



ALMATY STUDENT ACCOMMODATION REPORT

2023

HEADLINES

2023

NATIONALLY, THE DEMAND
POOL FOR BEDS



**continues
to rise**

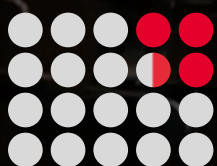
AT A FASTER RATE THAN THE NUMBER OF
NEW BEDS BEING DELIVERED

578,378

STUDENTS IN
KAZAKHSTAN

101,522

BEDS IN
KAZAKHSTAN



100,100

MORE STUDENTS IN
A NEED FOR BEDS

RANGE OF DORMITORY BED MONTHLY PRICES

3,000 – 100,000 ₸

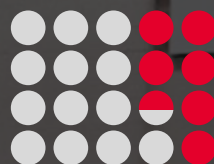
ALMATY HEADLINES

177,145

STUDENTS IN ALMATY

25,669

BEDS IN
KAZAKHSTAN



85,331

MORE STUDENTS IN
A NEED FOR BEDS

AVERAGE DORMITORY BED MONTHLY PRICE

50,000 ₸

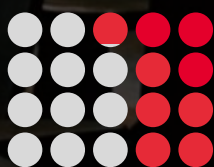
ASTANA HEADLINES

67,211

STUDENTS IN ASTANA

13,201

BEDS IN
KAZAKHSTAN



30,056

MORE STUDENTS IN
A NEED FOR BEDS

AVERAGE DORMITORY BED MONTHLY PRICE

35,000 ₸

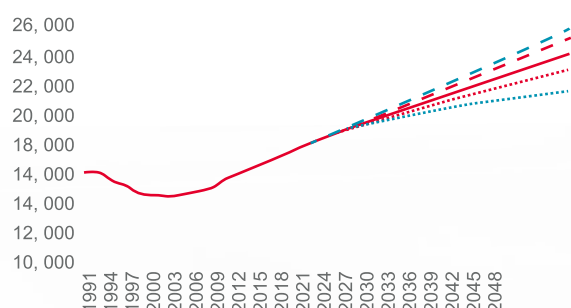


KAZAKHSTAN'S DEMOGRAPHIC LANDSCAPE

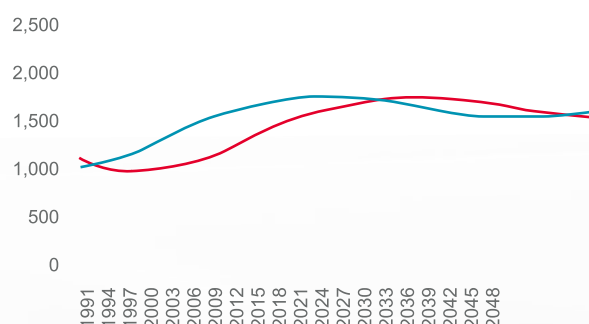
According to demographic data, Kazakhstan has a relatively young population, with an average age of around 30 years. The youth population, aged between 15-24, comprises 12.5% (2.4 million people) of the total population, while those below 15 years old make up 29.6% (5.8 million people). Furthermore, there is a discernible trend towards an increase in childbirth, as evidenced by the record-breaking number of newborns in 2021, amounting to approximately 446,000. By 2027, the youth population aged 15-24 is expected to grow to 3.3 million individuals, representing 16.5% of the total population.

The growth of the youth population in Kazakhstan is likely to drive up demand for affordable and quality student housing, especially in urban areas with a high concentration of universities and colleges. This presents opportunities for developers and investors to construct purpose-built student housing and renovate existing properties to meet the needs of this demographic.

**POPULATION TRENDS AND ESTIMATES, 1991–2050,
TOTAL POPULATION (IN THOUSANDS)**



**POPULATION IN THE 15–19 AND 20–24 AGE COHORTS,
ACCORDING TO THE MIDDLE PROJECTION.
KAZAKHSTAN, 2019–2050 (IN THOUSANDS)**

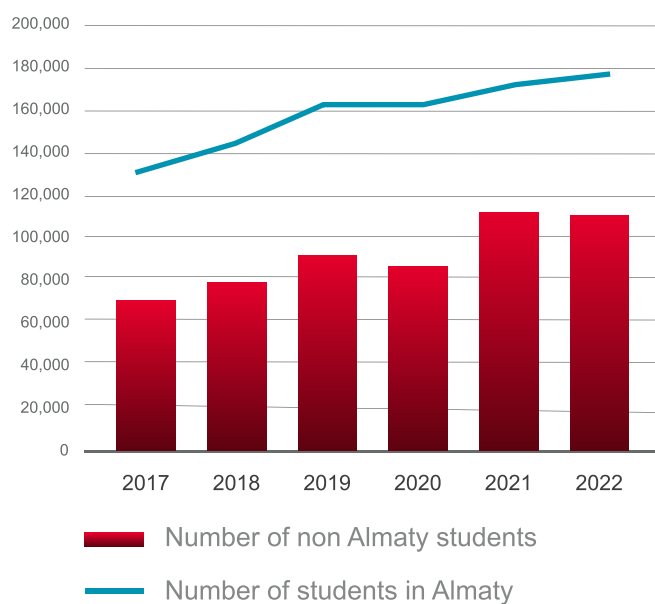


ALMATY STUDENT ACCOMMODATION REPORT 2023

ALMATY: AN EMERGING MARKET FOR STUDENT HOUSING INVESTORS

Almaty, known as the largest educational cluster in Kazakhstan, presents a promising market for student housing investors. The city holds a prominent position as the region with the highest concentration of educational institutions in the country. As of early 2023, the city hosts 42 universities, with 35 of them being privately owned, 2 of them are foreign universities and while the rest are under government ownership.

According to the statistics committee, in 2022, there were around 110,000 nonresident students in Almaty, of which about 85,000 students were uncovered by existing supply. Although many educational institutions have their own student dormitories, the available supply falls short of the steadily growing demand. This creates a promising opportunity for private investors and developers to offer alternative student housing options, such as purpose-built housing or renovated existing properties.



ALMATY HIGHER EDUCATION



38.4 %

SHARE OF HIGHER EDUCATION SERVICES IN ALMATY

as of total higher education
services provided in
Kazakhstan



2.86 %

YoY GROWTH

in student numbers



9.4 %

GROWTH

in nonresident
student numbers
over the 5 years



70 %

UNREALISED DEMAND

out of total need in
dormitory beds

The market for long-term student accommodation in Almaty is dominated by dormitories owned by educational institutions and local housing stock. The term “local housing stock” refers to “a house in multiple occupation”, typically with three or more tenants sharing communal areas such as a kitchen, bathroom, or other living space. Dormitories are often the most affordable and popular option for students, as they are usually located near universities and offer basic amenities such as beds, desks, and communal spaces. Private hostels are serving as competitive alternatives to dormitories due to price loyalty. At the same time the supply of private-based students accommodation in the city is limited.

Monthly pricing per bed varies depending on the room type, with prices ranging from KZT 10,000 to KZT 100,000, and an average monthly price of KZT 50,000. Students who rent local housing stock typically share apartments with 3-4 people, paying between KZT 60,000 and KZT 80,000 per month per person. In the autumn of 2022, the student population in Almaty was severely affected by a significant increase in rental apartment rates, primarily due to the reallocation of expatriates from Russia. This further aggravated the already limited supply issue, causing additional challenges for students seeking affordable and quality accommodation options.



SHIFTING DYNAMICS IN KAZAKHSTAN'S HIGHER EDUCATION MARKET

The current geopolitical climate between Ukraine and Russia is significantly impacting the higher education market in Kazakhstan, leading to a notable shift in students' choice of universities. Many students from Kazakhstan who were studying or planning to study in Russia have either returned or opted to stay home due to security concerns and a perception of declining education quality. Moreover, there has been an increase in the number of international students transferring to Kazakh universities in search of a safer learning environment. This has impacted the student housing market, creating new demand drivers and opportunities.

STUDENTS' ACCOMMODATION PREFERENCES IN ALMATY

In Almaty, students' accommodation preferences are largely driven by affordability, with shared apartments or hostel rooms being the most popular options. Proximity to universities and everyday amenities like supermarkets, restaurants, and public transport also play a key role in decision-making. As such, landlords and developers should focus on providing cost-effective student housing solutions that cater to these preferences, with a strong emphasis on convenient locations and essential amenities to attract and retain tenants.

A SURGE IN SUPPLY ON THE HORIZON

Cushman & Wakefield foresees an increase in the supply of student accommodation in Almaty as construction of new dormitories is underway. The new facilities, which are expected to be operational in 2023-2025, will provide approximately an additional 1,807 beds to meet the growing demand for affordable and quality student accommodation options.

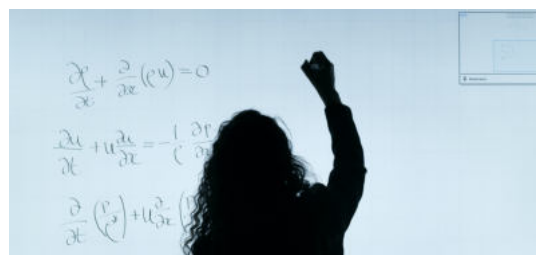
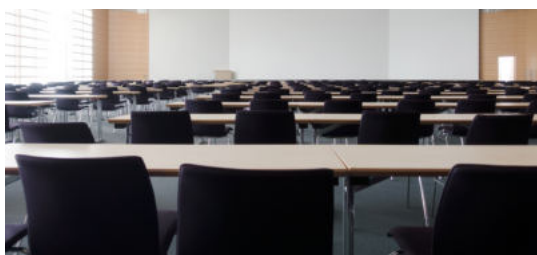
GOVERNMENT'S MEASURES TO ALLEVIATE THE STUDENT ACCOMMODATION CRISIS IN ALMATY

The government is taking proactive steps to address the shortage of student accommodation in Almaty. Universities will be required to provide adequate dormitory accommodations for their students in order to obtain permits to open new majors or receive licenses for new programs.

Additionally, The government has unveiled its plan to relocate universities from Almaty to the emerging Golden City, a component of the G4 City project. The government has reserved 120 hectares of the 1,869-hectare Golden City project for a research and education cluster. This move is anticipated to have a significant impact on the higher education market in Kazakhstan, potentially redirecting students' focus from Almaty to the newly established city. The research and education cluster will be equipped with cutting-edge technology and modern facilities, attracting both domestic and international students and researchers. However, the relocation plan may take more than ten years to implement, given the lack of corresponding infrastructure.

Government Reimbursement for Student Dormitories

There are strong grounds for initiation and future success of build-to-rent projects in Almaty, specifically in the student housing segment. Demand is high, competition is low, and projects of this nature are supported by State. The government has established a mechanism for phased reimbursement of investment costs for the construction and renovation of student dormitories, with the AO "Finance Center" serving as the program operator.



TO QUALIFY FOR REIMBURSEMENT, INVESTORS MUST:



construct dormitory at their own cost



ensure that the building's intended use remains unchanged for at least 20 years

The Finance Center will reimburse developers for their investment upon commissioning of the dormitory.

NEW CONSTRUCTION



230 MCI

(in 2023 equals 793 500 tenge)



6 years
will be paid in

per occupied bed per year

RECONSTRUCTION



92 MCI

(in 2023 equals 317 400 tenge)

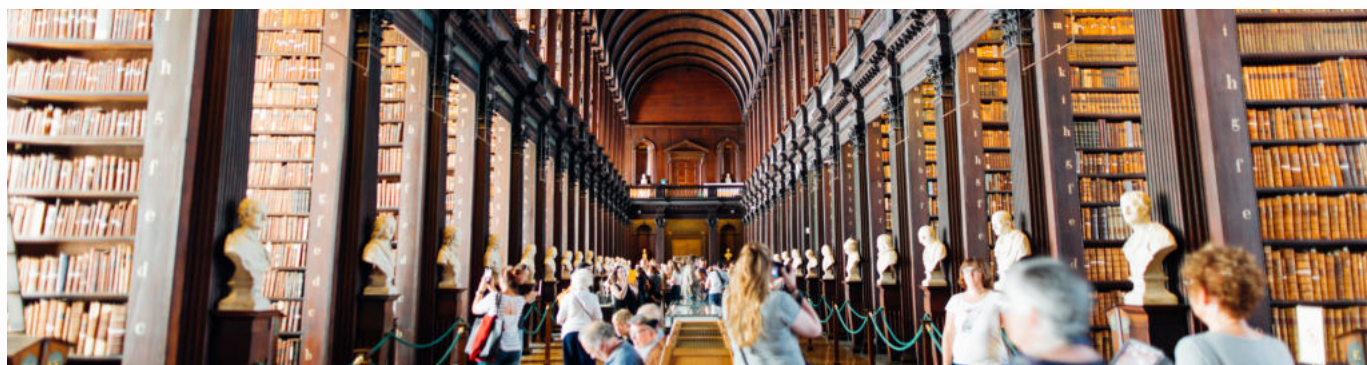


8 years
will be paid in

per occupied bed per year

The MCI, or Monthly Calculation Index, is an annual coefficient used to calculate social benefits and other payments. As of 2023, the MCI is set at 3450.

Aside from government reimbursements, investors can also generate revenue through rent paid by students. Dormitory owners are free to determine the rent amount charged. Additionally, developers have the option to create commercial spaces within the dormitories, such as cafeterias, fitness centers, laundry facilities, and other amenities to provide services to their tenants and generate additional revenue.



RESEARCH & ADVISORY

CDC-2 business center,
240G Nazarbayev Avenue,
Almaty A26F8D3 Kazakhstan
Tel: +7 (727) 33 44 000
agency@cushwake.kz cuswake.kz

SEMYON YURCHENKO MRICS

Partner | Head Of Occupier Services
+7 (701) 951 15 24
semyon.yurchenko@cushwake.kz

DALEL MUSSINA

Consultant | Investor Services
+7 (777) 026 63 95
dalel.mussina@cushwake.kz

ALI KASSYMGUZHIN

Consultant
+7 (701) 276 64 99
ali.kassymguzhin@cushwake.kz

ADIYA ABISHEVA

Graphic Designer
+7 (771) 211 49 15
adiya.abisheva@cushwake.kz

GULSHAT SARIYEVA

Partner | Head Of Country
+7 (701) 941 41 39
gulshat.sariyeva@cushwake.kz

CHINGIZ MUSSIN

Consultant | Occupier Services
+7 (701) 2210746
chingiz.mussin@cushwake.kz

DINMUKHAMED SAMETKHAN

Analyst
+7 (747) 607 69 67
dinmukhamed.sametkhan@cushwake.kz

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

This report has been produced by Cushman & Wakefield Kazakhstan for use by those with an interest in commercial property solely for information purposes. It is not intended to be a complete description of the markets or developments to which it refers. The report uses information obtained from public sources which Cushman & Wakefield Kazakhstan believe to be reliable, but we have not verified such information and cannot guarantee that it is accurate and complete. No warranty or representation, express or implied, is made as to the accuracy or completeness of any of the information contained herein and Cushman & Wakefield Kazakhstan shall not be liable to any reader of this report or any third party in any way whatsoever. All expressions of opinion are subject to change. Our prior written consent is required before this report can be reproduced in whole or in part.