

# Flexible Space Report

## Almaty 2021 Q1

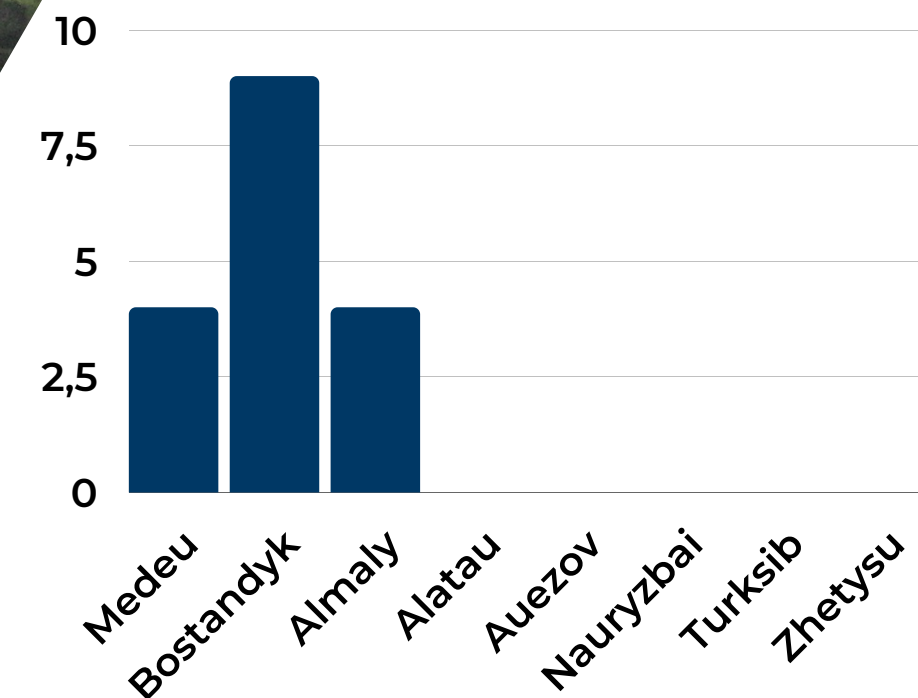


CUSHMAN &  
WAKEFIELD

Number of Coworkings: 18

Total square meters: 21,100

Average Rate/Desk: 80,000 KZT



Number of Flexible Spaces  
by District

### Cushman & Wakefield Kazakhstan study of the flexible space market

#### Market Overview:

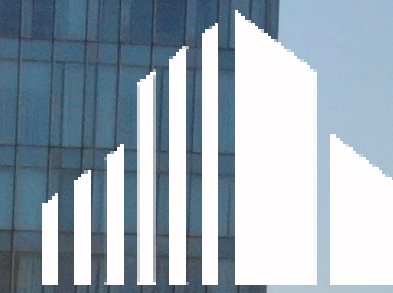
A year has already passed since the first official coronavirus infection was registered in the country and it is now clear that the flexible spaces that are currently working have learned to operate in the new normal. This is reflected in the figures. There have been no closures in the first quarter of 2021, and 2 flexible office spaces opening operations during the quarter. However, over the course of the last year, a total of 8 flexible space operators have completely or temporarily shut down. Most can attribute their closures to the effects of the pandemic, while others have changed their strategy of operations, changing their core services.

The industry has seen a steady growth of openings during the past four years. From the start of 2017, the industry has seen an increase in market activeness, with a total of 20 new locations opening since then. In fact, 16 out of the currently operating flexible spaces have been opened during that period of time.



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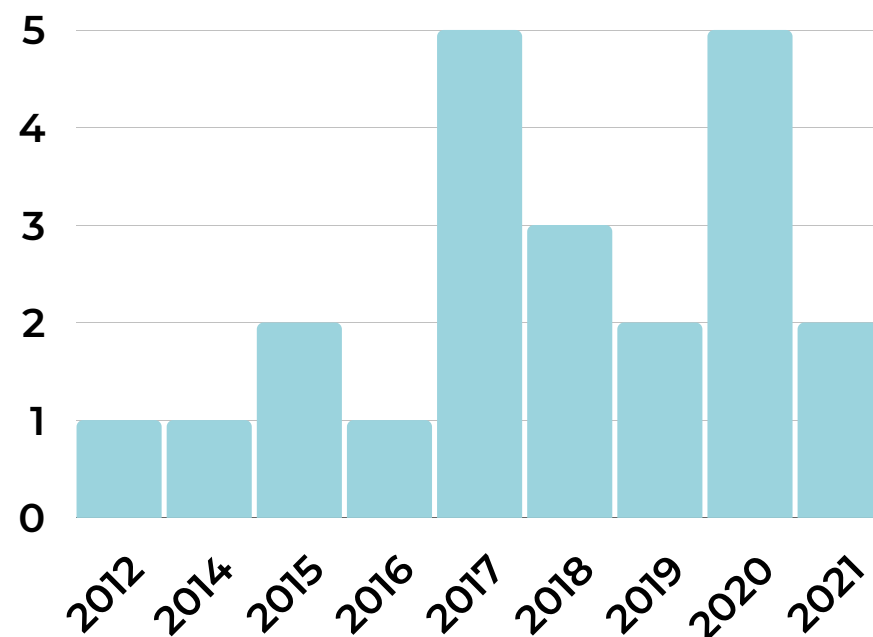


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**Coworking Spaces  
by Opening Date**

### Cushman & Wakefield Kazakhstan study of the flexible space market

#### Market performance:

- Number of flexible offices, operating as of March 2021: 18
- Supply in Class A: 2 development
- Supply in Class B: 16 developments
- Total stock: 21,100 m<sup>2</sup>
- Weighted-average rental rate per workstation: 80, 000 KZT.
- Average rental rate per parking lot: 35, 000 KZT.
- Overall occupancy: 60.5%.

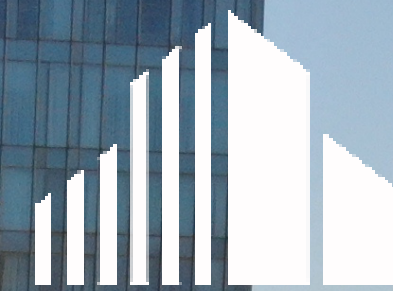
#### Market Trends:

Historically, self-employed made up the largest share of demand for such services, yet the markets have indicated that there is increasing interest from small businesses and start-ups as well as from larger corporate units that believe in the usefulness of such spaces for creating comfortable and efficient working stations for their employees. Our analysis of global markets shows that this trend will only gain traction going forward.



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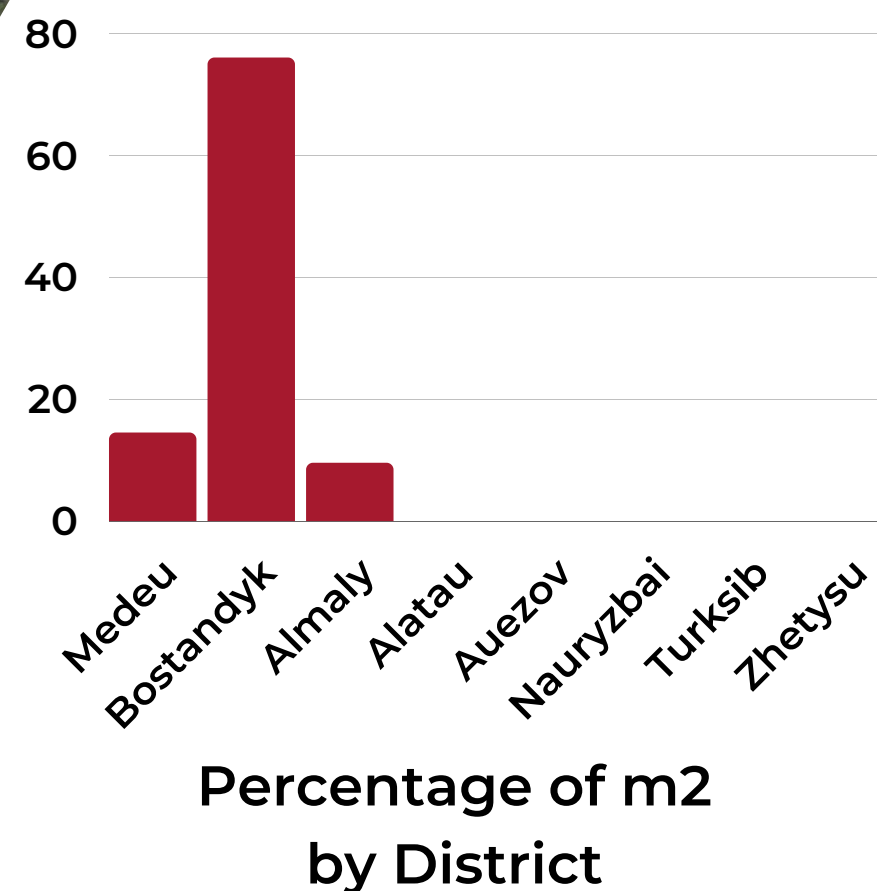


# CUSHMAN & WAKEFIELD

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### Cushman & Wakefield Kazakhstan study of the flexible space market

#### Market Trends:

- Many internet-based companies are choosing these sorts of amenities due to the increasing quality of the facilities as well as the adequacy of the working conditions, which are greatly suited for the needs of the employees.
- The local market offering of the flexible spaces has been split almost equally between independent operators and spaces that are operated by the owner of the building that the coworking is located in. Our analysis of the quality of service and working conditions provided have made clear a correlation that the landlord-operated flexible spaces offer a higher quality of service and infrastructure for their clients and usually focus more on providing smaller-sized offices, rather than coworking spaces.

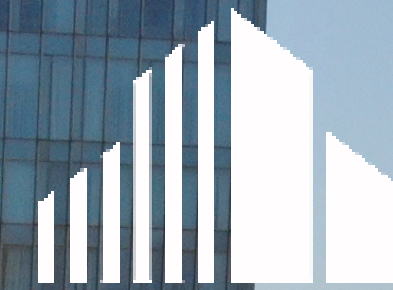
**Services that are included in the average rate within flexible offices:** Fixed Desks, Lockers, Wi-Fi, Reception, 24/7 access (when applicable), Kitchen & Lounge, Basic Access to copy machines, Wardrobe.

**Services that are not included in the calculation of the average rate within flexible offices:** Enclosed offices, Meeting Rooms, Conference Rooms, Canteen, Sleeping Room, Legal Address registration



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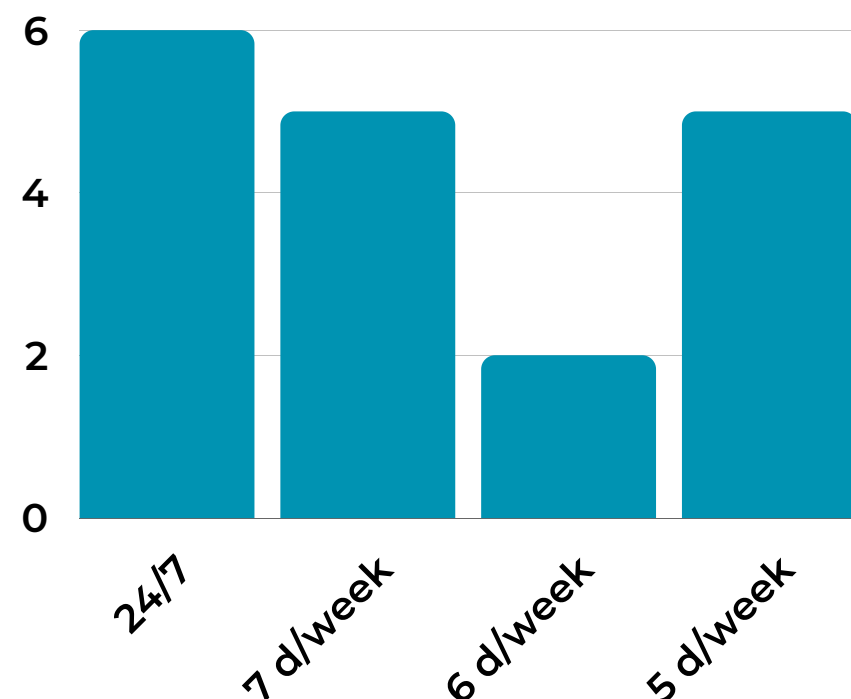


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Working days of coworking spaces  
by schedule

### Cushman & Wakefield Kazakhstan study of the flexible space market

#### Market Trends:

The key point of interest in these flexible office spaces is their ability to provide optimal flexibility to their tenants, who are unwilling to enter into long-term contact with the landlord. Operators that provide flexible office spaces usually offer contract terms that are much shorter, at least 2 years shorter than the traditional office lease.

#### Market Outlook:

The first quarter of the year is the first out of the past three over the course of which the market has seen no closures. This is a sign of a potential market recovery that could take place. In our research of the office market, we have seen that the lease rents have increased in class B developments, which further increases the attractiveness of flexible spaces. Additionally, the quality level of the flexible offerings has also increased, operators are now offering more services as well as better infrastructure. The economy is still to fully recover from the effects of the pandemic, which will have a strong impact on the level of market corrections that are to be expected. Nonetheless, flexible spaces are to remain a viable and important workplace environment for a variety of users and reasons.