



Curent market situation

Croatia

Compared to December 2009 real estate prices in Croatia show no significant changes but prices are still decreasing. Real estate prices in Zagreb are lower by 1,3% in December, while on annual level are lower by 5,7%. Average apartment price in Zagreb in January amounts to 1.868 EUR/m², and are lower by 1,3% comparing to previous month 2009 and 6,3% less when comparing to January 2009. Highest apartment prices are in Zagreb downtown with average price of 2.423 EUR/m² (30% above average). Average price of apartments in New Zagreb remained the same. Average price of houses in Zagreb and decreased to 1.272 EUR/m² which is 1,3% less comparing with month before, while on annual level the prices of houses are lower by 3,4%.

The prices of holiday houses and apartments in Adriatic area are the same as month before while on annual level are lower by 4,5%. Price of houses on the coast are 1.575 EUR/m² or 1,5% higher than previous month. Average apartment price on the coast in December is lower by 0,6% on monthly level which amounts to 2.095 EUR/m². We can see difference in prices from Istria (average price of apartment in Rijeka of 1.677 EUR/m²) to Dalmatia (average price of apartment in Makarska of 2.268 EUR/m²).

Bosnia and Herzegovina

International house appraisers Moody's Investor Service published the annual report on Bosnia and Herzegovina for year 2009 in which stated that the country retains the B2 credit rating with stable outlook. The assessment says that despite the negativity in the economy it still resists global crisis even though does not expect significant recovery in the near future. They expect slower economic growth in BiH in relation to the period to year 2008 what will mainly affect the limited export opportunities, new investment and consumption.

Serbia

The Serbian government has found a suitable location to build the department store Ikea – area of the busy corridor X, near the Belgrade airport. The land is owned by the Institute of animal husbandry, and the government will buy it, converted to the building land and offer to Swedish company at a lower price than the market one. This time Ikea plans to build large shopping center. Directly through an agreement with the government Ikea has managed to avoid intermediaries who could blackmail the company. Agreement in Serbia should not disturb Ikea plans to open centers in Croatia.

Breaking news

World Bank loan to Croatia

The World Bank loan worth EUR 200m will be primarily used for paying liabilities due in the first quarter of this year. The loan is recognition of government's previous achievements, evident in favorable terms (15.5-year loan with a 2% interest rate) without having a stand-by arrangement with the IMF.

Zagreb stock exchange

Even though many analysts forecasted stagnation, Crobex declined 1.52% to 2,178.55 points, largely due to constructors and shippers (Atlantska plovidba, Dalekovod, INA, Ericsson Nikola Tesla).

Croatia's GDP to contract 0.5% this year

Croatia's GDP has been rising for years due to state investments, household consumption and tourism, while industry and export were lagging behind. Therefore, the GDP structure needs to be changed in order to rely more on foreign demand.

Croatian presidential elections

The second round voting has been held on January 10th 2010 with a final decision on the new Croatian president. The new Croatian president is a social democratic candidate – prof.dr.sc. Ivo Josipović. He was elected with more than 60 % of the total number of voters.

The new Croatian president will start obtaining the function on February 18th 2010.

State of the projects

Lumini shopping centre

A groundbreaking ceremony for Lumini shopping centre followed by a formal luncheon took place on Wednesday, January 20th 2010 on project location - Knežinec business Zone in Varaždin. Besides Norwegian investor representatives – Verdispar group, the groundbreaking event hosted the most prominent local government officials including Head of Varaždin County, Head of Međimurje County, representatives of City of Varaždin and municipality Knežinec, director of Knežinec business zone and other respectful guests from political and business life. Press gathering was hosted by Erik Mohorović, Managing Director Verdispar, Croatia; Domagoj Pavlek, Development director, Verdispar, Croatia; and Nenad Peris, Colliers, Croatia Retail department manager.

Groundbreaking event represents a significant step forward for Verdispar and development of Lumini shopping centre project in which Colliers, Croatia retail team successfully manages the lease process. The main contractor of Lumini shopping centre is 'Zagorje Tehnobeton'.

