

### MARKET BRIEF

Comparison

4Q 24 4Q 23

Prices	↑ ↑
Absorption	↔ ↔

### MAIN TOPICS

- Activity in the housing market;
- The number of purchase transactions housing sales;
- Housing stock and commissioning of residential buildings;
- Volume of mortgage lending;
- Average market sales prices and rental rates.

### ECONOMIC INDICATORS

- Population as of December 1, 2024 - 2,286,300 people;
- Unemployment rate (Q3, 2024) - 4.6%;
- GRP (January-September 2024) - 3.8%;
- Inflation (December 24) - 9.2%;
- Weighted average official exchange rate KZT/USD (Q4, 24) - 499.87

The number of purchase and sale transactions in the Republic in the period January-December 2024 increased by 16.80% compared to the same period in 2023.

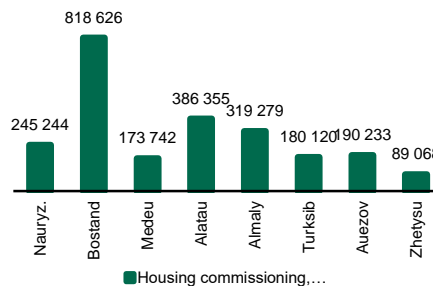
The quantity of transactions of purchase and sale registered for the period January-December 2024 in the city of Almaty is 26.5% more compared to the same period in 2023. The number of purchase and sale transactions in December 2024 is 16.5% more than in December 2023.

Almaty traditionally remains one of the leaders after Astana, among the regions in terms of the number of transactions concluded. In December 2024, Almaty's share amounted to 17.6% of the total Republican market.

Amount of investment in housing construction Almaty in January-June 2024 amounted to 280 billion kzt, which is 1.4% less compared to the same period in 2023. The volume of investments in housing construction in the Republic of Kazakhstan in January-June 2024 amounted to 1,375 billion kzt, which is 3.7% more compared to the same period in 2023.

In January-December 2024, the total area of commissioned housing in Almaty decreased by 10.3% and amounted to 2,402,700 sqm of which in apartment buildings - by 12.4% (1,972,700 sqm). At the same time, the total area of commissioned individual residential buildings increased by 1.9% (416,900 sqm).

### Commissioning of housing by districts, sq.m (January-December 2024)



Source: Bureau of National Medicine. Statistics of the Republic of Kazakhstan

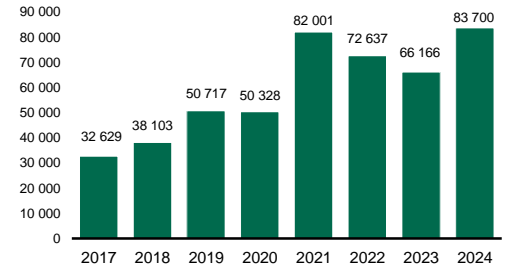
In the period from January - July 2024, the largest volume of construction work was traditionally in Bostandyk (39.47%) and Alatau (14.69%) districts. Share of others

districts amounted to: Medeu - 3.61%, Nauryzbay - 10.62%, Almaty, Auezov, Zhetysu and Turksib - 12.01%, 9.8%, 2.51% and 7.25%, respectively.

Source: Bureau of National Statistics

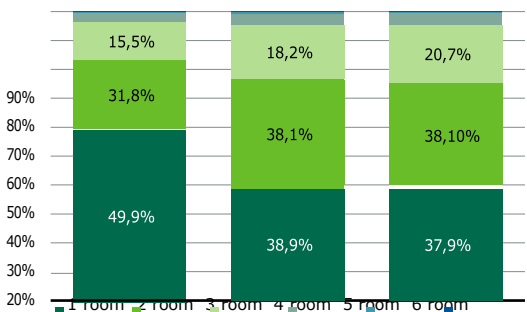
The share of transactions with apartments in 2024 is 92.57%, and with houses - 7.43%. On average, in Kazakhstan, the share of transactions with apartments is

### Number of housing purchase and sale transactions in Almaty, 2017-2024

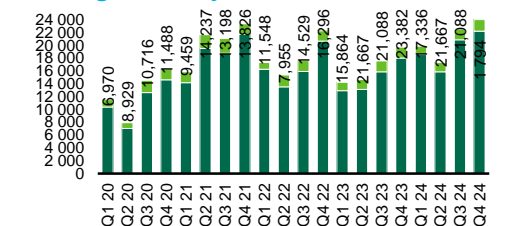


Source: Bureau of National Statistics

### Distribution of apartment purchase and sale transactions by number of rooms in the 4th quarter of 2024

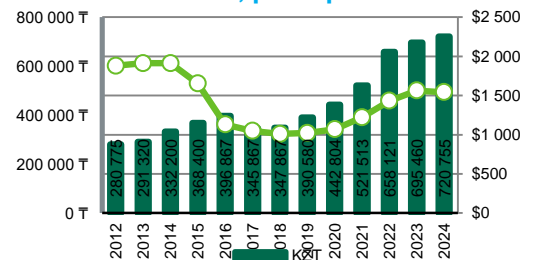


### Transactions for the purchase and sale of housing in Almaty, 2020-2024

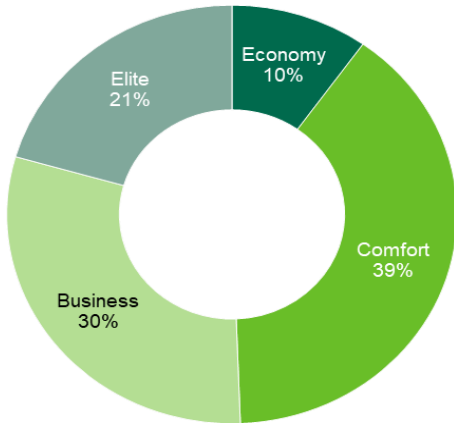


Source: Bureau of National Statistics

### Average supply prices in the housing market 2012-2024, per sq.m.



## Distribution of housing projects in the primary market of Almaty by classes



Source: Scot Holland LLP

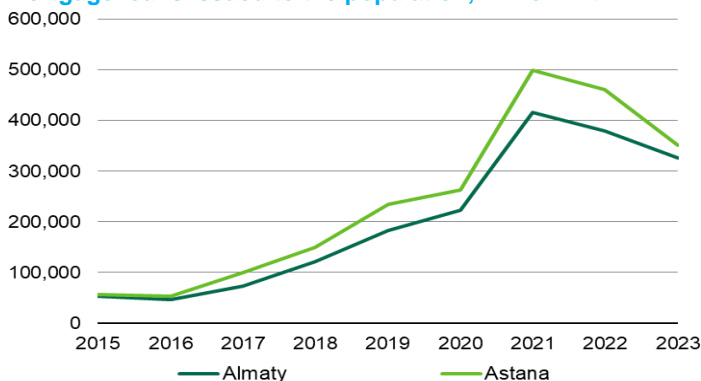
As of December 1, 2024, the banking sector of the Republic of Kazakhstan is represented by 21 second-tier banks, of which 12 are banks with foreign participation, including 9 subsidiary banks. The mortgage portfolio of banks in November 2024 increased by 1.8% to 6.0 trillion KZT. At the same time, the issuance of new mortgage loans for 11 months of 2024 amounted to about 1.8 trillion KZT, which is 23.3% more compared to the same period in 2023.

In the structure of issuing new mortgage loans, the positive dynamics of market lending continues - since the beginning of the year, mortgage loans for 617.8 billion KZT have been issued on market terms, which is 36.3% more compared to the same period in 2023. As a result, their share increased from 31.3% to 34.6% compared to the same period in 2023.

In November 2024, the weighted average interest rate on loans issued to individuals in KZT decreased to 16.9% (18.8% in October 2024) mainly due to a decrease in interest rates on consumer loans from 19.7% to 17.6% against the backdrop of an increase in the share of loans issued in installments.

The quality of the loan portfolio of banks remains at a high level. So, as of 01.12.2024. The share of loans overdue for more than 90 days in the total loan portfolio amounted to 3.2% or 1.1 trillion KZT (as of 01.01.2024 - 2.9% or 864 billion KZT), decreasing from 3.3% a month earlier. Share of NPL90+ loans on loans to individuals as of 01.12.2024 amounted to 4.0% or 808 billion KZT (as of 01.11.2024 - 3.9% or 777 billion KZT, as of 01.01.2024 - 3.4% or 575 billion KZT), and for business loans - 2.3% or 317 billion KZT (as of 01.11.2024 - 2.4% or 320 billion KZT, as of 01.01.2024 - 2.3% or 289 billion KZT).

### Mortgage loans issued to the population, million kzt



Source: National Bank of the Republic of Kazakhstan

Since May 2024, Otbas Bank has launched a new preferential program with an initial payment of 20% at a rate of 7% per annum for socially vulnerable citizens and 9% for other categories of citizens. In the first year, it is planned to issue 12,000 loans in the amount of 300 billion kzt and then annually 200 billion kzt for the issuance of 8,000 loans.

As part of the implementation of the 7-20-25 program, as of October 31, 2024, banks issued 76,753 loans in the amount of 1059.6 trillion KZT.

Below is information on the average sales prices obtained by us during the analysis of supply in the primary residential real estate market in the city of Almaty in the 4th quarter of 2024 (by class; thousand tenge per sq.m.):

Economy	Comfort	Business	Elite
450-550	600-750	800-1000	1200-1700

Source: Scot Holland LLP

Currently developers offer discounts and installment options for apartment purchasers in the primary market.

The measures taken by the state to ban infill development in Almaty, as well as to limit the height of residential construction, will shift the focus to the outskirts of the city of Almaty.

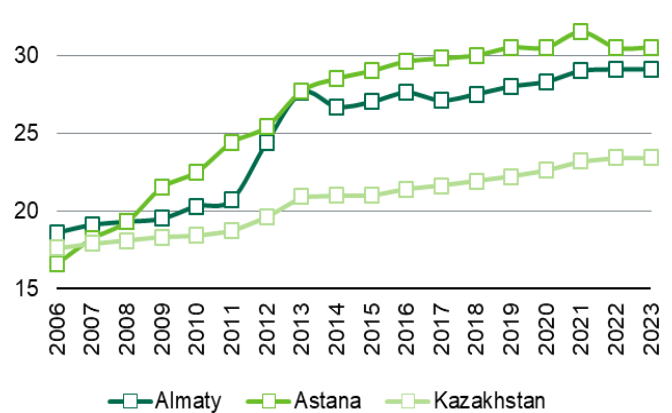
Rental rates for residential real estate in 2024 remained similar to the 1st quarter of 2024.

The average cost of renting apartments by room per 2024 is (000 kzt):

1 room	2 rooms	3 rooms
250-300	300-350	450-500

Source: Scot Holland LLP

### Provision of housing per capita, sq.m.



Source: Bureau of National Statistics of the Republic of Kazakhstan

### MARKET BRIEF

	Comparison	4kW 24	4kW 23
Rental rates	↔ ↔		
Occupancy	↔ ↔		

### MAIN TOPICS

- Current supply of Class A and B office space;
- Projects under construction and planned;
- Increase in occupancy rates in high-quality business centers of the city;
- Stabilization of office rental rates.

### ECONOMIC INDICATORS

- Population as of December 1, 2024 - 2,286,300 people;
- Unemployment rate (Q3, 2024) - 4.6%;
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### REVIEW

Inflation in the Republic of Kazakhstan slowed down from 9.8% in 2023 to 8.6% in 2024. For the month, inflation was 0.9%.

At the moment, there is a stabilization of rental rates in the market.

The vacancy rate on average in the city remains at the level of 0-3%. At the same time, it is important to note that class A and B offices with finishing have 95-100% occupancy. There are Class A office buildings with a waiting list for vacant space.

The vacant share of space is almost entirely represented by shell & core.

Today, tenants want to open their offices as soon as possible and not waste time on finishing work.

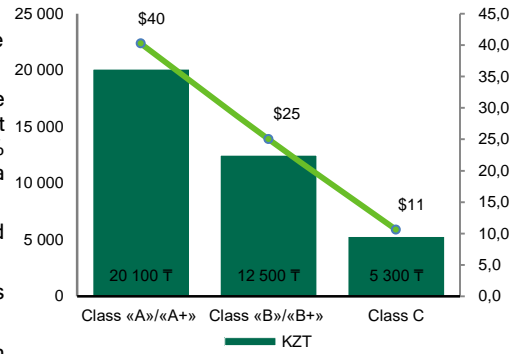
In Almaty, by the end of 2024, it is planned to commission 20,000 new areas of classes "A" and "B+", including the Dial Plaza business center (8,400 square meters) - class "B+", the business center "Element Tower" (6,500 sqm) - class "A", "Vostochnka" (5,200 sqm) class "B+"

In 2024, there is a high shortage of high-quality premises in the office real estate market in Almaty. The total area of offices as of 9 months of 2024 in Almaty is 2,371,000 square meters, where Class A/A+ offices account for 220,000 sqm (9.3% of the total), Class B/B+ offices account for 1,110,000 sqm (46.8%), and Class C offices account for 1,041,000 sqm (43.9%). As of 9 months of the year, the indicator of office space in the context of 1,000 inhabitants in the city of Almaty amounted to 1,044 sq.m.

For 9 months of 2024, the weighted average rental rate compared to the same period last year in Almaty is as follows: in class "A"/"A+" offices, the rate showed an increase of 8.6% from 18,500 kzt/sq. m to 20,100 kzt /sq. m., in class "B"/"B+" the increase in the rate is much higher - 34.4%, which is 12,500 kzt/sq. m., Over the same period, the weighted average rate for class C offices increased from 3,300 kzt/sq. m. to 5,300 kzt/sq. m., which is 60.6%. It should be noted that the rates presented are calculated taking into account operating expenses, but not including VAT and utility costs. The main factors behind the growth in rental rates were the low vacancy rate of premises, the growth of operating costs, as well as the cost of construction.

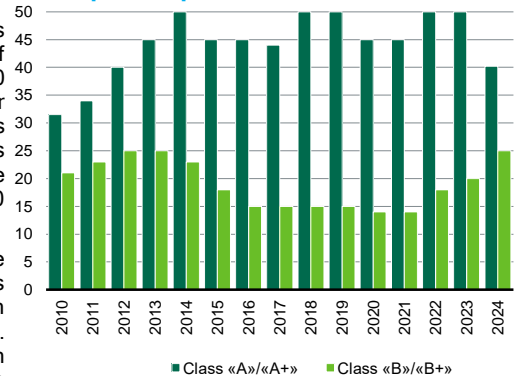
According to the Bureau of National Statistics of the Republic of Kazakhstan, in the period from 2019 to 2023, there was an unstable dynamic of commissioning of shopping malls, reaching the highest figure in 2019, in which 11 facilities were built with a total area of 169,000 square meters, and then experiencing a significant decline in 2020 and 2021 due to the quarantine restrictions imposed. However, from 2022 to 2023, there is an impressive increase in the area of commissioned shopping malls, which amounted to 109 and 174,000 square meters. respectively. The year 2023 was of particular importance for modern retail space in Almaty, at the end of which 28 facilities were launched, including Aport Mall East in Almaty with an area of 150,000 square meters.

Average rental rates, per m2 9 months 2024



Source: Scot Holland LLP

Dynamics of office rental cost in Almaty, USD per m2 per month



Source: Scot Holland LLP

Sale prices of office space in Almaty, USD per m2



Source: Scot Holland LLP

Dynamics of occupancy of class A and B office space in Almaty, %



Source: Scot Holland LLP

## Location of large office projects in Almaty:



Source: Google, Scot Holland LLP

### Administrative districts

**Alatau** is a new administrative district of Almaty, which until recently was the western outskirts of the city; the district includes private houses of low quality, industrial enterprises, etc.;

**Almaty** – the central part of Almaty; mainly residential real estate; retail facilities; a small number of office space and light industry facilities;

**Auezov** - covers the western part of Almaty; mainly residential real estate, not very prestigious buildings, apartment buildings in the south-eastern part of the district, private houses in other parts; simple retail facilities; modern office space is absent;

**Bostandyk** – covers the southern part of Almaty; the number is mainly multi-apartment residential properties of business class and several prestigious residential projects; an increasing number of retail facilities; business centers in the eastern part of the district;

**Medeu** – covers the south-eastern part of Almaty; the most prestigious residential part; retail facilities of excellent and standard level; business center of Almaty;

**Turksib** – the north-eastern part of Almaty; not prestigious private houses; trade facilities of a simple level; a small number of industrial facilities;

**Zhetysu** - northern part of Almaty; population of about 160,000; mix of industrial facilities, shopping malls and less prestigious residential properties

**Naurzbyay** - On July 2, 2014, it was decided to create a new district - Naurzbyay. The district includes private houses of various quality, industrial enterprises, etc.

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For more information about this market overview, please contact:

### Scot Holland Strategic Consulting LLP

#### Roger Holland

President  
Kazakhstan, Almaty,  
050051, 105 Dostyk Ave.,  
3rd floor  
T: +7 (727) 258 1760  
[roger.holland@shre.kz](mailto:roger.holland@shre.kz)

#### Evgeny Dolbilin

Vice President  
Kazakhstan, Almaty,  
050051, 105 Dostyk Ave.,  
3rd floor  
T: +7 (727) 258 1760  
[eugene.dolbilin@shre.kz](mailto:eugene.dolbilin@shre.kz)

#### Sergey Matveev

Managing Director  
Kazakhstan, Almaty,  
050051, 105 Dostyk Ave.,  
3rd floor  
T: +7 (727) 258 1760  
[sergey.matveyev@shre.kz](mailto:sergey.matveyev@shre.kz)

#### Serik Kabdrakhmanov

Senior Valuation  
Manager  
Kazakhstan, Almaty,  
050051, 105 Dostyk Ave.,  
3rd floor  
T: +7 (727) 258 1760  
[serik.kabdrakhmanov@shre.kz](mailto:serik.kabdrakhmanov@shre.kz)