



Victoria

Residential Complex



Investment Opportunity

Residential Complex

158, Academician Pavlov Street

Property Description

As of Jun 01, 2009 the property is under the concept development. The estate under valuation is a high-rise residential complex occupying the land plot with the total area of 0.8748 hectares located in the dormitory area of Kharkiv at 158, Academician Pavlov Street. The Victoria residential scheme with the gross area of 58,351.28 sqm is a business-class building with underground and guest parking, built-in retail premises and spaces provided for commercial, administrative and social purposes. Currently the subject land plot is fenced and used as ground parking.



Location Analysis

The property is located in Moskovskyy administrative district in Saltivka which is the largest residential area of Kharkiv. The area is distant from the city center however it is considered medium prestigious and has a highly developed level of infrastructure. Moreover Saltivka is determined by ecological attractiveness due to absence of industrial enterprises. It keeps residential real estate highly demanded and provokes the developers to increase the class of the projects offered to the market.

The microdistrict of the subject property location is bounded by Academician Pavlov Street, Komandarma Uborevicha Steet, Gvardiytsiv Shyronintsiv and Geroyiv Pratsi Streets. The adjacent residential stock is represented mainly by 9-12 and 16-storey buildings of standard design and to a minor extent by 1 and 2-storey buildings used for industrial, administrative and social purposes.



The property has all necessary infrastructure available within a walking distance from the subject land plot: shopping centers, grocery supermarkets and specialty shops, entertainment, cultural and sport complexes, cinema, bank branches, drugstores. The largest shopping and entertainment complexes of Kharkiv – Karavan and Dafi are located in close proximity.

Accessibility

The convenience of the subject property accessibility is assured by close proximity of the city-forming streets intersection. The crossroad of Academician Pavlov and Geroyiv Pratsi Streets creates public transportation junction providing convenient connection between Saltivka and any district of Kharkiv.

The location area of the residential complex is highly supplied by various means of public transportation. Numerous route taxis, bus and tram routes are concentrated in close proximity. The Geroyiv Pratsi metro station is 300 meters distant from the subject land plot. The owners of private vehicles can easily reach the subject property from any part of Kharkiv due to the satisfactory condition of the city roads.

The subject land plot is 12,000 meters distant from the railway station, 8,300 meters from the bus station and 10,000 meters from the Kharkiv airport.

Technical Characteristics of the Property

The subject land plot is zoned for common residential and public development. The relief of the property is flat. Technical specifications, location and projected social infrastructure level of the subject residential complex allow classifying the project as a business-class residential scheme.

The detailed information on the property areas is listed in a table below:

Land Plot Area, sqm	8,748
Gross Building Area, sqm	58,351.3
Residential Useable Area, sqm	37,944.9
Commercial Useable Area, sqm	1,866.8
Building Common Area, sqm	14,539.6
Total Parking Area, sqm	4,000.0
Number of Parking Places	148.0
Number of Floors	18-25

Terms of the project

The beginning of construction Q1, 2010; the commissioning of the complex – Q1, 2012. Sale period depends on optimistic and pessimistic dynamic of the Ukrainian property market which corresponds to the completion of sale process in 2011 and 2013.

Pictures of the property



The subject property



The subject property



Surroundings



Surroundings



Surroundings



Academician Pavlov Street

Market overview

Being one of the largest Ukrainian cities Kharkiv steadily maintains among the country's price and construction volumes leaders of the residential real estate market. Profitability of residential estate segment and thus tremendous attractiveness for local investors and developers explains why the city continues its persistent construction in attempts to meet the existing unsatisfied demand. However the city development in 2009 is observed at a slower pace comparing to the previous years.

DEMAND

The two main components that form the demand on the primary Kharkiv market, as well as on the secondary one, are consumption demand and speculative demand. It is important to note that market speculative demand is common for countries with transitional economy, in which number of alternative investment instruments is limited and available instruments have low level of citizens' confidence. That's why purchase of residential real estate with opportunity of further resale considered being very profitable investment in our country.

One of the main reasons supporting the consumption demand is the attempt to avoid the influence of inflation and risks of banking crisis by investing money into real estate. On the other hand, the adherents of the belief in further rough price decrease are growing in amount. This tendency restrains the market activity and postpones many sales/purchase transactions until the situation is clarified.

Currently there is a deficit of residential premises in Kharkiv. According to official statistic data current residential stock amounts to 30,081.3 thousand sqm, and population of Kharkov is about 1,452 thousand people. Thus, the provision of residential space per person is about 20.7 sqm. This index is slightly lower than Ukrainian standards but much lower than those in the developed European countries. We should also consider that such normative is outdated and should be reviewed regarding to the fact that the most of residential stock is decrepit. Moreover, technical state of the city's residential stock is characterized by the high level of both moral and physical deterioration. It should be also mentioned that number of people, living in large cities like Kharkiv may vary from official statistics and constitute larger amount that can also correct real figure of the abovementioned index.

SUPPLY

The primary residential market is characterized by the following tendencies:

- The persistent increase of supply.
- The increasing weight of business class and elite premises in the total structure of supply.
- Absence of supply excess over the demand.
- Transition from the detached buildings development to the residential complexes and "City in the city" format.
- Enlargement of new projects both by size of buildings and by the number of storeys in the buildings.