

QUICK STATS

	Change from	
	Q4 23	Q1 23
Prices	↔	↑
Absorption	↓	↓

HOT TOPICS

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

ECONOMIC INDICATORS

- Population – 1,437 thousand inhabitants;
- Unemployment rate (Q4 2023) – 4.5%;
- GRP (Q4 2023) – 4.1%;
- Inflation (Mar. 24) – 9.1%;
- Weighted average official rate of KZT/USD (Q1 2024) – 450.36.

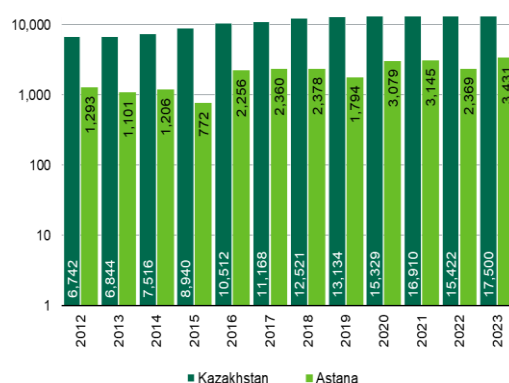
OVERVIEW

Astana remains the leader in the number of commissioned square metres of residential real estate. The total volume of residential space commissioned in Astana for the period January-November 2023 was 3,430.9 thousand square metres. The share in the republican volume is 22.77%. For comparison, the share of Almaty was 13.85%.

The largest share of housing was commissioned in Yesil district - 41.2%. Yesil district makes up almost half of the city area, and the most active residential and commercial construction is carried out here.

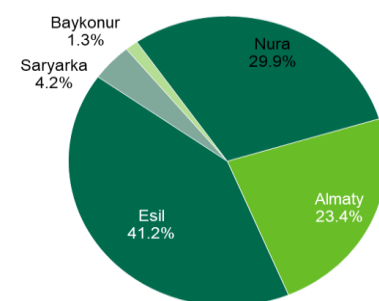
The next most active district in terms of construction activity is Almaty district, with a 23.4% share. In third place is Nura district, with a share of 29.9%.

Housing commissioning, ths sqm



Source: Bureau of National Statistics

Commissioning of housing by district



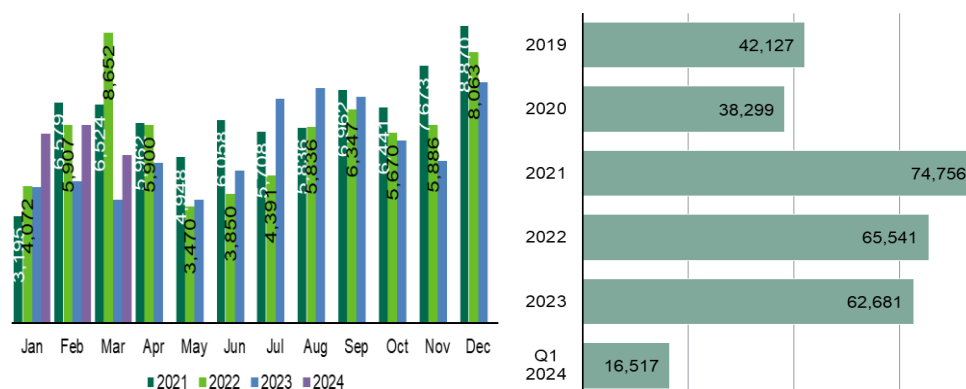
For the period January-November 2023, 472,216 million tenge was invested in housing construction, which is 75.6% less compared to the same period in 2022.

According to the data for 2023, the housing provision per inhabitant in Astana is 31.3 square metres. This is the highest level in the country. For comparison, in Almaty this indicator is 30.0 sq.m, and in Kazakhstan as a whole - 23.9 sq.m.

In January-March 2024, 16,517 transactions were concluded in Astana, which is 39% more compared to the same period in 2023.

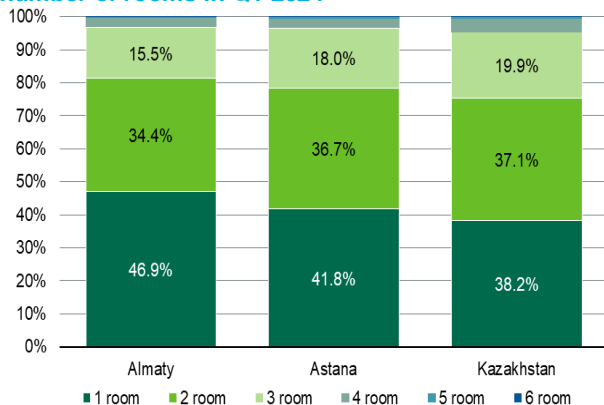
The share of transactions with flats averaged 98%, and with houses - 2%.

Sale purchase transactions of residential property



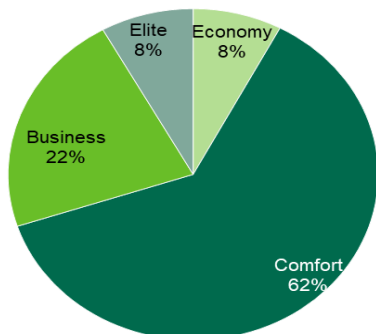
Source: Bureau of National Statistics

Sale and purchase transactions of apartments by number of rooms in Q1 2024



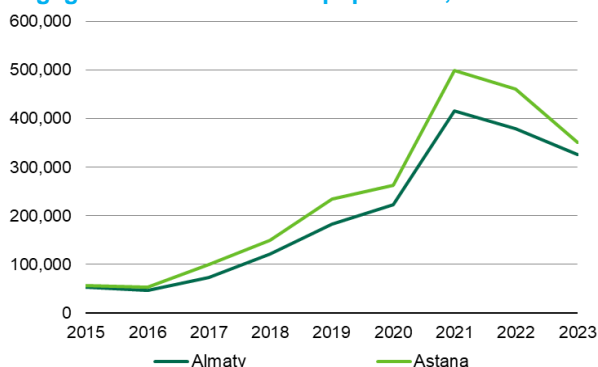
Source: Bureau of National Statistics

Breakdown of the primary market in Astana by class



Source: Scot Holland LLP

Mortgage loans issued to the population, mln KZT



Source: National Bank

According to the National Bank, the growth rate of mortgage loans decreased from 21.2% to 14.2%. In general, the dynamics of mortgage lending shows a significant slowdown due to the previously realized demand for housing, reduction of government incentives and tightening of mortgage registration conditions in "Otbasy Bank".

In November 2023, the Majilis approved a bill in which JSC "Otbasy Bank" will be transformed into the National Institute of Development while retaining the functions of the BVU. In this case, the list of people on the waiting list for housing will be transferred to the bank, as well as creating an electronic database.

From 1 March to 30 April 2024 there was the opportunity to apply for participation in the program "Otau" on the portal "Baspana Market" (otbasybank.kz). This is an updated mortgage program, which was previously announced as "9-20-25" and was a replacement for the most popular mortgage program "7-20-25". However, under the terms of the current program, the participant can be a citizen of Kazakhstan aged up to 63 years, not only young people.

The terms have been updated in for the term of the mortgage loan, and the interest rate. It was assumed that the mortgage will be issued at a rate of 9% with a down payment of 20% and for a period of up to 25 years ("9-20-25"). But the loan term was changed - now it is 19 years. So now this program is more correctly called "9-20-19".

The maximum loan amount in Almaty and Astana is KZT 30m; in other regions, the maximum amount is KZT 18m; in Almaty, Astana, Shymkent and regional centres, only primary housing can be purchased, including under a share participation agreement with a guarantee from Kazakhstan Housing Company (KHC); in all other settlements, any housing can be purchased.

Below is the information on sales prices we received during the analysis of supply on the primary residential property market in Astana in Q1 2024 (by class; 000's tenge per sq.m.):

Economy	Comfort	Business	Elite
300 – 400	450 - 550	500 – 700	600 – 1 000

Source: Scot Holland LLP

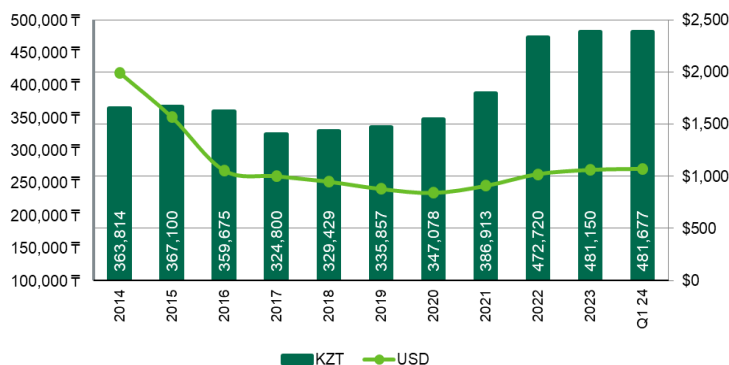
According to the result of monitoring the cost of 1 sq.m. of residential property, it can be concluded that the range of costs for Q1 2024 remained within the same range as in Q4 2023.

Average rental rates for Astana are shown below:

Type of apartment	Average rental rate (Tenge per month)
1-room	175,000
2-room	250,000
3-room	350,000
4- and 4+ room	400,000 and higher
Average rate	300,000

Source: Scot Holland LLP

Average sales prices in the housing market, per sqm



Source: Krisha.kz

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OVERVIEW

The development of the office real estate segment in Astana is conditioned by the current status of the city, which, due to the transfer of the functions of the capital to it, has turned into the business centre of the republic in a relatively short period of time, with a constantly growing number of private and public enterprises and institutions.

Today the total area of office real estate in the city is about 1.6 million square metres.

The office premises market is mainly represented by newly built business centres. Office premises are also offered in reconstructed administrative buildings of the Soviet period and on the ground floors of residential buildings equipped for offices. In most cases, offices declared as high-class premises do not actually meet international requirements.

Due to the situation between Russia and Ukraine, a large number of foreign companies have relocated to Kazakhstan over the period 2022-2023, including such companies as inDrive, Yandex, Honeywell, Fortescue, Playrix & Tinkoff.

Currently, the level of occupied space in business centres and co-working spaces according to our estimates remains at around 98-100%.

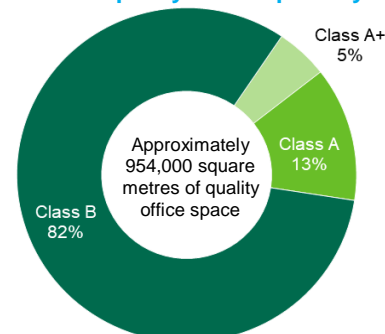
In "A" class business centres, rental rates in Q1 2024 remain in the range of USD 33-40 per sqm per month, with an average of USD 36. At the same time, for the "A+" category (Talan Towers) the base rate is USD 60 per sqm per month.

Rental rates in B class offices in Astana for Q1 2024 remain in the range of USD 20-25 per sqm per month, with an average of USD 22 per sqm per month.

Maintenance costs range from USD 2 to USD 8 per sqm per month, depending on the location and class of the business centre, as well as the amenities and services offered.

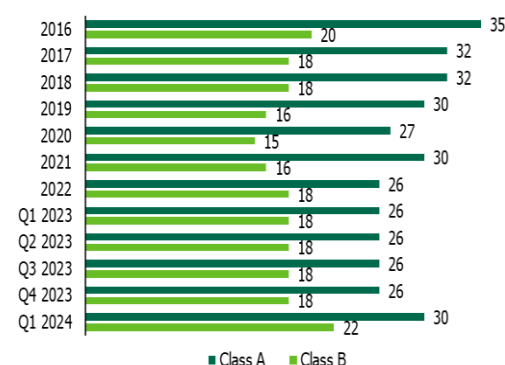
It should be noted that Class "A" offices are still pegged to the US dollar, while Class "B" sets its rates in local currency. Also, "A" class tariffs are quoted on a triple net basis, while "B" class tariffs in most cases include service charges, utilities and VAT.

Breakdown of quality office space by class



Source: Scot Holland LLP

Monthly rental rates for office space, USD per sqm per month



Source: Scot Holland LLP

Average base rental rates, per sqm per month



Source: Scot Holland LLP

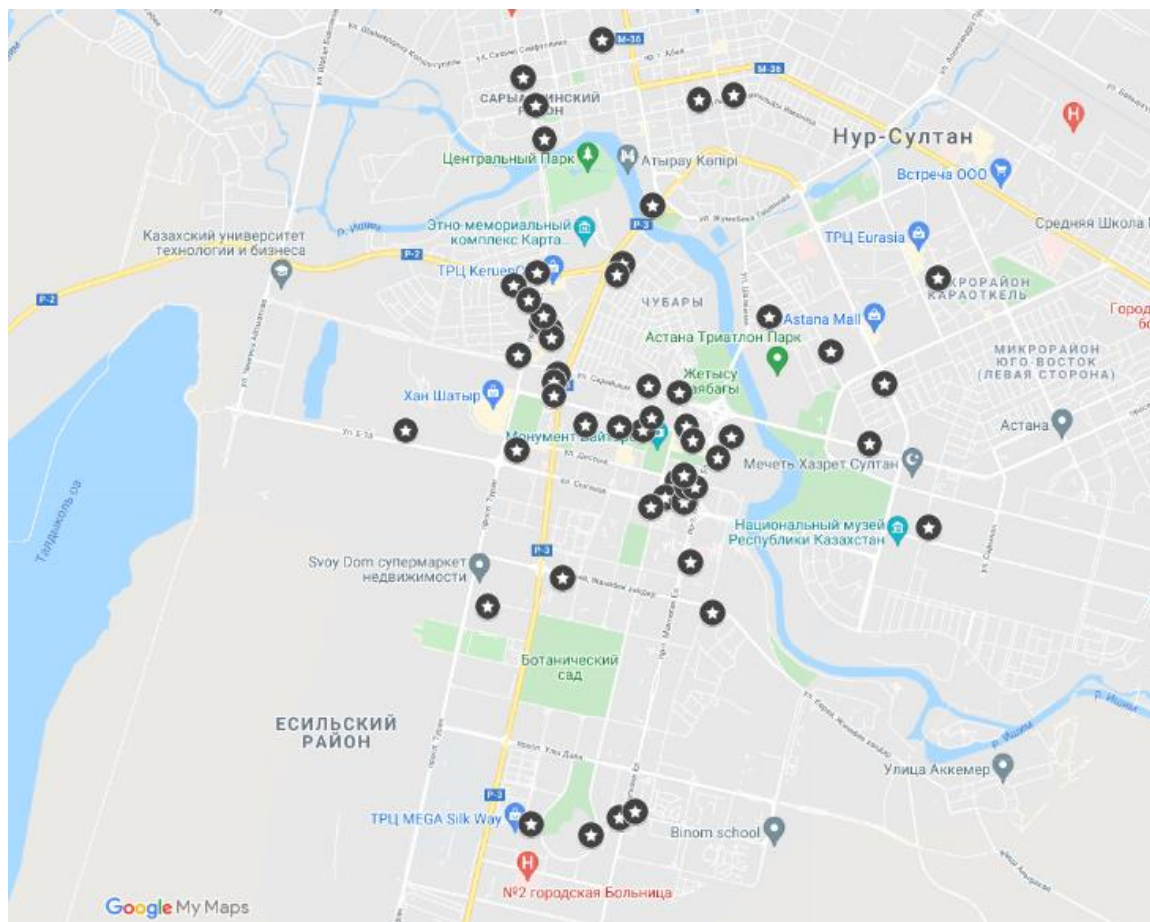
HOT TOPICS

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

ECONOMIC INDICATORS

- Population – 1,437 thousand inhabitants;
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Location of large office projects in Astana:



Source: Google, Scot Holland LLP

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