

## Curent market situation

### Croatia

Real estate prices in Zagreb are lower by 0.3% compared to February this year, while on annual level decreased 4.1%. In the Adriatic, the prices are compared to the previous month lower by 1.1%, while at annual level lower by 4.7%. Average property price in Croatia, in March 2010 is lower by 0.7 % than in February 2010. On an annual basis, the required real estate prices were lower by 4.4%. Average price for apartment in Zagreb, in March 2010 amounted to 1 869 eur/m<sup>2</sup>, which is almost the same compared to the previous month (1873 eur/m<sup>2</sup>). Compared to March 2009, the average apartment prices are lower by 4.8%.

In relation to the apartment m<sup>2</sup> price in Zagreb, average house prices are lower by 32%. The average house price in and around Zagreb amounted 1 278 eur/m<sup>2</sup> in March 2010, which was 0.8% lower compared to the previous month. Compared to March 2009, the average house prices are lower by 1.5%.

Property prices in Adriatic are lower by 1.1% compared to the previous month, while at annual level are lower by 4.7%. The average price of houses and apartments is 1952 eur/m<sup>2</sup>, which is almost the same as the previous month. Average apartment price on the coast is lower by 2.1% compared to last month and now stands at 2093 eur/m<sup>2</sup>. One can also notice the difference in prices of apartments in the northern Adriatic and the apartments in the central and southern Adriatic. Thus, for example, an average price of a flat in Trogir in March was 1 959 eur/m<sup>2</sup>, and in Rijeka amounted 1 725 eur/m<sup>2</sup>.

## Breaking news

### INA sells Crobenz

INA informed the Zagreb Stock Exchange that it had sold Crobenz to Croatian Petrol Stations, affiliate of Progress Trading, which is member of Slavia Capital Group, an investment company located in Bratislava, Slovakia, founded in 1995. Its focus is on private equity operations, consulting services, and property evaluation.

Slavia Capital's website indicates that the company's geographic priorities include Hungary, Poland, Ukraine and Balkans. Over the years, it has worked for Jukos, RWE Group's member Westfälischenferngas, and OMV Austria. Ina notes that the sale of Crobenz – oil wholesale and retail company with 14 filling stations – was carried out based on the Competition Agency's decision.

### Croatia's inflation to remain low in upcoming months

The inflation rate was low in first two months this year, partly due to relatively high last year's calculation basis.

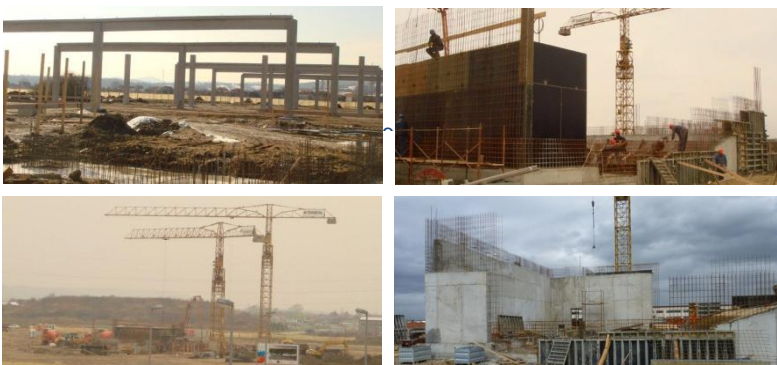
More precisely, annual inflation rate was 1.1% in January, compared to February rate of 0.7%. This is record-low since September 2002 according, PBZ weekly analysis reads.

In February alone, gas prices booked the highest increase of 20.3%, with 14% increase in fuel prices. Food was 3.3% cheaper than a year earlier. In sum, prices of goods hiked 0.4% and costs of services went up 1.9%. "As seasonal employment and abolishment of the lower crisis tax rate are not expected to yield significant results before July, inflation should remain low in the upcoming months, with upward tendency to 3% forecasted at year-end", PBZ analysts concluded.

## State of the projects

### Lumini shopping centre

We bring you an update on construction works performed during March 2010 on Lumini site in Varazdin. Also, please visit [www.lumini.hr](http://www.lumini.hr) to get a full construction update.



### Green Build Conference, 15<sup>th</sup> -16<sup>th</sup> April Budapest, Hungary

GBC Croatia and Verdispar International Ltd. as co-founding member has joined Build Green Central and Eastern Europe as an event Partner. Experts from Green Building Councils from Poland, Romania, Hungary, Croatia, the Czech Republic, and Bulgaria among other CEE countries will deliver independent analysis to provide a better understanding of the opportunities for green building solutions.

Visit [www.buildgreencee.org](http://www.buildgreencee.org) for more information on the biggest green building event in the region for 2010!

