

# Austrian Residential Properties Attracting Strongest Investment

## Residential Sector offsetting decline in other segments

**Vienna – April 06, 2016** - MSCI Inc. (NYSE: MSCI), a leading provider of investment decision support tools worldwide, including indexes, portfolio risk and performance analytics and ESG research, reported that total return in Austrian property investment rose to 5.9% in 2015, helped primarily by strong capital value growth in residential properties, as indicated in the [IPD Austria Annual Property Index](#).

Residential properties capital value growth during the year rose to 2.2% from 1.2% in 2014 and was the most resilient sector in the universe of the index. It gained the highest level of investments since the index started in 2004. As a result, residential properties achieved a total return of 6.4% in 2015.

Office total return also rose significantly to 5.6% in 2015, from 4.4% in the year before, and is markedly above the three-year, five-year and 15-year average that ranges between 4.9% and 5.1%. The return increase was driven by a change in capital value growth from -0.3% in 2014 to 0.8% in 2015.

Total return in retail properties continued to decline from their latest peak in 2013; decreasing in 2015 to 6.3% from 7.7% in 2014, and recording the lowest return in half a decade. The decline in income return in retail properties, down to 5.4% in 2015 from 5.9% from the year before, contributed significantly to the decrease in total return. Rental value growth decreased by 0.6%, marking a decline for the first time since 2004 and indicating pressure on the rental markets in the retail sector.

**Justus Vollrath, Executive Director, MSCI, commented:** “Clearly, the resilience and investors’ appetite and belief in residential properties was a major driver in the Austrian property markets in 2015. This and the recovery of office returns influenced the overall results positively. ”

Vollrath added: “In 2015, one of the great factors in the Austrian market was significant acquisitions and investment in development of new residential properties. Although this is not calculated in our index, nevertheless, it impacted the index because it reflected strong demand, which drove up the value of inventory; and that led to strong capital value growth.”

The [IPD Austria Annual Property Index](#) tracked the performance of 385 properties with total value of 6.5 billion euros.

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Our line of products and services includes indexes, analytical models, data, real estate benchmarks and ESG research.

MSCI serves 97 of the top 100 largest asset managers, based upon P&I data as of December 2014 and MSCI client data as of June 2015.

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