

Boom in Viennese residential property market

- **Top locations fetch new high prices**
- **Huge appeal of the Austrian capital**

Vienna, 22 September 2011 The Viennese residential property market is experiencing increased demand, particularly in the more desirable city districts. There has been a sharp rise in both rental and purchase prices. This is the conclusion drawn by Engel & Völkers AG. The company has two shops in Vienna, based in the 1st and 19th districts. "For many years Vienna has been seen as a stable property market but we are currently experiencing a genuine boom", says Helfried Mück, Managing Partner of Engel & Völkers Vienna Northwest. In Vienna's prestigious 1st district alone both rental and purchase prices have increased by around 15 percent in 2011 compared to the previous year. Similar increases have been recorded in the "green areas" to the west of the city centre on the edge of the Vienna woods.

The Austrian capital has been profiting for some considerable time from its role as a hub between Central and Southeast Europe. Various international organisations are based in Vienna and it is also one of the most cultural capital cities in the world, boasting a wealth of theatres, museums and palaces. "Over the past few years Vienna has repeatedly been singled out as the city offering the best quality of life," claims Mück, "but the upward trend has only recently become visible as a result of the growing demand for property, which has come up against a noticeable lack of available properties and new building developments." Vienna keeps attracting more and more people from all around the world, including older people who are giving up their houses in the outlying districts to spend their remaining years in a more central location.

This has pushed property prices in the Austrian capital up to a new high. In the extremely desirable inner city area prices are now as high as 17,000 euros per square metre. The most expensive streets lie in the so-called "Golden U", consisting of the Kohlmarkt, the Kärntner Straße and der Graben. Beautifully renovated old buildings, attics and penthouse apartments with large terraces fetch the highest prices. "In Vienna, the most expensive view is the one out over the rooftops of the city centre", says Natascha Georgantas, Partner at Engel & Völkers Vienna Centre, "unlike most other cities, where waterside locations are considered the best". Even ordinary properties in the 1st district are going for up to 9,000 euros per square metre. "That is three times as much as the price per square metre for a new build in an average location, although even prices for these have to a certain extent gone through the roof at 3,000 euros per square metre," continues Georgantas.

Less sharp but equally noticeable is the price rise in the 19th district, adjacent to the foothills of the Vienna Woods in the north-west of the city. In Döbling, which forms the bulk of the 19th district with its incorporated suburbs such as Grinzing, the top properties fetch around 7,500 euros per square metre.

However, this represents a year-on-year rise of "only" around three percent. Buyers are looking for well-kept detached homes with pretty gardens and - since the area often enjoys warm summer weather – swimming pools. Building plots are equally sought-after, but here there is so little choice that the prices often exceed 2,000 euros per square metre.

In the next best locations in Vienna the prices are not increasing quite as markedly as in the premium districts. These include the 3rd district, which borders the city centre and is an urban area noted above all for the famous Schloss Belvedere, and the 13th district, which is home to the extensive Schloss Schönbrunn. In both districts prices have risen by three or four percent compared to the previous year, reaching a top value of up to 6,000 euros per square metre.

"The way we see it we are standing at the beginning of a long-lasting trend and we are convinced that these price rises will certainly continue," explains Mück. In actual fact, the top prices in Vienna are still low in comparison with other world cities such as New York, London or Paris, where prices of between 20,000 and 75,000 euros per square metre have been recorded.

Caption:

1. Vienna has been repeatedly honored as the city with the best quality of life
Source: Pixelio
2. Booming Vienna: Engel & Völkers sells this Penthouse with about 230 qm for 1.795.000 EUR in the second district.
Source: Engel & Völkers

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