



COMMERCIAL REAL ESTATE AUSTRIA: **MARKET SENTIMENT & OUTLOOK**

Market Report – April 2026
Analysis for institutional investors



SUMMARY

The Austrian real estate market is not in a new cycle or in a recovery, but has structurally settled into a pessimistic corridor. Should this trend continue, a corresponding adjustment in yield development and/or a drying up of liquidity in the transaction market is to be expected.

Expectations shape pricing, also in the real estate industry.

Sentiment Index

NEGATIVE

-14.6

Momentum

COLLAPSE

-43.1 pts;
Catalyst: Geopolitics

Market Trend

NO RECOVERY

Formation of Pessimistic
Corridor

EXECUTIVE SUMMARY

DECEPTIVE OPTIMISM:

01

Reports of rising transaction volumes in the first quarter of 2026 do not reflect a current market recovery. They are the delayed result of a stabilization phase from 2024/2025. This also explains why gross yields currently still appear stable, but at high levels.

DRASTIC PLUNGE IN MARKET SENTIMENT:

02

The qualitative market sentiment plunges massively in April 2026 compared to the previous month and **turns negative for the first time in a long while.** Moreover, the index has been moving almost continuously below the long-term average since the outbreak of the Corona crisis.

IMPLOSION OF POSITIVE RHETORIC:

03

The quantitative thematic analysis shows a **sudden dominance of negative terms, while positive voices virtually implode.** Driven by geopolitical disruptions, fear topics such as “risk”, “distortion”, “foreclosure”, but also “panic” and “recession” lead the discussions in April by a clear margin.

NO ACUTE PANIC, BUT CONSOLIDATED RESIGNATION:

04

Despite the collapse in market sentiment, uncertainty and tension in the market remain at a relatively low level. **In contrast to the 2007/2008 financial crisis, the market is not in nervous shock mode, but in a paralyzing unanimity.** Market participants have collectively adjusted to the bad news.

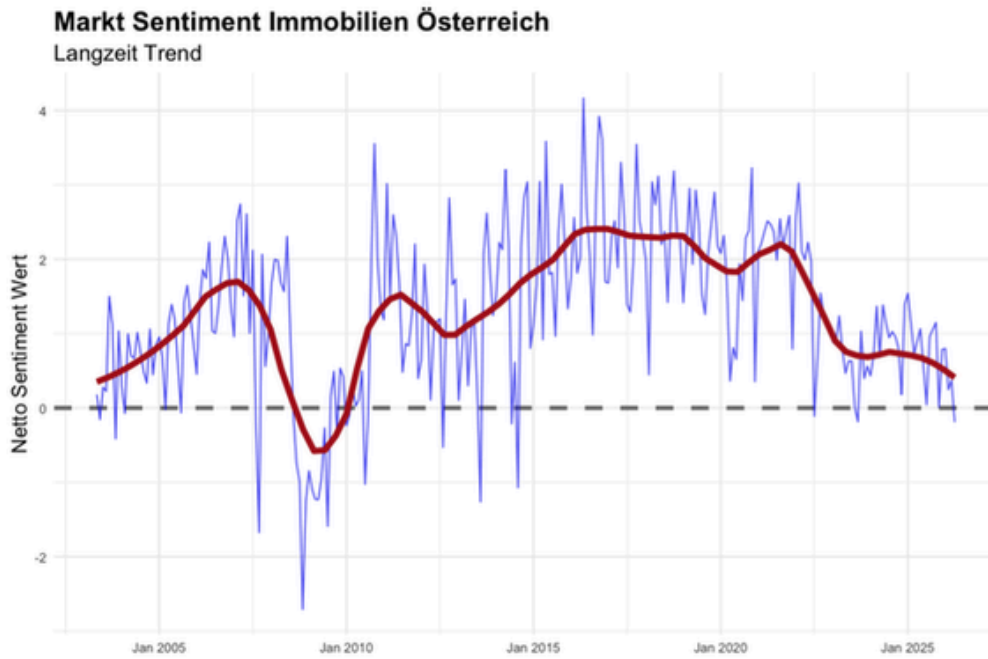


Fig. 1: CRE Real Estate Index Austria: Monthly development (in blue) and long-term trend (in red).

Market Sentiment: The downward trend has solidified

If one follows some market reports and industry opinions, one could well get the impression that at the beginning of 2026 large parts of the commercial real estate industry assumed a recovery was underway. A development that has ultimately been brought to a halt for the time being by geopolitical crises, more specifically by the outbreak of military conflicts in the Middle East.

This optimistic view was supported, among other things, by a transaction volume of around EUR 540 million in the first quarter of 2026, which was about 37% higher than in the same period of the previous year. Based on undefined fundamentals, there was even occasional talk of the beginning of a new real estate cycle. Elsewhere, as recently as April 2026, mention was made of an incipient market recovery, curiously referring to the transaction volumes of the third quarter of 2025 (!).

In short: We cannot confirm this positive development.

The D-DARKS CRE Sentiment Index, based on the daily systematic analysis of German-language real estate news over the past 25 years, paints a completely different picture.

After the marked cooling of market sentiment in the wake of the Corona crisis and a stabilization at low levels in 2024 and parts of 2025, a renewed deterioration of the market sentiment picture has been observable in Austria since September/October 2025 (see the long-term trend in red in Figure 1).

This development reaches its provisional negative peak in April 2026, when market sentiment even turns into negative territory. The CRE Sentiment Index developed by D-DARKS (see Figure 2) collapses to a value of -14.6 points, which corresponds to a drop of 43.1 points compared to the previous month.

The fact that the Sentiment Index has been moving almost continuously below the long-term average since the outbreak of the Corona crisis (Baseline = 100 points or red dashed line in Figure 2) impressively shows how persistently depressed the sentiment is in the Austrian commercial real estate market. With a value of -14.6 points in April 2026, it has suffered another harsh setback.

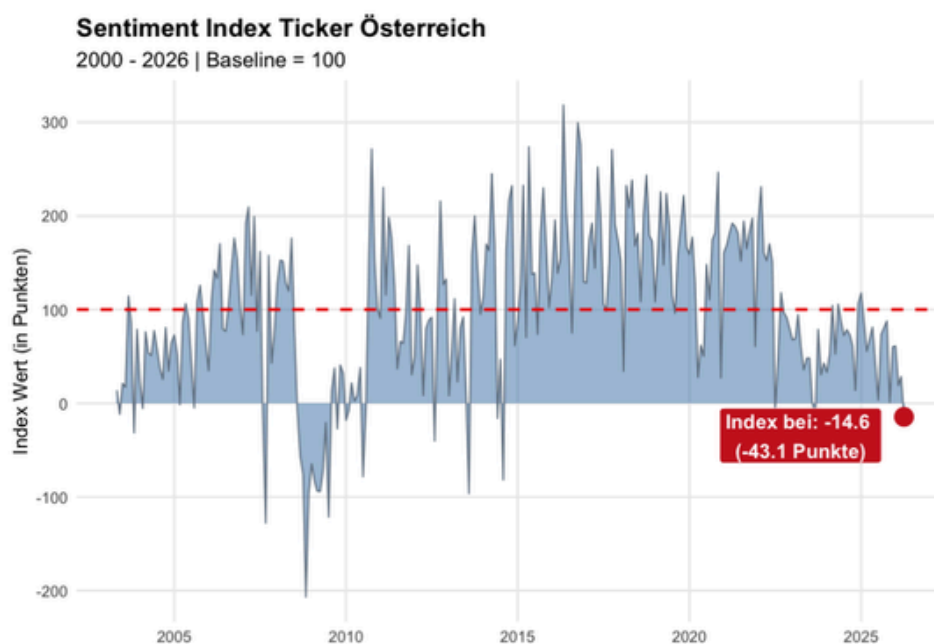


Fig. 2: Sentiment Index Ticker 2000–2026 (Baseline = 100).

But how does this fit together?

Quantitative data, such as the latest transaction volumes, point to initial signs of a recovery, while qualitative market sentiment has been deteriorating for months and not just since the outbreak of the latest geopolitical crises.

In our view, the key to interpretation lies in the nature of the transaction process. Commercial real estate transactions typically take many months from the first expression of interest to the actual closing. The transactions we observed at the end of 2025 or in the first quarter of 2026 therefore reflect the materialization of a market expectation that prevailed roughly 6 to 9 months earlier. As mentioned above, market sentiment in 2024 and in the first nine months of 2025 was at a lower level, but at least stable.

This also explains why gross yields in individual asset classes still appear to remain stable at high levels despite the deteriorating overall situation (see Figure 3).

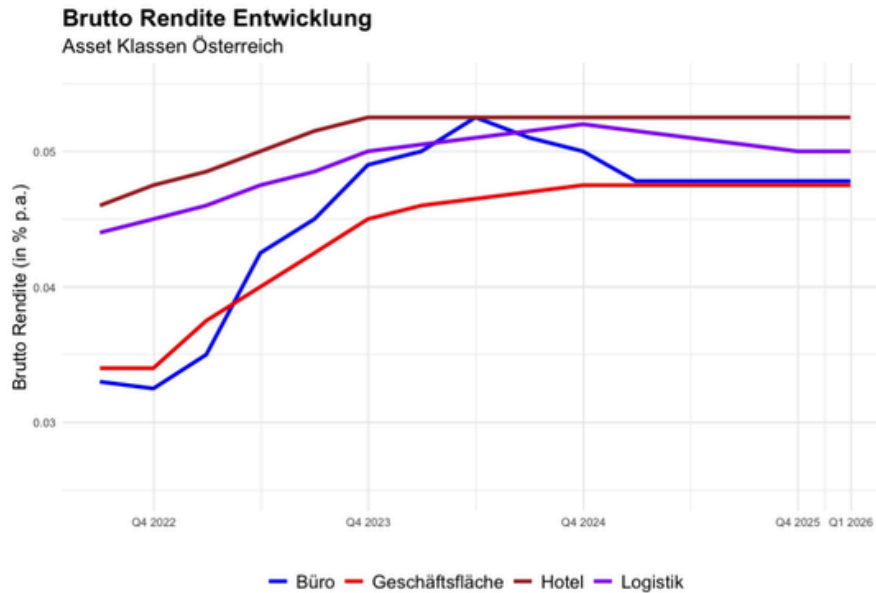


Fig. 3: Gross Yield Development Austria.

What the market is talking about – The topics of the month

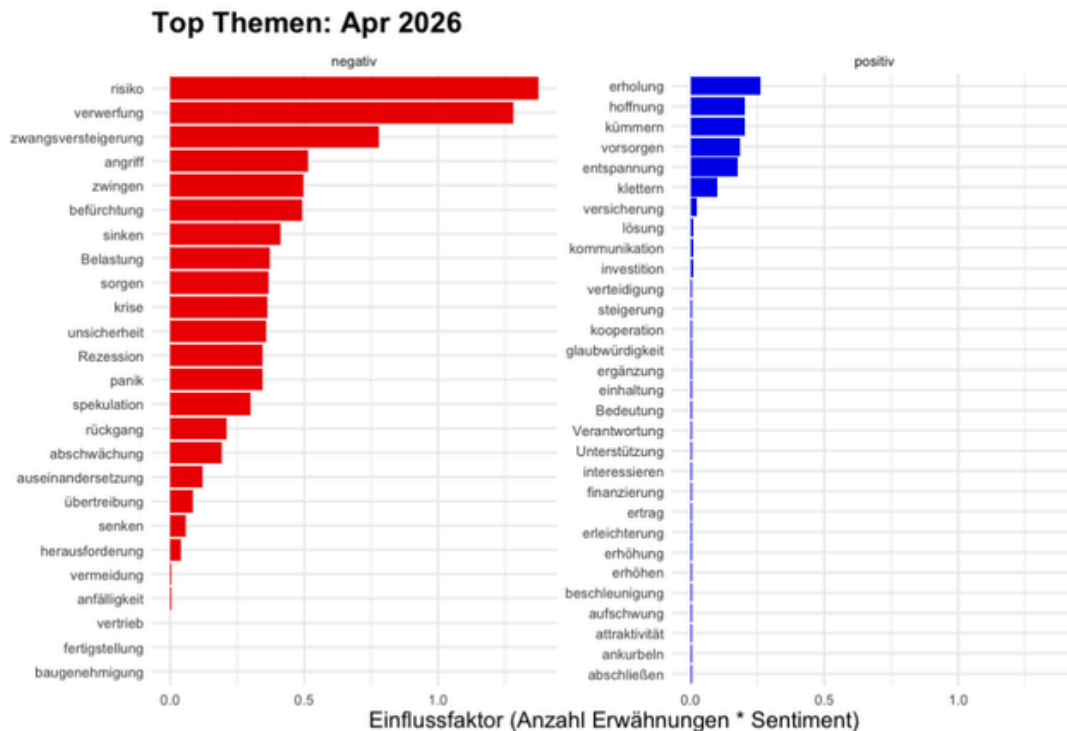


Fig. 4: The dominant terms of the current month.

Thematic Analysis: Return of Market Anxiety

In April, a noticeable sharpening of thematic focus can be observed in two directions.

On the one hand, we observe an almost sudden dominance of negative terms. Statistically speaking, the weight of positive reporting and opinion formation has virtually imploded (see Figure 4). The events and effects of the recent conflict in the Middle East seem to have finally arrived in the discussion culture of the Austrian real estate market and to dominate the sentiment picture. Given the geopolitical developments, this should not come as too much of a surprise.

Far more interesting in this context, however, is the fact that tangible fear topics are spreading. Terms such as “panic” or “recession” are no longer just thrown into the room by isolated voices, but now find significantly more frequent mention among a broad spectrum of market participants. Terms such as “risk”, “distortion” and “foreclosure” also lead the negative list by a clear margin.

It is still too early to speak of true market panic. However, a drastic sharpening of the general rhetoric setting in in April cannot be denied. It is ultimately unmistakably reflected in the plunge of the Sentiment Index in that area.

Market Uncertainty and Stress Level: Combined Indicator from Sentiment Index and Volatility

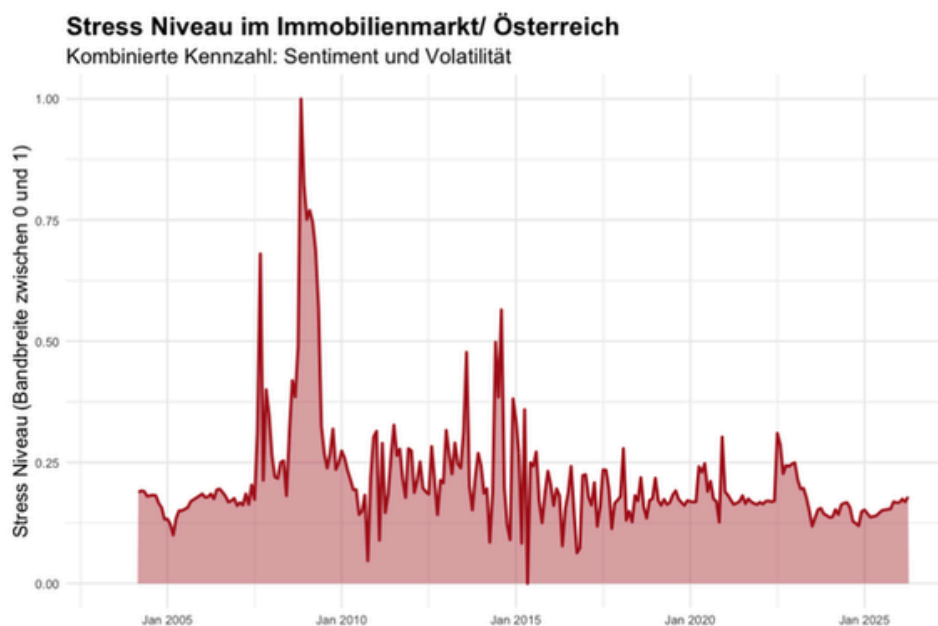


Fig. 5: Stress level in the market.

The Market is United

To measure the stress level – i.e., the extent of market uncertainty based on current market sentiment, the magnitude of current sentiment is combined with the intensity of its monthly changes (volatility). As shown in Figure 5, the stress level in the Austrian real estate market reached its historical peaks in September 2007, when the harbingers of the global financial crisis were emerging, as well as during the subsequent crisis itself.

It is all the more remarkable to note that the current stress level remains at a relatively low level despite the recently drastically deteriorated market sentiment. **This specific combination of negative sentiment and simultaneously low volatility** indicates that the market is profoundly united in its pessimistic expectations. There are hardly any noteworthy dissenting voices or fundamental uncertainty about the future market direction. Market participants have adjusted to the unfavorable development and look at the near future with a certain consolidated resignation.

Tension in the Market: Market Sentiment and Market Tension over Time

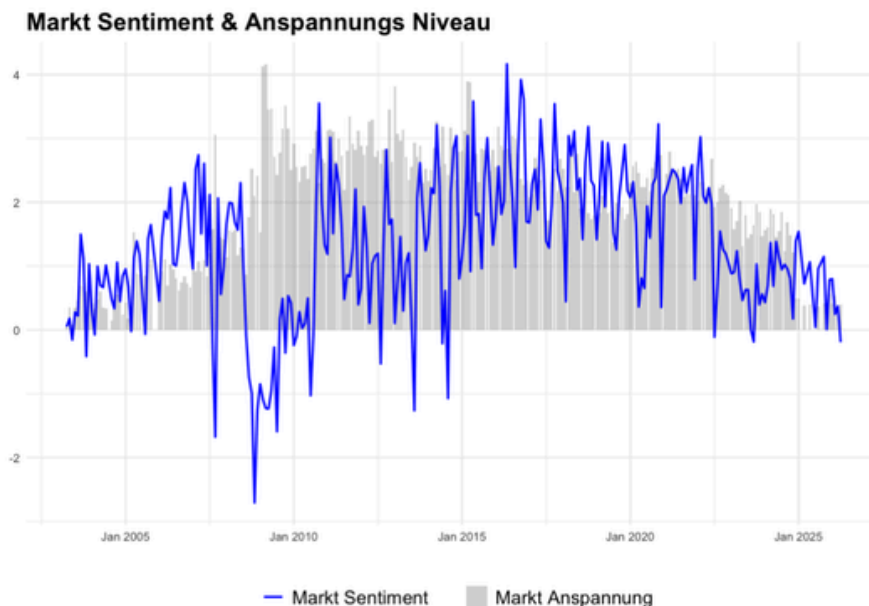


Fig. 6: Market Sentiment & Tension Level.

Settling into the Pessimistic Corridor

To measure verbal tension in the real estate market, the emotionality of the language is combined with the frequency of its use. In other words, the indicator measures how excited or charged the current market situation is being discussed.

Here, too, the global financial crisis of 2007 and 2008 provides an excellent historical example to illustrate the context. With a deeply negative market sentiment at that time, the level of excitement in the market was extremely high, a virtually classic signal of a market in crisis or even panic mode (see Figure 6).

All the more interesting is the current situation in spring 2026. We are currently confronted with a persistently negative market sentiment, but at the same time we are experiencing an extremely low tension level (see Figure 6). **The Austrian real estate market is therefore by no means in acute shock or panic mode. Nevertheless, we are facing a fundamental deterioration. Optimism has almost completely vanished from the market. The industry is no longer merely temporarily drifting toward pessimism; rather, market sentiment has now structurally settled into a pessimistic corridor.**

**Source: NLP-based sentiment analysis of German-language real estate news, monthly data 2000–2026. This report is based exclusively on lawfully accessible, publicly available data in accordance with applicable legal provisions and does not constitute investment advice.*

ABOUT US

About D-DARKS:

D-DARKS GmbH, co-founded by experienced real estate professional Christian Schitton, is a specialized market intelligence company for commercial real estate markets in the DACH region, making the temporal discrepancy between quantitative market data and the transported narrative precisely measurable and usable.

About the Technology:

The proprietary technology combines Natural Language Processing (NLP) with complex statistical methods and mathematical behavioral algorithms. This close integration creates a deeply integrated overall model that holds a unique technological position in the market.

About the Sentiment Index:

The proprietary D-DARKS CRE Sentiment Index continuously captures the monthly net market sentiment in the commercial sector and provides institutional players with an exclusive early-warning and lead-time advantage, while retrospective transaction data usually only provide clarity months later.

About the Team:

- **Christian Schitton:** With three decades of in-depth expertise in commercial real estate (CRE), he independently conceived the technological architecture of D-DARKS and personally implemented every single line of the proprietary program code.
- **Dzeneta Schitton:** She heads corporate communications and ensures that all market analyses and internal processes comply with current EU and national legislations.



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“Those who want to anticipate the future of real estate markets must capture the current sentiment picture in the very moment it emerges and not only when ‘now’ is already past.”