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Damir Novinić
Director, Agency for Investments
and Competitiveness



Filip Despot, Tihana Taraba and Ivana Pavić
Founders of the Grupa design studio

CREN Patrons:

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1. TOPIC OF THIS ISSUE



Damir Novinić
Director, Agency for Investments and Competitiveness



**AGENCY FOR
INVESTMENTS AND
COMPETITIVENESS**

Agencija za investicije
i konkurentnost

How to start investment projects in Croatia?

What do you consider to be your good results since you were appointed director of the Agency for Investments and Competitiveness?

What are you focused on?

I am proud of everything we have achieved in terms of attracting investments and enhancing business climate in the Republic of Croatia in these seven months of the Agency's operation. Besides active and everyday work with the investors, we have developed a web site, held about 400 meetings, several dozens of targeted presentations to potential investors and held presentations for more than 50 ambassadors of foreign countries to Croatia. For us, the embassies are actually one of our main distribution channels, given that the serious big investors as a rule seek information through their embassies, and therefore one of our main tasks at the beginning of our operations was to establish excellent cooperation with the embassies. Furthermore, besides attracting new investments, our focus was naturally on establishing cooperation with companies/investors that are already present in Croatia – the ones that are faced with certain obstacles. The best sign of a change in the investment climate in Croatia is if the companies that already operate in

this country are satisfied with the way and the terms of business operations, which will naturally be followed by new private investments. And in this initial stage, our focus is precisely on this.

The result of our work is mostly evident in the fact that **8 investment projects** were launched with comprehensive support of the Agency, and their total value amounts to **206 million EUR**, while the projects will **employ a total of 1,411 persons**. This is a fact, which tells us that we are doing good work and that we are on the right path.

What makes Croatia a desirable investment destination?

There are many reasons that make Croatia a desirable investment destination, but here I would like to particularly emphasise just a few. Primarily, they include Croatia's joining the EU as a full member state, which will serve as an additional confirmation of the political and economic stability of this country. Here I have to emphasise that Croatia currently offers many incentives for investors, which will certainly result in a positive investment climate and an increased number of implemented investment projects, and the incentives are regulated by the new Act on Investment Promotion and Enhancement of the Investment

Environment (OG 111/12 and 28/13), which ranks Croatia at the very top among the countries that provide attractive incentives for investment projects. Furthermore, the excellent geopolitical position of this country, modern and available infrastructure also play an important role among the criteria, based on which potential investors make their decisions. And perhaps last but not least, Croatia's attractiveness is enhanced by its human capital. Know-how, availability of labour force, knowledge and skills, innovativeness and adoption of new technologies: all these elements rank Croatian employees at the very top of the competitiveness ladder on the European market. Also, Croatia is a country in which half the population actively speak English, and one third speak German, which ranks us among the top few in the South-East Europe, and makes Croatia more competitive in attracting new foreign investments.

What is your opinion on the Strategic Investment Act?

The Strategic Investment Act is absolutely necessary at this time in Croatia, and I believe that there are very good reasons to adopt it. We would like to live in a country where such an act is not necessary, but currently this is

not possible. Unfortunately, the current state of play in Croatia is such that we have about 350,000 unemployed persons, and it tells us that we have to act quickly and efficiently in order to successfully resolve this problem and ensure new investments and new employments.

that the Republic of Croatia will gain by its membership in the EU, with the emphasis on new investment projects and on active promotion of Croatia as an investment destination on targeted markets. The goal of these promotional activities is to clearly present the new measures and changes

of investment projects in our portfolio is such that almost half are tourism projects, followed by almost 30% of industrial projects, and projects in logistics, services, real estate and pharmaceutical industries.

Which industries attract most interest by the investors?

Besides the tourism industry – construction of accommodation facilities of high categories, marinas and golf courses, the greatest interest in investing in the Republic of Croatia exists in the manufacturing industry – electronic, metal-processing, food and textile industries.

We are focused on the commercial real estate market in Croatia. How do you assess the state of play of commercial real estate on the Croatian market? Office buildings, shopping centres and industrial zones are main segments among commercial real estate. What do you think about their development so far and in future?

Croatian commercial and business real estate market has huge potential, but given the current global economic situation it has not been sufficiently

“The best sign of a change in the investment climate in Croatia is if the companies that already operate in this country are satisfied with the way and the terms of business operations, which will naturally be followed by new private investments.”

At the Ninth Annual International Conference on the Real Estate Market in Croatia you moderated a panel discussion on “How to start investment projects in Croatia?” What were the conclusions of this panel discussion?

At this occasion I would like to thank once again to all the participants in this panel discussion – the ambassador of the United Kingdom of Great Britain and Northern Ireland in the Republic of Croatia, Mr. David Slinn, Mr. Ivan Kusalić, the director of the company Razvoj golf d.o.o., Mr. Denis Čupić, president of the Croatian Developers’ Association at the Croatian Employers’ Association and Mr. Tobias Stone, partner in the company Adriatic Advisors Ltd. The main topics that we wanted to familiarize Conference participants with at the panel discussion on “How to start investment projects in Croatia?” included: the role of the state in attracting investors, enhancing business environment through the activity of the Working Group on Business Climate and Private Investments, and whether it is domestic or foreign investors that are the main motor of development. The conclusions of the panel became evident as a natural result of the discussion with the participants of this panel, and the topics we touched upon, and they include great potential

in the business climate that have been actively implemented in the past year to potential investors, especially as these changes will surely result in new investments and in opening of new jobs.

At the Ninth Conference you mentioned that there are more than 60 investment projects in the Agency portfolio. Can you tell us more about the structure and the status of these projects, and on their total value?

“I am exceptionally glad that the number of projects in the Agency portfolio is continuously growing, and that we currently have more than 70 investment projects in various stages of implementation, whose total value amounts to 6.7 billion EUR, and which – if implemented – would employ a total of 8,767 persons.”

I am exceptionally glad that the number of projects in the Agency portfolio is continuously growing, and that we currently have more than 70 investment projects in various stages of implementation, whose total value amounts to 6.7 billion EUR, and which – if implemented – would employ a total of 8,767 persons. The structure

used. I believe that there are great foundations for further development of this sector, and that in this field Croatia can be very competitive on the EU market. Business premises and business properties, which are built following the highest European standards, are a prerequisite for Zagreb to become an ideal business centre

in this part of Europe at the moment when investors are displaying increased interest in Croatia.

on good opportunities and if we start intense activities.

on that intensely, we provide support to investors and assist them in obtaining building permits, environmental impact studies, import permits etc. Also, we strive to ensure that investors obtain the necessary permits in as short time as possible, in accordance with legal deadlines. All advice and comments we receive from investors first hand, we use to propose initiatives for changes. With our assistance, along with the current activities of the Croatian government, in January this year, we established a Working Group for business climate and private investments, the main goal of which is to resolve obstacles that private investors face, and to advance business environment in the Republic of Croatia. The sessions of the Working Group are used to actively implement measures to remove obstacles and accelerate procedures related to the implementation of investment projects, which are faced with certain obstacles, and to propose measures to facilitate business operations.

“Croatian commercial and business real estate market has huge potential, but given the current global economic situation it has not been sufficiently used. I believe that there are great foundations for further development of this sector, and that in this field Croatia can be very competitive on the EU market.”

From our experience related to the supply of commercial real estate, the industrial and business zones display differences in the supply of properties that the investors have at their disposal, and it is evident that those business zones that offer an added value of fully developed business and utility infrastructure and that are built according to the highest standards will certainly attract most investors.

Will Croatia’s pending accession to the EU and the availability of funds influence attracting investments?

Croatia’s joining the EU will almost certainly only have positive effects when it comes to attracting investments. Investors’ interest in Croatia is already evidently increased, and many investors emphasize that the reason for this interest is Croatia’s accession to the EU. The Agency will be focused on those EU countries that display the highest interest in Croatia. As I have already emphasized in one of the previous answers, we will organise visits and presentations for interested investors, to whom we will present the benefits of investing in Croatia and highlight all the positive changes that occurred in the past years. A possible threat is stronger and more serious competition and loss of the CEFTA markets. For us, this can be very good, but only if we focus

Have you identified the main obstacles for investments, how they can be removed and in what time period, and what effects will be achieved by removing these obstacles?

“Croatia’s joining the EU will almost certainly only have positive effects when it comes to attracting investments. Investors’ interest in Croatia is already evidently increased, and many investors emphasize that the reason for this interest is Croatia’s accession to the EU.”

According to our experience in working with the investors, for instance in the tourism industry, the main obstacles include resolving legal and spatial-planning issues. Furthermore, the objection we most often hear from investors is uncertainty as to the duration of proceedings. We are working

The results of the Working Group are reflected in the fact that 6 investment projects are fully resolved, and their approximate value amounts to EUR 353 million, and they will open jobs for 1.050 persons. Also, the Group currently works on resolving issues in 17 investment projects of approximate

“I have to emphasize that in the last six months it has been much easier to do business and to invest in Croatia, and in the next six months it will become even easier.”

total value of EUR 1.2 billion, which will create about 2.500 jobs, and we hope that these issues will also be resolved very soon.

What is currently being done in order to increase the competitiveness of the Croatian economy?

Within the Working Group for business climate and private investment, the Government of the Republic of Croatia is already actively working on enhancing business climate and competitiveness of the entire Croatian economy. In the past four months the Working Group has adopted as many as 60 activities that it is implementing in order to enhance business climate, and two subgroups were established: the working subgroup for examining the possibilities

of reducing the discount rate and the working subgroup for analysing and re-examining the Registry of Non-Tax Revenues.

Further, 10 workshops were organised on Doing Business indicators with the teams of the World Bank, the main goal of which is to define areas where positive developments were identified and to achieve agreement about the way of how the positive developments should be recorded. I have to emphasize that in the last six months it has been much easier to do business and to invest in Croatia, and in the next six months it will become even easier.

What is the agenda you would like to pursue during your work in the Agency?

We have many plans, from introducing new projects and continuing work and activities according to our operational plan. As I have already emphasized, we are currently focused on the existing investors, on resolving their current problems. We also plan to strongly promote Croatia on international markets where we intend to present investment possibilities and the role of the Agency, which – with its team of professionals is here for the investors in all the segments of the investment process. And finally, we wish to use our legislative possibilities to do our best to increase Croatia's rating in the Doing Business and World Competitiveness Reports, which will also be a sign of the change in the business climate.

2. TOPIC OF THIS ISSUE



Filip Despot, Tihana Taraba and Ivana Pavić Founders of the Grupa design studio

You are the founders of the Croatian design studio called Grupa. Can you briefly tell us who the founders are, how did Grupa come about and what is your area of work?

Filip Despot: Grupa was established back during our time as students of design, we met in the third year of studies, started to hang out, prepare exams, tenders and projects together. As we started working as professionals, we wanted to continue with all this, so that we established a studio in 2006. The founders were the three of us: Filip Despot, Tihana Taraba and Ivana Pavić. We are working in the field of product design, scenography and setting up exhibitions.

Tell us more about product design in general, and why did you decide on that particular area of design?

Ivana Pavić: Along with this being a creative profession, the aim of product design is to continuously improve quality of life. What matters equally in product design are functionality, productivity and aesthetics, and the designer's main task is to strike a balance between those three. Accessibility, intuitiveness and clarity of solutions are some of the features we strive to achieve, but we always bear in mind the limitations of materials, space and time.

Besides being designers, you are also manufacturers. How did you decide to engage in that? Do you wish to stay in the manufacturing or perhaps expand your operations?

Tihana Taraba: The fact that we became manufacturers occurred spontaneously, as a reaction to not having clients to contract our services. In 2010, we

presented *Model* lamps at the Reactor exhibition – the platform used for affirmation of product design, where we received exceptionally positive reactions and concrete enquiries to sell. We decided to start the production with a smaller batch of lamps, and after we have sold them all, we saw that this was a product with market potential. We produced a bigger batch, got them attested, produced the packaging and brought it to the level of finished products, which are still being sold in Croatia and abroad. The brand under which *Model* lamps, *Pilot* pillows and soon *ILI_ILI* lamps are and will be manufactured is called Grupa products. Starting our own production is not in our long-term plans, it takes up a lot of our time that we would rather dedicate to designing new products, however, until the situation in Croatia changes, we will have the initiative and need to have manufacturing as well.



Photo: Grupa ILI_ILI 2012, author: Berislava Picek.



Photo: 3angle, Grupa for Kvadra, author: Domagoj Kunić.



Photo: Grupa 7 2010, author: Jasenko Rasol.

How do you create a new product? What segments do you take into consideration in doing that?

Tihana Taraba: We are producing our products for clients, or if there are no clients – we do that on our own initiative. In Croatia, the state of play is such that there are only a handful of clients, so that the designers are forced to develop products on their own initiative. If we are designing a product for a client, it's important to know its needs and manufacturing possibilities. Given that the process of development is a long term, expensive process, when we produce products

on our own initiative, we are always considering whether we can develop and manufacture it on our own. In this process, we first create a prototype, we present it to the public, and if the feedback is good – we start production. And ideas mostly arise when one of us comes with a sketch, and if we all “click together”, then we know it's something to continue working on.

Can you compare the relationship and the role of product idea, aesthetics and function, creating of a brand and marketing the product? What do you consider most important?

Ivana Pavić: The importance of these roles can be pictured as a pyramid, from the bottom up – the idea that contains the whole story of the product makes the function of the product self-evident, and it signals the final aesthetics of the product. And if these three levels are sufficiently well balanced, the product creates a name for itself and it can be marketed.

One of your new products are modular lamps, which you entitled ILI_ILI lamps (EITHER-OR lamps). How did they come about? How do you produce them, promote and sell them?

Tihana Taraba: We designed those lamps for the tender issued by Zagrebačka banka and the Croatian Chamber of Trades and Crafts, and the task was to connect design and traditional crafts.

We wanted to create metal pendants in the metal lathing technique. The idea of a modular pendant was created at the moment when we had several different forms on the paper: longitudinal, flat, large and small – and they were all equally interesting. We arrived at 6 forms, which we can connect into a series of pendants by simple connections. The elements differ in shape and colour. This is a product, which makes it possible to the final user to shape his/her ideal combination. The lamps received the first prize at the tender, and this made it possible to start the manufacturing. Given that this is a highly complex product, they are currently in the last stage of manufacturing, and soon we plan to start with promotion and sale, as soon as the production process is completely finalized.

What is the sequence of work when new designs are created: idea-making of the product-marketing or demand for a product-idea-making of the product?

Filip Despot: Given that the paths are not clearly defined, the process is not always the same, it changes depending on who the client is. If there is a client, then first of all the needs are defined, and this is followed by a conceptual design.

Do you cooperate with companies from abroad? Do you feel that Croatian designer products can find their way into the global market?



Photo: Grupa Model 1 2010, author: Dorijan Kljun.



Photo: Grupa Model 2 2010, author: Dorijan Kljun.



Photo: Grupa Model 3 2010, author: A. Zelmanović.

Tihana Taraba: In the past several years we have been exhibiting at furniture fairs, such as Salone del mobile, IMM Cologne and Qubique Berlin, where the visitors had a chance to see our products. The reactions were always exceptionally positive, and we sold quite a bit. We are receiving enquiries on a daily basis, especially for ILI_ILI lamps – by interested distributors, smaller specialized stores and web shops. International media are showing great interest – ICON magazine, ELLE Decoration China, AD Russia – these are just a few that have written about our products. The interest is great, and we are particularly pleased that exports will be made much easier after we join the EU.

You often visited and participated in designer trade fairs abroad. Can you name several most renowned trade fairs? To what extent does going to such a trade fair help in your work? Are there any similar events in Croatia, and if there are none, do you think there should be some?

Filip Despot: Perhaps a long time ago, the Ambianta trade fair in Zagreb could have been compared to international trade fairs, however now it is far from what other fairs of that type have to offer. Only Kvadra, a company that produces upholstered furniture, may be said to be competitive with global manufacturers in terms of its products and presentation.



Photo: Grupa Figura 2010, author: Andrija Zelmanović.



Photo: Grupa ILI_ILI 2012, author: Andrija Zelmanović.

Smaller events, such as Dan D (*D Day*), Reactor exhibitions and biennial exhibitions of the Croatian Designers' Association are places where Croatian designers exhibit their products.

Can you compare product design in Croatia and abroad? What potential do we have? Do you believe that Croatia's joining the EU will change anything in your operations and what will be the direction of these changes?

Ivana Pavić: In some countries, design is deeply rooted in the culture of living, the market in Croatia is small, but it exists and it is improving, and the design itself is not lagging behind global trends. One possible scenario is that product design development and progress will lead to strengthening of individual segments of manufacturing. Joining the EU will facilitate some things, but it will also result in increased competition. We are keen to experience both.

Today there is a special way of communicating over the Internet and the specialized web sites, such as DEZEEN. Tell us something about that.

Ivana Pavić: World Wide Web has certainly enabled a significant step forward in terms of facilitating the



search for interesting products, materials, it facilitated mass production, trade, import, export and many other things, but perhaps most progress was made in terms of product promotion and marketing. Getting included in the renowned design portal such as Dezeen starts a chain reaction, from which the designer gets concrete enquiries and makes interesting contacts in the parts of the world where this would have been impossible and extremely expensive in the past.

What is designers' life in Croatia like? What does your typical working day, month or year look like?

Ivana Pavić: We start our day with a discussion and an overview of topical issues around coffee at about 10 a.m., and when we end depends on how much work we have. We have colleagues with whom we cooperate externally, such as copywriters and graphic designers, and we do everything else on our own. We are trying to cover all aspects of product life cycle – design, development, manufacturing, marketing and placing the product on the market. One day we are at the factory, the other day we are attesting the product, the next day we are answering e-mails regarding distribution, we are pay the bills...



Photo: Grupa ILI_ILI 2012, author: Berislava Picek.

What is the role of design in general, and particularly of product design on the commercial real estate market? Have you already worked on such a project?

Tihana Taraba: Our ILI_ILI lamps will soon be a part of the new 3LHD project, in apartment complex Amarin in Rovinj.

So far, we have been working with architects only in the way that they used our existing products in interior design, and in this case we have designed and produced ILI_ILI table and wall lamps specifically for this project. We are happy about the fact that there are more and more cases where architects do not engage in complex projects without first consulting product designers.

What are the global trends in product design?

Filip Despot: Lately, designers have been developing products that require an interaction with the buyer. These are DIY (do it yourself) products, such as Ready Made curtains by Bouroullec brothers for Kvadrat. The buyers get a set with several elements, which they use to assemble a curtain according to their wishes, and they attach it to the wall. We can also say that there is a trend of modular products, where the buyers choose shapes of different forms, sizes and colours, so basically they are involved in the process of creating the product, such as our ILI_ILI lamps.

Is there such a thing as timeless design? How can such products be developed? Can you name an example? Tell us your opinion of Bernardi chairs.

Filip Despot: There are timeless products, such as the chairs from the Bauhaus era, or later Eams chairs. Back then, the designers (or rather architects) have examined the ergonomics and materials in the search for the ideal form that fulfils all the functions: ergonomics, economics and aesthetics. They have set norms and criteria, which others started to follow in their search for successful design. Bernardi designed his products according to human needs, and such are his chairs – simple, comfortable and beautiful.

We have recently bought some „vintage“ chairs by Lupin, and Niko Kralj, which we use as our work chairs, and we can say that besides liking their aesthetics, we find these chairs very comfortable and of good quality. We can label them as timeless and if you could buy them today – if they were produced – I am sure they would be in high demand.

What would be your message to young designers that are only to embark on the market? What should they be focused on?

Tihana Taraba: It's important to take into account the context of creating designs, to harmonise the shape with the manufacturing possibilities, and the designer has to be ready to embark on complex and unclear paths in order to lead the product from the idea to a concrete product, which is ready for the market and for distribution.



Photo: Grupa ILI_ILI 2012, author: Berislava Picek.

3. SEMINAR ANNOUNCEMENT

LCM Bau

Innovative Trends im Life Cycle Management
Lebenszykluskosten – Integriertes Projekt- und Prozesmanagement – 5D-BIM
Symposium 12.06.2013

BIM for LCS

Building Information Modelling for Life Cycle Structures
21. INDUSTRIEBAUSEMINAR
13.-14.06.2013

21. Industrial Building Seminar BIM for LCM

Building Information Modelling for Life Cycle Structures

www.industrieauseminar.at

In cooperation with LCM
(Life Cycle Management) Symposium

The planning decisions respective input of economic, ecologic and social resources for production of buildings have immense consequences on the whole life cycle. Building Information Modelling (BIM) Systems offer for the first time the opportunity to meet well-grounded planning decisions in the early design phases. BIM in this context bears large potential to fundamentally change the current planning process, towards integrative practice. The new planning challenge represents the balancing of the conflict area: technology – process – people.

Architects and engineers, researchers and practitioners from broad range of disciplines will spend two days discussing the current and future issues of the BIM phenomenon. The Department of Interdisciplinary Planning and Industrial Building of Vienna University of Technology invites for the 21st time to top quality lectures with presentations and exchange of ideas in international surrounding. The 21st Industrial Building Seminar will be held this year in cooperation with “LCM-Building Symposium – Innovative Trends in Life Cycle Management”.

VERANSTALTUNGSORT / VENUE - IBAUSE

Registrierung mit Empfang / Registration and Welcome 12.6., 19:00
Festvortrag / Key-note lecture 20:00

Vorträge / Lectures 13.6. - 14.6.
Technische Universität Wien / Vienna University of Technology
Festsaal / Karlsplatz 13, 1040 Wien

TAGUNGSGEBÜHR / CONFERENCE FEE

Gesamte Veranstaltung / Complete event	€ 380
Donnerstag / Fee for single day - Thursday	€ 260
Freitag / Fee for single day - Friday	€ 140

TU-Angehörige gesamte Veranstaltung / TU-Members complete event	€ 120
TU-Angehörige Donnerstag / TU-Members Thursday	€ 90
TU-Angehörige Freitag / TU-Members Friday	€ 50

Sponsoren / Sponsors	gratis / free
Presse / Press	gratis / free
Vortragende / Lecturer	gratis / free
Studenten / Students	gratis / free

(Nach Maßgabe freier Plätze / As long as places are free)

Stornierung: bis 15.5.2013 kostenfrei, bis 31.5.2013 50% der Teilnahmegebühr, ab 1.6.2013 wird die ganze Gebühr verrechnet.

Cancellation charges: until 15th May 2013, no charge; until 31st May 2013, 50% of the conference fee; from 1st June 2013, no refund.

INFORMATION UND ANMELDUNG / REGISTRATION

www.industrieauseminar.at



VERANSTALTUNGSORT / VENUE - LCM Wien Techgate, 12.6., 09 - 17:00

Das 21. Industrieauseminar wird heuer in Kooperation mit dem „LCM-Bau Symposium - Innovative Trends im Life Cycle Management“ angeboten.

The 21st Industrial Building Seminar will be held this year in cooperation with “LCM-Building Symposium – Innovative Trends in Life Cycle Management”. Beim Besuch beider Veranstaltungen (LCM-Bau Symp., 12.6., 09:00 - 17:00 & 21. Industrieauseminar TU Wien, 12.6., 19:00 - 14.6.) gibt es **vergünstigte Kombi-Pakete**:

For joint registration of both events (12.6. 09:00 - 17:00 LCM-Building Symposium + 12.6., 7 pm - 14.6. Industrial Building Seminar) we offer **special price**:

Kombi-TN-Gebühr / Combi-Fee	€ 490 (statt / instead of € 670)
Ermäßigte TN-Gebühr / Member-Fee	€ 420

(TU-Angehörige, Netzwerk Bau, ÖIAT, Bundesinnung Bau, Fachverband Bauindustrie/VIBÖ)

4. STATISTICS

4.1. Average Asking Prices of Real Estate Offered for April 2013

	average price EUR/m ²	price range EUR/m ²
ZAGREB		
Housing		
Apartments	1.573	558 – 6.667
Houses	1.715	341 – 9.167
Commercial space		
Offices	1.901	700 – 4.865
Business premises	2.110	722 – 7.500
Office blocks	1.722	132 – 3.793
COAST		
Housing		
Apartments	2.004	545 - 8.196
Houses	1.775	90 – 18.269
Commercial space	2.011	80 - 4.338
Tourist facilities	1.995	292 – 15.748

Average is calculated on the basis of the currently quoted prices on the Burza nekretnina d.o.o. (Real Estate Stock Market Ltd.), which is available online: www.burza-nekretnina.com.

4.2. Statistical Reports of the Central Bureau of Statistics from the Area of Construction

4.2.1. Construction work indices, February 2013

According to gross indices, in February 2013, as compared to February 2012, construction works increased by 5.0%. According to working-day adjusted indices, in February 2013, as compared to February 2012, construction works increased by 1.3%. According to seasonally adjusted indices,

in February 2013, as compared to January 2013, construction works increased by 0.5%.

Advice: *Construction work indices, February 2013, Central bureau of statistics, Zagreb, 2013*

4.2.2. Building permits issued, March 2013

In March 2013, there were 554 building permits issued, which was by 24.6% less than in March 2012. The total number of building permits issued in the period from January to March 2013 was by 21.8% less than in the same period of 2012. In March 2013:

- by types of constructions, 78.9% out of the total number of permits were issued on buildings and 21.1% on civil engineering works
- by types of construction works, 74.5% of permits were issued on new constructions and 25.5% on reconstructions.

According to permits issued in March 2013, it was expected for 991 dwellings with the average floor area of 81.8 m² to be built.

Advice: *Building permits issued, March 2013, Central bureau of statistics, Zagreb, 2013*

4.2.3. Completed construction works, orders and residential building, legal entities employing 20 or more persons, fourth quarter of 2012

Value of new orders:

- in the fourth quarter of 2012 increased by 17.8%, as compared to the same period of 2011.
- in the period from January to December 2012 decreased by 8.4%, as compared to the same period of 2011.

Value of construction works done with own workers:

- in the fourth quarter of 2012 increased by 0.1%, as compared to the same period of 2011.
- in the period from January to December 2012 decreased by 4.7%, as compared to the same period of 2011.

In the period from January to December 2012, construction companies employing 20 or more persons completed 2.917 dwellings, which was by 4.4% less than in the same period of 2011. At the end of December 2012, these companies were working on 4.150 dwellings (uncompleted dwellings), which was by 7.0% less than in the same period of 2011.

Advice: *Completed construction works, orders and residential building, legal entities employing 20 or more persons, fourth quarter of 2012, Central bureau of statistics, Zagreb, 2013*

4.2.4. Prices of new dwellings sold, second half-year of 2012

In the second half-year of 2012, the average price per 1 m² of new dwellings sold by trade companies and other legal entities, excluding POS, was 11.541 kuna. It was by 0.1% lower than the price per 1 m² in the second half-year of 2011. The average price per 1 m² of dwellings sold according to POS amounted in the second half-year of 2012 to 7.363 kuna. In the same period, the total average price per 1 m² of all sold dwellings (irrespective of the seller) was 11.119

kuna. In the second half-year of 2012, the calculation of the average price per 1 m² of dwellings sold according to POS participated with 10.1% in the total volume of monitored m² sold and other sellers with 89.9%.

Advice: *Prices of new dwellings sold, second half-year of 2012, Central bureau of statistics, Zagreb, 2013*

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It is our wish that the Croatian Real Estate Newsletter / CREN be a source of speedy and quality information for all who are active in the real estate sector – developers, planners, contractors, mediation agencies etc.

Please send your comments, proposals and opinions to cren@filipovic-advisory.com to help us improve CREN and make it the leading medium on the Croatian real estate market.

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