

MARKETBEAT ASTANA

Q2 2024



CUSHMAN &
WAKEFIELD

VERITAS

ASTANA MARKETBEAT

Offices

ECONOMIC OVERVIEW

In recent years, the office real estate sector in Kazakhstan has been developing rapidly and expanding more and more in the country's market. As a key administrative and political center of Kazakhstan, Astana plays an important role.

As of 2024 (the latest figures are for July 2024) about 94 thousand legal entities were operating in the city. Thus, the share of Astana in the total number of legal entities operating in the Republic is 20.1%. Astana's economy keeps getting stronger. In March 2024, its Gross Regional Product (GRP) rose by 5.6% to 2.65 trillion tenge - Astana makes up about 10,2% of Kazakhstan's economy.

SUPPLY & DEMAND

The class A office spaces have a total gross building area (GBA) of approximately 196,400 m², with a gross leasable area (GLA) of roughly 159,940 m². However, Class A offices make up only 17% of the total quality office stock (Class A, B+, B, B-). The GBA of Class B+ office real estate in Astana stands at approximately 255,874 m², representing 22% of the market among Class A, B+, B and B- offices. The GBA of Class B and B- office real estate in Astana stands at approximately 704,840 m² - the dominant sector in the market with share of 61%.

Overall, the collective stock of Class A, B+, and B office spaces in Astana currently totals 1,158,000 m² GBA. As a prominent administrative and political hub in Kazakhstan, Astana experiences high demand for office space across different categories. Currently, the vacancy rates for Class A is at 24.9%, Class B facilities are 1.8%, respectively. The overall market vacancy rate for office facilities is 3.5%.

OUTLOOK

Developers are increasingly focusing on green and sustainable building practices, with many seeking LEED or BREEAM accreditation for both existing properties and new projects. In Astana, the Q-2 business center stands out as an example of this trend, having earned high ratings for its environmental efficiency, particularly in "Efficient design and construction."

There's also a noticeable shift towards the development of multifunctional complexes, which are primarily Class A facilities tailored to meet the needs of a diverse tenant mix. These tenants often seek a blend of amenities, such as high-class hotels for hosting guests and business travelers, apartments for employee accommodation, and restaurants or other spaces for informal meetings. In Astana, notable Class A office buildings that exemplify this trend include the business center within the Talan Towers multifunctional complex and the Abu Dhabi Plaza (ADP) business center, both of which cater to these comprehensive requirements.

Class A Vacancy
24.9%



Class B Vacancy
1.8%



31.3 USD
Class A Rents*

16.63 USD
Class B Rents*

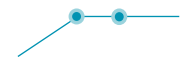
* average weighted rental rates are indicated OPEX and VAT exclusive
** the rents are based on the KZT/USD rate of 447.7 provided by the National Bank of the Republic of Kazakhstan as of Q2 2024
Source: Cushman & Wakefield Kazakhstan
Research Information is available as of Q2 2024

GDP Growth
3.2%



ASTANA ECONOMIC INDICATORS AS OF Q2 2024

Unemployment Rate*
4.5%



447.7
KZT/USD

Source: Department of the Statistics of Kazakhstan
* latest data (Q2 2024)





ASTANA MARKETBEAT

Retail

ECONOMIC OVERVIEW

CPI
10.1%



Retail Sales Growth
6.3%



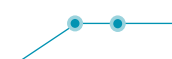
518,495 KZT
Average Quarterly Wage*

* latest data (Q2 2024)
Source: Department of the Statistics of Kazakhstan

GDP Growth
3.2%

ASTANA ECONOMIC INDICATORS AS OF Q2 2024

Unemployment Rate*
4.5%



447.7
KZT/USD

Source: Department of the Statistics of Kazakhstan
* latest data (Q2 2024)

The consumer price index in June 2024 compared to June 2023 amounted to 10.1%. Prices for food products increased by 5.4%, non-food products - by 7.4%, paid services for the population – by 13.8%.

Retail sales volume in Q2 2024 was 5.6% higher compared to the same period in 2023. Wholesale trade volume in Q2 2024 increased by 3.3% compared to the corresponding period in 2023.

According to preliminary data, in January-June 2024 mutual trade with the EAEU countries amounted to 13356.6 million US dollars, which is 10.4% less in nominal terms compared to the same period last year. Exports of goods amounted to 4898 million US dollars (18% less), imports – 8458.6 million US dollars (5.4% less).

SUPPLY & DEMAND

Astana's retail market continues to show resilience and growth as of Q2 2024. The city remains a vibrant hub for retail activity, supported by a growing population and increasing consumer spending.

Several key retailers have established a strong presence in Astana:

- Magnum Express: 79
- Small: 39
- Vkus Mart: 11

Astana's retail market is mature, offering consumers a wide range of options. Retailers are increasingly adopting omnichannel strategies to meet evolving consumer demands, with a growing number of purchases made online and picked up in-store. The city features a variety of retail formats, from traditional open markets and bazaars to modern street retail stores and new conceptual shopping and entertainment centers.

Global brand stores are concentrated along major avenues such as Turan, Kabanbay Batyr, and Mangilik El. The Yesil and Saryarka districts, known for higher population income levels, host many upscale retail outlets.



ASTANA MARKETBEAT

Industrial

ECONOMIC OVERVIEW

The prime industrial sector has been one of the most resilient industries, showing low levels of vacancy through the pandemic.

Freight turnover in January-June 2024 decreased by 1.8% compared to the same period in 2023. Capital investment volume in January-June increased by 3.5% compared to January-June 2023.

SUPPLY & DEMAND

The demand for warehouse space in Astana remains robust, driven by the city's strategic location and ongoing economic growth.

The class A warehouse spaces have a total gross building area (GBA) of approximately 128,000 m². The GBA of Class B warehouse spaces in Astana stands at 21,000 m².

Combined, the total gross building area (GBA) of Class A and B warehouse spaces in Astana is approximately at 150,000 m².

Currently, the vacancy rates for Class A is 0%, Class B facilities are 1.9%.

The rental rates for Class A and Class B warehouse spaces are 9.0 USD and 7.6 USD respectively.

The rise of e-commerce is significantly boosting the demand for warehouse spaces.

Companies are expanding their storage and distribution capacities to handle the increasing volume of online orders.

Most of the industrial facilities in Astana are located in industrial zones in close proximity to railway lines. The average area of the facilities is 1,986 m², the average height is 5 m. Most of these facilities are located in the districts of Almaty, Baikonur and Saryarka. Most industrial facilities are provided with electricity and water, although only a small part has access to gas. In addition, some facilities offer access to a crane beam.

Astana is implementing the creation of a second industrial park on 433.1 hectares, divided into 10 clusters, including mechanical engineering, construction industry, metallurgy and other industries. The construction of the infrastructure will begin in 2025.

Prime Vacancy Class A
0.0%



Prime Vacancy Class B
1.9%



5.51 USD
Class A Rents*

2.9 USD
Class B Rents*

149,015 m²
Total Stock

Source: Cushman & Wakefield Kazakhstan
Research Information is provided as of Q2 2024

*rents are indicated VAT exclusive, OPEX inclusive; asking (marketing rents) may deviate from real transaction rents.

GDP Growth
3.2%



ASTANA ECONOMIC INDICATORS AS OF Q2 2024

Unemployment Rate*
4.5%



447.7
KZT/USD

Source: Department of the
Statistics of Kazakhstan
* latest data (Q2 2024)





ASTANA MARKETBEAT

F&B Industry

MARKET OVERVIEW

AVERAGE PRICES FOR OUR FOOD SELECTION:



Burger
2.84 USD



Caesar
5.80 USD



Latte
2.86 USD



Lemonade
2.64 USD



Lagman
5.84 USD



Margarita
6.04 USD

Lemonade prices are for 400 ml and latte prices are for 350 ml.

In the capital city of the country, there are around 2,824 F&B units. These facilities are represented by a variety of different forms such as tea clubs, fast food, coffee shops, ready meals, pizzerias, canteens, sushi bars, and more.

Most cafés & restaurants are located in the Esil district, which is the central business district of the city. However, the districts with dense populations do not always have the largest quantity of units. All districts of the city except for Esil are more densely populated, yet possess fewer food outlets.

The accompanying chart depicts the distribution of food and beverage units across districts.

The F&B facilities in the city can be separated into 4 main categories:



QSR



Casual dining



Delivery



Pubs & Bars

*QSR: a specific type of restaurant that serves fast food and has minimal table service

The pie chart indicates a significant concentration of food and beverage outlets in Bostandyk district, there is a larger concentration of F&B outlets in the Esil district of the city. This is due to the nature of the district, which concentrates most of the city's business activity as well as seeing larger incomes per person.

518,495 KZT
Average wage

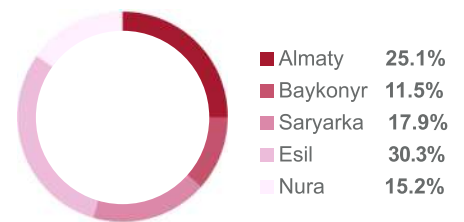
1,472,000
Population

2,824
F&B Stock

F&B UNITS BY AVERAGE BILL



F&B STOCK BY DISTRICT



* The calculations of prices are made based on the average KZT/USD rate of 447.7 provided by the National Bank of the Republic of Kazakhstan for Q2 of 2024.





ASTANA MARKETBEAT

F&B Industry

MARKET OVERVIEW

The average bill accounts for 1,000-2,000 KZT per person targeting the low to mid-income population. Central districts witness an average bill of 3,000-5,000 KZT per person. In Astana, food delivery companies that dominate the market: are Glovo, Wolt, Yandex Food, and Chocofood. However, not all F&B brands opt for outsourcing delivery, doing so in order to have greater control over the quality of service.

In the coming future, there will be substantial demand for healthy and functional foods. Offerings at physical locations will have to offer a 'healthier' version of a meal or the ability to edit the serving. Another global trend that will have a big impact on the industry in the future will come in the form of pre-made meals that will be sent directly to the consumer.

Those F&B operators who prior to the pandemic did not have an online presence, are focused on improving their online experience as this becomes a key source of sales. Now consumers expect to be able to order online.

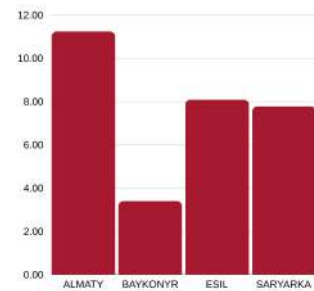
518,495 KZT
Average wage

1,472,000
Population

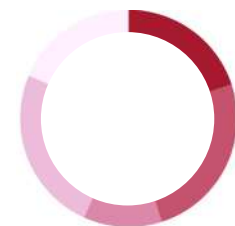
2,824
F&B Stock

Source: Department of the Statistics of Kazakhstan

% INCREASE IN F&B UNITS BY DISTRICT



POPULATION PER F&B UNIT



- Almaty 559.41
- Baykonyr 705.80
- Esil 328.94
- Saryarka 693.81





ASTANA MARKETBEAT

Flexible Space

MARKET OVERVIEW

26

Number of Coworkings

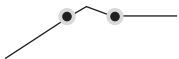
120,000 KZT

Average Rate/Desk

Supply in class A

3

developments



Supply in class B

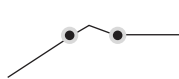
23

developments

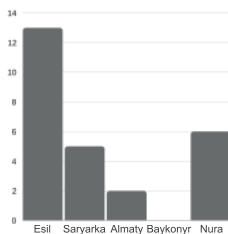


Market Occupancy

82.4%



TOTAL STOCK BY DISTRICT



Astana, the capital city of Kazakhstan, has seen significant growth in its co-working market, reflecting the rising demand for flexible office solutions. Currently, Astana is home to 26 co-working spaces, a testament to the city's expanding trend towards shared office environments.

The average rate per desk in Astana's co-working spaces is 120,000 KZT. This rate reflects the cost associated with renting a desk in these shared spaces, providing a benchmark for potential users and investors.

The distribution shows a higher prevalence of Class B co-working spaces, offering a balance between affordability and quality, while Class A spaces, which offer premium services and facilities, are less common. The co-working market in Astana exhibits a strong occupancy rate of 82.4%.

Services that are included in the average rate within flexible offices:



Fixed Desks



Lockers



Wi-Fi



24/7 access (when applicable)



Kitchen & Lounge



Basic access to copy machine



Reception



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.

The total stock of co-working spaces is concentrated in specific districts, with the majority located in:

- Esil District: 13 spaces
- Nura District: 6 spaces

The concentration of co-working spaces in these districts highlights key areas where business activities are thriving and where there is a high demand for flexible working environments.





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