

## NUMBER 928, JANUARY 12, 2026

### HICP ended the year at 3.8%, real estate prices sped up to 13.8% in Q2 2025

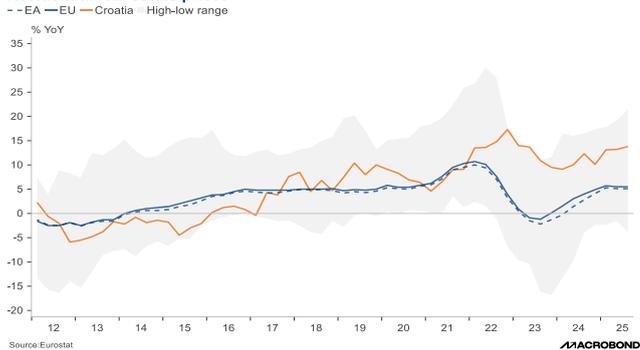
- Per the preliminary data the inflation, measured by the harmonised index of consumer prices, slid to 3.8% in December - which is the lowest inflation price recorded since October 2024 (3.6%). Compared to the previous month, in December the overall index decreased by 0.3%, with only the service prices increasing by 0.5%, somewhat slower than the 0.7% recorded in the same month a year earlier, which then also lowered the annual rate from 7.5% in November to 7.4% in December. Simultaneously, energy prices declined 1.0% m-o-m in line with oil price trends on the world markets, which ultimately, combined with the base effect, cut the energy prices' annual growth rate to 3.6% from 5.0% recorded in November. Food prices noted a decrease (-0.8%) m-o-m at the end of last year, which would, if not for a slight increase of 0.1% in November, round up a streak of four consecutive months of decline. In any case, such a noticeable drop m-o-m (not recorded since mid-2014) along with the base effect resulted in a tangible slowdown in the food prices' growth y-o-y to 3.3% in December from 4.5% in November - which is also the lowest rate recorded in the last sixteen months. Additionally, along with food and energy prices, m-o-m decline was also recorded in non-food industrial products by 0.7% that, after two consecutive months of decline, led to stagnation y-o-y. Overall, the average inflation rate accelerated to 4.4% in 2025 from 4.0% noted during 2024, with core inflation (which excludes energy and food prices) slowing down from 4.8% to 4.1%, reflecting a slight slowdown in service price growth (from 7.6% to 7.4%) and a more noticeable slowdown in industrial products' price growth (to 0.2% from 1.3%). However, during the last year, the growth of food (from 4.4% to 5.4%) and energy prices (to 3.3% from -0.3% noted during 2024) accelerated. As opposed to last year, we expect a further slowdown of the average annual inflation rate this year (around 3.3% per current projections), which should reduce the inflation differential between Croatia and the euro area average from last year's 2.2 p.p. to 1.4, if we take into account the latest 2026 ECB projections (1.9%).
- Per CBS data, in last year's Q3, residential real estate prices rose by 2.9% compared to the previous quarter, which is a slower growth than the average 4.5% recorded in the first two quarters, whereas the price of new

**HICP inflation in December slowed to 3.8%, annual average increased to 4.4%**

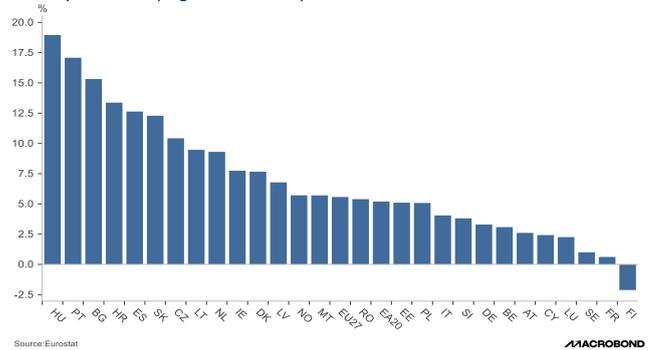
**Residential real estate prices up by 13.8%, pulled up by Zagreb and down by the Adriatic**

real estate was 2.6%, and the existing ones 2.9%. Observed y-o-y, residential real estate price growth sped up to 13.8% from 13.2% in the first half of 2025, whereas the price of new ones was 12.2% and the existing ones 14.2%. The growth of residential real estate prices increased strongly in the city of Zagreb (to 16.8% from 12.6% in the first half of 2025) and slowed down at the coast (to 9.2% from 11.8%) and in the rest of Croatia (to 17.1% from 18.4%). In Q1-Q3 2025, the average price growth accelerated to 13.4% from 10.5% in the same period of 2024, with the new residential buildings' price growth accelerating strongly (12.5% vs 5.3% in Q1-Q3 2024), while the prices of existing buildings increased by 13.5% (vs 11.2%). In the observed period, prices accelerated strongly to 14.0% from 8.6% in Zagreb, but also in the rest of the country (to 17.9% from 12.3%), while the slowdown affected the Adriatic, where price growth decelerated from 11.8% recorded in Q1-Q3 2024 to 10.9% in the same period last year. By comparison, in the same period, residential real estate prices increased 5.2% in the euro area (vs 1.3% in the same period in 2024), and 5.6% in the EU (vs 2.8%). The strongest residential real estate price growth was recorded in Hungary (19%); Portugal (17.1%) and the new member of the euro area - Bulgaria (15.3%), while Croatia is in fourth place, just ahead of Spain (12.6%), Slovakia (12.3%) and Czechia, where growth was 10.4%.

Residential real estate prices



House price index (avg.1-3Q25 % YoY)



- The dollar continued to gradually increase compared to the euro, so the exchange rate was down by 0.7% w-o-w to 1.1642 at the end of the week.
- Euribor noted minor movements w-o-w, so on Friday 3M was 2.02%, and 6M 2.12%.
- The beginning of the year saw Crobex up by 0.4% w-o-w to 3,887 points due to a positive trend of all sectoral indices (CROBEXindustry +1.1% to 3,408, CROBEXnutris +1.7% to 833, CROBEXtourist -0.9% to 4,846). Crobis declined 0.1% to 98.9 points.



**LEGAL DISCLAIMER**

This publication is issued by PRIVREDNA BANKA ZAGREB-DIONIČKO DRUŠTVO (Zagreb, Radnička 50 (hereinafter: PBZ) and aimed at clients of the PBZ Group. This publication is intended for information purposes only and may not in any way be considered an offer or invitation to purchase any property or rights mentioned in it. The informative nature of this publication means that it may not serve as a substitute for the personal judgement and assessment of any reader or anyone who receives this publication. The information, opinions, analyses, conclusions, forecasts and projections given here are founded on publicly available data whose accuracy PBZ relies on but cannot guarantee. Accordingly, all the opinions, attitudes, conclusions, forecasts and projections given in this publication are subject to changes, which depend on changes to the data as published by the source used. PBZ allows further utilization of the data given in this publication on the condition that the publication is indicated as the source. All the property mentioned in this publication and whose movement is the subject of comment may from time to time be the subject of trade or positions taken by PBZ.

**ECONOMIC RESEARCH**

Ivana Jović  
Ana Lokin

**TRANSLATION**

Ana Biloš  
Jelena Marinović

[www.pbz.hr](http://www.pbz.hr)