MARKETBEAT
ZAGREB
OFFICE Q1 2026

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
1.73% Overall Vacancy Rate	▼	▲
9,120 Total Leasing Activity, sqm	▲	▲
€18.50 Prime Asking Rent	▲	▲

(Overall, All Property Classes)

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
3.6% GDP Growth Rate 2025	▼	▼
2.0% Zagreb Unemployment Rate Q4 2025	▼	▼
€1,693 Zagreb Average Net Salary Q4 2025	▲	▲

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

ECONOMY

The Croatian economy continues to show resilience in early 2026, with real GDP projected to grow by around 2.8% in 2026, following an estimated 3.0% expansion in 2025, and further moderating towards 2.6% in 2027. Growth remains driven by domestic demand, supported by EU funds absorption and a tight labour market, with unemployment near historical lows around 4.5%. Inflation is proving more persistent than initially expected, with HICP projected at 3.4% in 2026 before easing to 2.4% in 2027 as wage growth moderates and macroprudential measures take effect.

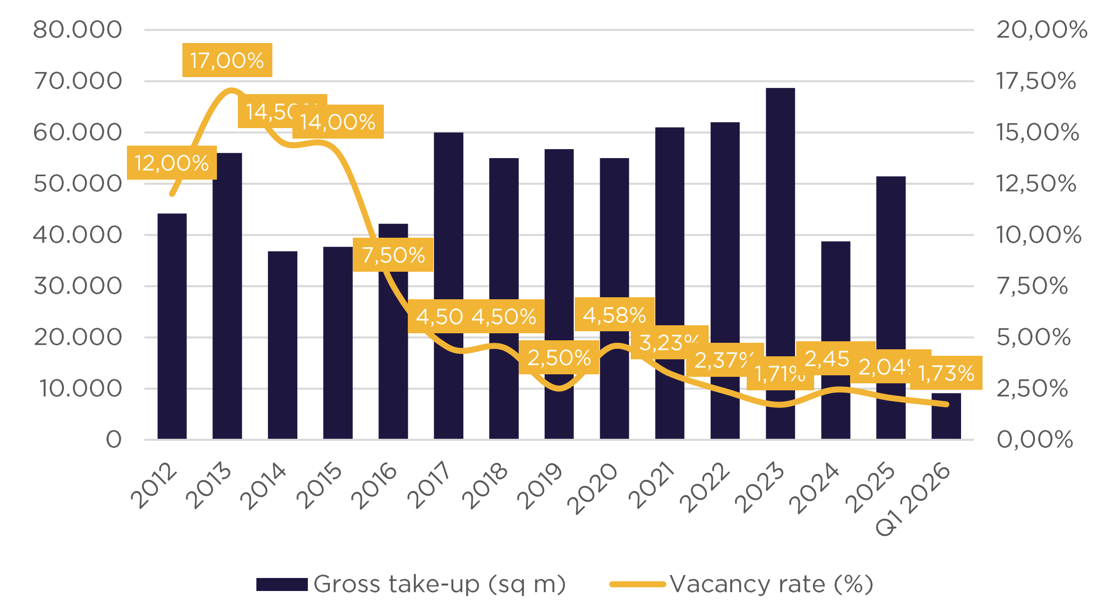
SUPPLY

Zagreb's modern office stock remained unchanged in Q1 2026, standing at approximately 1.595 million sq m GLA, as no new completions were recorded during the quarter. Of this, around 1.136 million sq m (71%) is considered speculative or leasable office space, while approximately 670,000 sq m (42%) is located within the Central Business District (CBD), reinforcing the continued dominance of core locations. While the start of 2026 was characterised by a temporary pause in new deliveries, development activity remains intensified with multiple projects progressing through advanced construction phases.

The pipeline for the coming six to eight quarters remains substantial and is mostly concentrated in the CBD and BDW zones, with approximately 133,200 sq m of new office space scheduled for delivery over the next two years.

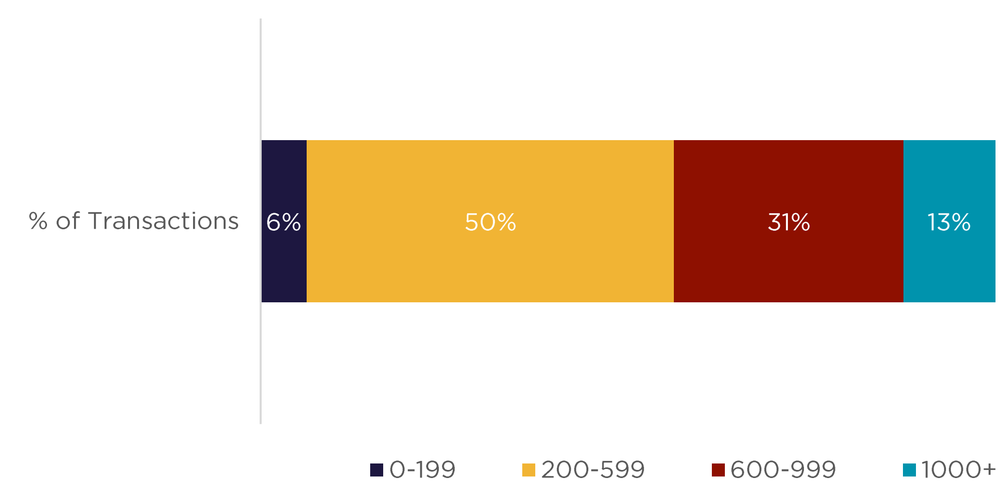
Key projects scheduled for delivery from Q2 2026 onwards include City Island – Phase 3 in Buzin (25,000 sq m), Matrix D in the CBD (10,500 sq m), Projekt Špansko in BDW (4,700 sq m,) and Pemo Business Arena in Novi Zagreb (8,000 sq m). Further into the horizon, 2027 deliveries include Project Avenue V (4,500 sq m), Park Avenue (30,000 sq m), Paromlin Project (15,000 sq m) in the CBD, Vrbani Project (9,500 sq m) in BDW, and VMD Heinzelova (19,000 sq m) in the CBD. Adjacent to Avenue V, the Šted Group continues construction of a 7,000 sq m office space on Vukovarska Street.

GROSS TAKE UP VS. VACANCY RATE



Source: CBS International, part of Cushman & Wakefield Group

TAKE UP STRUCTURE PER SIZE Q1 2026 (SQ M)



Source: CBS International, part of Cushman & Wakefield Group

DEMAND

Leasing activity in Q1 2026 reached 9,120 sq m of total take-up, a significant improvement compared to approximately 5,600 sq m recorded in Q1 2025 and reflecting a firm start to the year following the robust fourth quarter of 2025. Demand remained strongly concentrated in established business locations, with 48% of take-up transacted within the CBD and 45% within the BDW zone, while peripheral and secondary locations accounted for the remaining 7%.
The average deal size declined to 520 sq m, compared to larger transactions recorded in the previous quarter, suggesting a more granular leasing structure driven by small and mid-sized occupiers. From a sectoral perspective, demand was led by consumer services (32%) and IT/computers (29%), followed by manufacturing (19%) and professional services (12%), while other sectors accounted for a relatively minor share. The distribution reflects a diversified occupier base, with continued strength in technology-driven and service-oriented industries.

PRICING

Rental levels remained stable in Q1 2026, with no significant changes compared to the previous quarter. Prime asking rents are currently ranging between EUR 18.00 and 19.50/sq m/month, while newly developed prime projects are achieving levels of up to EUR 20.00/sq m/month, reflecting strong demand for best-in-class assets. Class A office rents remain in the range of EUR 16.00–17.50/sq m/month, while Class B properties are achieving EUR 14.00–15.50/sq m/month. Rental performance continues to be supported by limited availability of high-quality space, particularly in central locations, as well as increasing occupier focus on modern, energy-efficient buildings. Prime office yields remained stable at approximately 7.25%, maintaining Zagreb's competitive positioning within the CEE region.

VACANCY

Vacancy levels tightened further during Q1 2026, reflecting ongoing supply constraints. The overall vacancy rate declined to 1.73%, while vacancy in Class A buildings decreased to 1.59%, indicating continued pressure on availability in the highest-quality segment. Total available modern office space stood at approximately 27,620 sq m at the end of the quarter. Availability remains particularly limited in CBD locations, where occupiers face a limited choice of immediately leasable space.

OUTLOOK

- A significant development pipeline scheduled from Q2 2026 onwards will be the key driver shaping market dynamics over the next 12–24 months.
- New supply is predominantly concentrated in CBD and established business zones, reinforcing the dominance of core locations.
- Occupier demand should remain stable and quality-driven, with continued focus on modern, energy-efficient office space.
- Rental levels are expected to remain stable in the near term, with potential upward pressure in the prime segment driven by new developments.

TAMARA KOSTADINOVIC
Partner, Regional Head of Market Research
Mob: +381 64 70 10 880
tamara.kostadinovic@cw-cbs.hr

IVAN MIHALJEVIC
Head of Office Agency
Mob: +385 99 5837 691
ivan.mihaljevic@cw-cbs.hr