Executive Summary

RECENT TRENDS

- **ECONOMY**: In 2014 GDP contracted by 0.5% representing sixth consecutive year of declining economic activity as a result of continuous downward consumer spending and lack of new investment activities.

- **INVESTMENT**: Increased transaction activity was recorded in HTL sector with several hotel acquisitions in 2014.

- **OFFICES**: New office completions in 2014 totalled 19,400 m² of space including VMD Kvarc Strojarska building A (10,500 m²), Sigma (3,300 m²), and Sindikalni dom (5,600 m²).

- **RETAIL**: Second half of 2014 witnessed opening of first IKEA (38,000 m²) in Croatia and their biggest store in Europe in Rugvica nearby Zagreb.

- **INDUSTRIAL**: The lack of high quality supply was one of the primary characteristics of the industrial and logistic market in 2014.

MARKET PROGNOSIS

- **ECONOMY**: After six years of recession the economy is estimated to increase by 0.2 % in 2015 and 1.1% in 2016. Key threats to recovery are related to continuing fiscal imbalance and an unattractive investment climate, high tax burden and an inefficient judiciary.

- **INVESTMENT**: A shift of investor interest from office and retail property sector, towards hotel and hospitality industry is expected to continue in 2015 and 2016.

- **OFFICES**: An additional 39,000 m² of office space is expected to be added to Zagreb’s office market in 2015. New office arrivals in this period will include Poslovni Centar Adris (10,790 m²), Conditum office project (9,500 m²), and VMD Strojarska tower B (18,700 m²).

- **RETAIL**: Zagreb shopping centre market is oversaturated and the developers are shifting their attention toward small-sized and specialized shopping malls in the capital and secondary cities.

- **INDUSTRIAL**: An increase of demand for quality logistics space is expected to continue in following years. This trend could drive pre-development and development of new logistic centres.
Economic Overview

SUMMARY

• Croatian economy has contracted 0.5% in 2014 according to Croatian Bureau of Statistics and is forecasted to grow 0.2% next year according to FocusEconomics.

• The country is expected to stagnate in 2015 after six years of recession as the slow overhaul of state companies and deflationary pressure from abroad delay recovery. Croatia’s economic calamities have topped 12 percent off of its GDP since 2008, the second-biggest contraction after Greece.

• From January 2015 the government will raise the tax-free portion of salaries, hoping it will help revive private spending, which has shrunk since the crisis started in 2009.

• Key threats to recovery are related to continuing fiscal imbalance and an unattractive investment climate, high tax burden and an inefficient judiciary.

• Private consumption declined last year by 0.5%, as a result of reduced employment, low consumer confidence and continued deleveraging of the private sector. CPI inflation mirrored private consumption’s decline, as a result of drop in energy and food prices and weak domestic demand. FocusEconomics Consensus Forecast panellists expect inflation to reach 0.7% in 2015 and they project that inflation will rise to 1.4% in 2016.

• In December, industrial output grew 5.3% over the same month of the previous year, coming in above November’s 2.8% expansion and marking the largest gain since April 2008. The increase mainly reflected stronger growth in manufacturing as well as electricity, gas, steam and air conditioning. FocusEconomics Consensus Forecast panellists expect industrial production to expand 1.5% in 2015. In 2016, the panel sees industrial production growth at 2.7%.

• Croatia is subject to the Excessive Deficit Procedure (EDP) since the beginning of 2014 and should correct the excessive deficit by 2016.

• Croatian Bureau of Statistics recorded 6,589 building permits issued in 2014, which is 1.47% decline from 2013. Value of construction works done in first nine months of 2014 declined 9.15% in comparison to same period in 2013.

PROGNOSIS

• FocusEconomics Consensus Forecast panellists (including major national and international banks and institutions) anticipate that the economy will increase by 0.2 % in 2015 and 1.1% in 2016.

• FocusEconomics Consensus Forecast participants expect CPI inflation to moderate to 0.7% in 2015.

• Unemployment is predicted to start falling in 2015 and 2016 with implementation of structural reforms and new cash inflow from EU funds.
Office Market

SUPPLY

- At the end of 2014 total office supply in City of Zagreb stood at 1,252,806 m² including A and B class competitive, owner-occupied and mixed-occupied buildings.

- Majority of office supply is located in the city centre (including Central Business District, Centre and Business District East submarkets) while the least favourite submarkets are located at city outskirts (Buzin, Lucko and Jankomir).

- New office completions in 2014 totalled 19,406 m² of space including VMD Kvat strojarska building A (10,500 m²), Sigma (3,306 m²), and Sindikalni dom (5,600 m²).

DEMAND

- Total office activity in Zagreb in 2014 amounted to app 82,000 m² which is showing significant increase of transaction activity and signs of market recovery. Nevertheless significant part of take up was generated by relocation of HT (Hrvatski Telekom) to Sky Office tower.

- Large part of the take up numbers is related to lease relocation and renewals, with the public sector, financial and telecommunication sector. The demand for quality office space rose at the beginning of 2015.

- The supply is still limited for requirements above 1,500 – 2,000 m² in quality buildings, which could lead to potential upward movement in rent rates.

- Zagreb office vacancy rate declined 50 basis points at the end of 2014 and now stands at 14.50%. Total available stock in Zagreb was app. 181,656 m² at the end of 2014.

RENTS

- The prime headline rent has been stable in the past few years and currently stands at app €14 - €15/m²/month. The average rent for grade A buildings is slightly decreasing and currently stands at €12/m²/month.

- The secondary rent across the city is recorded between €8 and €11/m²/month. Prime headline rents are expected to remain stable, while the average rents are expected to decrease gradually.

- A decrease in rent free period (2 months) has been noticed, whilst the fit-out contribution increased (average €120/m²). In order to attract tenants and increase occupancy rates, building owners have increased incentives for their major tenants. Some owners are offering a full free fit out according to tenant’s needs.

- Landlords continue to provide discounts and incentives such as shorter lease term, lower rents for the first years, rent free periods, flat rent, fit-out contributions and more flexible contract terms reducing the net effective rent to a lower value compared to previous years.
Office Market

PROGNOSIS

• An additional 39,000 m² of office space is expected to be added to Zagreb’s office market in 2015. New office arrivals in this period will include Poslovni Centar Adris (10,791 m²), Conditum office project (9,500 m²), and VMD Strojarska tower B (18,700 m²).

• Poslovni Centar Adris will be the first office building in Croatian market with international green building certificate - LEED GOLD. Poslovni Centar Adris will be owner occupied office building.

• As a result of the upcoming increase in supply we also expect a subsequent growth of take up activity with either stagnation or minor changes in vacancy levels.

• We recorded a significant market activity at the beginning of 2015 due to expiry of many leases thus we expect a growth of gross take up activity and further market recovery due to a noted growth of demand and two significant announced relocations which will probably occur during 2015.

• Rents in office buildings of prime quality on prime locations are expected to stay stable due to a noted growth of demand. However, in older buildings especially in suburban areas we expect downward pressure on the rent levels.

• Demand will continue to predominantly come from IT companies and BPO’s.
Retail Market

SUPPLY

- In H2 2014 there were no additions to existing shopping centre stock in Zagreb.
- Ikea Swedish furniture retailer opened its first department store in east part of Zagreb – Rugvica in August 2014. Total surface of department store is 38,000 m² and it offers 1,600 parking places. Following Ikea opening Steinhoff group decided to close all KiKa stores in Croatia (two in Zagreb; Osijek and Rijeka) and convert them to Emmezeta and at the same time increase overall Emmezeta stores to seven in total.
- Developers’ orientation toward small-sized and specialized shopping malls in Croatian capital is further confirmed with Agrokor’s investment of €13 million in neighbourhood shopping center Meridijan 16 opened in December 2014 in neighbourhood Gracani in north part of Zagreb.
- Mall of Split, Dalmatia announced late opening in 2014 but postponed it to spring 2015.
- Second part of 2014 was also marked by Agrokor’s acquisition of Mercator. Most of the Mercators’ stores were rebranded to Konzum, while some others have become branded and managed by other domestic food retail chains, due to Croatian antitrust regulation.
- In 2014 number of Diona food retail stores were taken over by Spar and reopened in H2 2014 under new owner and Spar brand.
- Stand alone concept Pevec has successfully completed the bankruptcy process of admission and announced plans for rapid expansion in further period. In 2014 Pevec has opened three stores (Kaštela, Karlovac and Rijeka) while with planned acquisition of six Getro stores, Pevec will expand to the total of 18 stores across Croatia till the end of 2015.
- Other food retailers - Billa, Kaufland, Lidl, and Spar - continued their expansion in 2014. In H2 2014 Kaufland opened two new stores (in total surface app. 2,500 m²) in Zagreb and in Umag, Istra.
- High street in Zagreb still lacks big size retail spaces (≥500m²), while demand is growing. In 2014 Zagreb experienced significant growth of restaurant and coffee concepts in city centre which correlates to domestic demand and increased results in number and profile of tourists.

DEMAND

- During H2 2014 demand for retail space was driven by international brands already present on the Croatian market but also new entries such as:
  - Polish fashion retail group LPP – entered Croatian market with opening of five stores in Arena shopping centre in Zagreb in November 2014. Further expansion is planned in West Gate Zagreb and during 2015 in Mall of Split.
  - Lego – Danish brand opened their first flag ship store also in Arena shopping centre in Zagreb.
  - DIY – although some of DIY brand closed their business in Croatia, new brand Bauwelt opened its first store in Slavonski Brod within Supernova Center. Bauwelt plans further expansion in Croatian market through Supernova retail parks, replacing OBI.
  - Decathlon – new sport chain opened its first mega-store on total surface of 3,500 m² in King Cross center Zagreb, increasing the attractiveness of the center. In further expansion Decathlon is planning to open more centers - in eastern part of Zagreb, in Slavonia and on the Adriatic coast.
  - Among new arrivals is M.A.C. cosmetics which will open its first store on Croatian market on Zagreb high street in February 2015.
Retail Market

RENTS

• Continued downward spiral of Croatian economy and lower purchasing power over the recent period decreased the rental level of the rental units in shopping malls but also in the high street locations.

• Average rent in prime shopping malls ranges between €20 and €22/m²/month and at the high street locations average rent ranges between €60 and €70/m²/month.

PIPELINE

• One of the announced major developments in the forthcoming period is Mall of Split, which planned its opening during 2015. With its 61,000 m² of NLA, Mall of Split will become the largest shopping mall in Dalmatia and it’s planned to be the first mall in Croatia with international green building certificate – LEED. Total value of this investment stands at €177 million and the investor is real estate developer Tulipan group.

• First shopping centre in Dubrovnik area is being built in Župa dubrovačka, in Srebreno settlement. This shopping centre with a GBA of 34,000 m² will comprise international brands such as H&M, NewYorker, DM, S.Oliver, Deichmann, Tally Weijl, Sport Vision, Diadema etc. The opening date is set for August 2015.

• Another expected development is Opatija Riviera Centre shopping mall, which should open by 2017. The overall development is planned to cover a gross area of approximately 120,000 m² out of which 25,000 m² are envisioned for shopping centre. The whole investment in the project amounts to €120 million and the investor is MOF Immobilien fund comprised of several international and Austrian investors.

PROGNOSIS

• Zagreb shopping centre market is oversaturated and the developers are shifting their attention toward small-sized and specialized shopping malls in the capital. There are still investment opportunities; especially in secondary cities where retail parks could be the most appropriate solution considering the smaller catchment area and purchasing power.

• From the investment perspective there are certain opportunities to acquire prime properties under attractive discounts.
Industrial / Logistic Market

SUPPLY

• The industrial and logistics sector remains the least developed real estate sector in Croatia, and is characterised by lack of modern Class A warehouse supply. The Zagreb area has a total stock of industrial and warehouse space close to 800,000 m², a small fraction of which of can be classified “modern” by European standards.

• Several Croatian cities support new developments and offer different incentives to the interested investors. For that reason some companies started developing their own premises or using turn-key projects instead of leasing. Zagrebačka pivovara (Zagreb Brewery) started construction of distribution centre located in Zaprešić which will have app. 43,000 m² and will be used for owner occupation purpose. Furthermore, Lagermax is also developing a new logistic centre, app. 30 km north from Zagreb in Luka municipality. The property will serve 25,000 pallets on 16,700 m². In March 2015 Kaufland will open a new logistic centre in industrial zone Ješevac-Čabdin located app 30 km from Zagreb in South – West direction. Ralu Logistika also started construction of its own distribution centre in Rugvica app. 15 km from Zagreb in South – East direction. Similar situation is also taking place in other Croatian cities e.g. Osijek and Rijeka where companies are developing their own properties.

• Zagreb area and its satellite cities serve as the main focal point for business and location where majority of the logistic stock is situated. Much of the city’s industrial space is situated in the old industrial zones located on the city outskirts, particularly to the east and west of the city around Žitnjak, Jankomir and Jastrebarsko.

• The development of modern stock in the last few years has been characterized by a shift of logistics centres to highway exits within the Zagreb area circle. These centres include Zagreb Logistics Park in Sveta Nedjelja (96,000 m²), MSAN logistic center in Rugvica (19,450 m²), Immopark in Jasterbarsko (66,180 m²), Lidl in Jastrebarsko (45,000 m²), Alca and Rewe Group centres in Sveta Helena (37,870 m²), Cargo terminal Zagreb Žitnjak (104,000 m²), Cargo terminal Zagreb Jankomir (74,800 m²), Trius logistic centre Jankomir (53,000 m²) as well as Trius logistic centre Žitnjak (11,300 m²).

• Currently there is no active pipeline of logistic centres with possibility of accommodating number of tenants, most of the projects are smaller, and built to suit one tenant.

DEMAND

• 2014 was a year of subdued transactional activity and a limited number of relocations occurred. Logistic company DB Schenker relocated their business from Žitnjak to Rugvica where they leased 8,000 m² of modern logistic space. Furthermore Serbian company Veletabak entered Croatian market during 2014 and leased warehouse space (app. 1,000 m²) in Trius logistic centre Jankomir.

• The reason of low market activity in 2014 also lies in very limited options of available modern logistic properties on the market. The lack of adequate supply has led the end-users to consider BTS (Built-to-Suit) projects or outsource their operations to logistics service providers. Occupancy level is very high especially in those properties which offer good quality on good locations.

• With the future reconstruction and development of the new Zagreb International Airport, we expect logistic activity to increase in the area of Velika Gorica over the next years.

Key Industrial Figures - Zagreb

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<table>
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<tbody>
<tr>
<td>Total Stock</td>
<td>800,000 m²</td>
</tr>
<tr>
<td>Vacancy</td>
<td>6%</td>
</tr>
<tr>
<td>Prime Headline Rent</td>
<td>€5,50/m²/month</td>
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</tbody>
</table>

Source: Colliers International

MSAN Rugvica logistic centre - Courtesy of MSAN group
Industrial / Logistic Market

VACANCY / AVAILABILITY
• Vacancy rates in Croatia modern industrial warehouse market are estimated at very low levels due to the lack of larger available surfaces. Current vacancy level stands at approximately 6% although there is a lack of modern available properties.

RENTS
• There are no indicators of change in prime rents which stand at €5 to €5.50/m²/month. Rents for older and refurbished industrial premises are also stable and range from €3 to €4.5/m²/month.

PROGNOSIS
• An increase of demand for logistics space is continuing and many present tenants are searching for better quality options and ever more tenants consider BTS (Built-to-Suit) projects as most convenient solution. We expect that trend to continue in 2015 which will drive pre-development and development of new logistic centers.

• A further drop of the vacancy rate can be expected which might trigger new developments.

• According to the trends on logistic market we assume further corrections of land prices what will directly affect the attractiveness of this segment for investors and developers. One of the biggest barriers for larger scale developments is the communal contribution, paid per cube meter. However, we assume that the government and local municipality will gradually change or decrease these charges in order to attract investors.

• A higher interest from potential investors and developers is still expected and this real estate segment has enough space for improvements in following years.

• Croatia has favourable geographical position and could benefit from close proximity and transportation routes to Central Europe.

• In the following years, the stabilization of the economy in general and new infrastructural developments especially in railroads and sea ports will have a positive effect on logistic/warehouse sector.
HTL Overview

SUPPLY

• Hotel and hospitality market sector is currently the most attractive sector for developers and investors what has been proved by several transactions in 2014 continuing the upward trend started in 2013.

• The biggest players are Valamar Riviera, Plava Laguna and Maistra (part of Adris Group). Valamar Riviera Adria owns several hotels in Istria, Dubrovnik, and the Island of Krk with approx. 42,000 beds in touristic accommodation. Plava Laguna holds number of hotels in its brands, Plava Laguna and Istraturist in Istria and Adriatic Luxury Hotels in Dubrovnik. After acquiring Istraturist, Plava Laguna has become the leading Croatian hotel company with approx. 45,000 beds.

DEMAND

• Between January and November, the Croatian Bureau for Statistics recorded 12.9 million arrivals and 73.17 million overnight stays. These represent a y-o-y growth of 4.6% and 2.0% respectively. The 2013 results were already surpassed (12.4 million arrivals and 64.8 million overnight stays) in the first 11 months of 2014. Foreign visitors make 92% of all visitors.

• Due to high and continuous growth of tourist arrivals and overnights along with brownfield investment opportunities hotel market is the most active investment market in Croatia.

• Among counties and towns in Croatia the most visited destinations are County of Istria and Dubrovnik, which is Croatia’s most popular tourist destination. The biggest towns, Zagreb and Split, are also recording growth in number of arrivals and overnights in the past few years.

PIPELINE

• State owned properties represent the most significant pipeline. In Dubrovnik and its area there are several state-owned hotel groups and one tourist complex which the government is looking to privatize. Such groups are Hotels Maestral, Hotels Plat and Kupari tourist complex.

• The Kupari resort in Župa, Dubrovnik will be one of the biggest tourist complexes ever to be privatized in Croatia. The first tender for Kupari facilities took place in September 2014 and the investor will be selected in the beginning of 2015. The estimated value of this investment is in the range from €100 million to €250 million with the minimum investment of €100,000 per accommodation unit set by the government.

• Public tenders for Hotels Plat and Hotels Maestral were unsuccessful due to unfavourable conditions set by the government but we expect these two privatizations to be resolved in 2015.

PROGNOSIS

• Looking ahead, we expect investment activity in HTL sector to continue especially in brownfield investments.

• New entrants on the market can be expected, especially international hotel brands currently not present on the Croatian hotel market.
**Investment Overview**

**Key Investment Figures – H2 2014**

<table>
<thead>
<tr>
<th>Category</th>
<th>Yield</th>
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<tr>
<td>Prime Office Yields</td>
<td>8.50%</td>
</tr>
<tr>
<td>Prime Retail Yields</td>
<td>8.50%</td>
</tr>
<tr>
<td>Prime Industrial Yields</td>
<td>11.00%</td>
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<tr>
<td>Prime Hotel Yields</td>
<td>9.00%</td>
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*Source: Colliers International*

**Summary**

- Increased transaction activity was noticed in hospitality sector where number of hotel properties changed their owner.
- The investment volume in 2014 reached app. €268.6 million. However, not all transactions were reported so the total volume surely exceeded €300 million.
- The most significant investment sale in the H2 2014 occurred in September 2014, when Atlantska Plovda sold its majority stake (81.6%) in Dubrovnik Hilton Imperial Hotel to Maistra at €31.4 million valuation.
- The latest significant M&A deal in H2 2014 was acquisition of a 93% share in Istraturist by Plava Laguna (Luksic Group) for an enterprise value of €162.3 million which brought Plava Laguna at par with hitherto the largest Croatian hotelier Valamar Riviera Adria.
- The retail segment saw one big transaction in H2 2014; Cascade Mall in Zagreb was sold to a local investor for approx. €23.5 million.
- We found yields in retail sector at 8.5% whilst in office and hotel market they stood at 8.5% and 9.0% respectively. Prime industrial yields are set at 11% due to the specific market conditions which remained unchanged.
- According to IMF and Croatian National Bank in H2 2014 Croatian banks reported that while demand conditions stabilised and supply conditions were neutral, credit growth was negative in the last six months. Funding conditions have been improving, with corporate and retail funding having a positive effect. Funding conditions are expected to remain unchanged over the next six months.
- Croatia is currently rated by Moody’s (Ba1), Fitch (BB) and S&P (BB) - all non-investment grades.
- During H2 2014 Croatian sovereign bond yields declined further, lowering risk free rate from 5.3% at the beginning of the year to 3.5% in the end of 2014 what correspondence with global trends. Geopolitical risk, such as Ukraine crisis and Middle East turmoil, Central bank bond purchases in USA, Japan and Eurozone coupled with extremely low interest rates caused increase in bond prices and even lower yields in the end of 2014.

**Prognosis**

- The investors will continue to search for higher returns for their investments due to low market liquidity and risk aversion.
- Recent shift of investor interest from office and retail property sector, towards hospitality industry, is expected to continue in 2015 and 2016 especially in the form of brownfield investments.
- Apart from HTL market sector, we expect significant investment volumes in retail segment. Since those are typically huge cash park investments this will add large portion of volume in 2015.
- Investment transactions in 2015 are projected to surpass EUR 300 million. For 2015 we expect increased investment volume particularly due to the upcoming privatizations in the hotel sector.
485 offices in 63 countries on 6 continents

Revenue: $2.1 billion
Professionals: 15,800
Advisors: 5,800
Square feet managed: 1.46 billion*
Lease and sale transactions: 80,000
Total transaction value: $75 billion*

Square footage includes office, industrial and retail property under management. Residential property is excluded from this total. All statistics are for 2013.

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Cover page source: Turistička zajednica grada Zagreba

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COLLIERS RESEARCH

Colliers Research Services Group is recognized as a knowledge leader in the commercial real estate industry, providing clients with valuable market intelligence to support business decisions. Colliers research analysts provide multi-level support across all property types, ranging from data collection to comprehensive market analysis.

Across the Eastern European region of EMEA, Colliers researchers regularly collect and update data on key real estate metrics, set to consistent definitions bringing greater transparency and reliability to our real estate market analysis in the region. In most Eastern European markets, the office definitions used are consistent with those set out by the CEE Research Forum – an umbrella group, of which Colliers is a founding member. Definitions of the key metrics used in our regular reports are highlighted below.

KEY METRIC DEFINITIONS

- **Prime Net Initial Yield**: The yield an investor is prepared to pay to buy a Grade A building, fully-let to high quality tenants at an open market rental value in a prime location. Lease terms should be commensurate with the market. As a calculation Net initial yield = First years’ net income/purchase price (prior to deducting fees and taxes)

- **Prime Headline Rent**: Represents the top open-market tier of rent that could be expected for a unit of standard size commensurate with demand, of the highest quality and specification in the best location in the market at the survey date. This should reflect the level at which relevant transactions are being completed at the time but need not be exactly identical to any of them, particularly if deal flow is very limited or made up of unusual one-off deals. If there are no relevant transactions during the survey period, the quoted figure will be more hypothetical, based on expert opinion of market conditions. The figure excludes service charges, taxes, and tenant incentives.

- **Total Occupational Market Activity (Take-up)**: Total Occupational Market Activity is the total floor space known to have been let or sold as one of the following activity types during the survey period: Pre-let, New Occupation/Lease, Renewal/Renegotiation, Expansion, Sub-lease and Sale & Leaseback.

- **Net Take-up**: Net Take-up represents the sum of all Total Occupational Market Activity categories which represent a net increase in demand for space. This would only include the following activity types: Pre-lets, New Occupation/lease, Expansion

- **Total Competitive Stock - Offices**: Includes the gross leasable floor space in all A and B class buildings, including owner-occupied buildings but excluding government owned properties. Ancillary office space is only included if it can be reasonably used independently of the primary use of the building in which it is located.

- **Total Competitive Stock - Industrial**: Includes the gross leasable floor space in all A and B class buildings, including speculative, Build to suit and owner-occupied stock. Other reference points include that the building must be heated and have a clear usable height minimum of 6metres. This includes both warehouse (500m²+) & bulk space (10,000m²+).

- **Total Competitive Stock – Retail Shopping Centres**: Split into two categories ‘Traditional & Specialised’ as per ICSC definitions. Traditional includes retail properties that are planned, built and managed as a single entity, comprising units and “communal” areas with a minimum gross leasable area (GLA) of 5,000 square metres. Specialised shopping centres includes Retail Parks, Factory Outlet Centres and Theme-Oriented Centres – specific, purpose-built retail schemes that are typically open-air with a minimum gross leasable area (GLA) of 5,000 m².

- **Space Under Active Construction**: Represents the total amount of gross leasable floor space of properties where construction has commenced on a new development or where a major refurbishment/renovation is ongoing at the survey date.

- **Vacant Space**: The total gross leasable floor space in existing properties that meet the Competitive Stock definition, which is physically vacant and being actively marketed at the survey date. Space should be available for immediate occupation.

- **Total Availability**: Total Availability is a calculation derived from the combination of total vacant space + total available speculative developments. (which exclude the total volume of pre-let or sold space under construction) during the survey period.