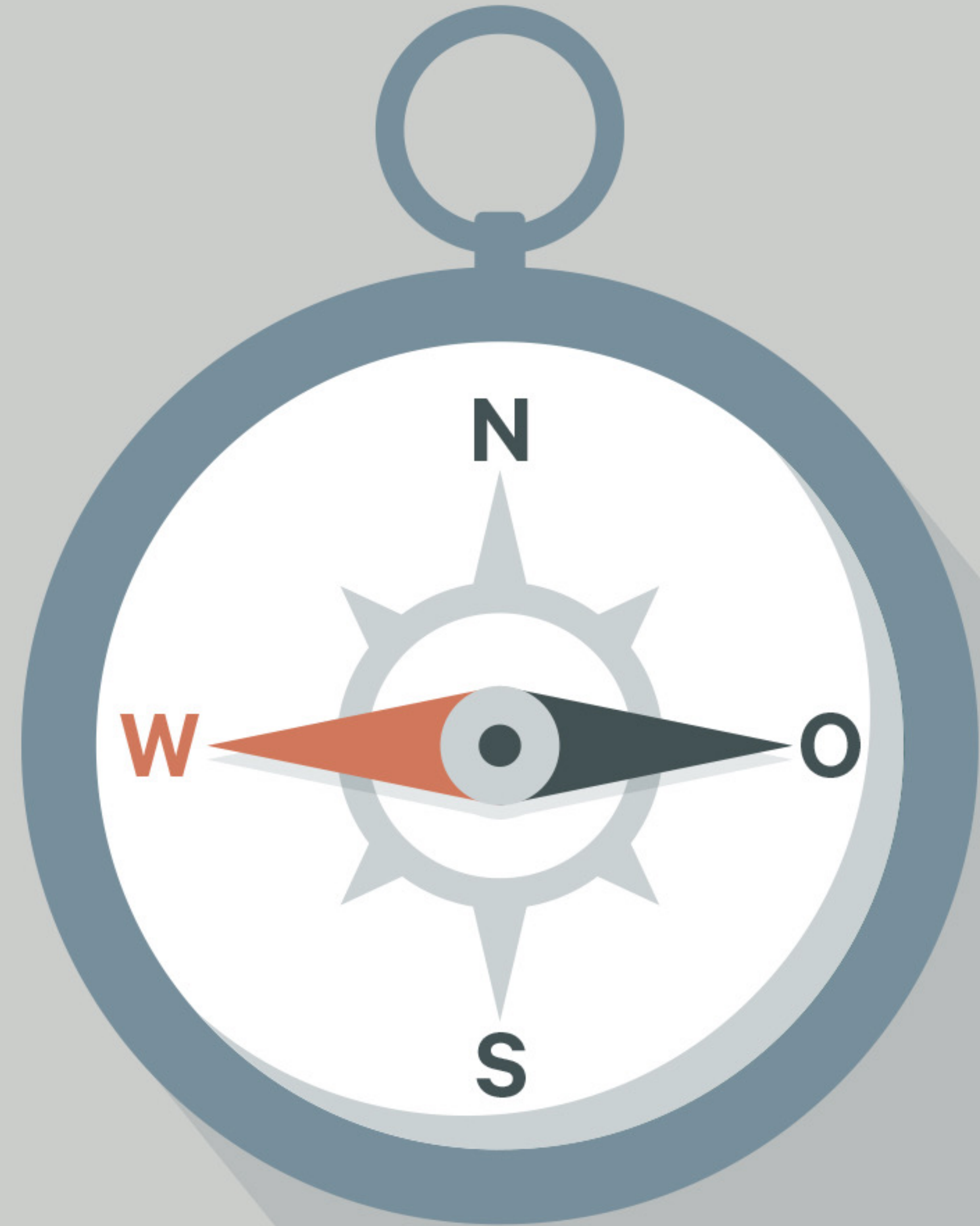
Trends to Watch

- **Rising involvement of international hyperscalers:** Microsoft opened three new locations in the second half of 2025, investing around EUR 1 bn in Austria, while Google is currently planning a data centre near Linz, which is scheduled to open in 2028.
- **Vacancy rate remains low:** Currently, the Vienna market has only minimal free capacity, and the available server space is mostly designed for smaller customers. However, from 2026 onwards, more capacity should become available with the opening of the first Microsoft location and a further one from Atlas.
- **Land scarcity meets high property prices:** Demand for data centre space is rising steadily, while suitable locations in central areas are scarce and expensive. Available land is mostly located in peripheral areas such as commercial or industrial zones.
- **Energy efficiency through AI and cooling technologies:** More and more operators are relying on artificial intelligence to control energy consumption and innovative cooling methods such as water cooling, which can enable energy savings of up to 40 %.
- **Waste heat utilisation and integration into district heating networks:** Supplying waste heat to the municipal district heating network is of central importance. Therefore, when selecting a location, specific attention should be paid to possible synergies. For example, a large provider in Vienna sells the waste heat from a data centre to Wien Energie for heating Klinik Floridsdorf.
- **Electricity remains scarce and a basic requirement:** Available electricity capacities are the most important criterion for the location of data centres. Close coordination with local electricity providers is necessary, and the required capacities must be declared well in advance.



09

Region West



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Region West

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In 2026, Salzburg and Linz demonstrate how strongly large-scale projects shape regional markets: while new central buildings are restructuring the office markets and vacant space is likely to be absorbed quickly, stable residential construction pipelines ensure a constant supply.

Christoph Oßberger

Director | Lead Region West
Advisory Services



09

Region West

A city in transition: new impulses for Salzburg

In Salzburg, the office market will undergo significant restructuring in 2026. With the completion of the approximately 50,000 sq m “Landesdienstleistungszentrum” on Fanny-von-Lenhardt-Strasse, several public institutions will be brought together in one central location. This concentration will result in more office space becoming available in various properties throughout the city, gradually returning to the market.

As no further office projects have been announced until 2027, it can be assumed that a large proportion of this space will be absorbed relatively quickly.

In residential housing, on the other hand, after slightly below-average completion rates in 2025, a significantly stronger pipeline is expected to return. In addition to two large-scale projects by a non-profit building association, which are scheduled for completion in 2026, plans are currently underway for the Kugelhofgründe site near the airport, which will be developed in the coming years. Under these conditions, stable and healthy growth is expected to continue in the cultural city of Salzburg.



Linz between growth and stabilisation

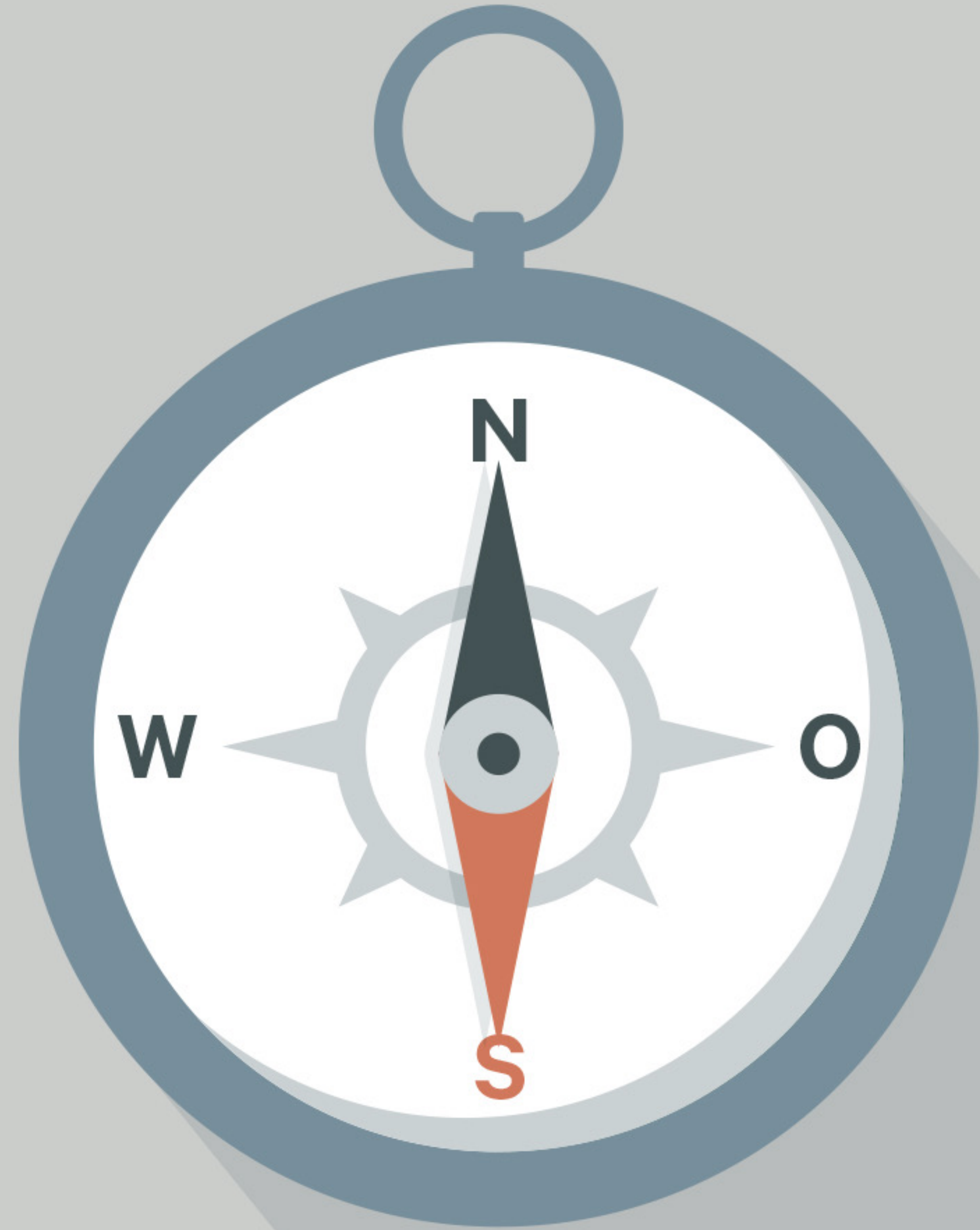
The office market in Linz has become even more attractive in 2025 with a new record high in completed office space. Particularly noteworthy is the Quadrill project on the site of the former tobacco factory on the Donaulände, which is setting new standards with its mixed-use neighbourhood development and modern office space. As no further new office space will come onto the market for rent until 2028, rapid absorption of the available supply is expected in 2026.

In the residential segment, however, the conditions are somewhat different. As in the previous year, a high volume of completions is expected in 2026. While 2025 was dominated by the High Five residential tower on Bulgariplatz, the focus in 2026 will be on the 175 apartments in the Quadrill district. Thanks to this stable pipeline, unlike other major Austrian cities, no shortage of supply is expected in Linz for the time being.



10

Region South



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Region South

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Attractive new developments
will set new impulses to the
Graz market in 2026.

Sigrid Filzmoser
Director | Lead Region South
Advisory Services



10

Region South

Dynamic project pipeline shapes the Graz real estate market

In Austria's second-largest city, Conrad-von-Hötendorf-Strasse is increasingly becoming a prominent hotspot for offices and residential properties in the Graz urban area. After the Graz office market recorded below-average completion rates last year, more modern, high-quality office space will come onto the market from 2026 onwards, giving the location a noticeable boost.

In addition to the Messequadrant, whose completion has been postponed to this year due to delays, the Caro project is expected to be completed the following year. Located directly next to the Merkur Arena, the building will become a new architectural eye-catcher and a further catalyst for Conrad-von-Hötendorf-Strasse. Another project will also make an architectural statement: the Level KS1 Tower on Kärntner Strasse, west of the Mur River, will become an additional eye-catcher for future office and residential tenants after its planned completion in mid-2026.

Despite the significant drop in completion volume last year, the Graz housing market remains largely unaffected. Thanks to a stable development pipeline in previous years and continued solid construction activity in 2026, no housing shortage is expected in the near future, unlike in several other major Austrian cities.



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