

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
2,35% Overall Vacancy Rate	▲	▲
12,400 Total Leasing Activity, sqm	▲	▲
€18.50 Prime Asking Rent <i>(Overall, All Property Classes)</i>	▲	▲

ECONOMIC INDICATORS

3,2.% GDP Growth Rate Q3 2025	▲	▬
2.7% Zagreb Unemployment Rate Q3 2025	▲	▲
€1,633 Zagreb Average Net Salary Q2 2025 <i>(Overall, All Property Classes)</i> <i>Source: Croatian Bureau of Statistics</i>	▲	▬

ECONOMY

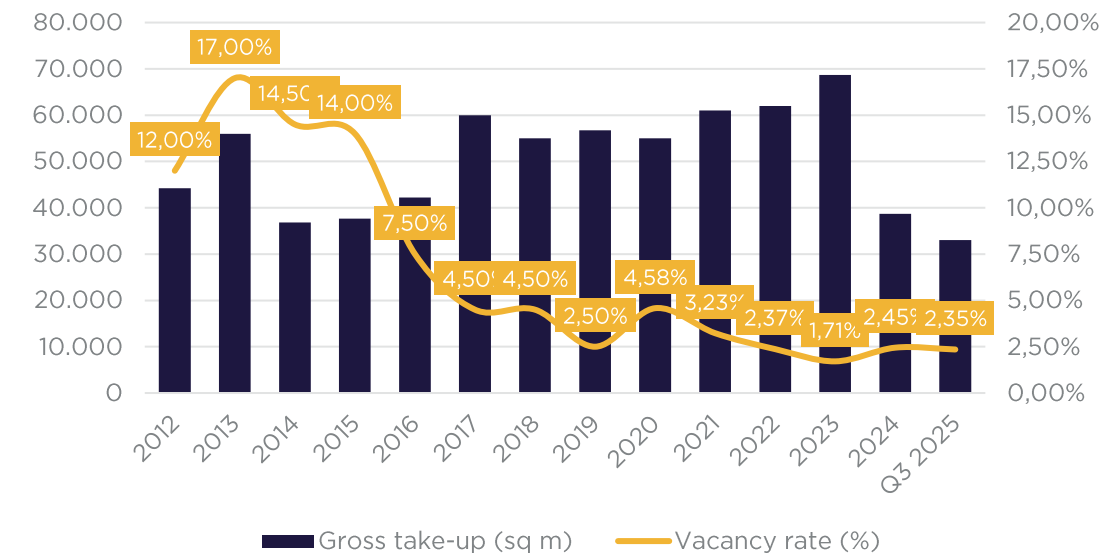
Croatia maintained stable economic activity throughout 2025. Following strong growth of 3.9% in 2024, real GDP growth is expected to moderate to around 3.0% in both 2025 and 2026. Domestic demand remains the main growth driver, supported by rising employment and wages, while investment is expected to remain solid, driven by EU funds and improved financing conditions. The labour market remains robust, with employment projected to rise by 2.7% in 2025 and 1.8% in 2026, while the unemployment rate is expected to fall below 4.7%. Wage growth is set to ease after two years of double-digit increases, with nominal wages rising by just under 10% in 2025. Inflationary pressures are expected to pick up slightly in 2025, driven by higher energy and food prices following administrative tariff adjustments, before easing in 2026. HICP inflation is projected at 4.2% in 2025 and 2.8% in 2026. Despite softer external conditions and a mildly negative current account balance, Croatia's economy remains on a stable growth trajectory, supported by EU funding and resilient domestic demand amid easing global trade uncertainty.

SUPPLY

The Zagreb office market remained stable and well-balanced throughout Q3 2025, supported by sustained occupier demand and a limited supply of currently available modern office space. During Q3 2025, the Zagreb office market recorded the completion of the Museum Residences project in Novi Zagreb, adding 8,000 sq m of new moder office space to the market. The project is fully leased, reflecting the strong demand for modern office premises. With this addition, the total modern office stock in Zagreb reached approximately 1.59 million sq m GLA, of which 1.13 million sq m (71%) represents speculative/leasable space. The Central Business District (CBD) continues to dominate with Class A and B buildings accounting for 670,000 sq m (42%) of total stock.

Zagreb remains in a phase of robust development activity, with several large-scale projects under construction. These projects are expected to add significant new supply to both the CBD and emerging business zones, further diversifying Zagreb's office offering.

GROSS TAKE UP VS. VACANCY RATE



Source: CBS International, part of Cushman & Wakefield Group

PIPELINE NEW DEVELOPMENT

PIPELINE				
Project	Investor	Zone	GLA (sq/m)	Finish
City Island - faza 3	Imobilia Tehno	Buzin	25.000	Q4 2025
Matrix D building	GTC	CBD	10.500	Q2 2026
Park Avenue	TC3KGS	CBD	30.000	Q2 2026
Projekt Špansko	Renta Box	BDW	4.700	Q2 2026
Projekt Avenue V	VID Park	CBD	4.500	Q4 2026
Pemo Busines Arena	PEMO	Novi Zagreb	8.000	Q2 2026
Paromlin Projekt	Energus Loci	CBD	15.000	Q4 2026
Vrbani Project	F&D Re Vrbani	BDW	9.500	Q1 2027
VMD Tower	VMD	CBD	15.000	Q2 2027

Source: CBS International, part of Cushman & Wakefield Group

DEMAND

Leasing activity in Q3 2025 remained in line with the previous quarter, with total take-up estimated at around 12,400 sq m, indicating continued stability in occupier demand. Year-to-date take-up reached around 33,000 sq m, reflecting solid overall activity on the market and consistent demand throughout the year. The average transaction size stood at approximately 540 sq m, reflecting a balanced mix of small and medium-sized deals.

From a sectoral perspective, the manufacturing (32%), consumer (29%), and IT/computer (27%) industries were the most active occupiers, together accounting for nearly 90% of total take-up. While overall market sentiment remains positive, the limited availability of larger spaces continues to constrain potential expansions for some occupiers. As a result, pre-leasing activity in projects scheduled for completion in 2026 has already started to pick up, particularly in the CBD.

PRICING

Rental levels in Zagreb's modern office market remained stable throughout Q3 2025, supported by strong demand fundamentals and a persistently low vacancy rate. Despite a steady inflow of new supply, limited availability of high-quality space in prime locations continues to sustain headline rents. Prime rents for newly delivered top-tier offices range between €18.00 and €20.00 per sq m per month, depending on location, building specifications, and lease length. Well-established Class A properties typically command €15.00–€16.50 per sq m, while Class B offices are generally priced between €13.00 and €14.50 per sq m per month.

Looking ahead, rental stability is expected to persist through the next couple of quarters. While increased supply in 2026 may bring some short-term pressure on landlords, demand for top-quality offices in the CBD is projected to keep prime rents resilient, particularly for projects offering superior technical standards and sustainability.

VACANCY

At the end of Q3 2025, the overall vacancy rate in Zagreb's modern office market stood at 2.35%, remaining among the lowest in the CEE region. Vacancy for Class A buildings was slightly higher at 2.59%, reflecting the ongoing tenant rotation within premium properties. In total, approximately 37,438 sq m of office space remained available at the end of the quarter.

Given the strong absorption levels, vacancy rates are expected to remain below 3% in the near term. However, a gradual increase could occur from mid-2026 onwards as several large developments reach completion. Even so, the market is anticipated to remain in balance, with continued interest in modern, sustainable offices ensuring healthy occupancy across all major zones.

OUTLOOK

- The Zagreb office market continues to show strong fundamentals, with low vacancy, stable rents, and a healthy pipeline of projects scheduled for completion in 2026–2027.
- The relocation trend is expected to intensify once a new wave of modern, ESG-compliant office buildings enters the market over the next 12 to 18 months. As these projects are delivered, a gradual market rebalancing and reclassification of existing older stock is anticipated
- Prime rental levels are forecast to remain steady in the short term, with potential upward pressure in the most desirable CBD locations once new premium schemes are delivered.

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