

# 03

## MARKET REVIEW



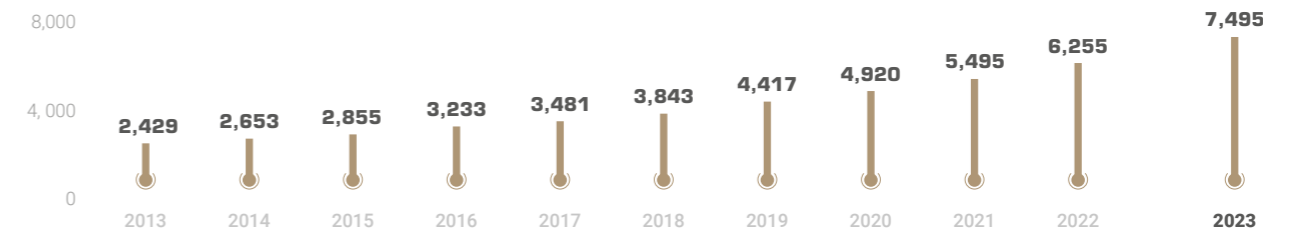
# MARKET REVIEW

In 2023, an increase was evidenced in the construction industry compared to 2022 (13%). The volume of construction work increased by 13.3% and amounted to 7,495 billion tenge. The increase in the volume of construction work in 2023 compared to 2022 is associated with work on the construction and repair of structures (by 26.4%) and residential buildings (by 7%). By type of construction work (services) performed during the period from January to December 2023, the largest share is occupied by work on the construction of non-residential buildings (19.5% of the total volume), residential buildings (14.7%) and highways (14.5%). Out of the total volume of construction work in the republic, 88.5% of work was performed by private construction organizations, foreign companies – 11.3% and state-owned companies – 0.2%.

The volume of investments in housing construction in 2023 increased by 5.9% compared to the previous year and amounted to 3,090 billion tenge.

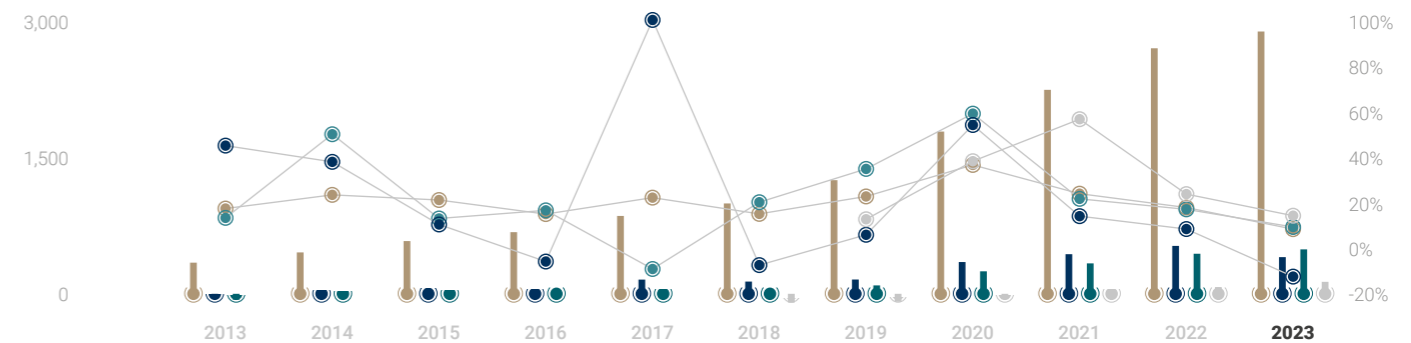
In a regional context, investments in the amount of 560 billion tenge were directed to Astana City (13.1% less than in the same period last year), Almaty – 647 billion tenge (8.0% more than in the same period last year) and Shymkent – 283 billion tenge (21.2% more than in the same period last year). The largest share in the total volume of investments in housing construction remains in the cities of Astana and Almaty (18.1% and 20.9%, respectively).

### VOLUME OF PERFORMED CONSTRUCTION WORK (KZT bln)



Source: National Statistics Bureau of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan

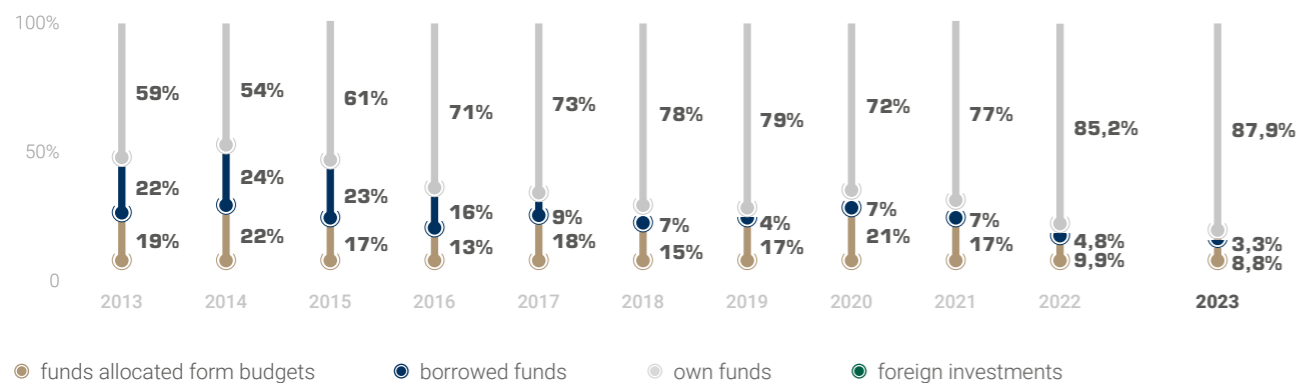
### INVESTMENTS IN HOUSING CONSTRUCTION (KZT bln)



● Kazakhstan	498	613	740	840	1,022	1,162	1,423	1,968	2,436	2,902	<b>3,090</b>
● Astana	99	143	162	153	308	286	309	505	593	686	<b>560</b>
● Almaty	83	129	145	169	147	177	243	401	490	598	<b>647</b>
● Shymkent						50	60	89	151	224	<b>283</b>
● Kazakhstan	16.3%	23.2%	20.6%	13.5%	21.8%	13.6%	22.4%	38.3%	23.8%	16.8%	<b>5.9%</b>
● Astana	53.0%	44.8%	13.2%	-5.5%	101.6%	-7.3%	8.0%	63.4%	17.4%	10.9%	<b>-13.1%</b>
● Almaty	12.6%	54.8%	12.3%	16.4%	-13.2%	20.5%	37.3%	65.2%	22.2%	16.9%	<b>8.0%</b>
● Shymkent							19.4%	48.7%	69.9%	43.1%	<b>21.2%</b>

Source: National Statistics Bureau of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan

**SOURCES TO FINANCE INVESTMENTS IN HOUSING CONSTRUCTION**



Source: National Statistics Bureau of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan

The predominant sources of financing in the structure of investments in housing construction in Kazakhstan for 2023 remain the own funds of developers and the population (87.9%).

There is a significant reduction in the share of funds allocated from the budget – 8.8% versus 9.9% in 2022. The share of borrowed funds for housing construction decreased – 3.3% against 4.8% in 2022. The share of borrowed funds allocated by banks for housing construction was 0.9%, other borrowed funds (except for bank loans) made up 2.4% of the total investment.

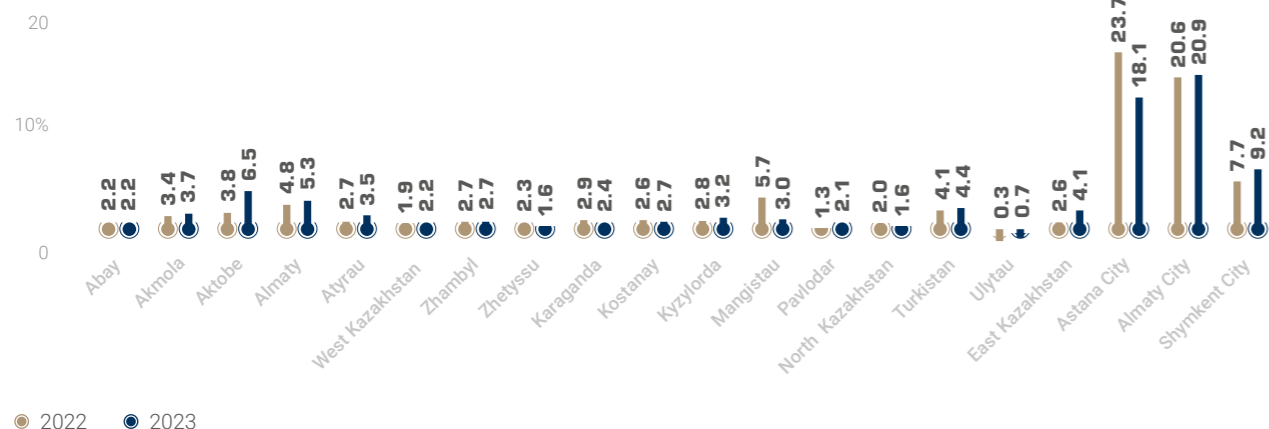
In Astana City, the share of budget funds in the total volume of investments was 3.1%, population’s own funds – 94.0%, borrowed funds – 2.9%. In Almaty City, the share of budgetary funds in the total volume of investments was 0.03%, population’s own funds – 94.8%, borrowed funds – 5.2%. In Shymkent City, the share of budgetary funds in the total volume of investments was 10.6%, population’s own funds – 89.4%, investments were not made using borrowed funds.

The total area of residential buildings put into operation increased by 11.9% compared to January-December 2022

and made up 17,537 thousand m<sup>2</sup>, of which 10,911 thousand m<sup>2</sup> were apartment buildings and 6,481 thousand m<sup>2</sup> were individual houses. The pace of commissioning of residential space in comparison with January-December 2022 increased in the cities: Astana – 58.1%, Almaty – 30.7%, Shymkent – 1.0%, in the regions of Zhetysay and Ulytau – 11.0% and 31.6%. Most of the housing – 15,850 thousand m<sup>2</sup>, or 90.4% – was commissioned by private developers, of which 6,635 thousand m<sup>2</sup> were commissioned by the population, which makes up 37.8% of the total commissioning volume.

Housing prices in Kazakhstan increased in December 2023. Thus, on average across the country in December 2023, the price for 1 m<sup>2</sup> of new housing was 494.9 thousand tenge (3.4% higher than in December 2022). An increase in average prices for new housing in comparison with December 2022 is observed in the following cities: Astana (2.3%), Almaty (5.4%), Aktau (7.3%), Pavlodar (8.5%), Semey (4.2%), and Petropavlovsk (10.6%). The price for 1 m<sup>2</sup> of new housing in the cities of Astana and Almaty was higher than the republican average and amounted to 588.8 thousand tenge and 577.6 thousand tenge, respectively. The price for 1 m<sup>2</sup> of new housing in Shymkent City was 435.7 thousand tenge.

**SHARE OF THE REGION IN TOTAL VOLUME OF INVESTMENTS IN HOUSING CONSTRUCTION (%)**



Source: National Statistics Bureau of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan

The comfortable housing resale price compared to December 2022 decreased by 3.7% and amounted to 494.4 thousand tenge.

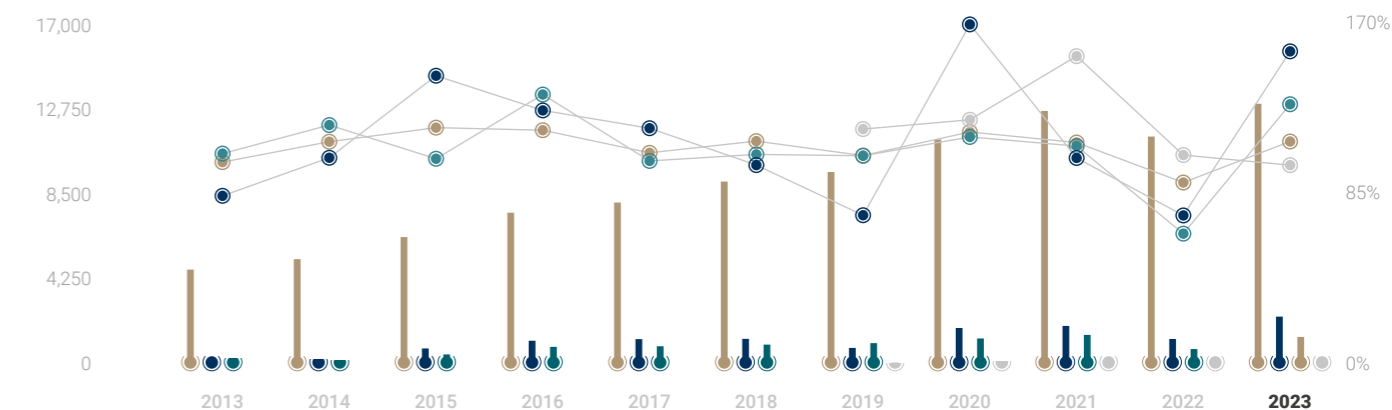
On average across the country in December 2023, the comfortable (secondary) housing resale price for 1 m<sup>2</sup> decreased by 3.7% (compared to December 2022) and amounted to 494.4 thousand tenge. On a yearly basis, a significant increase in prices is observed in the following cities: Kostanay (2.5%), Kyzylorda (6.9%), Aktobe (5.0%), Atyrau (8.2%), and Zhezkazgan (5.4%). The price for 1 m<sup>2</sup> in the secondary real estate market was higher than the republican average in the cities of Astana (575.5 thousand tenge) and Almaty (612.0 thousand tenge).

The average rental price for comfortable housing in December 2023 was 4,871 tenge for 1 m<sup>2</sup> (compared to December 2022 – 1.6% higher).

On a yearly basis, the rental price of comfortable housing in December 2023 increased by 1.6% compared to the same period in 2022. A significant increase in rental prices for comfortable housing is observed in the cities: Petropavlovsk (15.8%), Kokshetau (26.1%), Kyzylorda (21.4%), Zhezkazgan (33.4%), Taldykorgan (17.1%), and Karaganda (23.0%). In Almaty City, the price for 1 m<sup>2</sup> was higher than the republican average and amounted to 5,549 tenge.

The number of housing purchase and sale transactions in December 2023 increased by 12.6% compared to the corresponding month of the previous year, when 33,587 transactions were registered. The negative highest rate was recorded in Aktobe region (by 15.3%), and the largest increase was recorded in Almaty region (by 62.3%). At the same time, a decrease in dynamics is observed in the number of transactions from January-December 2023 to January-December 2022 and amounts to –20.5%.

**COMMISSIONING OF TOTAL AREA OF RESIDENTIAL BUILDINGS (THOUSAND SQUARE METERS)**



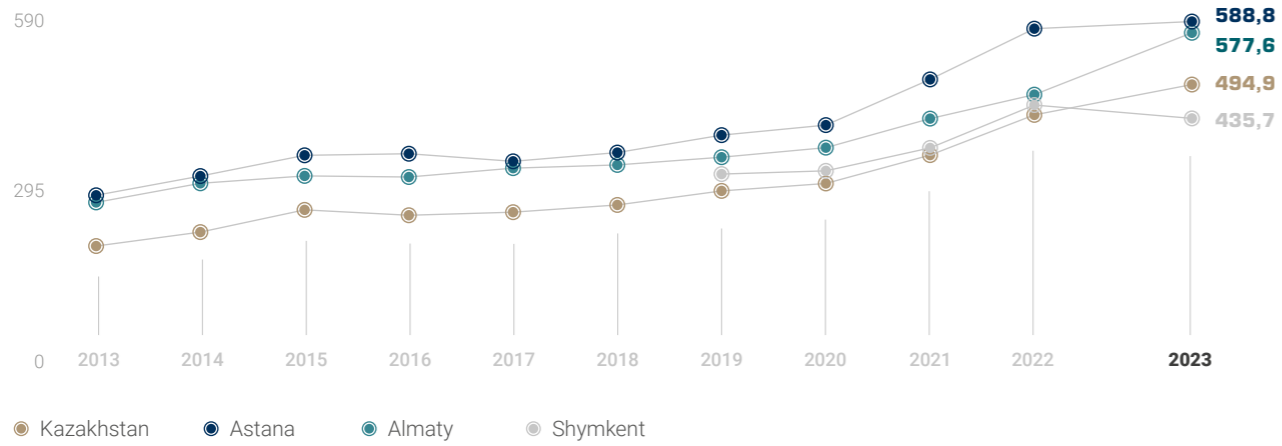
● Kazakhstan	6,844	7,516	8,940	10,513	11,168	12,521	13,134	15,239	17,076	15,422	<b>17,537</b>
● Astana	1,101	789	1,759	2,257	2,360	2,378	1,793	3,079	3,212	2,369	<b>3,810</b>
● Almaty	832	717	1,374	1,862	1,902	2,006	2,102	2,402	2,632	1,720	<b>2,502</b>
● Shymkent							524	649	1,013	1,073	<b>1,084</b>
● Kazakhstan	101.5%	111.8%	118.9%	117.6%	106.2%	112.1%	104.80%	116.7%	111.4%	91.2%	<b>111.9%</b>
● Astana	85.2%	104.4%	145.8%	128.3%	104.5%	100.7%	75.4%	171.7%	104.3%	75.3%	<b>158.1%</b>
● Almaty	105.8%	120.2%	103.2%	135.6%	102.1%	105.4%	104.7%	114.2%	109.6%	65.4%	<b>130.7%</b>
● Shymkent							119.2%	123.9%	156.0%	106.1%	<b>101.0%</b>

Source: National Statistics Bureau of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan

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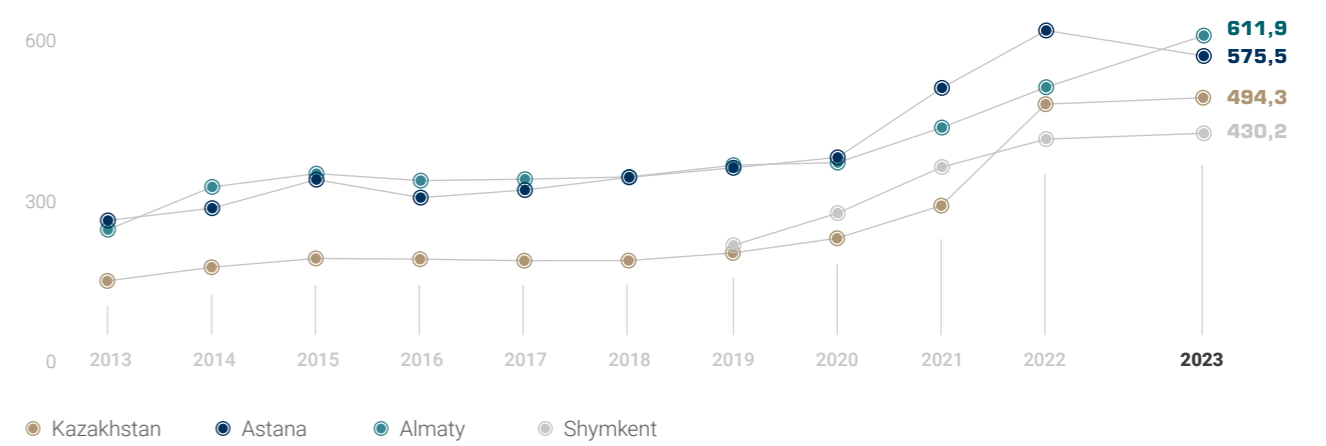


NEW HOUSING SELLING PRICES (KZT THOUSAND/M<sup>2</sup>)



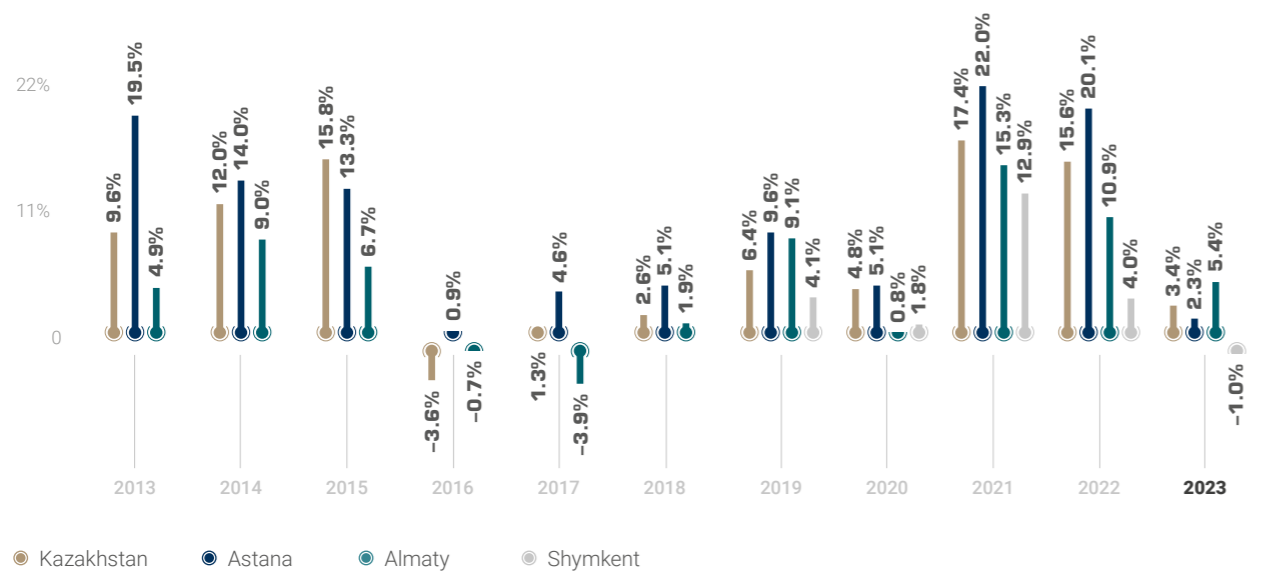
Source: National Statistics Bureau of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan

COMFORTABLE (SECONDARY) HOUSING RESALE PRICES (KZT THOUSAND/M<sup>2</sup>)



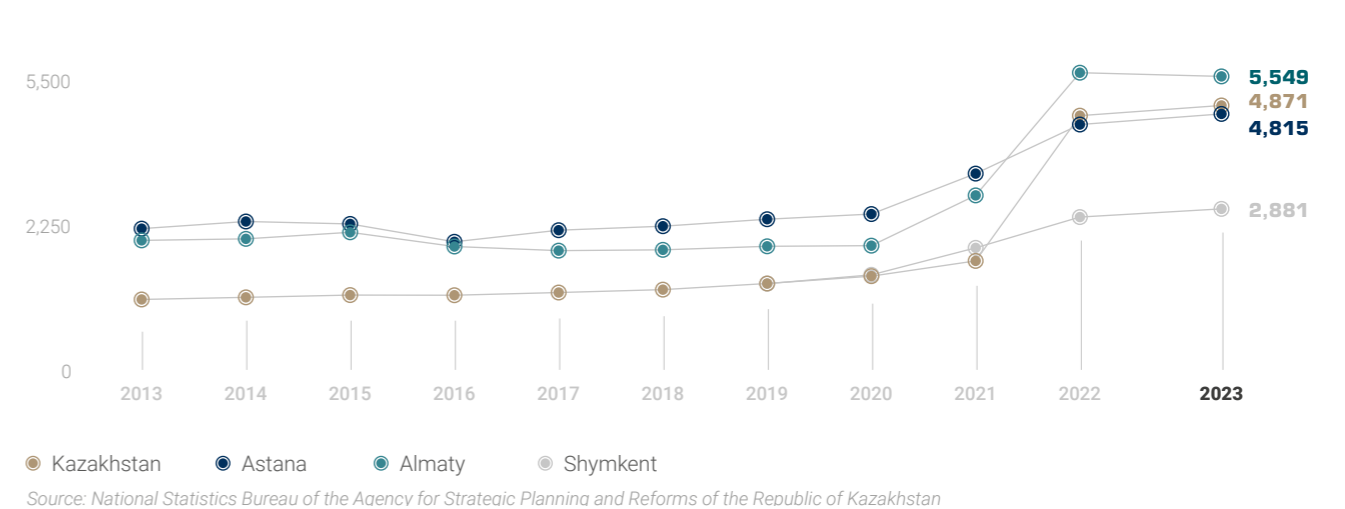
Source: National Statistics Bureau of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan

CHANGES IN NEW HOUSING SELLING PRICES (% TO THE LEVEL IN PREVIOUS YEAR)



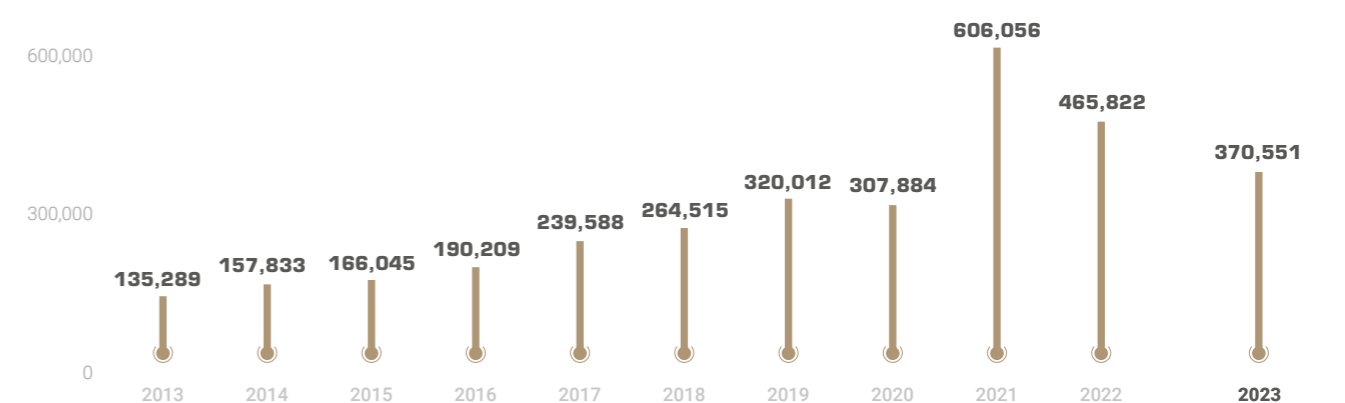
Source: National Statistics Bureau of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan

COMFORTABLE HOUSING RENTAL PRICES (KZT THOUSAND/M<sup>2</sup>)



Source: National Statistics Bureau of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan

NUMBER OF HOUSING SALE AND PURCHASE TRANSACTIONS



Source: National Statistics Bureau of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan