

Insights



Vienna



Frank Gerhard Schmidt

Philipp Schmitz-Morkramer

5 questions

... to Frank Gerhard Schmidt und Philipp Schmitz-Morkramer,
founders and board members of Quantum.

1. What was the first impression of Vienna?

The city welcomes you generously: broad boulevards, splendid architecture, and a level of cleanliness and calm that's rare for a major metropolis.

2. And the second?

A look behind the imperial façade shows that Vienna is also vibrant, creative, and modern.

3. Why is Vienna interesting for investments?

Stability, safety, exceptional quality of life, and strong access to talent and markets.

4. Which place sticks with you?

The Belvedere Palace with sweeping views over the city – or the Danube Canal promenade, lined with street art and bars, for that contemporary Vienna vibe.

5. What is the best Austrian cuisine?

Apple strudel paired with a Wiener Melange – or a glass of Grüner Veltliner.

About Quantum

Since its foundation in 1999, the independent Quantum Immobilien AG has stood for future-oriented project development, attractive institutional investment products and holistic management of real estate investments. European metropolitan regions are the focal point of its activities.

The development business realises its own projects as well as joint venture or service developments. The main focus is on the office, retail and residential asset classes. In addition to new developments, special attention is paid to inner-city redevelopments. To date, real estate projects with a total value of approx. € 6.0 billion have been completed.

In the fund sector, Quantum offers customized solutions for institutional investors, such as specialized real estate funds or alternative investment products, via its own capital management company. Assets under management come to a total of approximately € 12.3 billion.

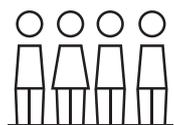
Vienna shows...

59.500 €

NOMINAL GROSS DOMESTIC PRODUCT (GDP)
PER CAPITA (2023)

+2,5%

NOMINAL GDP-GROWTH (2022-2023)



2.0 Mio.

INHABITANTS

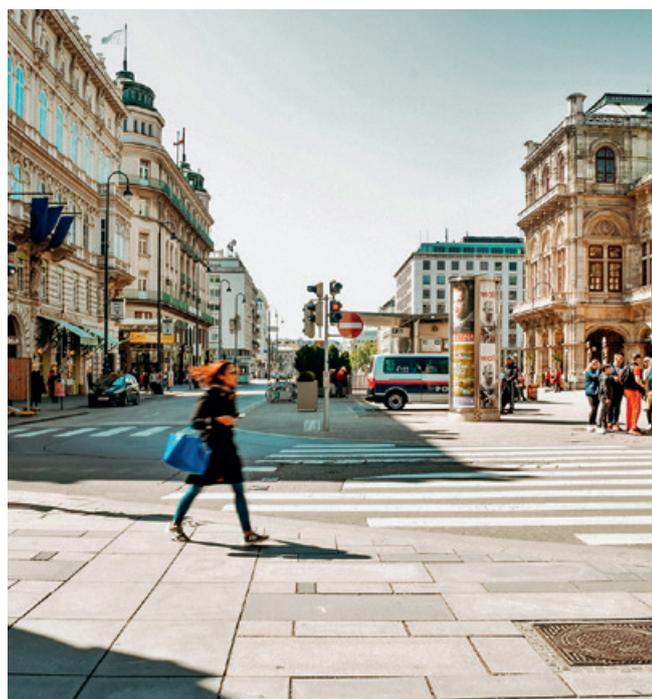
roughly the same as Hamburg (1.9 million)



415 km²

AREA

roughly half the size of Hamburg (755 km²)



+6%

POPULATION DEVELOPMENT 20219-2024

+11%

POPULATION FORECAST UNTIL 2050

... the way forward.

+27%

GROWTH IN VIENNA'S START-UP SCENE
IN 2024

Top 3

OF THE FASTEST-GROWING IT LOCATIONS
IN EUROPE

Europe's mobility hub



max. 7 hrs

Almost all major cities in Central and Eastern Europe can be reached in less than 7 hours by car.

2. place

in the European public transport ranking

Data: The Economist 2025, Mercer 2025, Time out Magazine 2025, ÖBB 2024

I. VIENNA [IS] A GLOBALLY COMPETITIVE CITY

Some European cities are positioning themselves more successfully in the global market than others. They demonstrate exceptional adaptability, which allows them to benefit from sustainable growth.

What is on Vienna's agenda for the future?

How does the Austrian capital manage to successfully gain investment, attract human capital and offer a high quality of life?



GEOGRAPHY OF CREATIVITY RANKING

SOURCE: FLORIDA ET AL 2023

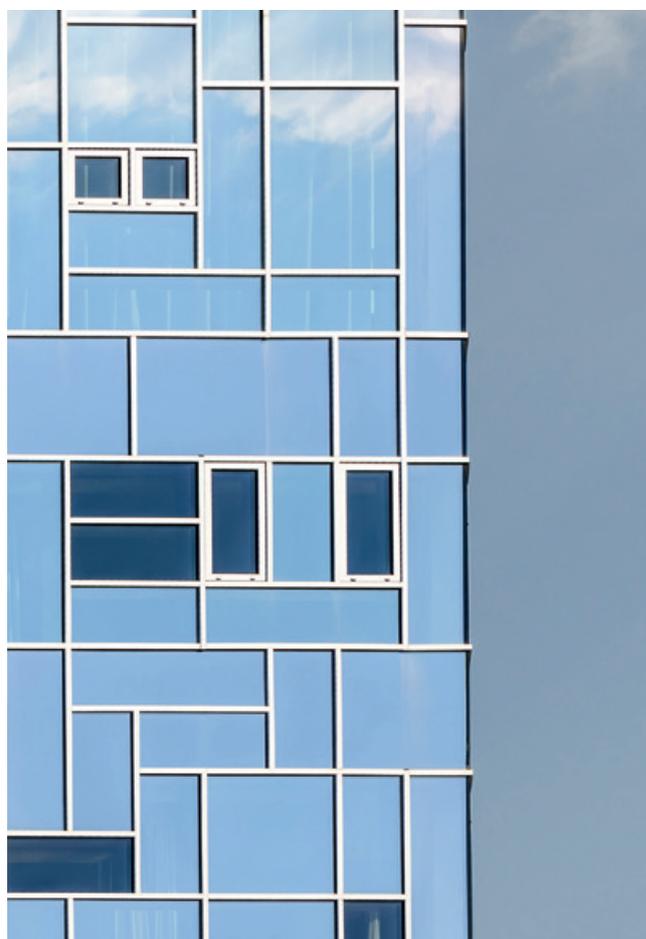
Global Ranking	European Top 15
1	London
5	Copenhagen
7	Vienna
8	Amsterdam
9	Warsaw
12	Stockholm
13	Madrid
14	Munich
15	Zurich
16	Oslo
19	Hamburg
25	Düsseldorf
30	Berlin
31	Dublin
32	Frankfurt

What it comes down to: technology, talents and tolerance

According to US economist Richard Florida, three factors determine the success of cities and metropolitan regions: technology, talents and tolerance. Only when these three Ts coincide in a favourable ratio can economic growth be expected. Each of the three Ts is significant, but none is sufficient on its own. The property sector makes a major contribution by providing the necessary premises and spaces and likewise benefits from the success of European metropolitan areas.

„Geography of Creativity“ Ranking

Richard Florida compiled a ranking of the major cities that meet the requirements of the three Ts concept and are thereby among the regions with the best development prospects. In this global ranking, Vienna ranks seventh overall – and among European cities, it places in the top three.



II. TECHNOLOGY

„A high technology base is both a necessary condition for and a result of a region having a strong creative economy.“

RICHARD FLORIDA



Technology

New and innovative technologies are crucial for regional growth in a knowledge-based world. The introduction of AI and other automated technologies is creating new opportunities for economic development. In recent years, Vienna has grown into a rising European hub for technology and innovation.

PROPORTION R&D EXPENDITURE IN REGIONAL GDP
DATA BELOW: EUROSTAT 2023; WIEN.GV 2024

4.1%

Vienna (2022)

2.2%

Average NUTS2
regions Europe (2022)

Europe is undergoing a spatial polarization in technology-driven innovation, with only a handful of regions clearly pulling ahead. In recent years, Vienna has progressed from a primarily cultural and administrative capital to one of Europe's most dynamic hubs for innovation and technology. The capital generates around 25 percent of Austria's gross domestic product and is recording robust growth, particularly in knowledge-intensive sectors such as life sciences, the creative industries, and information and communication technologies. Productivity stands 38% above the EU average, making Vienna especially attractive to international businesses. This advantage is reinforced by the city's strategic location at the heart of Europe and a clear policy focus on future technologies. With the Digital

Agenda Vienna 2030, the city administration has presented a long-term roadmap that puts technological innovation, sustainable digitalization, and the safeguarding of international competitiveness at the centre. A central focus is the consistent expansion of digital infrastructure. Investments in high-performance fibre-optic networks and the construction of energy-efficient, green data centres are intended to further cement Vienna's leading role in sustainable digitalization. Whereas established hubs like Frankfurt, London, and Paris have yet to fully switch to renewables, many leading operators in Vienna – among them A1 Telekom Austria, Interxion/IPAX, Nessus, and Digital Realty – already run their data centres on 100% green power, predominantly from Austrian hydropower.



Vienna's Future Agenda – Technology

The “VIENNA 2030 – Economy & Innovation” strategy is an initiative launched by the City of Vienna in 2019 to promote the city’s economic and ecological development. It focuses on boosting international competitiveness, securing and creating jobs, and channelling investment into future technologies to enhance the city’s digital and green infrastructure. The objective is clear: position Vienna among Europe’s leading metropolises. A particular focus is on balancing economic growth with a high quality of life. Core priorities include climate neutrality, a circular economy, and affordable housing – alongside digitalization, smart-city technologies, and modern urban mobility. Vienna is actively attracting international talent, investing in R&D, and scaling sustainable infrastructure. With this focus, the EU-funded project BRISE-Vienna was developed, which accelerates construction procedures and makes them more transparent through digital 3D models and automated checks of building regulations.

In addition, Vienna has emerged in recent years as a key hub for the life sciences. Today, the Vienna Bio-Center ranks among Europe’s leading research clusters, drawing top scientists and innovative companies from across the globe.

The IT sector underscores the dynamism of Vienna’s technology landscape. With an average annual growth rate of around 12 percent, it now contributes roughly 10 percent to the city’s total economic output. As a result, Vienna ranks among Europe’s three most dynamic IT hubs – just behind London and Munich. This progress is due not least to a vibrant start-up culture: in the past year alone, Vienna’s start-up ecosystem expanded by roughly 27 percent. Particularly striking is its high degree of internationalization. Around 18 percent of founders come from abroad, and about two-thirds of Vienna’s start-ups develop products or services with social or environmental added value.

10%

IT sector’s share of total economic output

+12%

average annual growth rate of Vienna’s IT sector

Vienna office market

Vienna is Austria's undisputed economic hub, hosting nearly half of all international companies in the country – and the trend is rising. As the federal capital and home to the UN, OSCE, and IAEA, the city also enjoys sustained office demand from the public sector. The Vienna office market shows a very low vacancy rate of currently around 3.6 percent in a European comparison. The recent slight increase is primarily due to the extensive project pipeline that was initiated in recent years by strong demand for modern, ESG-compliant office space. However, a decline in construction activity is expected soon: For 2027, forecasts point to 51,000 m² of new or refurbished office space – roughly half of the pre-pandemic volume. Reflecting robust demand, rents are trending upward as well, rising by about 3.3% on average year over year.

This highlights Vienna's multipolar office landscape, with decentralized hubs like Donau City and the eastern and northern submarkets continuing to see growing demand.

The outlook for the coming years suggests that the current market situation is unlikely to change fundamentally. Geopolitical tensions and relatively high interest rates are pushing up development costs and may further curtail new-build activity. The shortage of modern, ESG-compliant properties is likely to be particularly noticeable in prime locations, as these are in high demand among international companies – not least due to the trend toward office space with open collaboration zones combined with focused retreat areas.



„Access to talented and creative people is to modern business what access to coal and iron ore was to steel-making.“

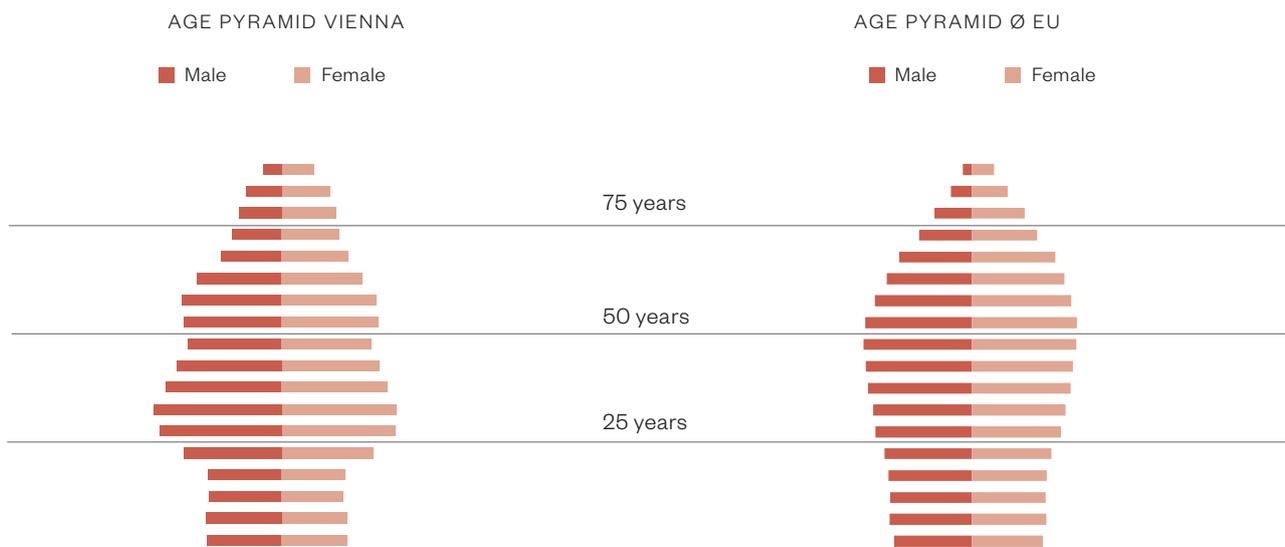
RICHARD FLORIDA



Library & Learning Center,
WU Vienna campus

Talents

High qualified employees are the foundation for innovation and competitiveness. Companies and business locations can only grow where these can be found (and retained) in large numbers. The age structure provides an initial indication of the talent pool of cities and regions. 58 percent of Vienna's population is under 45. Beyond the typical concentration of the population in the baby boomer age group (50 to 60-year-olds), there is also a large bulge in the age group of 20 to 30-year-olds.



DATA: EUROSTAT 2024

Vienna is particularly good at attracting and retaining students and young professionals. The extent to which cities have gained young people can be estimated using cohort analyses. For this, the number of 15 to 19-year-olds is compared with the number of 20 to 24-year-olds five years later. In the Austrian capital, this age cohort, which is the most relevant for the labour market, is growing by a factor of 1.5. Vienna not only has a population that is younger than average, but also a population with a

very high level of education. A strong pool of human capital is a locational advantage for companies that require a large number of employees with specific qualifications. Conversely, skilled workers tend to settle in cities and regions offering a broad range of roles aligned with their qualifications.

NET INCREASE IN STUDENTS AND YOUNG PROFESSIONALS IN VIENNA

100

15 to 19-year-olds
(2019)

149

20 to 24-year-olds
(2024)

DATA: EUROSTAT 2024

This foundation rests on universities and colleges that cultivate top talent, drive research and development, and spin off start-ups. Universities also attract people from all over the world. They are talent magnets, with international students providing an excellent pipeline for future skilled professionals. This is also the case in Vienna: the city's renowned universities and dense cluster of tech-oriented firms nurture a high-performing ecosystem backed by a deeply skilled workforce.

With nearly 200,000 students across 26 institutions, Vienna ranks among Europe's largest university locations. Vienna's universities enjoy both national and international recognition. The University of Vienna alone enrolls some 45,000 students, with international students making up 36 percent. The Vienna University of Economics and Business (WU) is one of Europe's largest and most advanced business schools, hosting around 22,000 students (38 percent international students from 110 countries) and holds triple accreditation (AACSB, EQUIS, AMBA). The campus of WU Vienna in the city's second district is one of the largest university construction projects in Europe in recent years. Its centerpiece is the striking "Library & Learning Center" (LC), designed by architect Zaha Hadid. The WU campus is Austria's first climate-neutral university campus and is open to the public.

Future Agenda Vienna – Talent

Under the WIEN 2030 strategy, education, science, and skills development are identified as key pillars of the city's competitiveness. Vienna aims to position itself as a premier destination for talent, international professionals, and academic institutions. The goal is to create a "talent magnet," achieved through an excellent educational ecosystem, targeted workforce initiatives, and support for universities and research institutions. The strategy aims to promote both STEM subjects and social skills, strengthen academic entrepreneurship (e.g., through spin-offs), and deepening collaboration among science, business, and administration. Universities are

to be supported through targeted location policies, such as providing space, infrastructure, and increasing international visibility. Programs such as the Skills Center of the waff (Wiener Arbeitnehmerinnen Förderungsfonds), talent development in digital future industries, and partnerships with the Vienna Business Agency are all part of this strategy. The aim is to build an inclusive, internationally focused ecosystem for innovation and education – further cementing Vienna's status as a centre of knowledge. Through the Urban Development Plan (STEP) 2035, Vienna also seeks to boost its attractiveness for talent, educational institutions, and future-oriented target groups. For example, sufficient space for educational institutions as well as their safe and sustainable accessibility should be ensured.

Vienna Housing Market

Cities require a diverse and sufficiently large supply of housing. Particularly in demand are central urban locations that offer high quality of life, good public transport connections, and social infrastructure – including cafés, restaurants, cultural and leisure offerings. Creative professionals and young urban target groups specifically seek small, well-appointed apartments in well-connected areas. Demand is also rising for flexible housing options, such as short-term rentals and furnished units.

As in other European metropolises, Vienna's housing supply is struggling to keep up with accelerating demand. The strong influx of both domestic and international professionals and students has intensified pressure on Vienna's rental market – particularly in the central and densely populated districts, where purchase prices and rents have risen significantly in recent years. With a rental rate of approximately 78 percent, Vienna ranks among the European cities with the highest share of rental households.

approx. 78%

Share of households renting in Vienna

Publicly regulated housing plays a special role in Vienna. About 21% of households live in city-managed municipal units. With low, capped rents and long-term contracts, Vienna's municipal housing fulfils an important socio-political steering function (see also the chapter "Tolerance"). Another 20% of households live in state-subsidized cooperative housing. Here, tenants make an equity contribution, which is often linked to a purchase option within the next ten to thirty years. For both municipal and cooperative units, income limits are set relatively high, meaning roughly 75–80% of households qualify.

This makes the sector attractive not only for lower-income groups but also for the broad middle class in Vienna. In practice, however, additional requirements – such as urgency, commitment, length of use and long waiting times – make access challenging for most households.

Unlike the German housing market, social housing in Vienna is exclusively developed by non-profit organizations and is subject to strict requirements regarding rent control, profit allocation, and long-term purpose restriction. Private-sector participation is possible through partnerships with non-profit developers or by contributing market-rate components within mixed-use neighbourhoods.





Theresiengasse, Vienna (18th District)

Vienna's private rental market is divided between regulated existing apartments and market-rate new builds. Rental apartments in buildings constructed before 1953 fall under the full scope of the Tenancy Act (MRG). Rents must be calculated according to the reference value rent (currently €6.67/m² net cold rent). However, the law permits a system of surcharges and discounts for factors such as location and amenities, so actual rents for historic properties can often exceed the reference rate. These regulated units form a major part of the historic housing supply, particularly in the city's central districts.

Apartments in buildings constructed between 1953 and 2001 are only partially covered by the Tenancy Act (MRG). While it regulates notice periods and maintenance duties, rents themselves are excluded and may be freely negotiated. For apartments first ready for occupancy after December 31, 2001, with lease agreements signed after September 30, 2006, the MRG does not apply at all. These units are treated as fully market-financed, with no rent ceilings and no limitations on fixed terms. In the private rental market, fixed-term agreements have become increasingly common: currently, roughly half of all new private leases are fixed-term – rising to as much as 80 percent for pre-war buildings.

Since 2023, rising construction costs, supply bottlenecks, and significantly higher interest rates have noticeably slowed the previously strong level of building activity. Tight credit standards have further displaced many households from homeownership into the rental market. Accordingly, demand for privately financed rental apartments remains high and is even increasing while, on the other hand, supply is tight, which keeps upward pressure on prices. Due to persistently high housing demand and declining housing completions, a structural undersupply of the market can be expected in the coming years. Even today, the lack of new construction is already leading to steep rent increases for the re-letting of existing apartments.

Since 2024, an upward trend has once again been observable in the residential property investment market. Above all, the inner districts as well as the 18th district stand out with a clear increase in market activity.

„Accordingly, demand for privately financed rental apartments remains high and is even increasing.“

A balcony view from an apartment on Theresiengasse.



„We focus on premium residential assets, modern buildings, and prime central locations.“

MARTIN BERGHOFF,
MANAGING DIRECTOR QUANTUM IMMOBILIEN KVG



What, in your view, are good reasons for an investment in Vienna?

Vienna stands out as one of Europe's most dynamic hubs for innovation and technology. As a major economic powerhouse and a gateway to the CEE region, the city draws international talent and students from across borders. This population growth fuels strong demand for high-quality housing, which is further intensified by the trend toward single-person households. On top of all that, Vienna impresses with its high quality of life.

Which asset classes and locations are you specifically investing in?

We focus on premium residential assets, modern buildings, and prime central locations. For a European residential mandate, we recently acquired a prime residential property in an excellent location in Vienna's 5th district. Completed in 2018, the asset features high-quality fittings and an in-demand apartment mix of 2- to 3-room apartments – all with a terrace or balcony.

Why do you consider now a good time to invest in Vienna?

Due to the strong demand for housing, we see a sustained positive development in rent growth. Capital values are attractive in a European comparison, and good deal opportunities are arising.

What distinguishes your investment strategy?

We target forward-looking cities and sustainably growing markets. Alongside our focus on premium residential standards and prime locations, we pay close attention to key market drivers – such as the influx of young, highly skilled talent and the rise of innovation clusters like technology hubs.



Recently acquired asset on Sankt-Johann-Gasse in Vienna's 5th district.

„...regional economic growth is driven by location choices of creative people – the holders of creative capital – who prefer places that are diverse, tolerant and open to new ideas.”

RICHARD FLORIDA



Tolerance

Creative and innovative work develops predominantly where there is openness to new ideas and influences and a productive approach to different perspectives and skills. European cities with a distinctively welcoming culture and tolerance towards people of different origins, sexual orientation and different lifestyles or ways of working are particularly successful. One way that openness is reflected is in the proportion of foreign-born residents, referred to as the Melting Pot Index. Vienna has an almost twice as high share here compared with the national average.

PROPORTION BORN ABROAD:

DATA: OIF 2024

22% 40%

Austria (2024)

Vienna (2024)

In Vienna, 43 percent of foreign-born residents hold a higher education degree. This is significantly more than the Austrian average (35 percent) and corresponds to an increase of almost 13 percentage points compared to the 2007-2010 survey period. Among arrivals from other EU countries, the share is even higher, at 76%. After graduating, 37% of international students remain in Vienna to work. An open and tolerant environment is directly linked to economic development, making it a decisive location factor and not just an optional quality feature for business decisions.

By tolerance, Florida also understands a relaxed and discrimination-free coexistence of people of different sexual orientations and a relaxed attitude towards different lifestyles or ways of working. Cities like London, Amsterdam, Berlin, and Vienna are home to diverse nationalities and are known for being particularly LGBTQ-friendly.

Vienna's standing as an open, democratic, and highly livable metropolis is also reflected in international rankings. In both The Economist's Global Liveability Index 2025 and Mercer's Quality of Living Ranking 2024, Vienna places second. Vienna scores particularly well in health, education, culture, and infrastructure. The European Commission's latest urban satisfaction survey also shows that 91 percent of respondents are especially satisfied with Vienna's public transport and cultural institutions.

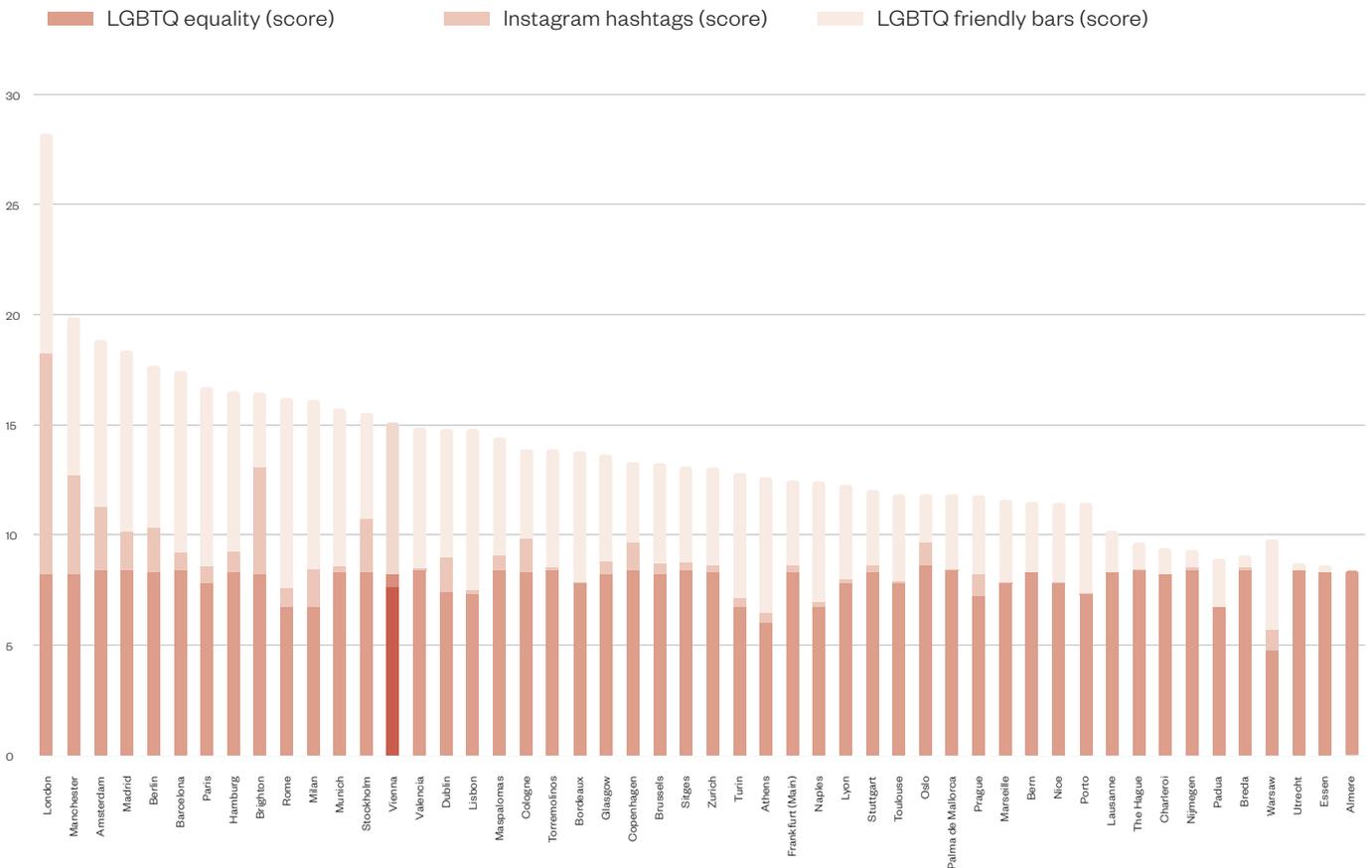
Future Agenda Vienna – Tolerance

For 2024/25, Vienna was chosen as Europe's capital of democracy. The basis is a comprehensive democratization strategy aimed at making Vienna the world's most democratic city – through measures such as opening administrative processes, democratic innovations, and participatory initiatives. A newly founded "Office for Participation and Empowerment" now drives these efforts at an institutional level. With the "Participatory Urban Development" master plan, citizen participation has

been firmly anchored in the city's planning system since 2016. At the district and neighborhood scale, the "Local Agenda 21" program fosters cooperation between residents and the municipal administration. Under the city's strategy for multiple and interim uses, vacant buildings and sites are made available to cultural actors, creative enterprises, social projects, and other initiatives.

Accessibility and inclusion are key pillars of Vienna's urban development. In the "Inclusive Vienna 2030" program, the Vienna Social Fund focuses particularly on people with disabilities. In 2025, Vienna received the Access City Award. Today, nearly all metro stations – and 95% of stops – are fully accessible, complemented by tactile guidance systems and intelligent traffic lights.

LGBTQ-INDEX



DATA: HOLIDU LGBTQ-INDEX 2022

2. place

out of 173 in the global ranking
of the most livable cities.
Copenhagen ranks first.

Social housing in Vienna

For over 100 years, Vienna has been shaped by a social democratic urban policy featuring municipal housing and social housing, which has defined both the cityscape and the city's self-image. The historical foundation for this is "Red Vienna" (from 1919 onward), when the city's social democratic leadership set out to transform Vienna into a "city of social progress". With around 220,000 units, Vienna's municipal housing complexes constitute the largest stock of publicly owned housing in Western Europe. Most of the apartments were built between 1920 and 1980. In recent years, the city has resumed targeted construction of new municipal units, including through the "Wohnungsoffensive Neu" initiative.

Vienna locates social housing not at the city's edge, but within the heart of its urban fabric. Social mix is fostered through building heights of six to eight stories and the absence of income-based zoning. The housing complexes integrate into dense neighborhoods and avoid stigmatizing block structures. The classic municipal housing estates of Red Vienna (1920s/30s), such as the Karl-Marx-Hof, are regarded as architectural icons – socially integrative, with cultural amenities and public spaces. This historical tradition continues to resonate today and underpins the high standing of social housing in Vienna. Many of these developments face multi-year waiting lists, particularly for smaller units in central areas. According to Wiener Wohnen, roughly 60,000 people apply for a municipal flat each year, yet only about 10,000 units are reallocated annually.

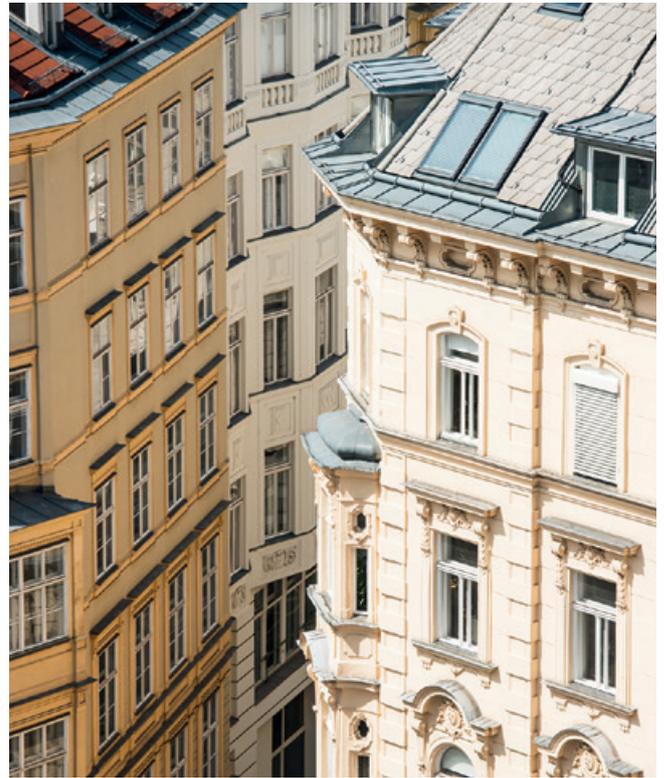
Alterlaa, in Vienna's 23rd district, ranks among Europe's most iconic – and most unconventional – municipal housing developments. Constructed in the 1970s, the vast estate contains around 3,200 apartments housing some 9,000 residents. Its distinctive feature is the

concept of "welfare living": swimming pools on the roof terraces of each residential block, plus indoor pools, sports facilities, community spaces, a library, a cinema, kindergartens, schools, and an on-site medical center. Generous, greenery-filled balconies with planter boxes give the complex its iconic look. Despite its scale, Alterlaa stands as a model of social housing – characterized by high resident satisfaction, strong neighborly bonds, and decades-long stability.

In a nutshell

Why Vienna and why now?

Vienna stands out as an investment destination due to its political stability, dependable legal framework, and consistently high demand for housing – especially in central locations. Strong population growth, a high share of renters, and outstanding quality of life translate into low vacancy risk and stable returns. Vienna's transformation into one of Europe's leading innovation and technology centres further boosts economic dynamism and attracts both national and international talent. Given the structural undersupply of the market and rising rents, there are currently particularly attractive opportunities in the residential sector.



„Vienna captivates – not just with its timeless elegance, but increasingly with its spirit of innovation, energy, and exceptional quality of life. Demand for housing continues to grow, while supply remains scarce – and this is exactly where exciting opportunities arise. Alongside our clients and partners, we are seizing these opportunities and relying on Vienna as a secure, future-ready market.“

CELIA-ISABEL VIETMEYER, BOARD MEMBER QUANTUM

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