



Total competitive office stock in Zagreb amounts to approximately 1,000,000 sqm GLA, and will increase by roughly 44,000 sqm GLA once four modern office developments which are currently under construction are completed:

- Trius office building located within Žitnjak business district should be ready for occupation in H2 2018, upon completion of the access road reconstruction.
- Completion of D3, the final phase of the Centar 2000 project located within Business District East, is announced for H2 2018. The project will consist of an eight-floor-high office building and a 108-key business hotel.
- Completion of the first phase of the Matrix Office project which will comprise two office buildings, each covering 10,000 sqm GLA, is scheduled for Q1 2019.
- One of the largest schemes in the pipeline is the R21 project within Business District East, which will comprise office and hotel elements. Most of the office premises have already been pre-let to a single tenant. The hotel will be operated by Hilton Garden Inn. Completion is scheduled for Q3 2019.

Total leasing activity recorded in Q1 2018 was 14,700 sqm GLA. It was largely driven by renewals (39%) and relocations (28%), followed by new occupations (19%), and expansions (14%). Out of total space leased in Q1 2018, 42% was located in Business District East, 22% within Central Business District, 19% in City Center, 9% in Novi Zagreb, 5% in Business District West, and 3% in other districts. Tenants from Manufacturing & Energy and Computers & Hi-Tech sectors alone occupied nearly 70% of the total area leased in Q1 2018.

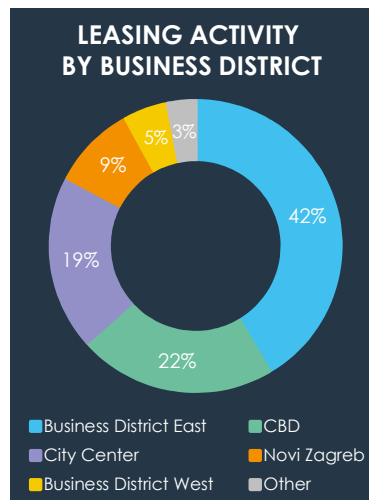
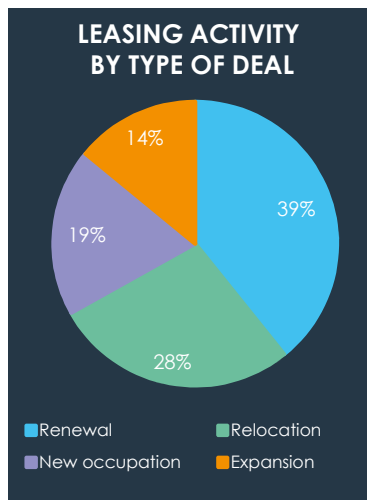
The overall vacancy decreased to 5.20%, which is the lowest rate reported in the last 10 years.

DEFINITIONS

Competitive Office Stock – total gross leasable floor area in completed (occupied and vacant) class A and B office buildings categorised in line with modern office standards, which comprise at least 3,000 sqm GLA, excluding government-owned buildings

Prime Rent – the typical achievable open-market headline rent that could be expected for a unit of standard size (200-250 sqm GLA) in a property of highest quality and specification within the prime location

Prime Yield – the yield which an investor would receive when acquiring a prime (class A) property in a prime location, which is fully let at current market rents; the prime yield reported is net



Radnička cesta 80
10000 Zagreb
Croatia

CONTACTS

For more information about this Market Snapshot please contact:

Dejan Ružić
AGENCY & CORPORATE SERVICES
T: +385 1 6187 350
E: dejan@propertas.hr

Sandra Doležal
RESEARCH & CONSULTANCY
T: +385 1 6187 348
E: sandra@propertas.hr

A member of
GVA Worldwide