

- CREN - Croatian Real Estate Newsletter

filipović
business advisory ltd.

Volume 44, April 2010

CREN PATRONS



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TOPICS OF THIS ISSUE:



The Sixth Annual International Conference
on the Real Estate Market in Croatia

Prof. Saša Marenjak, Ph.D.
PPP CENTRE



The Sixth Annual International Conference on the Real Estate Market in Croatia

The Regent Esplanade Hotel

Zag**RE**b, Croatia ● May 4 & 5, 2010

Quintessentially **RE**-optimistic

Organizer

filipović
business advisory ltd.

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Details about the the Conference, the Conference program and applications are available on
www.filipovic-advisory.com

2. INTERVIEW

**Prof. Saša Marenjak, Ph.D.
PPP CENTRE**



PPP CENTRE

Could you please introduce yourself to our readers?

I was born in 1966 and I graduated in 1990 from the Faculty of Civil Engineering of the University of Zagreb. Between 1992 and 1995, I worked as an assistant research scientist at the Institute for Organisation and Economics of Construction at the Faculty of Civil Engineering of the University of Zagreb. I completed my master's degree at that same Faculty in 1996. For several years, I worked as assistant project manager on consulting tasks within reconstruction projects in the Republic of Croatia, in the counties of Zadar-Knin, Šibenik and Vukovar-Srijem. In 2000, I left for the UK where I worked on PPP projects for schools, hospitals and prisons, in a team of consultants at WS Atkins and the Home Group Association, and in parallel I worked on my Ph.D. thesis, which I defended at the University of Dundee in Scotland in 2004. The topic of my thesis was the optimisation of overall life cycle costs in public-private partnership projects in the UK.

After the defence of my Ph.D. thesis in the UK, I won the "Smart Award" in Scotland, and with this award I received support to develop demo software for life cycle cost optimisation in PPP projects. At that time, Dundee

University established a spin-out company that developed commercial software, which was developed on the basis of the demo software, and which is still being used on the UK market.

Upon my return to Croatia, I established a PPP Knowledge Centre within the Croatian Institute for Bridge and Structural Engineering, and since 2005 I have managed a significant number of PPP pilot projects in the Republic of Croatia. I also teach as an associate professor at the Faculties of Civil Engineering in Osijek and Zagreb, where I teach subjects such as Facility Management, Public Private Partnership, Investment Policies and Life Cycle Costs in civil engineering. Since the end of last year, I've been working as director of a company called PPP Centar d.o.o., whose main aim is to provide advisory services for the preparation, planning and implementation of public private partnership projects, with the emphasis on life cycle cost optimisation and the implementation of cost-efficient public buildings, such as schools, hospitals, museums, university buildings etc.

Can you explain the term "public private partnership (PPP)"?

In view of the slow decision-making process in the public sector, and the limitations of the financial resources available to the public sector, the

services and the infrastructure of the public sector (public sector support) is lagging behind the increasing needs of society. Public infrastructure, that is public sector services often do not keep up with the increase in the country's standards or with the increase in the quality level of services. For this reason, most EU countries are faced with the need for major investments in public infrastructure, and in the improvement of public sector services, but due to the limitations mentioned, the public sector does not have the possibility to generate a good quality response to these growing needs. Today, at a time of crisis with respect to financing public buildings, these needs can only be satisfied by using the resources owned by the private entrepreneurial sector that has the knowledge and experience necessary to provide a good quality response to the problem posed, and that has the possibilities to obtain the financial resources necessary for the implementation of large projects, through cooperation between the public and private sectors. Such cooperation is generally referred to as public-private partnership (PPP).

The term public private partnership covers a broad spectrum of various forms of cooperation between the private and the public sector, and its application in implementing individual projects of public interest generates various benefits for the public sector, such as:

- If the public sector has an immediate need for a certain project of public interest, and if it has no possibility to implement it independently, one of the possible solutions to this problem is to implement the project according to one of the PPP models,
- If certain pre-requisites are met in the planning of PPP projects, then

such projects are not recorded under the current liabilities of the public sector,

- The integration of all stages of the project's life cycle or its economic life cycle offers great opportunities to optimize the overall life cycle cost of the project, which automatically generates lower costs to be covered by taxpayers for the buildings constructed,
- Project financing can be fully or partially provided by the private partner, as part of complex contractual relations,
- The public partner is focused on defining the project objectives, which they are aiming to achieve for reasons of public interest or in order to provide public services, ensure the quality of services provided, or for reasons of pricing policy; the public partner also assumes responsibility for monitoring the accomplishment of these objectives.
- Exceptional attention is paid to dividing the risk between the public and the private partner, to whom the risks of the public sector are generally delegated. PPP, however, does not mean that the private partner will assume all project risks. The precise division of risks is established separately for each project, according to its type and limitations, and according to the possibilities of individual parties to best assess, manage and respond to individual risks in the long-term period of a PPP contract.

Has PPP taken hold in Croatia in the true sense of that word?

What are the benefits of implementing the PPP models?

PPP still has not taken hold in Croatia in the true sense of this word. There are several reasons for this. First, between 2003 and 2004, when we first started implementing contractual models of PPP in Croatia, it was

considered that the lack of specific legislation related to PPP does not provide sufficient security – whether to the public or the private sector. In 2008, the PPP Act was adopted, but then it became evident that this was not the main nor the only reason why PPP projects in Croatia were so few and far between.

Secondly, with the emergence of the financial crisis in the EU states, but also in the Republic of Croatia, it has become increasingly difficult to find financial institutions, which would be willing to invest in long-term PPP projects under favourable financing conditions, but there are ways to overcome this problem.

The third, and perhaps the biggest reason for the low level of implementation of PPP in Croatia is the great distrust towards PPP contracts, partly for the justified reasons of bad practice observed in several projects, which are still being implemented. This is the reason why there is still great distrust on the side of the public sector representatives towards PPP projects, but this distrust also results largely from not knowing all the important elements of PPP contracts. For instance, there is still a wide belief that such projects are much more expensive than those that are implemented according to the classical model. Unfortunately, this is not quite so. The media often tend to compare “pears with apples” and not “pears with pears”. The media frequently (probably due to lack of knowledge) compare capital expenses for the construction of some facilities with the total life cycle cost of similar facilities. The difference is huge, as with PPP contracts, the total life cycle cost of the facility is established, and this includes – besides the planning and construction costs (capital expenditures), also financing costs, maintenance costs,

costs for replacing worn-out materials and for other replacements, and frequently also the operating costs (such as electricity, water, heating, cleaning services, security etc.). These costs are calculated at the level of 25 – 30 years of operation of such facilities. So, it is evident that by such false comparisons, one can draw completely false conclusions. For instance, if the public sector contracts the construction of a school or a hospital according to the classical model, this means that the public sector will mostly contract the planning and the construction separately, and after the certificate of occupancy is obtained, the public sector will assume the care for the maintenance and operation of constructed facilities. If there were any deficiencies in the planning or development of these facilities (unfortunately, we have witnessed many such facilities in practice), it can occur that the public sector cannot use the constructed facilities, but it still has to pay off the loan commitments to financial institutions. With PPP contracts, the liability to pay the private partner (regardless if the payment is made by the public sector or directly by the users of the building) occurs only after the construction is finished and after the certificate of occupancy has been obtained, and the private partner is paid only if the building is functional and if it can be used for the purpose for which it was built. Another important element in PPP contracts is that there are no “unforeseen” expenses (which often cause an increase in capital expenses by more than 25% of the main project budget), and any increases in prices have to be covered by the private partner, who has assumed this liability in PPP projects, and not by taxpayers. Furthermore, PPP contracts have to define quality standards for the services that the private partner provides, and only if these standards are really met, will the

private partner be able to charge for its work and services. It is important to emphasize that in the case of a PPP contract, the public sector does not pay for the construction of the facility (such as with classic contracts), but it only pays for the quality of the services that are really provided by the private partner (on a monthly and annual basis), and all this has to be clearly defined in the contracts.

You are a member of the PPP Centre, which has been established. Could you introduce the PPP Centre to us? What was the purpose of establishing the PPP centre?

All team members in the PPP Centre show through their work on various projects, that one can respond to the great needs for investment in public infrastructure and public services by applying the public private partnership model. However, as practice has shown, in order for these projects to be implemented in a good quality way, it is necessary to regulate the entire environment, in which such projects are implemented.

The core of the PPP Centre are experts renowned in their own expert areas, such as prof. Branko Vukmir, Ph.D., and prof. Vladimir Skendrović, Ph.D., who have participated in the planning and implementation of a series of significant projects in the Republic of Croatia and abroad. Other members of the team also contribute with their great experience and knowledge in the areas of technical, financial and legal counselling, which is of great importance in planning and implementing PPP projects.

The goal of the PPP Centre is to continuously advance the life cycle value of the buildings, regardless if they are public facilities, infrastructure, industrial or other facilities, and to

optimise the project value by observing the sustainability principle.

It is our task to offer clients and partners real professional assistance in project implementation and to make it possible for them to choose an optimum strategy for managing PPP projects. We value team work and trust, frankness and reliability, and the customers we have had have valued these same qualities.

What services are offered by the PPP centre?

The PPP Centre offers services in several areas:

- Project planning, implementation and management, with the emphasis on contractual models for public private partnerships,
- Monitoring and analysis of standards for the maintenance and the use of buildings, and establishing records on the state of the facilities,
- Life Cycle Costing and optimisation of Life Cycle Costs,
- Implementation of an integrated IT system for facility management and maintenance and integrated monitoring in the stage of using the buildings,
- Optimisation of project planning and development with the aim of ensuring their sustainability in terms of environmental protection (application of sustainable building practices),
- Research and development of IT systems, processes and programmes for efficient facility management.

Who are the potential contracting authorities for your services?

The contracting authorities may be representatives of the private and of the public sector, such as:

- Ministries,
- Counties,
- Cities,
- Local self-government units,
- Developers,
- PPP consortia,
- Teams that develop ideas for new projects,
- Construction contractors,
- Representatives of manufacturers and/or companies that sell construction materials etc.

Can you mention the PPP projects that you have worked on so far?

The team of our experts has participated in the preparation and implementation of a series of PPP projects in the Republic of Croatia, of which the most important are the following:

- A project to build a new building for the grammar school and gymnasium in Koprivnica,
- A project to build and expand 25 primary and secondary schools and gymnasiums in the Varaždin County,
- A project to build a sports hall for 12,000 spectators in Split,
- A project to build a sports hall for 5,000 spectators in Varaždin,
- A project to extend and build the Maksimir and Kajzerica sport stations in Zagreb,
- Preparing the implementation of the PPP project of a summer theatre in Opatija,
- Preparation of and planning an extension to the Srebrnjak children's hospital in Zagreb,
- Preparing the implementation of the PPP project for the Museum of Modern and Contemporary Art in Rijeka,

Prof. Saša Marenjak, Ph.D., will be one of the speakers at the Sixth Annual International Conference on the Croatian Real Estate Market, as part of the panel entitled "Public Private Partnership".

3. PROGRAM



The Sixth Annual International Conference
on the Real Estate Market in Croatia

Quintessentially RE-optimistic

May 04 & 05, 2010
The Regent Esplanade, Zagreb

CONFERENCE PROGRAM

- SUBJECT TO CHANGE AND SPEAKERS CONFIRMATIONS -

Tuesday, May 04, 2010

08.00 – 09.00

WELCOME AND REGISTRATION OF PARTICIPANTS

EMERALD BALLROOM

09.00 – 10.30

CONFERENCE OPENING

Let's REDiscuss – WHERE ARE WE AND WHERE ARE WE GOING?

“It has never happened that things didn't work out somehow, so things will always work out somehow for us too” Miroslav Krleža, a quote from Balade Petrice Kerempuha

- Why have we become submerged in such a difficult crisis in real estate development?
- Have we touched the bottom and have we started moving towards the surface, or is the bottom still ahead of us?
- How do you see the Croatian property development landscape on 31 December 2010?
- Forecasts of asymmetric development of individual sectors in the next 4 years – housing construction, shopping centres, business buildings, industry, tourism – who are the favourites and why?
- Impact of the fall in GDP and purchasing power, and growth of debt and unemployment on property market development
- What do we have to do concretely to emerge from the crisis?
- We want to hear good news and arguments, which provide grounds for business

confidence and joy in life

- Are we *quintessentially RE-optimistic* or...?

Moderator: **Marija Noršić**, Member of the Management Board
Filipović Business Advisory Ltd.

Prof. Ljubo Jurčić, Ph.D.
Faculty of Economics and Business at
University of Zagreb

Borislav Škegro, Ph.D., Partner
Quaestus Private Equity d.o.o.

Marko Škreb, Ph.D., Chief Economist
Privredna banka Zagreb d.d.

Prof. Boris Vujčić, Ph.D., Deputy Governor
Croatian National Bank (tbc)

PROJECT PRESENTATION INTER IKEA CENTRE CROATIA

Branko Mihajlov

Business Manager Croatia & Slovenia, Team Leader Leasing Zagreb, Company Director
Inter IKEA Centre Hrvatska d.o.o. za nekretnine

TOURISM STRATEGY FOR CROATIA

Dubravka Davidović

Corporate Division Manager, Adriatica.net
Chairman, Tourism Committee, American Chamber of Commerce in Croatia

10.30 – 11.00 COFFEE BREAK

11.00 – 12.00

1. SET OF LECTURES

DEVELOPERS OF MAJOR PROJECTS IN CROATIA

LOCOMOTIVES OF PROPERTY DEVELOPMENT THAT NOBODY UNDERSTANDS?

Topics:

- The kind of business landscape developers need to build their dreams
- The major obstacles that developers meet
- Developers' proposals to improve property development
- How do developers, state administration, banks, buyers and the public relate?
- Diagnosis of developers' business profiles
- Is it a disgrace to make a profit as a developer?

Moderator:

Marija Noršić, Member of the Management Board
Filipović Business Advisory Ltd.

Panel Members:

Benjamin Perez Ellischewitz, Associate Director / Regional
Capital Markets, Jones Lang LaSalle

Boris Kordić, Director
Hydrocommerce d.o.o.

Branko Mihajlov, Business Manager Croatia & Slovenia,
Team Leader Leasing Zagreb, Company Director
Inter IKEA Centre Hrvatska d.o.o. za nekretnine

Siniša Slijepčević, General Manager
GTC Hrvatska

12.00 – 12.30 COFFEE BREAK

Lectures are simultaneously held in two conference rooms:

1) Istanbul Suite

&

2) Paris Suite.

12.30 – 13.30

2. SET OF LECTURES

1.Istanbul Suite

HOUSING

EPPUR SI MUOVE?

Topics:

- Analysis of the housing market in Croatia
- Who holds the key to move the slow market? State, banks, developers or somebody else ...
- Long-term and short-term market development
- What is the real number of unsold flats?
- Should banks write off the unsold property?

Moderator:

Dubravko Ranilović, Partner
Kastel Real Estate, Zagreb, President of Real Estate
Association at the Croatian Chamber of Commerce

Speakers:

Patrick Franolić, Managing Director
Spiller Farmer d.o.o.

Dražen Nikolić, President of the Management Board
Raiffeisen Consulting d.o.o.

Josip Tica, Ph.D., Department of Macroeconomics and
Economic Development, Faculty of Economics & Business at
the University of Zagreb

2. Paris Suite

PUBLIC – PRIVATE PARTNERSHIP

ASSESSMENT OF DEVELOPMENTS AND PERSPECTIVES

Topics:

- The work of the Public Private Partnership Agency in the past year, and the Manual of Project Approval Procedures
- PPP projects in Croatia and their monitoring
- Overview of projects and perspectives so far

Moderator:

Branko Vukmir, Ph.D., Advisor

Speakers:

Kamilo Vrana, Temporary Director
Agency for Public-Private Partnership

Saša Marenjak, Ph.D., Director
PPP Centar d.o.o., Zagreb

Vladimir Skendrović, Ph.D., Advisor
World Bank

13.30 – 15.00 LUNCH IN ZINFANDEL'S RESTAURANT

15.00 – 16.00

3. SET OF LECTURES

1. Istanbul Suite

ARCHITECTURE

ON THE WAVES OF RECESSION

Topics:

- What and how to design under the conditions of a recession?
- EU – foreign architects welcome to Croatia?
- The heritage of Le Corbusier in the vortex of life

Moderator:

Petra Škevin, Member of the Management Board
Filipović Business Advisory Ltd.

Speakers:

Una Barac, Associate
Scott Brownrigg

Hrvoje Hrabak, President
Croatian Architects' Society

Erik Mohorović, General Manager
Verdispar International d.o.o.

Pero Puljiz, Partner
de Architekten Cie

1. Paris Suite

REGIONAL PROPERTY MARKET
WHAT ARE THE NEIGHBOURS DOING?

- Topics:**
- Regional property development analysis
 - How does property development in Croatia relate to property development in the neighbouring countries?
 - What can we learn from our neighbours?
 - Are we the best in the region?

Moderators: **Jos Tromp, MRICS**, Director – Head of CEE Research & Consulting CB Richard Ellis)

Arn Willems, Partner - Croatia
CB Richard Ellis

Speakers: **Dr. Robert Hermán, MRICS**, Acquisitions & Investments Director, Portico Investments

Krešimir Lipovščak, Partner
TPA Horwath d.o.o.

Renata Suša, Manager, Investment and Corporate Advisory Services, Colliers International d.o.o.

Yiannis Xanthopoulos, Acquisitions & Investments
Bluehouse Capital

16.00 – 16.30 COFFEE BREAK

16.30 - 17.30

4. SET OF LECTURES

1. Istanbul Suite

LUXURY HOUSING
DOES CROATIA HAVE TOP RESIDENTIAL PROJECTS AT ALL?

- Topics:**
- Characteristics of top residential projects
 - Luxury housing on the Croatian market
 - Experiences from Europe - Slovakia and Austria
 - What does it mean to design and build top-quality apartments?

Moderator: **Patrick Franolić**, Managing Director
Spiller Farmer d.o.o.

Speakers: **Otto Barić**, Director
arhitektura tholos projektiranje d.o.o.

Laurie Farmer, Managing Director
Spiller Farmer Slovakia

Ana Živković, Sales Director
Kastel Real Estate, Zagreb

2. Paris Suite

APPLYING THE LAW ON SPATIAL PLANNING PART ONE

CONDITIO SINE QUA NON OF THE REAL ESTATE DEVELOPMENT

Topics:

- Applying the Law on spatial planning and special regulations regarding the process of issuing the location permit with an emphasis on the energy production from renewable sources
- Design procedures and adopting of spatial plans
- Problems related to the adoption of spatial plans
- Golf course urban development plan in 7 months – and that is also possible

Moderators:

Goranka Radović, Head of the Sector,
Ministry of Environmental Protection, Physical Planning and
Construction, Sector for Developments Significant to the
Republic of Croatia

Ana Mrak Taritaš, Head in the Sector for Spatial Planning
Ministry of Environmental Protection, Physical Planning and
Construction

Speaker:

Jasminka Pilar-Katavić
Urbanistica d.o.o., Zagreb

17.30 – 18.00 COFFEE BREAK

18.00 – 19.00

5. SET OF LECTURES

1. Istanbul Suite

REAL ESTATE FINANCING

GONE WITH THE WIND?

Topics:

- What are the current (non)/(re)finance conditions?
- Will a loan that has already been approved be repaid?
- Without new funding no economy has a chance of development
- The bank and the developer – like Pat Garrett & Billy the Kid

Moderator: **Natalija Vulić**, Member of the Management Board
Filipović Business Advisory Ltd.

Speakers: **Marina Agafonchikova**, Principal Banker
EBRD Property & Tourism

Alan Herjavec, Head of Project Finance
Societe Generale – Splitska banka d.d.

Marko Lesić, President of the Management Board
Nexus Private Equity Partneri d.o.o.

Sven Müller, Member of the Management Board
Stipić Grupa d.o.o.

Hrvoje Zgombić, Ph.D., Partner
Zgombić & Partneri grupa

2. Paris Suite

**APPLYING THE LAW ON SPATIAL PLANNING
PART TWO**

**INTERDEPENDENCE OF REAL ESTATE PROJECT DEVELOPMENT,
ENVIRONMENTAL PROTECTION AND SPATIAL PLANNING**

Topics:

- The environmental protection system in Croatia
- The role of environmental impact assessment in preceding procedures for obtaining location permit
- In larger projects, the Urban Development Plan is a necessity but not sufficient condition for location permit
- Investors usually do not count on the durability and delicacy of the procedure of environmental impact assessment
- The process of environmental impact assessment has influence on the degree of the project risk
- Zagreb exodus on the Sava river – housing, recreation, greenery and parks along Sava

Moderator: **Ninoslav Dusper, M.A.**, Director
Urban Planning Institute of Croatia Ltd.

Speakers: **Slavko Dakić, M.A.**

Goranka Radović, Head of the Sector,
Ministry of Environmental Protection, Physical Planning and
Construction, Sector for Developments Significant to the
Republic of Croatia

Ivana Šarić, Team Leader, Center for Environmental
Protection, Urban Planning Institute of Croatia Ltd.

Ana Mrak Taritaš, Head in the Sector for Spatial Planning
Ministry of Environmental Protection, Physical Planning and

19.00 – 22.00 GALA RECEPTION IN THE EMERALD BALLROOM

Wednesday, May 05, 2010

08.30 – 09.00 WELCOME AND REGISTRATION OF PARTICIPANTS

Lectures are simultaneously held in two conference rooms:

1) Istanbul Suite

&

2) Paris Suite.

09.00 - 10.00

1. SET OF LECTURES

1. Istanbul Suite

TOURISM

FOUR SEASONS OF CROATIAN TOURISM – DO WE NEED VIVALDI?

Topics:

- Why don't huge numbers of wealthy foreign guests stay long-term on the beautiful Croatian coast?
- "Between the desire and reality" - What does the Croatian tourism landscape look like in the eyes of developers, investors, the HoReCa industry and guests?
- Given the rate of return on capital – what are the successful Croatian tourist products – if there are any at all?
- Can Zagreb compete with Prague, Budapest, Vienna...
- Croatia – a country flooded with golf projects – as many as 3 and a half were built in 20 years!
- How to increase the value of the tourism facilities – is somebody bothered by that and why?

Moderator:

Goran Hanžek, Director
Arte Hotel Management d.o.o.

Speakers:

Ivica Čačić, Director
Hotel Partner d.o.o. Zagreb

Maja Kuzmanović, Director of Project Development
Energoplan d.o.o.

Philip Mahoney, General Manager
The Regent Esplanade Zagreb

Dietmar Reindl, Managing Director
FMTG Development GmbH

2. Paris Suite

GREEN BUILDING IN CROATIA

IS IT THE RIGHT TIME FOR GREEN BUILDING IN CROATIA

Topics:

- Is it the right time to building green in Croatia – economically, legally, socially?
- Who should look to develop, build, use, rent green building and what are their benefits?
- Do we already have green buildings in Croatia? what is the standard that makes them “green”?
- Domestic energy efficiency rating systems – step toward or the ultimate goal of green building?
- Are there any buildings in Croatia that is or could be certified as “green” according to international standards?
- What needs to be done to stimulate the RE market to move forward green – legal ground, common knowledge, public awareness, incentives...?

Moderator:

Vedrana Likan, Director, Colliers International d.o.o. and Vice President of Green Building Council of Croatia

Speakers:

Erin English, LEED® Expert, Regional Sustainability Advisor, Colliers International Southeast Europe and Chief Advisor to the Board, GBC Croatia

Vlaho Kojaković, Director
TriGranit Development Corporation

Renato Krikšić, President of the Board
HFC group

Damir Ljutić, President
Zagreb Architects' Society

Nada Marđetko Škoro, Head in the Department for Construction
Ministry of Environmental Protection, Physical Planning
and Construction

Vinko Mladineo, Director
Environmental Protection and Energy Efficiency Fund Republic of
Croatia

10.00 – 10.30 COFFEE BREAK

10.30 - 11.30

2. SET OF LECTURES

1. Istanbul Suite

RETAIL SPACE

BANK, INVESTOR, TENANT, CONSUMER – WHAT NEXT?

Topics:

- Is Croatia still desirable for the market entry of the new brands?
- World of retail outside Zagreb
- How the market situation affects the terms of the lease?
- Future of shopping centres – what sustainability means?
- What is happening in the city center - the expected process, preparation for the new era of high-street or just losing it's appeal?

Moderator:

Nenad Peris, Manager, Retail Department
Colliers International d.o.o.

Speakers:

Markus Geyer, Member of the Management Board
Bipa d.o.o.

Mario Ivančić, Executive Director
Technomarket

Igor Miškulin, Property Manager
Verdispar International d.o.o.

Milan Šečković, Retail Developer focused on developing High Street locations, BBS Real Estate

Ivica Župetić, Assistant Executive Director for International Development, Mercator-H d.o.o.

2. Paris Suite

INDUSTRIAL ZONES, LOGISTICS PARKS AND WAREHOUSE FACILITIES

ARE WE WAITING FOR DEVELOPMENT OR GODOT?

Topics:

- Success story Podi Šibenik
- Business parks as an instrument to attract investors that will produce goods and service with added value
- Why has there been no strong industrial development in Croatia
- Swallows that announce the spring – successful industrial projects

Moderator:

Tomislav Pokaz, Head of Department
Financial and Business Service Department Investor Support
Division, Trade and Investment Promotion Agency

Speakers:

Siniša Dadić, Department Head, Logistics Agency
King Sturge d.o.o.

Vjekoslav Kaleb, Director

Podi Šibenik d.o.o.

Zdravka Knežević, Director
PharmaS d.o.o.

Žarko Kovačić, Director
Ilirika Nekretnine d.o.o.

Ana Kralj, Department Head, Department for Investment
Promotion, Regional Development Agency Medjmurje –
REDEA Ltd.

11.30 – 12.00 COFFEE BREAK

12.00 - 13.00

3. SET OF LECTURES

1. Istanbul Suite

OFFICE SPACE

VIEW FROM ABOVE?

Topics:

- Who could lease the potential 300,000 m² of office premises that might be built in Zagreb in the next few years?
- Will The EU become the biggest office space lessee in Croatia?
- Does Zagreb need a spacious, elegant, urban and 'architecturized' business centre – Zagreb City?
- Who and in what way is maintaining the first and the second generation of office buildings?
- Lease terms of the first generation of office premises are expiring – if Hamlet were the tenant, he would ask himself: "to stay or not to stay"
- Why did the office premises lessee turn from a page into a king?

Moderator:

Darijo Drinković, Head of Split Office
King Sturge d.o.o.

Speakers:

Tatjana Božić, Head of Commercial Services
Spiller Farmer d.o.o.

Gregor Frandolič
Metropola d.o.o.

Danijel Marasović
Tehnozone d.o.o.

Miro Medar, Chief Operating Officer
Energon facility management d.o.o.

Arn Willems, Partner - Croatia
CB Richard Ellis

2. Paris Suite

CROATIAN REAL ESTATE LAW AND CONSTRUCTION LAW
MODERN EUROPEAN MOVE

Topics:

- FIDIC contracts
- Projects of sale of commercial centres

Moderator:

Prof. Tomislav Borić, Ph.D.
Faculty of Law, Graz

Speakers:

Melita Veršić-Marušić, LL.M., Attorney at Law
Versic Law Office

Branko Vukmir, Ph.D., Advisor

13.00 – 14.00 LUNCH IN ZINFANDEL'S RESTAURANT

4. STATISTICS

4.1. Average Asking Prices of Real Estate Offered for Sale – March 2010

	average price EUR/m ²	price range EUR/m ²
ZAGREB		
Housing		
Apartments	1.902	900 - 5.000
Houses	1.798	403 - 8.000
Commercial space		
Offices	1.863	1.300 - 5.000
Business premises	2.412	722 - 8.663
Office blocks	1.348	618 - 3.793
COAST		
Housing		
Apartments	1.920	790 - 5.900
Houses	1.844	872 - 10.000
Commercial space	1.690	482 - 11.666
Tourist facilities	2.722	1.429 - 4.837

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 2010

In February 2010, construction works decreased by 21.4%, as compared to February 2009.

Construction works in the period from January to February 2010 decreased by 20.0%, as compared to the period from January to February 2009.

In February 2010 :

- by type of constructions, 49.6% out of the total working hours were done on

buildings and 50.4% on civil engineering works;

-by type of works, 59.2% out of the total working hours were done on new constructions and 40.8% on reconstructions, repairs and maintenance.

by types of construction works, 79.9% of permits were issued on new constructions and 20.1% on reconstructions

Advice:, Construction work indices, February 2010, Central bureau of statistics, Zagreb, 2010

4.2.2. Building permits issued, February 2010

In February 2010, there were 869 building permits issued, which means that it was approximately at the same level as in February 2009 (index 100.1).

The total number of building permits issued in the period from January to

February 2010 was by 8.6% lower as compared to the same period of 2009.

In February 2010:

by types of constructions, 86.5% out of the total number of permits were issued on buildings and 13.5% on civil engineering works.

Advice:, Building permits issued, February 2010, Central bureau of statistics, Zagreb, 2010

PUBLISHER:

Filipović Business Advisory Ltd.

Trg bana Josipa Jelačića 3/V
10000 Zagreb – Croatia
Tel: +385 1 481 69 69
Fax: +385 1 483 80 60
e-mail: cren@filipovic-advisory.com

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