In 1691 work began on the original palace, which had been commissioned by Count Dominik Andreas Kaunitz, to plans by Enrico Zuccalli. In 1694 Prince Johann Adam Andreas I von Liechtenstein purchased the unfinished building and, having determined that it should henceforth become the family’s principal residence, had the building completed by Domenico Martinelli using major artists such as the stuccateur Santino Bussi, the sculptor Giovanni Giuliani and the painters Andrea Lanzani and Antonio Bellucci. On the façade fronting Bankgasse Martinelli created the first monumental Baroque portal in Vienna; the second side portal on Minoritenplatz was added later by Johann Lucas von Hildebrandt.

Prince Johann Adam Andreas I conceived the palace as a residence, and it thus had to contain residential apartments as well as all the necessary rooms for the prince’s household and – as a special feature – space to display the already extensive art collections held by the family. The kitchens, bakery and servants’ quarters were in the basement and on the ground floor, while the first floor contained the state rooms and apartments. From 1705 the second floor housed a gallery displaying the holdings of the Princely Collections, which immediately became a centre of attraction for connoisseurs of art. The two upper floors, whose ceilings were decorated with allegorical oil paintings by Bellucci, were accessed via a monumental stairway with sculptures by Giuliani and stuccowork by Bussi. After restoration, one will be able once again to experience the full glory of Vienna’s most dramatic Baroque stairway.

Around 1790 Prince Alois I von Liechtenstein had the Liechtenstein family’s original principal residence on Herrengasse substantially remodelled, and as a consequence the palace on Bankgasse became less important. Between 1807 and 1810 the paintings gallery was transferred to the GARDEN PALACE in the Rossau quarter, together with Bellucci’s oil paintings, which were subsequently integrated into the ceilings of the summer palace.

Prince Alois II von Liechtenstein eventually had the palace on Bankgasse remodelled in Rococo Revival style by Peter Hubert Desvignes, thus creating the earliest and most important interior in this style in Vienna. The interior decoration was executed by craftsmen Carl Leistler and Michael Thonet, the latter responsible for the magnificent inlaid parquet floors made of different types of wood, steam-bent and glued into designs that are as impressive today as when they were created.

The palace was also famed during the nineteenth century for its technical refinements. It had a lift serving four floors, an internal communication system with tubes made of rubber and silk with ivory mouthpieces, and even a hot-air heating system with vents ingeniously integrated into the bases of candelabra or the wall panelling. According to contemporary accounts, it was possible to open and close all the windows on one of the street façades simultaneously by means of a spring-loaded mechanism. Certain internal doors, which were mirrored on one side, could be raised and reversed. These devices were prone to breaking down; craftsmen and artists were continually occupied in overhauling and repairing them, a circumstance which earned the palace the popular epithet of ‘Künstlerversorgungshaus’ (artists’ care home).
The opening ball on 16 February 1848 was a major social event; the enormous costs of around 4 million gulden expended on the remodelling of the palace were the talk of the day in society and the press.

In the final days of the Second World War the palace suffered extensive damage from direct hits in a bombing raid and from an aircraft crashing onto the roof. The ceiling of the stairway on the second floor was completely destroyed, and there was considerable damage to the adjacent state rooms. In the years immediately following the war work was carried out to secure the fabric and repair the worst damage, but due to the financial losses sustained by the family as a result of and after the war, the palace was not restored until 1974/76.