

Q3 2023

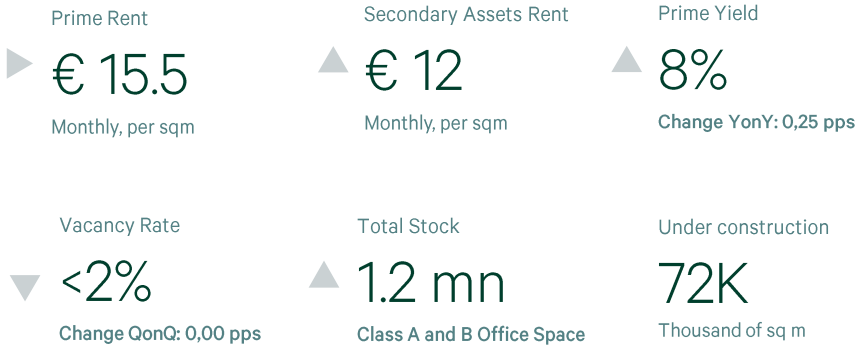
SEE Market Figures Office

REPORT FIGURES

Croatia
Zagreb

Zagreb

KEY PERFORMANCE INDICATORS (Q3 2023)

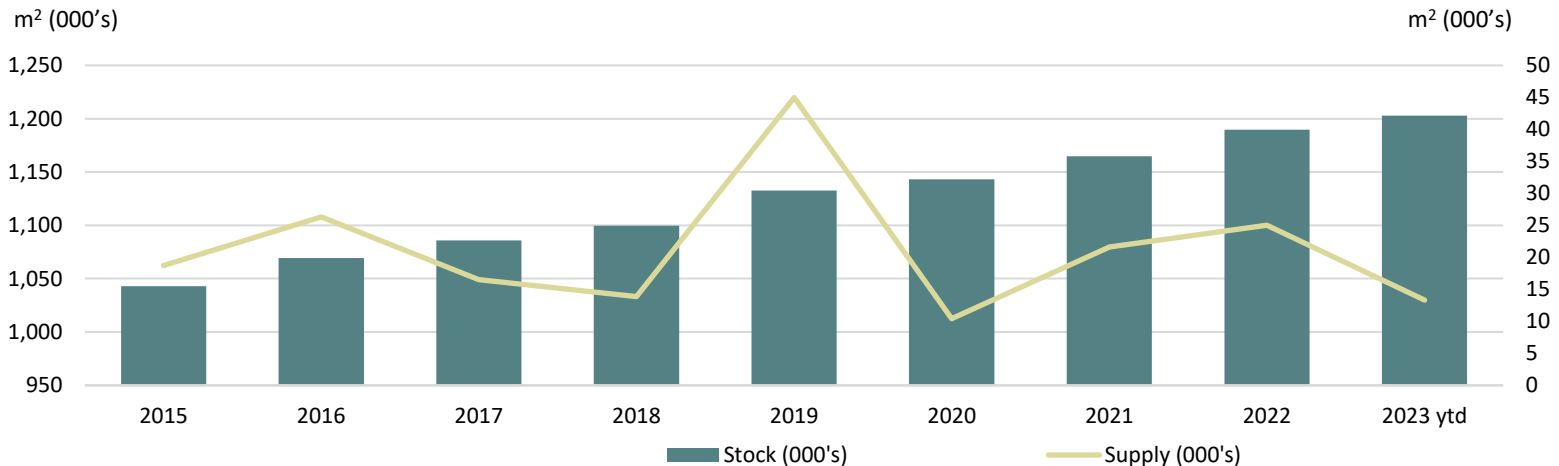


Activity on Croatia's office market has been higher since the beginning of the year, with two new completions. Furthermore, there are various projects under construction and their delivery is expected in near time.

Despite the economic instability, the activity on the Croatian office scene has been rather high. Since the beginning of the year, there have been two notable deliveries, both within Business District east. This city zone has notably grown into important business district and is occupied by various international occupiers.

Therefore, Zagreb's total office space stands at 1.2 million sq. m. Class A buildings account for over 56% of the stock, while the remainder is attributed to Class B. Following to the recent completions, since the beginning of the year the office stock increased by 1% when compared to 2022.

STOCK AND SUPPLY | ZAGREB



During the second quarter of 2023 the activity was slightly higher when compared to the previous quarter. One new project has been completed - Project 75, spread around 3,100 sqm. The project is situated in Business District East, on the corner of Heinzlova and Radnička street.

Furthermore, the third phase of Matrix Business Complex by GTC was completed in third quarter of 2023, spreads over 10,500 sqm. With this completion Matrix Business Complex spreads on more than 31,000 sqm. Previously, the developer GTC sold Matrix A and B to HOK Osiguranje in 2022, while the building B was sold again to ALFI REIF during 2023. In addition, phase four – Matrix D is planned, and the building permit is in place.

When it comes to pipeline, there are several projects under construction expected for completion in the following 12 months. Among notable projects will be the second and third phase of Buzin City Island, which are expected to be completed by the end of 2023 and 2024. As per available information both phases will add around 50,000 sqm combined. In addition, phase 4 has been announced as well and will add 15,000 sqm of office space.

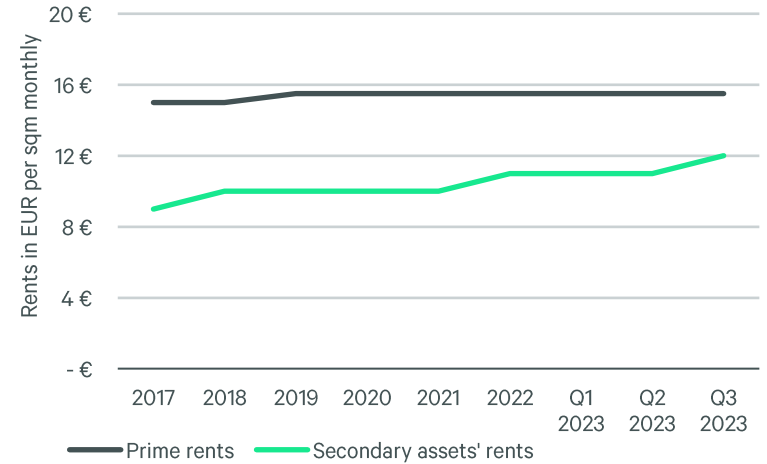
In addition, a smaller scale development Grawe Garden Centar, located in Grada Vukovara Street is scheduled to be completed in the beginning of 2024. New office building will spread over 2,100 sqm and will have 64 parking spaces.

MATRIX BUILDING C

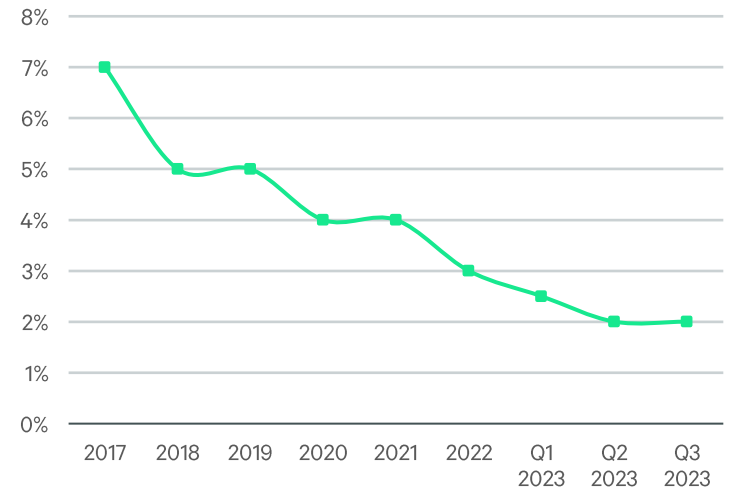


CBRE, 2023

CLASS A and CLASS B RENTS, ZAGREB



VACANCY RATE IN ZAGREB



PIPELINE PROJECTS

OFFICE BUILDING	SIZE (SQM)	STATUS
Buzin City Island phase 2 and 3	50,000	Under construction
Grawe Garden center	2,100	Under construction
Landmark Green Towers	32,000	Planned
Buzin City Island phase 4	15,000	Planned
Matrix D	10,500	Planned
Supernova Office Towers	15,400	Planned
Project Miramarska	TBD	Planned
Project Paromlinska	TBD	Planned
VMD Project	TBD	Planned

Among the recent announcements has been the new project which will take place near Miramarska street and Botanical garden. New business tower will have 20 floors, as well as smaller office building. Moreover, on the corner of Heinzlova and Vukovarska street, well known company VMD Standard announced a development of skyscraper spread over 14 floors. The Paromlinska project was also announced recently. This business centre is expected to be completed in two years from the start of construction.

When considering out of core city locations, Supernova has announced development of office towers to take place in proximity of Buzin City Island. Another announced project in the planning phase is Landmark Green Towers, which will spread over 32,000 sqm per previously available information.

Outside the core city area, an ongoing notable project is Rimac Automobili Mixed use Campus, located in Sveta Nedelja, scheduled for completion by the end of 2023.

With the lack of available office space on the market, the majority of activity was reliant on renewal of existing contracts. Furthermore, coworking is becoming attractive lease option for companies. Over the previous years coworking office space has been increasing, however still accounts for limited proportion of the stock, less than 3%.

Consequently, vacancy rates have been noting its historical low estimated at below 2% in the third quarter. Although upward pressure persists, rental levels maintained their stability at €15.5 per sqm monthly for prime buildings and slightly increased at €12 per sqm monthly for the secondary assets.

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