

QUICK STATS

	Change from	Q3 23	Q4 22
Prices	↔	↗	↗
Absorption	↗	↘	↘

HOT TOPICS

- Housing market trends;
- Number of transactions;
- Housing stock and commissioning of residential buildings;
- Mortgage lending;
- Average selling prices and rental rates.

ECONOMIC INDICATORS

- Population – 2,222.7 thousand inhabitants;
- Unemployment rate (Q4 2023) – 4.8%;
- GRP (Jan-Dec 23) – 11.5%;
- Inflation (Dec. 23) – 9.8%;
- Weighted average official rate of KZT/USD (Q4 23) amounted to 466.08;

OVERVIEW

The number of purchase and sale transactions in the Republic in the period January-December 2023 decreased by 20.5% compared to the same period in 2022.

The number of sale-purchase transactions registered for the period January-December 2023 in Almaty city was 4% lower in comparison with the same period in 2022. The number of purchase and sale transactions in December 2023 is 11% lower compared to the same period in 2022.

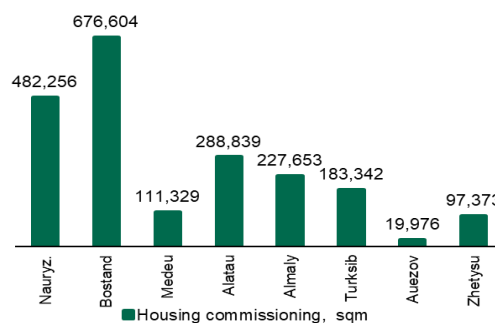
Almaty traditionally remains in the leaders among regions by the number of concluded deals. In December, the share of Almaty accounted for 20.08% of the entire Republican market.

The amount of investment in housing construction in Almaty for January-November 2023 amounted to 576.934 million tenge, which is 2.5% higher compared to the same period last year.

The total area of commissioned residential buildings in the Republic for the period January-November 2023 was about 15 million square metres, which is 16% higher compared to the same period in 2022.

The total area of commissioned residential buildings in Almaty for January-November 2023 was 2,087,372 square metres, an increase of 30.9% compared to the same period in 2022.

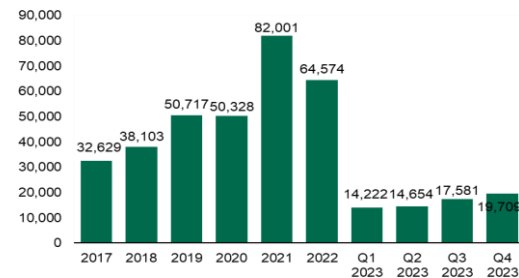
Housing commissioning, thousand sq.m



Source: Bureau of National Statistics

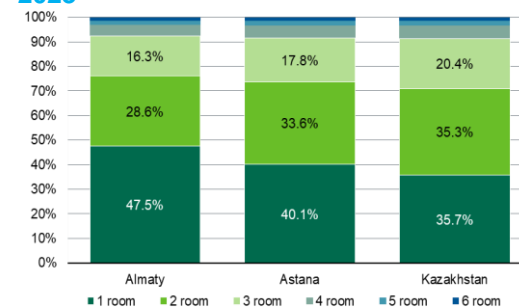
In the period from January to November 2023, the largest share of investments in construction works was traditionally in Bostandyk (30%) and Nauryzbay (20%) districts. The share of other districts was: Medeu district - 10%, Alatau district - 11%, Almalinsk, Auezov, Zhetysu and Turksib districts - 10%, 7%, 6% and 7% respectively.

Sale purchase transactions of residential property in Almaty, 2017-2023



Source: Bureau of National Statistics

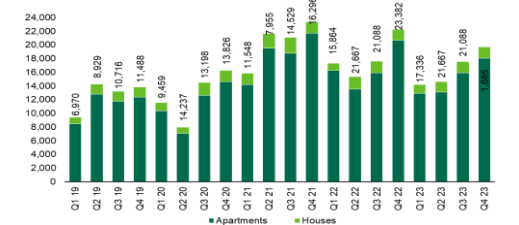
Breakdown of apartment sale purchase transactions by number of rooms in Q2 2023



Source: Bureau of National Statistics

The share of deals in flats is 91%, and in houses - 9%. On average in Kazakhstan the share of transactions with flats is 75%, and with houses - 25%.

Sale purchase transactions of residential property in Almaty, 2018-2023



Source: Bureau of National Statistics

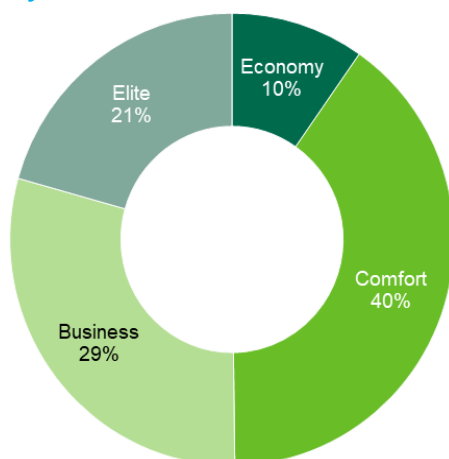
Average selling prices in the housing market, per sq.m



Источник: Krisha.kz

Страница 1

Breakdown of housing projects in the primary market of Almaty by class



Source: Bureau of National Statistics

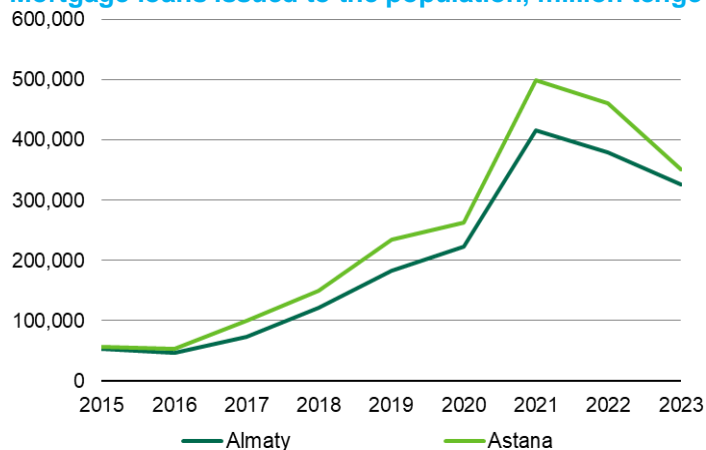
According to the National Bank, the mortgage portfolio increased by 600 billion tenge and totalled 5.2 trillion tenge in the first 11 months of 2023, which is half the figure for the same period in 2022

Otbasy Bank traditionally remains the leader in mortgage lending. In May 2023, Otbasy Bank tightened the conditions for bridging loans (opening a deposit three months before receiving the loan, the deposit amount is 50% of the value of the housing to be purchased, the borrower's score is 2.5). It should be noted that in 2024 the bank plans to tighten conditions for borrowers.

In November 2023, the representative of JSC "Otbasi Bank" announced the possible launch in 2024 mortgage programme "9-20-25". For the implementation of this programme is planned to annually allocate 150 billion tenge.

In November 2023 Majilis approved a bill in which JSC "Otbasy Bank" will be transformed into the National Institute of Development with the preservation of the functions of second-tier bank. In this case, the bank will be sent the list of people on the waiting list for housing, an electronic database will also be created.

Mortgage loans issued to the population, million tenge



Source: National Bank

The main news of the outgoing year 2023 was the court ruling on the demolition of 41 residential complexes. Three developers were deprived of their licenses and five developers had their licenses for certain types of construction works revoked.

Below is the information on average sales prices, which we received during the analysis of supply on the residential property market in Almaty in Q4 2023 (by class; thousand tenge per sq.m.):

Economy	Comfort	Business	Elite
400	550	800	1 100

Source: Scot Holland LLP

In general, since the second quarter of 2023, the growth rate of the cost of 1 sq.m. has slowed down.

At the moment, developers are loyal and offer discounts and instalment options for flat purchasers in the primary market.

The measures taken by the government to prohibit infill development in Almaty, as well as limiting the height of residential construction will shift the focus to the outskirts of Almaty.

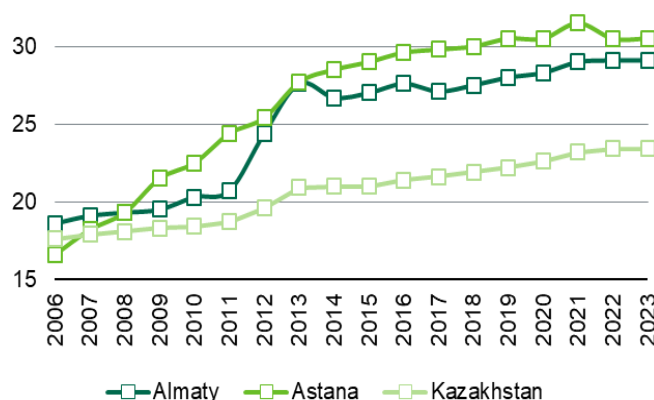
Rental rates for residential property in December 2023 remained within the limits of Q3 2023.

The average rental cost of flats by room size for December is (thousand tenge):

1 room	2 rooms	3 rooms
250	350	500

Source: TOO Scot Holland

Housing stock per capita, sq.m.



Source: Bureau of National Statistics

Source: Bureau of National Statistics

QUICK STATS

	Change from	
	Q3 23	Q4 22
Rental rates	↔	↔
Occupancy	↔	↑

HOT TOPICS

- Increase in the current supply of class A and B office space;
- Under construction and planned projects;
- Increase in the average occupancy rate in high-quality business centers in Almaty;
- Increase in rental rates.

ECONOMIC INDICATORS

- Population – 2,222.7 thousand inhabitants;
- Unemployment rate (Q4 2023) – 4.8%;
- GRP (Jan-Dec 23) – 11.5%;
- Inflation (Dec. 23) – 9.8%;
- Weighted average official rate of KZT/USD (Q4 23) amounted to 466.08;

OVERVIEW

Since the beginning of 2023, there has been a systematic decline in inflation. In Q4 2023 it was 9.8% (against 20.7% in January 2023).

At the moment the market is experiencing a stabilization of rental rates.

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

Vacant space is almost entirely represented by that not fitted out.

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

At the moment the area of announced new class A and B office premises is about 105,000 sq.m. The projects are to be completed and commissioned in 2023 -2024.

The Deniz Park project was expected to be completed in 2023, but at the moment the project is frozen and the appearance of this space on the market is in question.

Projects under construction include Orion, Ortau and Force City.

At the current moment the landlord's advantage remains in the market.

As of Q4 2023, rental rates in Class A offices are \$50 per sqm per month (including maintenance).

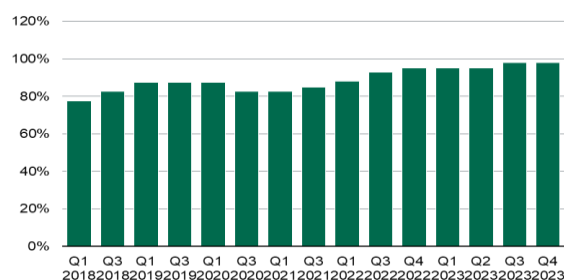
In Class B+ office buildings the average rate is \$36 per sqm per month (including maintenance).

Average rental rates in Class B office buildings are estimated at \$25 per sqm per month (including maintenance).

Maintenance costs vary from \$2 to \$7 per sqm per month, depending on the location and class of the business centre, as well as the amenities and services offered.

Average selling price levels for office space in business centres vary depending on the district from KZT 890 thousand per sqm to KZT 1,400 thousand per sqm, with the Almaty average being around KZT 1,120 thousand per sqm, equivalent to \$2,500.

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



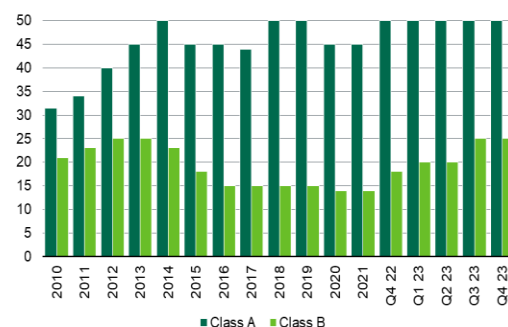
Source: Scot Holland LLP

Average rental rates, per m² per month



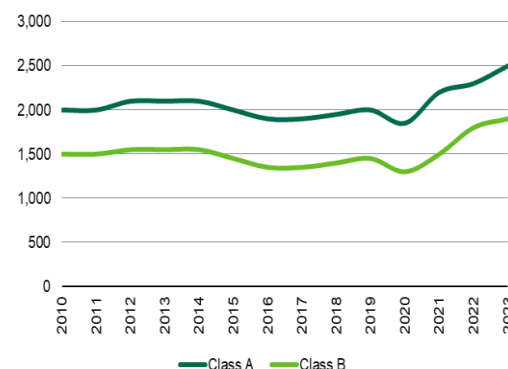
Source: Scot Holland LLP

Dynamics of monthly rental rates for office space, USD per m²



Source: Scot Holland LLP

Sale prices of office space in Almaty, USD per m²



Source: Scot Holland LLP

Locations of major office developments in Almaty:



Source: Google, Scot Holland LLP

For more information regarding the Market View, please contact:

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Administrative Districts

- **Alatau** - a new administrative district of Almaty, which was formerly the western outskirts of the city; it represents a mix of low quality individual households, industrial facilities etc.;
- **Almaly** – comprises the central part of Almaty; mostly residential properties, both prestigious and lower level, condominiums and houses; both fine and basic retail facilities; also some office space and light industrial facilities;
- **Auezov** – comprises the western part of Almaty; mostly residential, not very prestigious properties, multi-family at south-eastern part of the district, individual houses in the other parts; basic retail; no contemporary office space;
- **Bostandyk** – comprises the southern part of Almaty; mostly business class residential multi-family properties plus a few prestigious residential developments; expanding retail facilities; business centres at the eastern end of the district;
- **Medeu** – comprises the south-eastern part of Almaty; the most prestigious residential part with condominiums along Dostyk avenue. and individual houses in outlying parts; both fine and basic retail facilities; the business core of Almaty;
- **Turksib** – comprises the outlying north-eastern part of Almaty; low-quality individual houses; basic retail; no contemporary office space and some industrial facilities;
- **Zhetisu** – comprises the northern part of Almaty; a mix of industrial facilities, trade centres and low-quality residential properties – condominiums at the southern end and individual houses at the eastern and western parts;
- **Nauryzbay** - On July 2, 2014, at a session of Maslikhat a decision was taken to form the new Nauryzbai district. The district includes private houses of varying quality, industrial enterprises, etc.

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