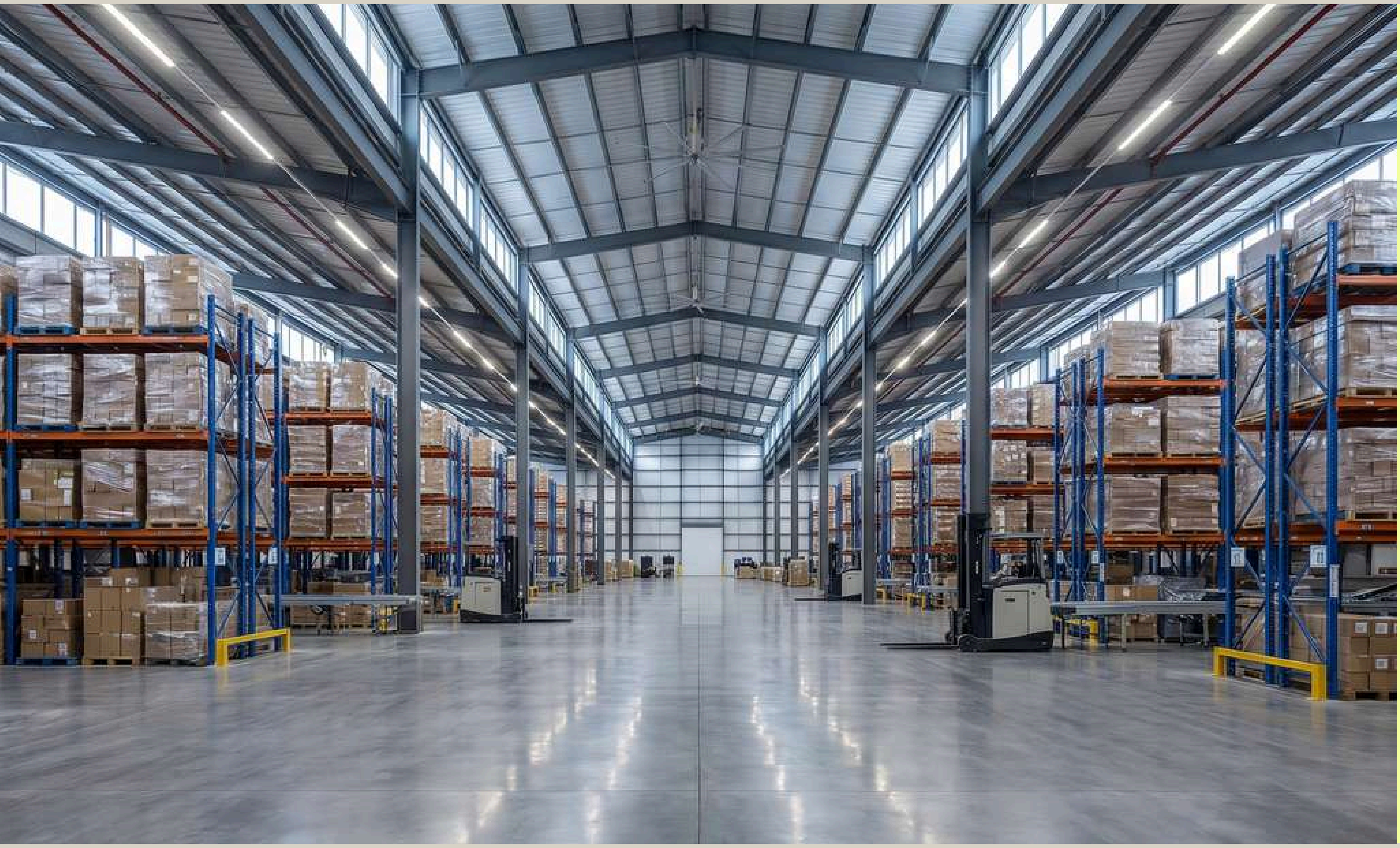
REPORT 2025

CROATIA

COMMERCIAL REAL ESTATE MARKET

FORT VEGA

APRIL 2026



INTRODUCTION

Maja Lavrič
Director

Our multidisciplinary team brings together deep knowledge in real estate, finance, law, construction, and engineering. With each member boasting over two decades of hands-on experience in these fields, we deliver integrated and balanced advisory services.

We develop alongside our clients, supporting them at every stage of complex acquisitions, disposals, leasing arrangements, valuations, and project due diligence.

Drawing on our role as a reliable strategic partner, we have compiled this market report to offer our expert analysis and deliver a concise, authoritative view of the latest market trends and dynamics.

FORT VEGA

Economic overview

Market overview

Croatia's economy posted GDP growth of 3.6% YoY in Q4 2025, marking the 20th consecutive quarter of expansion. For the full year 2025, GDP growth is estimated at approximately 3.0%, supported by robust domestic demand, rising wages and continued EU fund disbursements. GDP growth is forecast at 2.5% for 2026, with further expansion projected through the decade.
Inflation moderated significantly, with the annual average CPI standing at 3.7% in 2025, down from over 8% in 2023. The ECB held its deposit facility rate at 2.00% through H2 2025, and financing conditions remained supportive for commercial real estate activity.

Key Indicators

Croatia maintains investment-grade sovereign ratings across all major agencies, supporting lower borrowing costs and stronger investor confidence. The banking sector NPL ratio declined to a record low of 2.11% at end-2025. EU fund flows continue to stimulate infrastructure investment and construction activity. The Bačić legislative reforms, effective 2026, aim to streamline permitting and accelerate development timelines.
Tourism remains a key structural pillar: in 2025 Croatia recorded 21.8 million arrivals and 110 million overnight stays, up modestly on 2024. Top investment barriers remain administrative red tape, slow judiciary and availability of skilled labour.

3.6% GDP Growth Q4 2025 YoY	**3.7%** Inflation 2025 Annual Avg.	**3.9M** Population
5.0% Unemployment Rate, 12/2025	**2.5%** Forecasted GDP Growth 2026	**€470M** CRE Investment Volume 2025

LOGISTICS & INDUSTRIAL

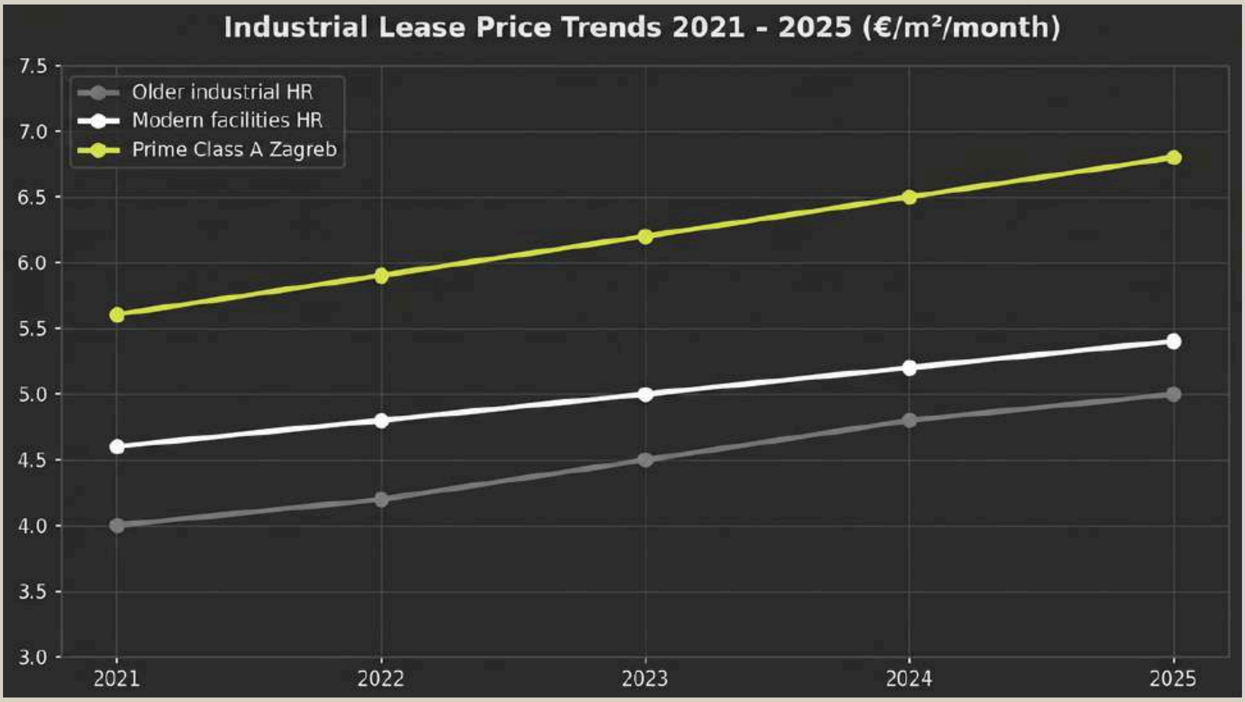
The industrial and logistics sector remains the most dynamic segment of Croatia's commercial real estate market. Total modern warehouse and industrial stock reached approximately 3,7 million m² nationally as of Q4 2025, with around 54% concentrated in the Zagreb metropolitan area. Class A space now accounts for 41% of the total national stock, a significant improvement over recent years.

Vacancy rates remain historically low, consistently below 3% across all space classes, underpinned by strong occupier demand and limited availability of quality stock. The prime headline rent in the Zagreb area is approximately €6–7/m²/month, with Class A space in Zagreb commanding €7.5–9/m²/month. The logistics segment benefits from Croatia's strategic position on Pan-European Corridor X and the Adriatic gateway through the Port of Rijeka.

3,7M m²
Total Market Stock

6 - 7 €/m²
Prime rent in Zagreb

< 3%
Vacancy Rate



Source: Cushman & Wakefield, Colliers, Avison Young and in-house calculations

Trends from 2025 are forecast to carry forward into 2026 and beyond. Prime rental rates are expected to stay firm with continued upward pressure on Class A assets, while new construction will remain targeted and concentrated on best-in-class, ESG-compliant schemes. Approximately 482,000 m² of logistics space is currently in the Croatian pipeline, including projects under construction and announced developments – a strong medium-term supply signal.

Despite this active pipeline, vacancy rates are expected to remain structurally low, well below 3%, reflecting deep occupier demand. Pre-leasing activity is critical, with many schemes securing tenants ahead of completion. The Rijeka Gateway terminal – now fully operational with 400m of quay and 650,000 TEU annual capacity – is expected to reshape the Adriatic logistics corridor and position Rijeka as Croatia's fastest-growing logistics submarket.

Projects in development

OFFICE

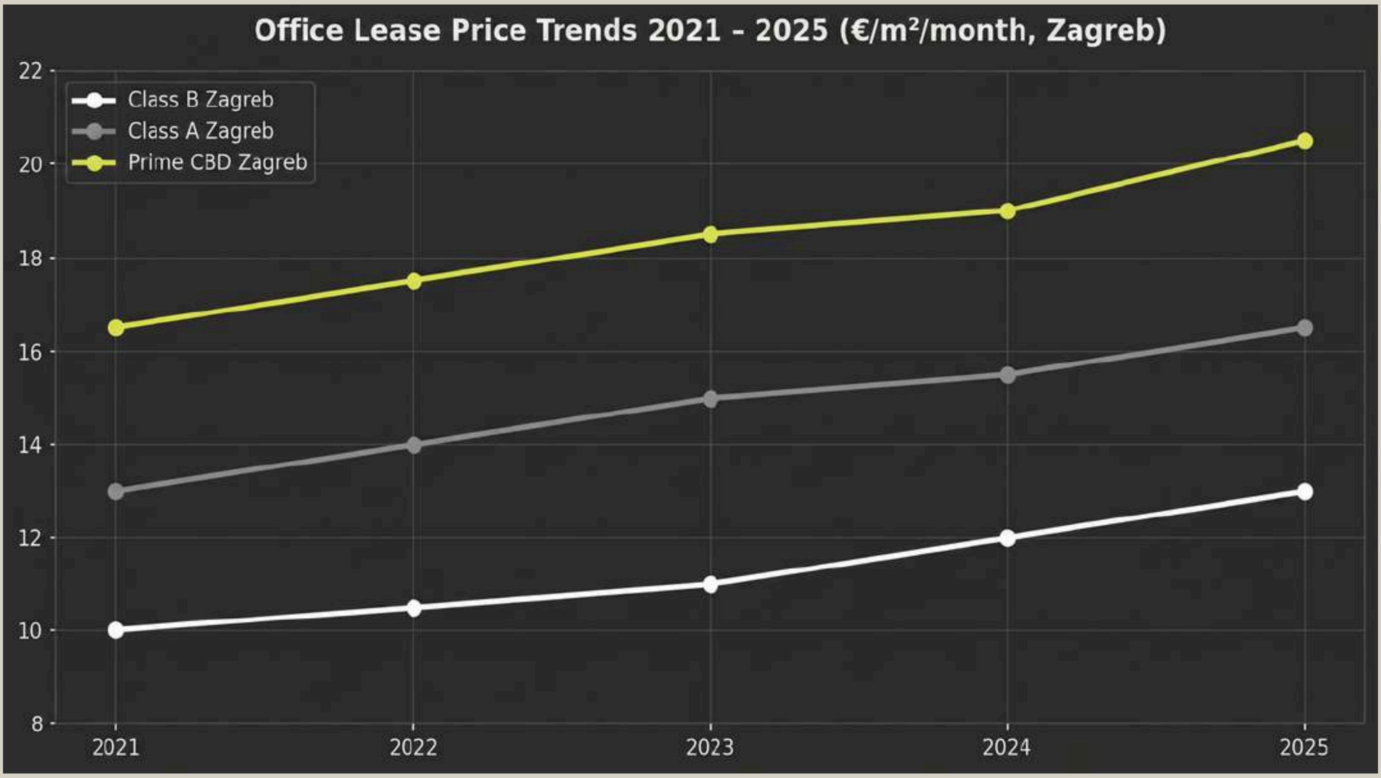
Croatia's office market is concentrated almost entirely in Zagreb, where modern stock totals approximately 1.6 million m². The market is structurally tight: Class B premises constitute the majority of inventory, with Class A representing roughly 45%, and stock delivered within the last five years contributing only about 3% of total supply. Prime CBD vacancy is exceptionally low, often below 1%, while overall Zagreb vacancy remained around 2.0–2.5% throughout 2025.

Demand was stable and diversified, driven by expansion, relocation away from rising costs in older B/C class stock, and the pursuit of optimal workplace solutions under hybrid work models. A notable structural shift saw Zagreb increasingly attract regional business functions, including selected relocations from neighbouring Slovenia. Prime rents reached €20+/m²/month, with Class A averaging €14–16/m².

1,6M m²
Modern Stock
(Zagreb)

14-16€/m²
Class A
11-13 €/m²
Class B

< 2,5%
Vacancy
(Zagreb)



Source: Cushman & Wakefield, Colliers, Avison Young and in-house calculations

Office development activity is set to remain centred on superior-grade, environmentally responsible buildings meeting stringent ESG criteria. Approximately 117,000 m² of office space is currently under construction in Zagreb, with around 55,500 m² scheduled for delivery in 2026 and a further 61,000 m² in 2027. As newer Class A stock is introduced, secondary and older space is likely to face softening occupier interest and a widening rental gap.

Occupier demand is projected to hold steady, supported by economic growth, business expansion in Zagreb, and selected regional relocations. The structural undersupply of contemporary office space – combined with newly delivered stock aged under five years contributing only 3% of supply – should continue to support rental growth, particularly in the CBD where vacancy is below 1%.

Projects in development

Retail

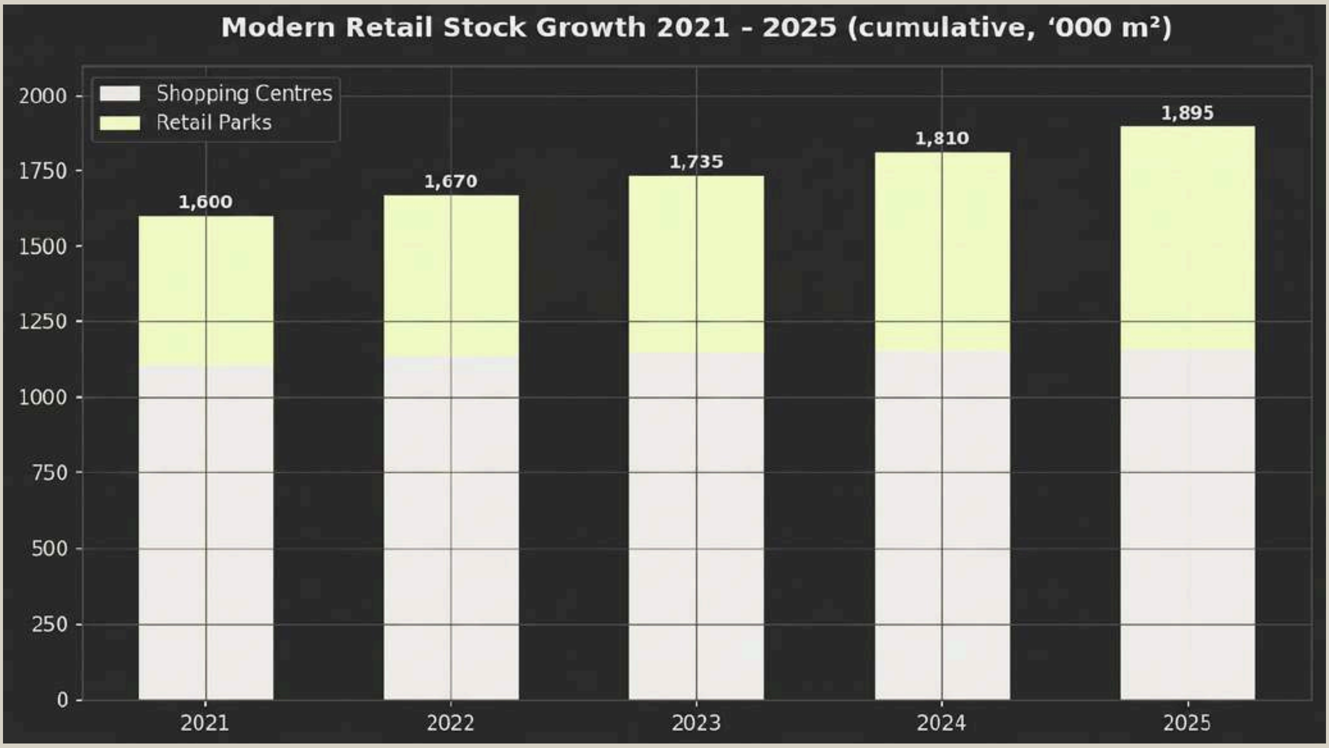
Croatia's modern retail landscape totals approximately 1.83 million m², comprising shopping centres (~63%), retail parks (~35%), and outlet centres (~2%). Zagreb hosts about 623,000 m² of modern shopping centre stock and remains the most developed retail market in the wider region. The market is considered relatively saturated in primary cities, prompting both developers and retailers to pivot toward secondary and tertiary urban areas.

In 2025, eleven new retail parks opened, adding more than 80,000 m² of space, with notable openings including FT Park (Zagreb), Joy Shopping Rugvica, Hey Park Vinkovci, Green Park Varaždin, and Stop Shop Nova Gradiška. Retail trade turnover grew for a 33rd consecutive month in real terms by year-end 2025, rising approximately 3.6% on the year, supporting stable rents and below 3% vacancy in prime schemes. Prime shopping mall rents reached approximately €30/m².

1,8M m²
Modern Retail Stock

25-30 €/m²
Prime Mall Rent

< 3%
Vacancy

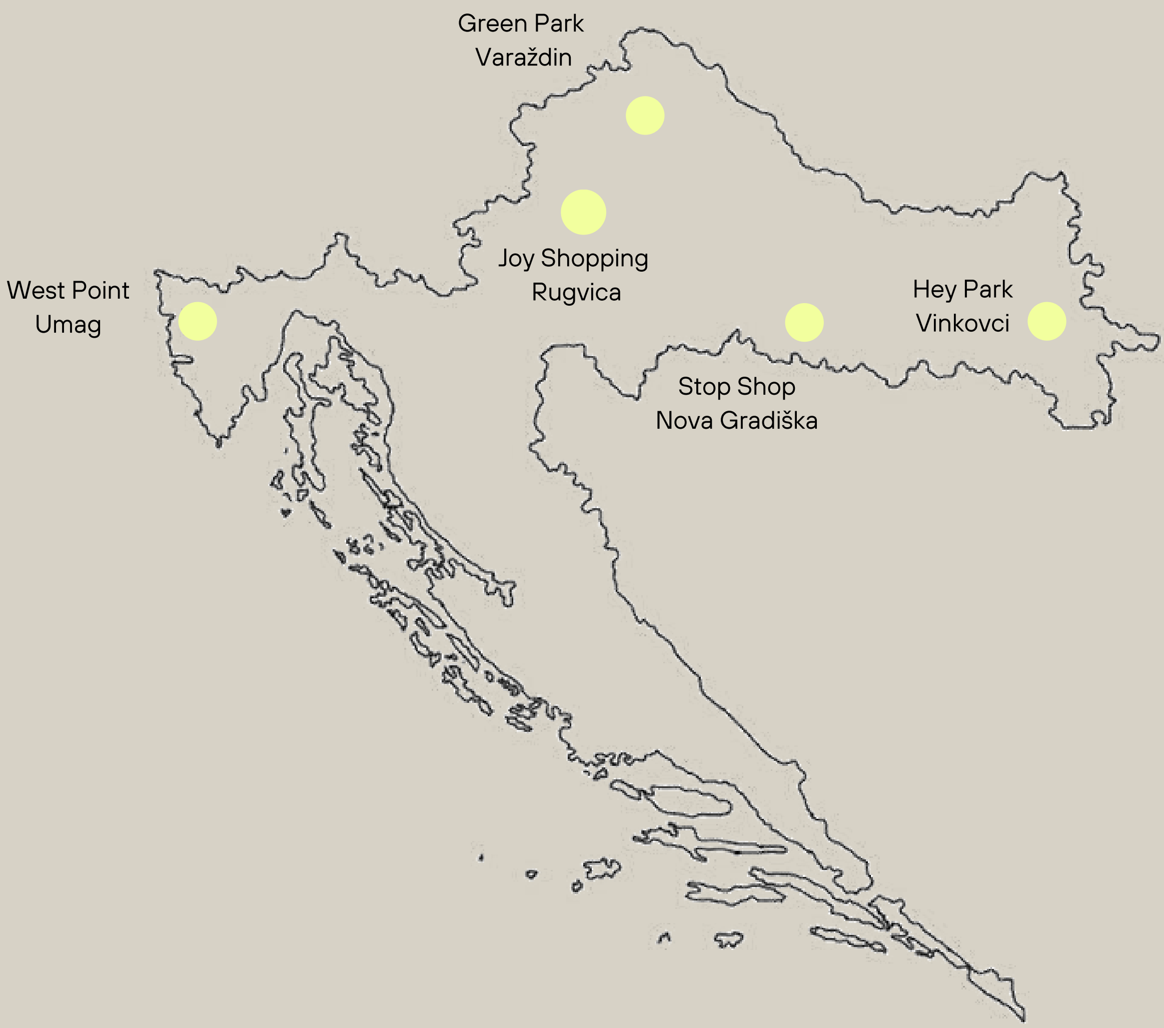


Source: Avison Young, Colliers and in-house calculations

The retail sector is expected to maintain its emphasis on the retail park format, which continues to outperform traditional shopping centres in suburban and tourist-oriented locations. Approximately 100,000 m² of new retail space is currently under construction, with a further 110,000 m² planned for delivery between 2027 and 2029. Ownership in the retail park segment continues to consolidate, with CPI Property Group, Supernova, and BMP Asset (HEY Park) collectively controlling more than half of total retail park GLA.

In primary cities, shopping centres are increasingly integrating sports, leisure, food courts, and entertainment offerings to compete effectively with e-commerce. The rental gap between high-footfall prime locations and secondary or lower-traffic schemes is anticipated to remain pronounced, while new international entrants such as Action and Sephora signal renewed retailer appetite for the Croatian market.

2025 Openings



Hospitality

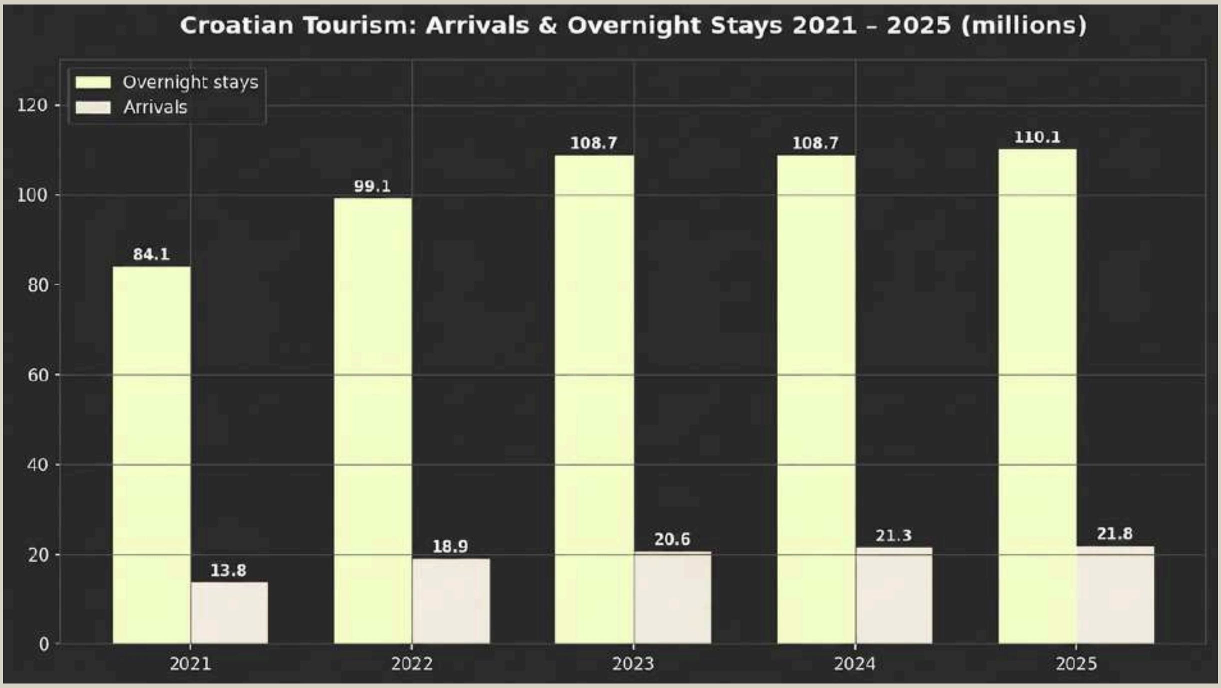
Croatia's hospitality sector remains a cornerstone of the national economy, with tourism revenues representing nearly 20% of GDP. In 2025, the country recorded approximately 21.8 million arrivals and 110.1 million overnight stays – both surpassing 2024 record levels by 2.3% and 1.3% respectively. Hotels generated approximately 26.1 million overnight stays (up 2.5% YoY), accounting for 27% of total commercial accommodation, while household objects remain the dominant accommodation type at 42%.

Coastal counties continue to dominate, accounting for 94.3% of overnight stays, with Dubrovnik leading hotel overnights followed by Poreč, Zagreb, Rovinj, and Umag. Top source markets are Germany (20%), Slovenia (10%), Austria (7%), and Poland (7%), with notable 2025 growth of 4.5% from non-traditional markets. Foreign visitors generated 87.5–90.3% of overnight stays. The seven largest listed hotel operators captured roughly 40% of total hotel revenue, with leading groups posting EBITDA margins above 30%.

996
Hotels & resorts

48%
Average hotel occupancy

110M
Overnight stays



Source: Croatian Bureau of Statistics, Croatian National Tourist Board, Avison Young, Colliers

The hospitality outlook through 2026 and beyond remains positive, with strong tourism fundamentals and continued growth from non-traditional source markets. Demand is shifting decisively toward higher-quality accommodation, with modern, amenity-rich hotels outperforming the broader market. The sector is transitioning toward upscale and lifestyle concepts, supported by international capital interest particularly in prime, branded coastal assets. Rising labour and energy costs are pressuring margins, increasing the importance of operational efficiency and brand quality.

Notable 2025 openings include:

- 514-key Valamar Pical Resort (Poreč, €200 million)
- Hyatt Regency Zadar (133 keys, €55m)
- Heritage & Resort Hotel Monumenti (Pula, 98 keys, €85m)
- Novotel Zagreb East Gate (163 keys, €25m).

The pipeline includes Hotel Marjan in Split (285 keys, €100m), Marriott Riva's Hotels & Resorts in Ičići (192 keys, €520k/key), Grand Villa Argentina (Dubrovnik, 96 keys), and the Mövenpick Hotel Kvarner Bay reconstruction in Novi Vinodolski.

Projects in development

About us

Your trusted partner in commercial real estate strategy, exclusive transactions, and asset value maximisation — guiding investors through long-term real estate value creation in Slovenia, Croatia, Serbia, and across the wider region.

- REAL ESTATE CONSULTING
- CAPITAL MARKETS
- ASSET MANAGEMENT
- LEGAL SUPPORT
- MARKET INTELLIGENCE

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