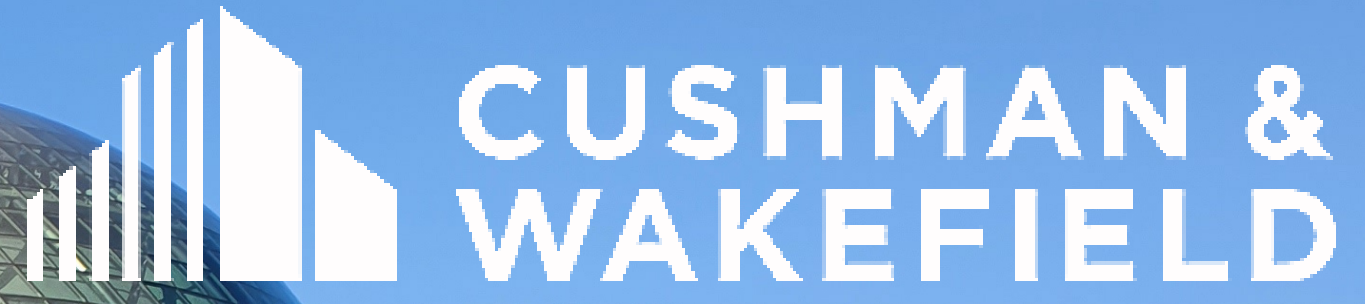


**CUSHMAN &
WAKEFIELD**

**Flexible Space Report
Astana 2022 Q3**

Flexible Space Report

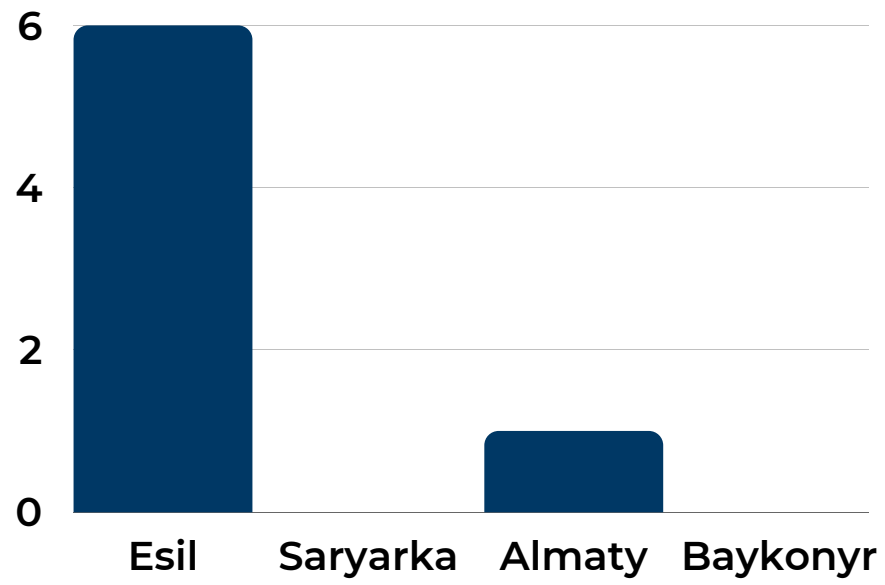
Astana 2022 Q3



Number of Coworkings: 7

Total Stock: 11,400 m2

Average Rate/Desk: 100,000 KZT



Total Stock by District

Cushman & Wakefield Kazakhstan study of the flexible space market

Market Overview:

During the third quarter of 2022, there was one new opening, while no flexible space operator closed down. There have been 6 closures and 4 openings since the beginning of 2021. Though the number of operators decreased, the total stock increased due to the expansion of existing flexible space operators and larger sizes of new operators.

The average rental rate grew by 2.04% QoQ, and by 23.46% YoY. However, when accounted for inflation the real growth has been at a negative 5.76%. The average occupancy levels per location saw a 5.22% QoQ decrease from 84.52% to the current 80.11%, while the overall market occupancy rate is at 88.52%, a 0.08% increase QoQ. Notably, operators that offer serviced office spaces in their flexes usually see extremely low levels of office space vacancy. The current occupancy of serviced office spaces is around 90% city-wide.

High-quality flexible space offerings currently are only available on the left bank of the city. Higher-quality flexible space operators focus more on providing serviced offices, while lesser-quality operators focus more on providing individual desk spaces. There are 115 people/m2 of flex space in the capital. In Almaty, the figure is 71, in Phoenix (population of 1.6 m) - 11, in Austin (population of 0.95 m) - 27.

Flexible Space Report

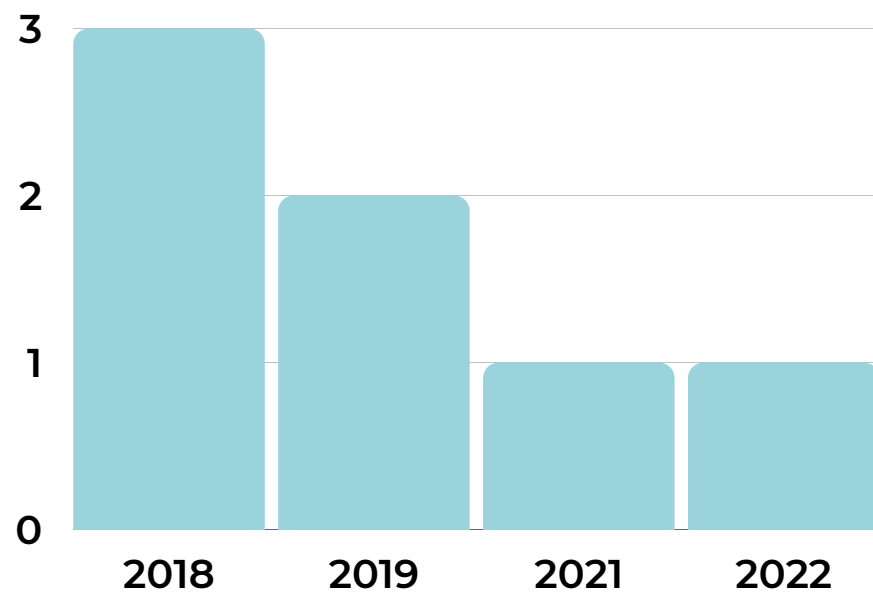
Astana 2022 Q3



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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 September 2022: 7
- Supply in Class A: 2 developments
- Supply in Class B: 5 developments
- Total stock: 11,400 m2
- Average rental rate per workstation: 100,000 KZT.
- Market occupancy: 88.52%; Average occupancy per flexible space: 80.11%

Market Trends:

YoY growth total stock in Q3 2022 is 4.66% QoQ and 5.63% YoY. The growth can in part be attributed because of a significant expansion of one of the operators that counteracted the decrease in total operators as well as the opening of new operators.

Class A developments currently account for a little over 53% of the stock. Six out of the seven locations are operated by independent companies and the remaining are operated by relevant building landlords. The only two 24/7 operators are located in the CBD.

The table to the left includes actively operating properties only.

Flexible Space Report

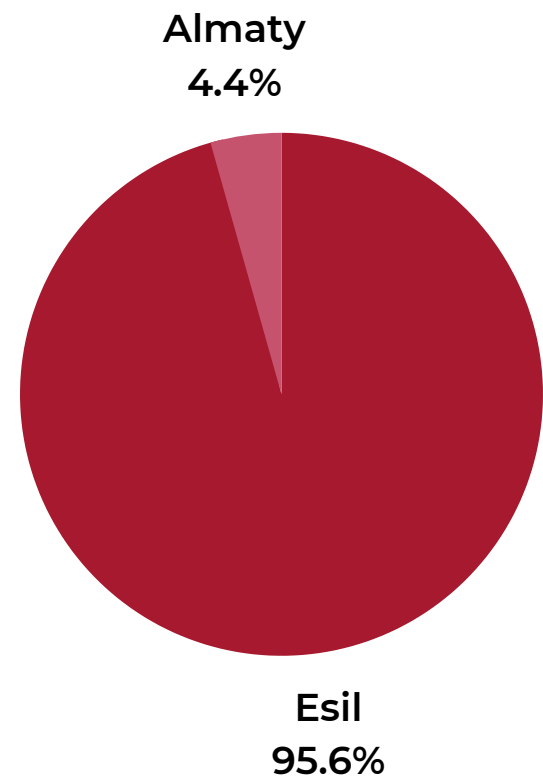
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Total Stock by District

Cushman & Wakefield Kazakhstan study of the flexible space market

Market Trends:

- Flexible space operators focus on providing a range of services rather than focusing only on a certain customer, that is, the operators provide offerings for both coworking spaces as well as flexible office spaces on the base of the same infrastructure.
- Prior to the closures that took place in 2020 and the start of 2021, the local market offering of flexible spaces was split almost equally between independent operators and spaces that are operated by the owner of the building where the coworking is located. It is now clear that the independent operators of flexible spaces did not divulge from their initial focus, whereas landlord-operated spaces are prone to be leased out as office amenities.

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, and 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, Parking space rent.

Flexible Space Report

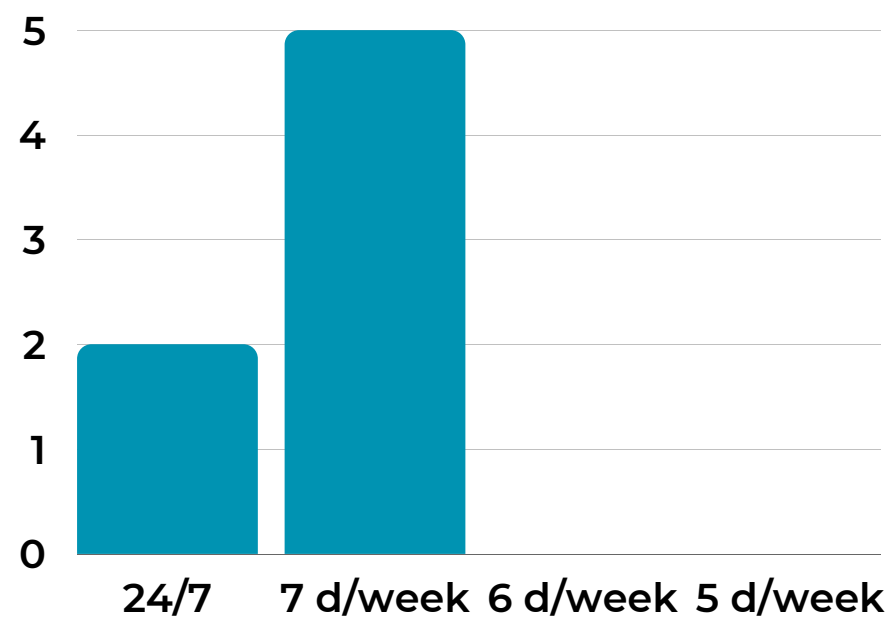
Astana 2022 Q3



Number of Coworkings: 7

Total Stock: 11,400 m2

Average Rate/Desk: 100,000 KZT



Open Hours

Cushman & Wakefield Kazakhstan study of the flexible space market

Market Supply & Demand:

- All of the small operators in the city have shut down, we see that only professional operators are left in the city, with only one of the operators not offering serviced offices. There is a strong desire for renting serviced offices rather than open-space workstations.
- Offers that are put forward by the operators of flexible spaces are much more adjustable, catering to the needs of companies and organizations that run operations on short-term planning or consider flexible space as an interim solution.
- In terms of square meters provided, Esil district is the most concentrated in the city.
- Non-professional CRE operators choose to exit the flexible space market as they find more economic value in other business ventures.

Market Outlook:

Going forward, the flexible space market will continue to favour providers of professional high- quality office and workspace amenities as well as the accompanying services with good location and developed infrastructure. We do not expect a reduction in the concentration of flexible space providers in the CBD, as the district's population is growing the fastest, followed by a higher level of earnings per capita. New operations will have to prioritize serviced offices.

Gulshat Sariyeva
Partner, Country Head | Investor Services
Mobile: +7 (701) 941 41 39
gulshat.sariyeva@cushwake.kz

Semyon Yurchenko MRICS
Partner | Occupier Services
Mobile: +7 (701) 951 15 24
semyon.yurchenko@cushwake.kz

Chingiz Mussin
Consultant | Research & Analytics
Mobile: +7 (701) 221 07 46
chingiz.mussin@cushwake.kz

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