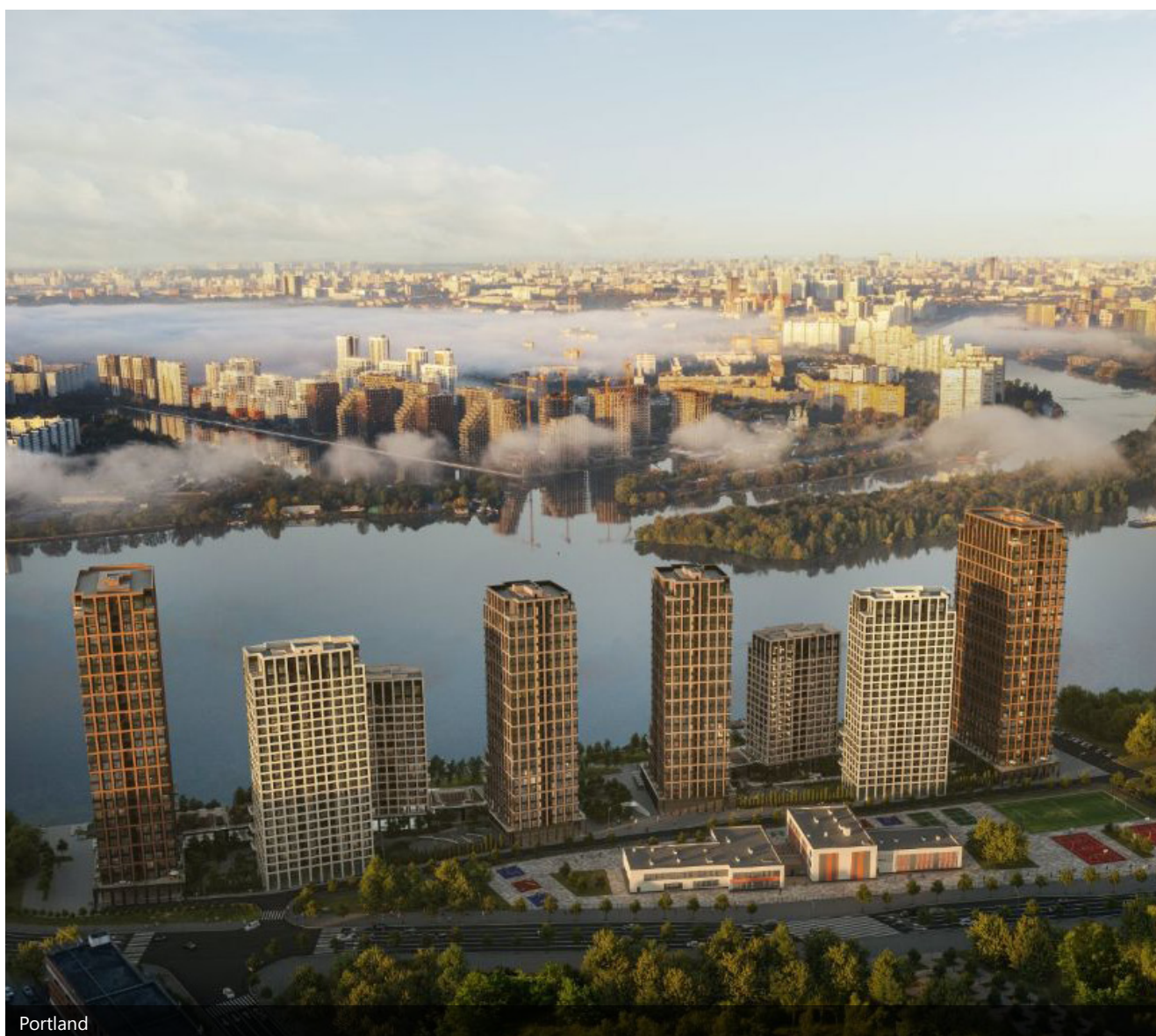


BUSINESS CLASS RESIDENTIAL REAL ESTATE MARKET MOSCOW

2022



Portland

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«Business class residential real estate market continued its transformation towards the buyer's market in the last quarter of 2022. The gap between supply and demand, being the key indicators of the industry, has expanded. The main tool of developers for adaptation to changes were promotions, discounts and other bonuses, which began to be applied almost everywhere and became more «transparent» by the year end. Speaking from experience of previous crises, business class housing was less protected against their influence due to the target audience specifics, so its further development will directly depend on a combination of factors such as macroeconomic and political situation, mortgage conditions, and the ability of developers to balance supply on the back of dynamically changing effective demand. At that, projects in good locations, especially not oversaturated with supply and at reasonable prices, will be in demand as usual».

Key findings

- > Further growth of supply up to 13.9 thousand units, which is a third more than a year ago.
- > Halving of demand in comparison with the record results of 2021: in total, 10.9 thousand flats and apartments were sold in 2022.
- > Growth of the average weighted price per sq m excluding discounts for the year by 11% up to 486.7 thousand rubles/sq m, which is 49,000 thousand rubles more than at the end of 2021. Discounts were widely applied, the size of which for some projects/units reached 30%.

Key indicators

Supply		
	Figure	Dynamics*
Supply volume, pcs.	13.9	+30%
Supply volume, mln sq m	0.984	+27%
Average weighted price, thsnd rub./sq m	486,700	+11%
Average area, sq m	70.7	-2%
Average cost, mln roubles	34.4	+9%
Deals		
	Figure	Dynamics**
Supply volume, pcs.	10.9	-50%
Supply volume, mln sq m	0.707	-51%
Average weighted price, thsnd rub./sq m	431,300	+16%
Average area, sq m	64.8	-2%
Average cost, mln roubles	28.0	+14%
* Q4 2022 /Q4 2021		
** 2022 / 2021		
Source: NF Group Research, 2023		



Supply

By the end of 2022, the supply in the primary business-class residential real estate market in Moscow reached a value of 13.9 thousand flats and apartments. During the year, the number of units on sale increased by 30%. At the same time, the number of new projects went on sale in 2022 turned out to be less than in 2021 and amounted to 16 projects vs 29 a year earlier (20,000 units vs 30,000), and the supply equaled the maximum value over the past 4 years.

Supply structure by districts

	Up to 10 mln rub.	10–20 mln rub.	20–30 mln rub.	30–40 mln rub.	40–60 mln rub.	Over 60 mln rub.
Up to 40 sq m	1%	9%	3%	0%	0%	0%
40–60 sq m	0%	8%	16%	2%	0%	0%
60–90 sq m	0%	0%	11%	20%	7%	0%
90–120 sq m	0%	0%	0%	3%	12%	2%
Over 120 sq m	0%	0%	0%	0%	2%	4%

Source: NF Group Research, 2023

Objects that were launched in 2022

Name	Market Launch	District	Property type	Developer	Number of units	Commissioning date	Finishing
New projects							
Primavera (1 st stage)	Jan. 22	Pokrovskoe-Streshnevo	Flats	Spartak Stadium	264	Q3 2024	Without finishing
Logos	Feb. 22	Danilovsky	Apartments	Logos	255	Q3 2024	White box
West Tower	Mar. 22	Ochakovo-Matveevskoye	Apartments	Tashir	277	Q1 2021	White box
Nametkin Tower	Mar. 22	Cheryomushki	Apartments	Osnova	2,314	Q4 2025	Without finishing
Ahead	Apr. 22	Filevsky Park	Flats	Vos'hod	62	Q4 2024	With finishing
Wow	Apr. 22	Danilovsky	Flats	Strana Development	668	Q4 2023	Without finishing
Poklonnaya 7	May, 22	Dorogomilovo	Apartments	Spetsstroy-1	360	Q3 2025	With finishing
Legacy	Jun.22	Ramenki	Flats	Tashir	478	Q1 2024	Without finishing
Champine	Jun.22	Yuzhnoportovy	Flats	Touch	244	Q3 2024	Without finishing
Republic	July 22	Presnensky	Flats	Forma	389	Q3 2025	Without finishing / White box
Intelligent	July 22	Basmany	Flats	Mosinzhpoeekt	813	Q2 2024	Without finishing
Insider	Sept. 22	Danilovsky	Apartments	RKS Development	909	Q2 2025	With finishing
Level Akademicheskaya	Dec. 22	Akademicheskaya	Flats	Level Group	295	Q1 2026	Without finishing
The Lake	Dec. 22	Sviblovo	Flats	FSK	118	Q2 2025	White box
Portland	Dec. 22	Pechatniki	Flats	Forma	788	Q4 2025	White box
Soyuz	Dec. 22	Rostokino	Flats	Rodina	956	Q4 2024	Without finishing

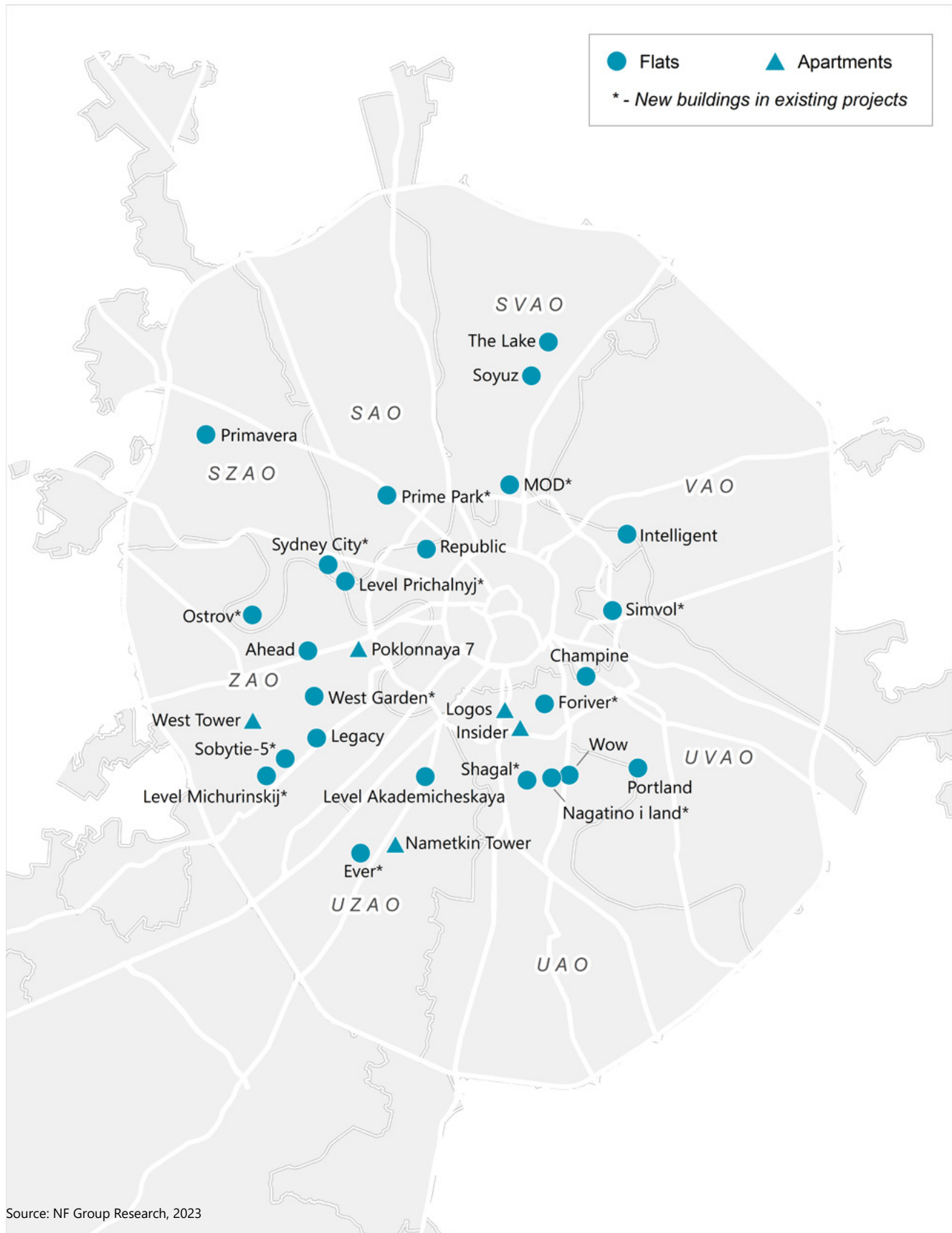
Source: NF Group Research, 2023

Objects that were launched in 2022

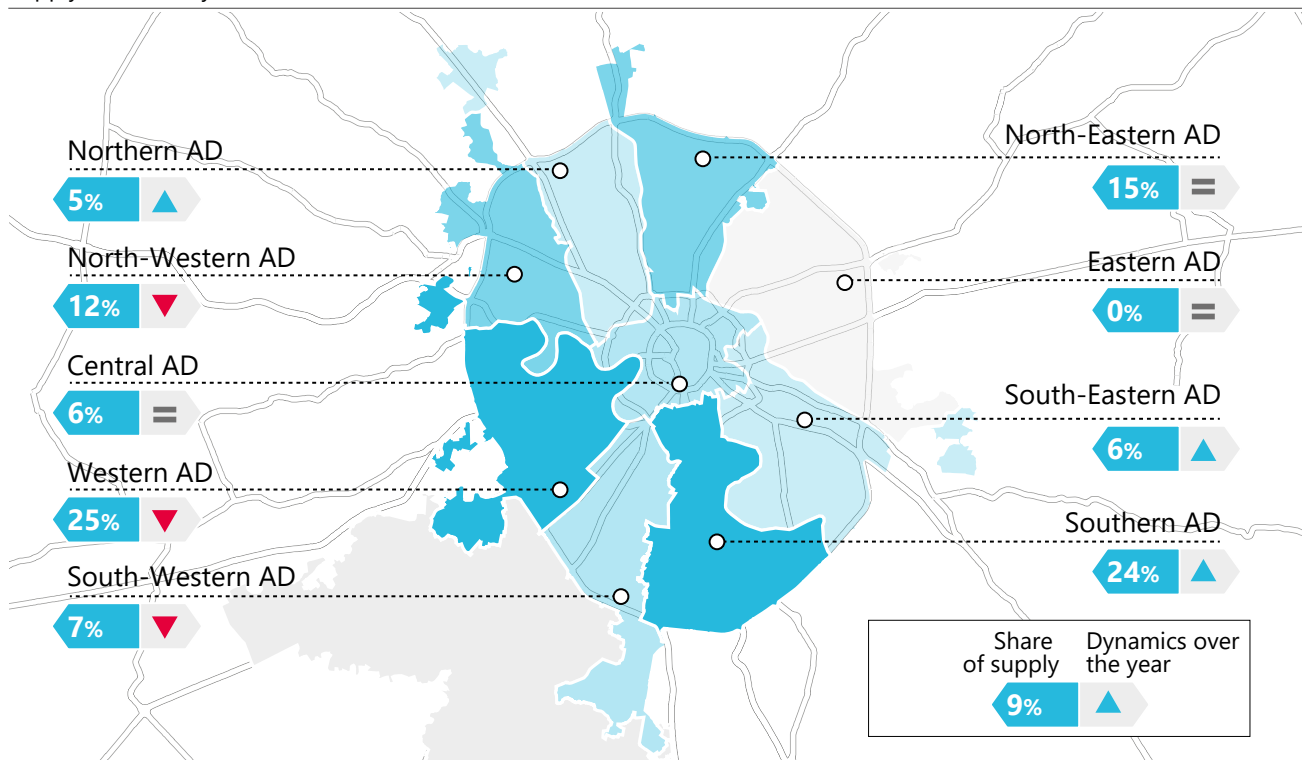
Name	Market Launch	District	Property type	Developer	Number of units	Commissioning date	Finishing
New stages and buildings							
Ostrov (stage 6)	Feb. 22	Ramenki	Flats	Donstroy	1,115	Q1 2025	Without finishing
Sobytie-5	Feb. 22	Ramenki	Flats	Donstroy	569	Q1 2025	Without finishing
Prime Park (bldg. R7)	Feb. 22	Khoroshevsky	Flats	Optima Development	368	Q2 2023	White box
West Garden (bldg. 11)	Mar.22	Ramenki	Flats	Sminex-Inteco	51	Q2 2023	Without finishing
Shagal (bldg. 7, 8, 9)	Mar.22	Danilovsky	Flats	Etalon	321	Q4 2024	Without finishing
Level Michurinsky (bldg.1, 2)	Apr. 22	Ochakovo-Matveevskoye	Flats	Level Group	802	Q1 2025	Without finishing/ White box
Nagatino i land (3rd stage)	Apr. 22	Danilovsky	Flats	Etalon	1,122	Q3 2025	Without finishing
Prime Park (bldg. R2)	May, 22	Khoroshevsky	Flats	Optima Development	311	Q4 2023	White box
Symbol (bldg. 20)	May, 22	Lefortovo	Flats	Donstroy	748	Q3 2025	Without finishing
Symbol (bldg. 28-31)	May, 22	Lefortovo	Flats	Donstroy	1,366	Q3 2025	Without finishing
Ostrov (stage 5, bldg. 6, 7)	May, 22	Khoroshevo-Mnevniki	Flats	Donstroy	238	Q1 2025	Without finishing
Sydney City (4 th stage)	May, 22	Khoroshevo-Mnevniki	Flats	FSK	680	Q3 2025	Without finishing/ White box
Ostrov (stage 4, bldg. 3)	June 22	Khoroshevo-Mnevniki	Flats	Donstroy	78	Q4 2024	Without finishing
Sydney City (Sydney prime)	Jun.22	Khoroshevo-Mnevniki	Flats	FSK	207	Q3 2024	Without finishing
Symbol (bldg. 19)	Jun.22	Lefortovo	Flats	Donstroy	623	Q3 2025	Without finishing
Shagal (bldg. 10, 11, 12)	Jun.22	Danilovsky	Flats	Etalon	422	Q4 2024	Without finishing
Level Prichalny (bldg. North)	Jun.22	Khoroshevo-Mnevniki	Flats	Level Group	436	Q4 2024	White box
Ostrov (stage 4, bldg. 1)	Jun.22	Khoroshevo-Mnevniki	Flats	Donstroy	116	Q4 2024	Without finishing
Primavera (section Vivaldi)	July 22	Pokrovskoe-Streshnevo	Flats	Spartak Stadium	722	Q2 2025	Without finishing
Foriver (bldg. 1, 10)	July 22	Danilovsky	Flats	Ingrad	193	Q4 2024	Without finishing
Ever, 2 nd stage	Oct. 22	Obruchevsky	Flats	Tekta	1,097	Q3 2025	Without finishing
MOD (bldg. Stein)	Oct. 22	Maryina Roscha	Flats	MR Group	63	Q4 2024	With finishing
Shagal (bldg. 3, 4)	Nov. 22	Danilovsky	Flats	Etalon	250	Q3 2025	Without finishing

Source: NF Group Research, 2023

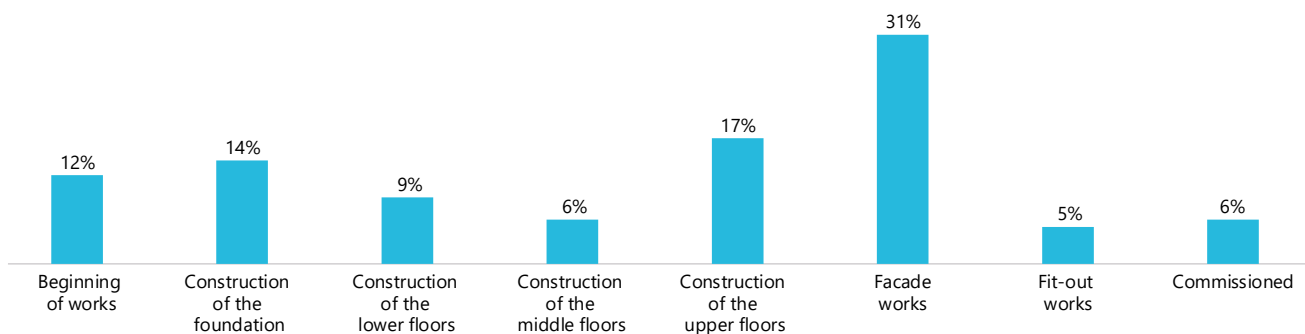
Objects that were launched in 2022



Supply structure by districts



Supply structure by the construction stage.



Source: NF Group Research, 2023

The share of units with finishing decreased at the end of the year: such units were sold rather quickly, while new supply on the market was generally without finishing.

After a long predominance of supply in buildings at the early stages of construction, it has shifted towards flats and apartments in buildings at the final stages of construction by the end of 2022. So, almost a third of the supply falls on buildings at the stage of facade works. At the beginning of works and construction of the foundation, there

are 26% of the total units on sale (vs 45% a year earlier).

By the end of 2022, the largest number of business class units is still in the Western Administrative District, as every fourth unit on sale is hosted there. The Southern Administrative District with a 24% share of supply comes second, with the North-Eastern Administrative district taking the third place (15%).

The supply structure by the area of units has slightly «shifted» towards more compact

flats and apartments. In this context, the share of the available units of up to 40 sq m for the year increased to 13% (+3 ppt in comparison with the end of 2021). At the same time, the largest share is still falls on units with an area of 60-90 sq m (38%), which has always been a characteristic value for the business class real estate market. The average unit area supplied further shrinks. So, it decreased by 1.7 sq m to 70.7 sq m in 2022.

Prices

The supply prices for business class residential real estate have been actively growing since the 2020-end. In the business class segment, the average weighted supply price grew to 56% over a year and a half (Q3 2020 – Q1 2022). In 2022, despite the significant accumulated price growth and the commenced demand decline, the average weighted price per sq m continued to grow by adding 11% in 12 months to 487,000 rubles by the end of the year.

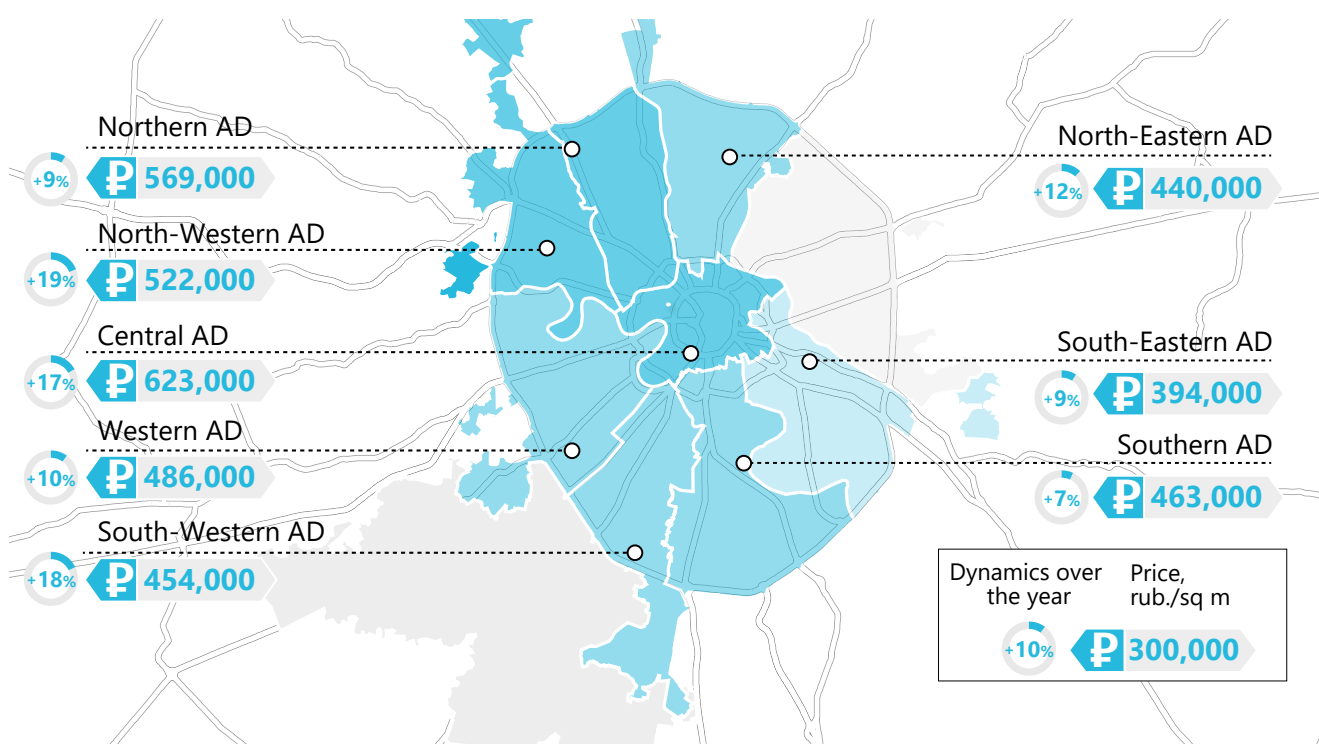
Backed by the declining demand, developers have increasingly applied promotions for their projects. Among them, various installment options, a subsidized rate mortgage from the developer, and discounts reaching 30% for a number of projects/units.

By adding +19%, the North-Western Administrative District showed the largest increase in the average weighted price per sq m for 2022, as in 2021. In addition,

the average weighted price increased by 18% in the South-Western Administrative District and by 17% in the Central Administrative District over the year.

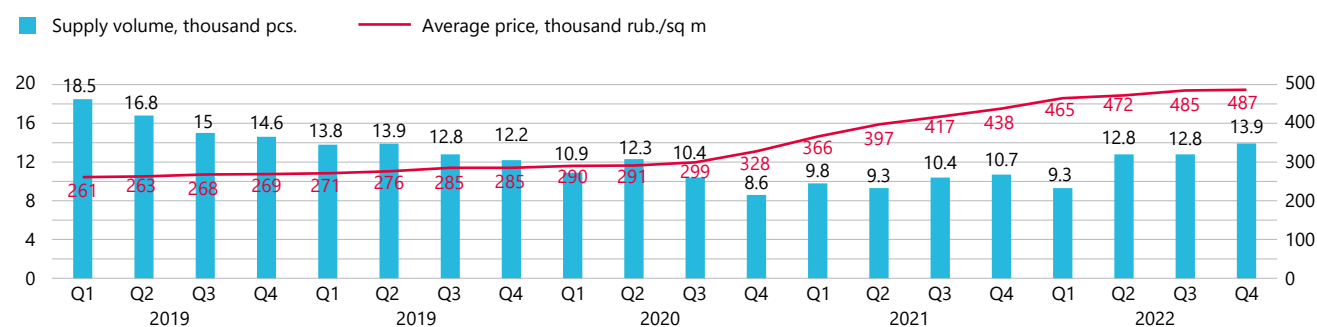
The average budget of the business class supply grew following the rise in the price per sq m and amounted to 34.4 m rubles at the end of 2022 by adding 9% over the year. The largest volume of supply is within 20-30 mln rubles (30%) and 30-40 mln rubles (25%).

Prices



Source: NF Group Research, 2023

Dynamics of average price and supply volume



Source: NF Group Research, 2023

Demand

In total, 10.9 thousand flats and apartments were sold in 2022. This figure is exactly 2 times lower than the record results of 2021 and less than all the annual values of the previous 4 years.

The first quarter of the year turned out to be the most effective in terms of demand, when 40% of all transactions for 2022 were made.

The share of mortgage transactions within the framework of DDU was 53% (+1 ppt in comparison with 2021 and +3 ppt in comparison with 2020).

Residential Projects «Ostrov», «Symbol» and «Sobytie» have become the leaders of demand for the year among residential projects. All three projects are being built by one developer – Donstroy. The Western, North-Western and Southern districts retained their leading positions by demand among the districts: each of them accounted for slightly more than 20% of all flats and apartments sold during the year.

The most popular were units of 20-30 mln rubles. The share of transactions with them amounted to 36% of the total transactions. Minimum budgets (less than 10 mln rubles) accounted for only 1% of the transactions due to high deficiency of the units supplied in this range.

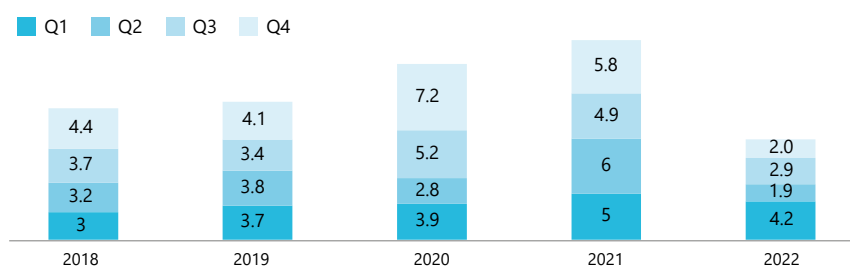


Transactions structure

	Up to 10 mln rub.	10–20 mln rub.	20–30 mln rub.	30–40 mln rub.	40–60 mln rub.	Over 60 mln rub.
Up to 40 sq m	1%	15%	2%	0%	0%	0%
40–60 sq m	0%	13%	13%	2%	0%	0%
60–90 sq m	0%	1%	20%	13%	3%	0%
90–120 sq m	0%	0%	1%	5%	6%	1%
Over 120 sq m	0%	0%	0%	0%	2%	2%

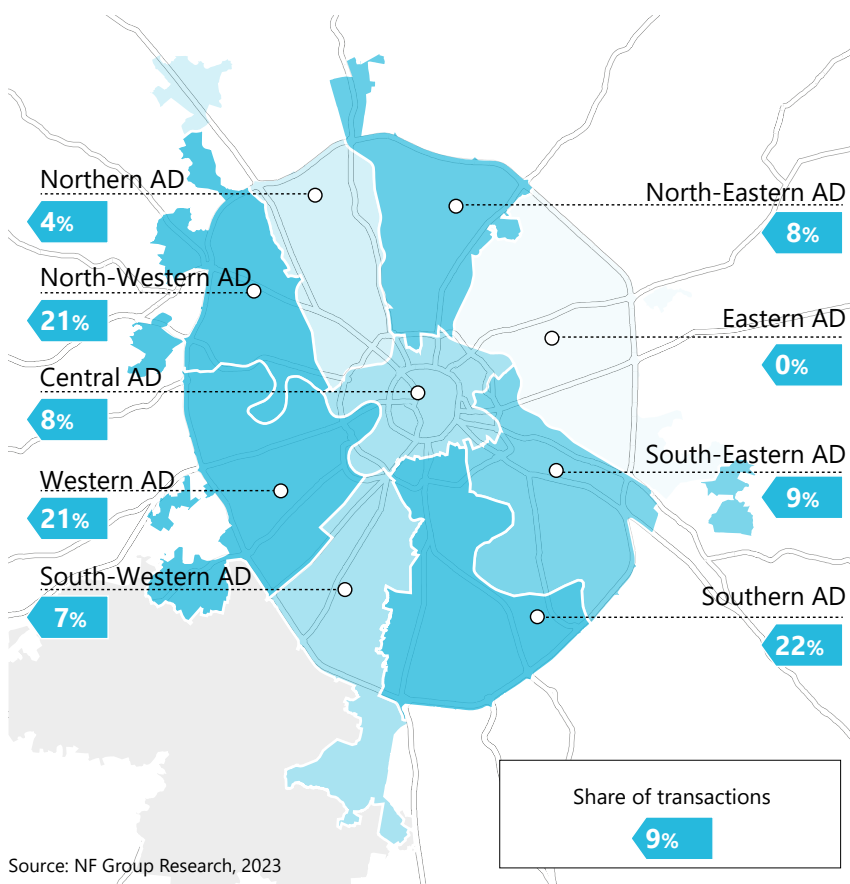
Source: NF Group Research, 2023

Demand dynamic



Source: NF Group Research, 2023

Share of transactions by district

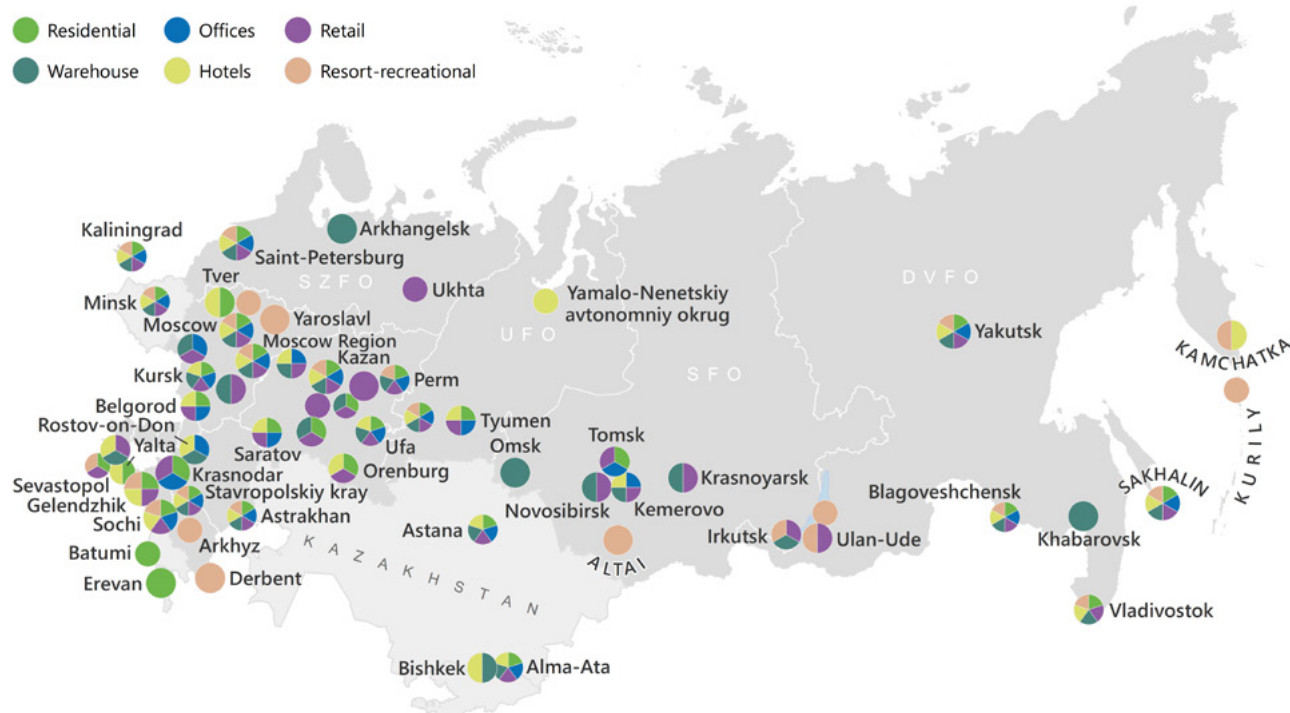


Source: NF Group Research, 2023

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