

**MARKET FUNDAMENTALS**

	YOY Chg	12-Month Forecast
<b>2,04%</b> Overall Vacancy Rate	▼	▲
<b>18,360</b> Total Leasing Activity, sqm	▲	▲
<b>€18.50</b> Prime Asking Rent	▲	▲

*(Overall, All Property Classes)*

**ECONOMIC INDICATORS**

<b>2,3%</b> GDP Growth Rate Q3 2025	▼	—
<b>2.1%</b> Zagreb Unemployment Rate Q4 2025	▼	▲
<b>€1,648</b> Zagreb Average Net Salary Q2 2025	▲	—

*(Overall, All Property Classes)*  
*Source: Croatian Bureau of Statistics*

**ECONOMY**

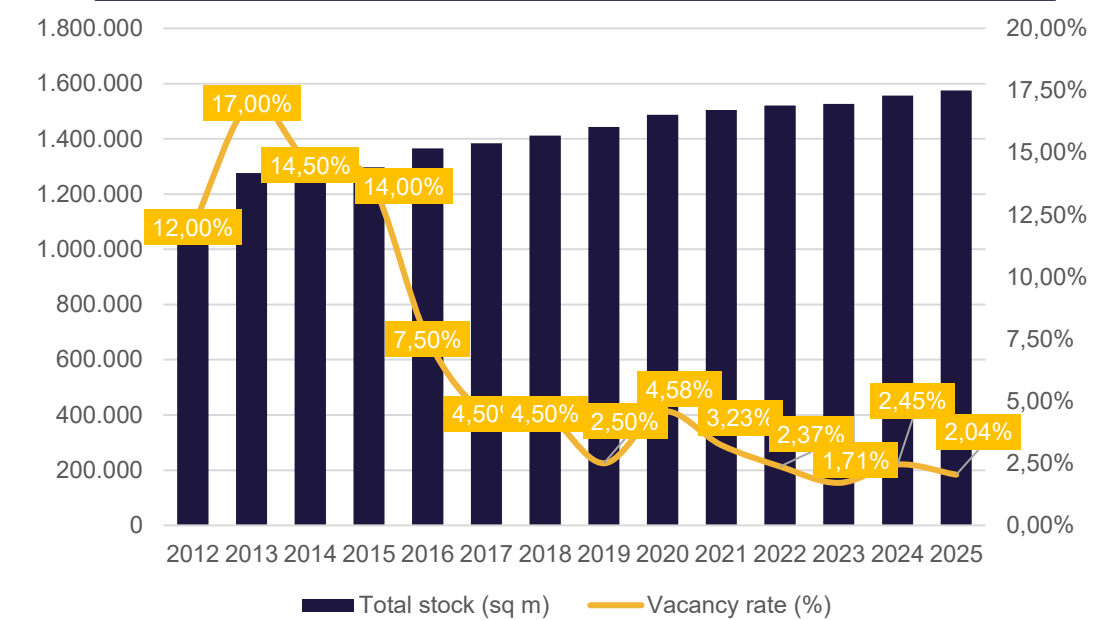
Croatia's economy is expected to continue expanding at a gradually slower pace, with real GDP growth easing from 3.8% in 2024 to around 3.0% in 2025 and toward 2.6% by 2027, driven mainly by domestic demand. Inflation, which rose temporarily in late 2024 and early 2025 due to energy and food prices, is projected to gradually decline toward target levels by 2027. Labor market conditions are expected to remain tight, with slower employment and wage growth, while external imbalances should persist due to weaker tourism competitiveness, partly offset by stronger goods exports and EU funds.

**SUPPLY**

In the final quarter of 2025 Zagreb office supply reached the level of 1.595 million sq m GLA, of which 1.136 million sq m (71%) is considered speculative/leasable office space. Around 670,000 sq m (42%) of total modern stock is located within the Central Business District (CBD), confirming the continued spatial concentration of prime office activity. Developments that marked the year of 2025 are completion of the mixed used project Museum Residences (8,000 sq/m) and renovations of Cibona Tower (8,000 sq/m) and Selska Office building (3,000 sq/m), which in total amounts approx. 19,000sq/m.

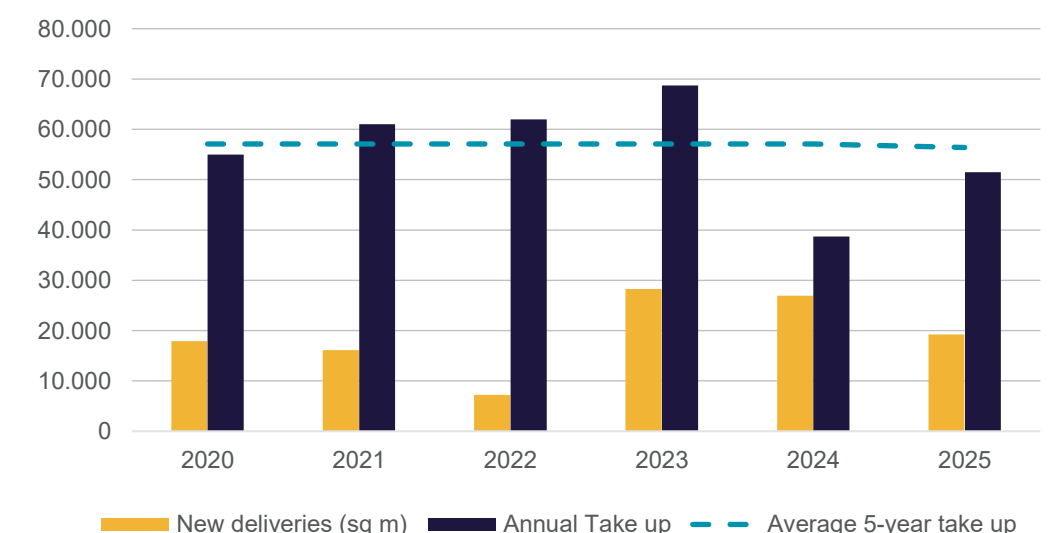
Looking ahead, Zagreb's office market is facing strong development activity, with the majority of new projects scheduled for delivery from Q2 2026 onwards. The pipeline is majority concentrated in the CBD and BDW zones, and largely consists of mid-sized, modern office developments. Key projects in the pipeline include City Island - Phase 3 in Buzin (25,000 sq m), Matrix D Building in the CBD (10,500 sq m), Park Avenue (30,000 sq m), Project Špansko (4,700 sq m), Project Avenue V (4,500 sq m), Pemo Business Arena in Novi Zagreb (8,000 sq m), Paromlin Project in the CBD (15,000 sq m), Vrbani Project (9,500 sq m) and VMD Heinzelova (19,000 sq m) In addition, VMD Group has purchased a land plot on Heinzelova Street for a future mixed-use development combining residential and office components. The Šted Group is developing an office development on Vukovarska Street, directly adjacent to Avenue V, with a total gross leasable area of approximately 7,000 sq m. The project is under construction and is intended as a speculative office stock.

**TOTAL STOCK VS. VACANCY RATE**



Source: CBS International, part of Cushman & Wakefield Group

**NEW DELIVERIES VS. TAKE UP**



Source: CBS International, part of Cushman & Wakefield Group

**DEMAND**

Total office take-up in Q4 2025 reached 18,360 sq m, representing a significant increase compared to Q4 2024 (10,570 sq m). On an annual basis, total take-up in 2025 reached 51,406 sq m, confirming sustained occupier demand despite limited new supply. Demand was strongly CBD-oriented, with 59% of total take-up recorded in central locations, up sharply from 33% in Q4 2024, reflecting an ongoing “flight-to-core” trend. The average deal size increased to 725 sq m, compared to 533 sq m a year earlier, indicating stronger activity from medium and larger occupiers and a higher share of expansionary or consolidation-driven transactions. From a sectoral perspective, public sector occupiers accounted for the largest share of take-up in Q4 2025 (41%), followed by manufacturing (29%) and IT/computers (17%). Compared to Q4 2024, when manufacturing dominated demand, the 2025 structure points to a more diversified occupier base and improved market resilience.

**PRICING**

Rental growth continued across all market segments in Q4 2025, supported by limited availability and sustained occupier interest in high-quality space. In Q4 2025 prime asking rents remained unchanged from the previous quarter and stood at EUR 18.00–20.00/sq m/month. Class A asking rents increased to EUR 16.00–17.50/sq m/month, and Class B rents to EUR 14.00–15.50/sq m/month. On a year-on-year basis, this represents a clear upward shift compared to Q4 2024, when prime rents stood at EUR 17.00–18.50/sq m and Class A rents at EUR 15.00–16.50/sq m. Rental growth is increasingly driven by modern, energy-efficient buildings in core and established business locations. Prime office yields in Zagreb are currently estimated at around 7.25%, remaining attractive in a regional context and supportive of ongoing investor interest.

**VACANCY**

Vacancy rates tightened further by the end of Q4 2025. The overall vacancy rate declined to 2.04%, compared to 2.45% at the end of Q4 2024, while Class A vacancy fell sharply to 1.46%, down from 3.19% a year earlier. Total vacant modern office space stood at 32,525 sq m at the end of 2025 year. Vacancy remains particularly constrained in prime and CBD locations, where tenants face limited immediate options.

**OUTLOOK**

- The Zagreb office market is expected to enter a transitional phase, marked by the gradual delivery of new, modern office developments and an increasingly pronounced differentiation between prime and secondary stock
- The relocation and upgrade trend is expected to intensify, leading to the gradual release and reclassification of older, less competitive office stock.
- Prime rental levels are forecast to remain resilient, with potential upward pressure in premium CBD locations and newly delivered developments, while secondary assets may face increasing rental pressure.
- Vacancy rates—particularly in the Class A segment—are expected to remain low, with limited availability in prime CBD locations.

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