

Residential

Q4 2024

MARKET BRIEF

Comparison
4Q24 4Q23

Prices	↔	↔
Absorption	↓	↑

MAIN TOPICS

- Number of housing purchase and sale transactions;
- Commissioning of residential buildings;
- Mortgage lending;
- Average market sales prices and rental rates.

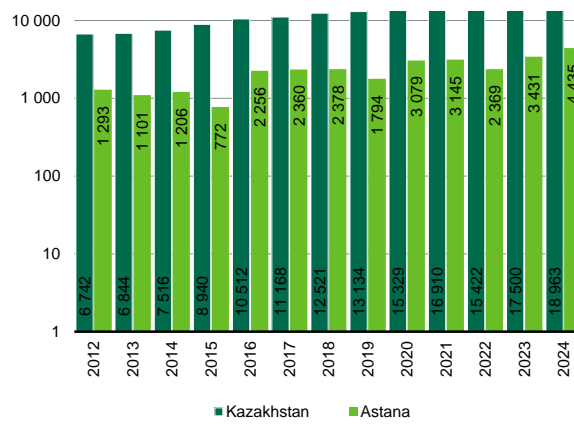
ECONOMIC INDICATORS

- Population (December 1, 2024) - 1,520,800;
- Unemployment rate (Q3)2024) - 4.4%;
- GRP (Q3 2024)- 6.8%;
- Inflation (December 24) - 10.7%;
- Weighted average official exchange rate KZT/USD (Q4 24) - 499.87.

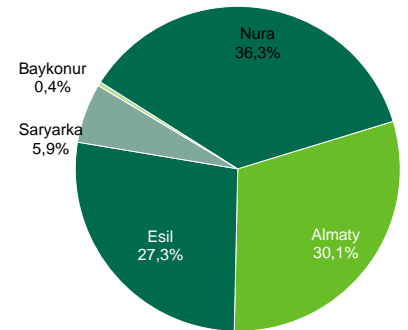
REVIEW

Astana remains the leader in terms of the number of commissioned square meters of residential real estate. In January-December 2024, the total area of commissioned housing increased by 12.7% and amounted to 4,435,000 square meters, of which apartment buildings - grew by 13.1% (4,369,000 sqm). At the same time, the total area of commissioned individual residential buildings decreased by 8.9% (61,600 square meters). The share in the republican volume is 23.3%. For comparison, the Almaty share was 12.60%. The largest share of housing was commissioned in the Nura district - 36.3%. The next in terms of construction activity is the Almaty district, the share of which was 30.1%. In third place is the Yesil district, the share of which was 27.3%.

Housing commissioned 2012-2024, 000 sq.m.



Commissioning of housing by district, January-December 2024.



Source: Bureau of National Statistics of the Republic of Kazakhstan

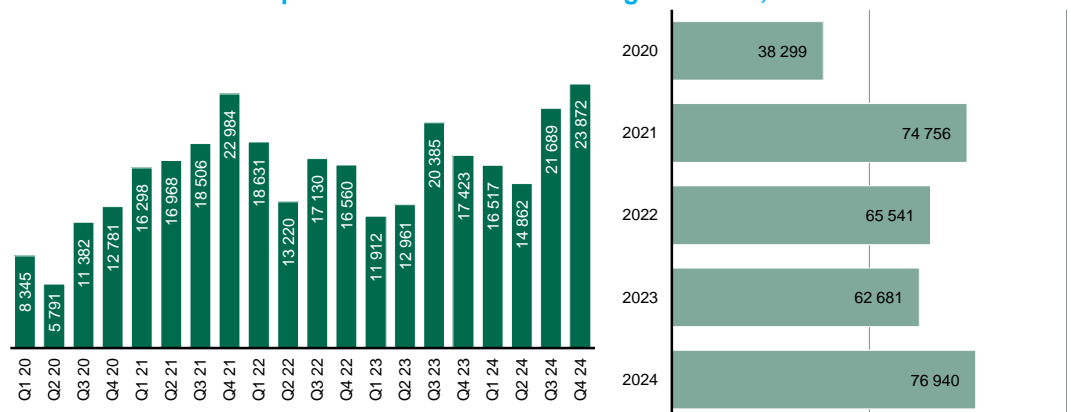
For the period January-June 2024, 246 billion kzt was invested in housing construction, which is 5.4% less compared to the same period in 2023.

According to data for 2023, the provision of housing per capita in Astana was 31.3 sq.m., which is the highest level in the country. For comparison, in Almaty this figure is 30.0 sq.m., and in Kazakhstan as a whole - 23.9 sq.m.

In January-December 2024, 76,940 transactions were concluded in Astana, which is 18.5% more compared to the same period in 2023.

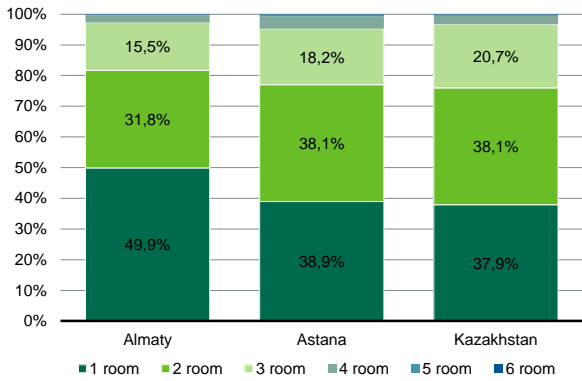
The share of transactions with apartments is on average 98%, and with houses - 2%.

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



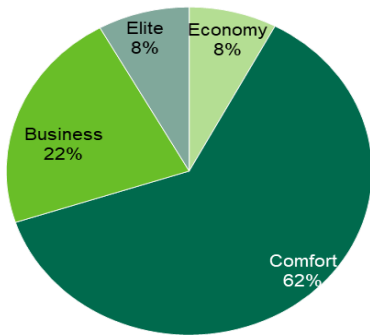
Source: Bureau of National Statistics of the Republic of Kazakhstan

Transactions for the purchase & sale of apartments by number of rooms in Q4 2024



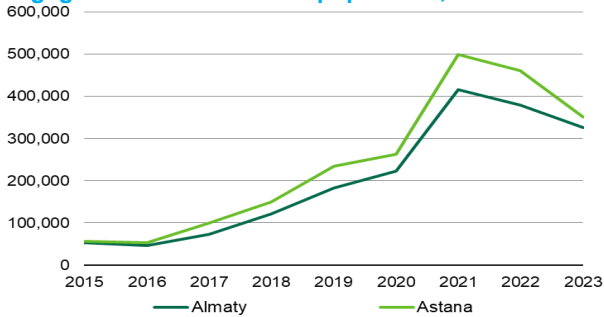
Source: Bureau of National Statistics of the Republic of Kazakhstan

Distribution of the primary market in Astana by classes in 2023



Source: Scot Holland LLP

Mortgage loans issued to the population, million kzt



Source: National Bank of the Republic of Kazakhstan

Average sales prices in the housing market, per sq.m



Source: Krishna.kz

As of December 1, 2024, the banking sector of the Republic of Kazakhstan is represented by 21 second-tier banks, of which 12 banks have 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).

Since May 2024, Otbasy 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 sales prices obtained by us during the analysis of supply in the primary residential real estate market in Astana in the 4th quarter of 2024 (by class; KZT per sq.m.):

Economy	Comfort	Business
300 - 400	400 - 500	500 - 700

Source: Scot Holland LLP

According to the results of monitoring the cost of 1 sq.m. of residential real estate, it can be concluded that the cost range for the 4th quarter of 2024 remained within the same limits as in the 4th quarter of 2023.

Below are the average rental rates in Astana:

Apartment Type	Average rental rate (kzt per month)
1-room	175,000
2-room	250,000
3-room	350,000
4- and 4+ bedrooms	400,000 and above
Average rate	300,000

Source: Scot Holland LLP

MARKET BRIEF

Comparison
4Q24 4Q23

Rental rates	↔	↔
Occupancy	↔	↔

MAIN TOPICS

- Current and future supply;
- Medium occupancy rate;
- Rental rates;
- Sale prices.

ECONOMIC INDICATORS

- Population (December 1, 2024) - 1,520,800;
- Unemployment rate Q3 2024) - 4.4%;
- GRP (Q2 2024)- 5.8%;
- Inflation (December 24) - 10.7%;
- Weighted average official exchange rate KZT/ USD (Q4 24) - 499.87.

REVIEW

The development of the office real estate segment in Astana is due to the current status of the city. Thanks to the transfer of the functions of the capital in a relatively short time, Astana has turned into the business center of the republic, with a constantly growing number of private and state enterprises and institutions.

In 2024, there is a high shortage of high-quality premises in the office real estate market in Astana. The total area of offices is 1,665,000 sq. m., where Class A/A+ offices occupy 159,000 sq. m. (9.5%), Class B/B+ offices - 656,000 sq. m. (39.4%), and Class C offices - 850,000 sq. m. (51.1%). For 9 months of 2024, the indicator of office space in the context of 1,000 inhabitants in the city of Astana amounted to 1,117 sq.m.

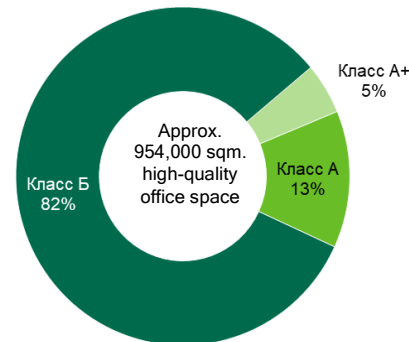
For 9 months of 2024, the weighted average rental rate compared to the same period last year in Astana is as follows:

- in class "A"/"A+" offices, the rate showed an increase of 2.3% from 16,300 KZT/sq. m to 16,700 KZT/sq. m.,
- in class "B"/"B+" the increase in the rate is higher - 6.3%, which is 7,900 KZT / sq. m., while a year earlier offices were rented out for 7,400 KZT / sq. m.
- over the same period, the weighted average rate for Class C offices increased significantly from 4,300 KZT/sq. m. to 6,300 KZT/sq. m., by 31.7%. 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.

In 2024, market preferences remain on the side of ready-made offices with high-quality renovation and infrastructure, however, due to the low vacancy rate of class "A"/"A+" offices, tenants are moving to classes "B"/"B+" and "C", where they are ready to provide more space at more attractive rates. The occupancy rate in 2024 for class "A"/"A+" was 95.4%, for class "B"/"B+" - 96.0%, having increased over the year from 90.4% for class "A"/"A+" and 90.8% for "B"/"B+".

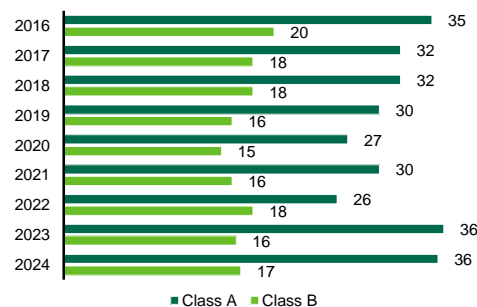
In 2024, the volume of supply in the Astana market has not changed. Demand for office space in classes "A" and "B" remains high, especially among international companies, which, due to a shortage of supply in the market, are forced to buy or rent individual buildings as an office, Yandex is an example. Given the shortage of available space and the low vacancy rate of existing facilities, investing in the construction of high-quality office space is a promising direction.

Distribution by class



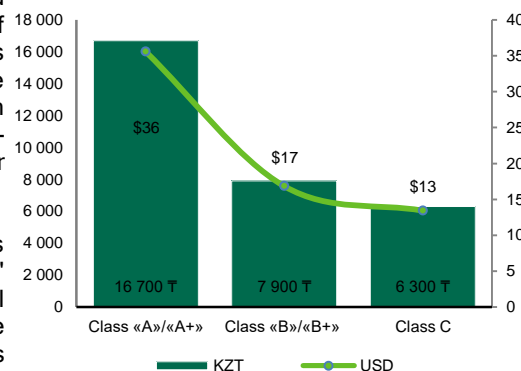
Source: Scot Holland LLP

Average rental rates of office space, USD per m2 per month



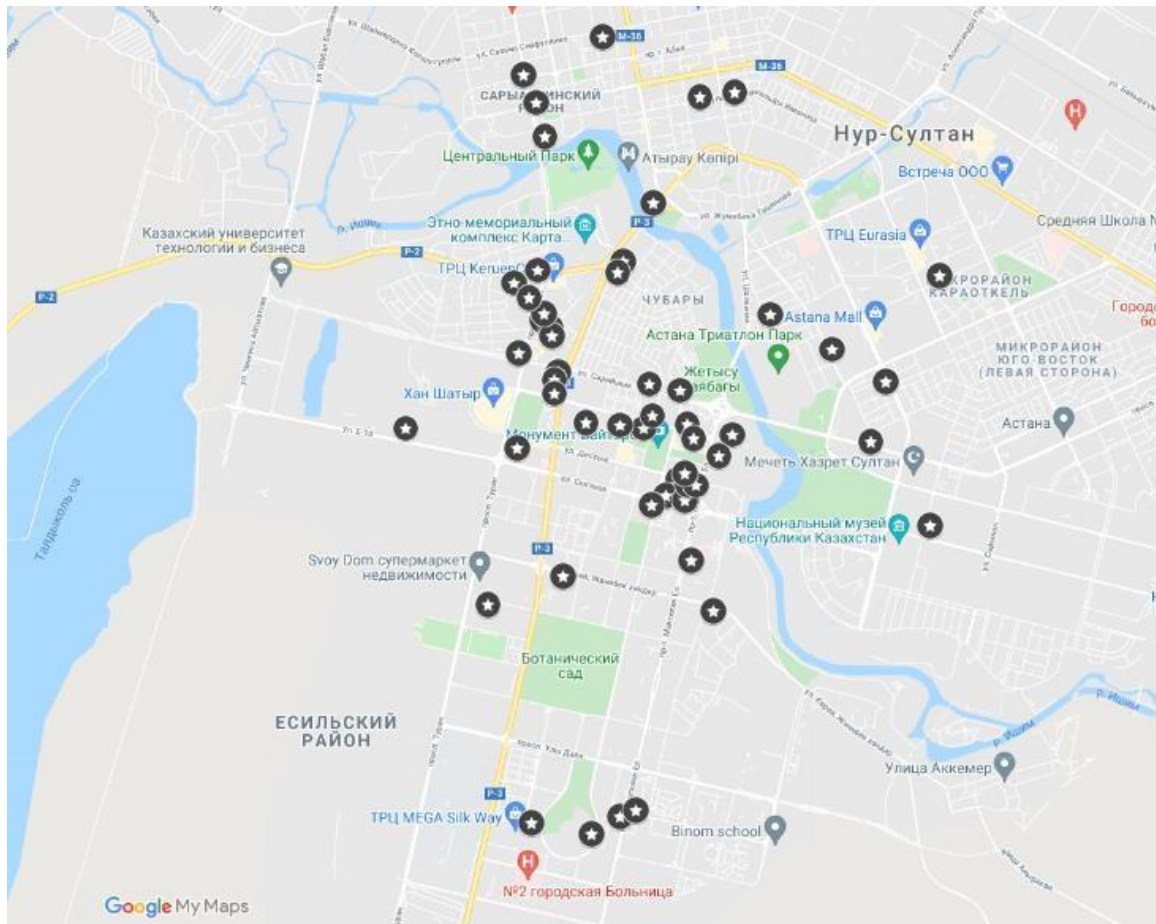
Source: Scot Holland LLP

Average base rental rates, per m2 per month in 2024



Source: Scot Holland LLP

Location of major office projects in Astana:



Source: Google, Scot Holland LLP

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