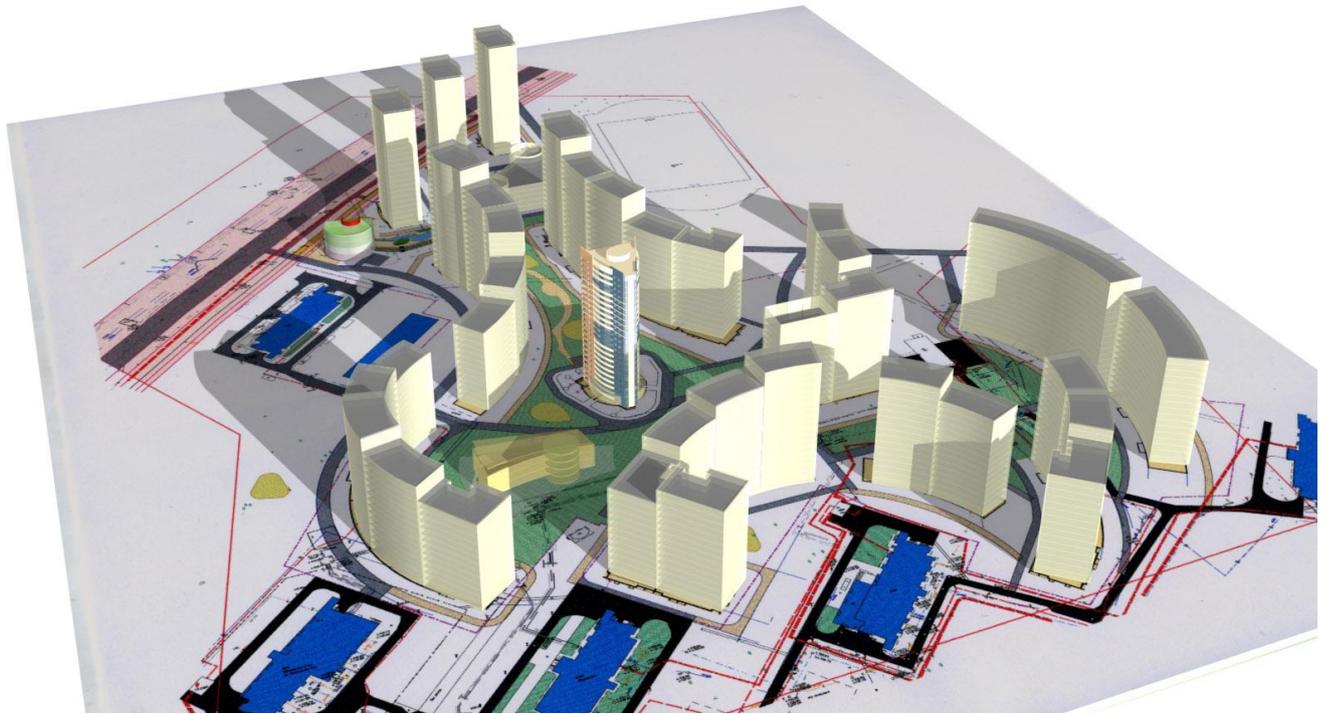




# Zhuravli

Residential Complex



**Investment Opportunity**

## Residential Complex

### Kazakevycha Street

#### Property Description

As of Jun 01, 2009 the property is under the concept development. The subject property is a residential block occupying the land plot with the total area of 10.253 hectares located in the mid-area of Kharkiv on Kazakevycha Street. The Zhuravli residential scheme with the gross area of 318,661.1 sqm is a complex of high-rise buildings with built-in retail premises and areas provided for administrative and social purposes. The complex also provides for ground parking.



#### Location Analysis

The property is located in Kyivskyy administrative district which is rather distant from the historical center of Kharkiv. However the area is considered rather prestigious and has a highly developed level of infrastructure.

The subject land plot is located in a dormitory area on the bank of Kharkiv River. The microregion of the property location is bounded by Tymurivtsiv Avenue, Barabashova Street and Blyukhera Street. The height of adjacent residential stock hardly ever exceeds the 10-storey level and is represented by buildings of standard design typical for the middle of XX-th century. The neighbouring district Saltivka is determined by ecological attractiveness increasing demand for residential real estate.



The property has all necessary infrastructure available within a walking distance from the subject land plot: grocery and specialty shops and supermarkets, entertainment and sport complexes, educational establishment and administrative institutions.

## Accessibility

The convenience of the subject property accessibility is assured by close proximity of the Academician Pavlov Street which is 600 meters distant from the land plot under valuation. The Street is one of the main Kharkiv highways providing a connection between the city center and Saltivka and Northern Saltivka districts.

The location area of the residential complex is highly supplied by various means of public transportation. Numerous route taxis, bus, tram and trolleybus routes are concentrated along Academician Pavlov Street and Blyukhera Street located a distance of 600 meters and 1,100 meters from the land plot as well as Academician Pavlov and Studentska metro stations correspondingly. 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 8,000 meters distant from the railway station, 6,000 meters from the bus station and 11,000 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 and economy-class residential scheme.

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

<b>Land Plot Area, sqm</b>	102,530
<b>Gross Building Area, sqm</b>	318,661.1
<b>Residential Useable Area, sqm</b>	191,748.0
<b>Business-Class, sqm</b>	62,520.0
<b>Economy-Class, sqm</b>	129,228.0
<b>Residential Common Area, sqm</b>	65,882.9
<b>Commercial Useable Area (P1), sqm</b>	1,870.2
<b>Commercial Useable Area (P2), sqm</b>	1,941.1
<b>Shopping Center Area, sqm</b>	9,984.0
<b>Social Infrastructure Area, sqm</b>	5,582.0
<b>Total Parking Area, sqm</b>	33,928.0
<b>Number of Parking Places</b>	1,044.0
<b>Number of Floors</b>	12 to 24

## Terms of the project

The beginning of construction Q4, 2009; the commissioning of the complex – Q3, 2016. Sale period depends on optimistic and pessimistic dynamic of the Ukrainian property market which corresponds to the completion of sale process in 2011 and 2018.

## Pictures of the property



The subject property



The subject property



The subject property and surroundings



The subject property and surroundings



The subject property and surroundings



The subject property and surroundings

## 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 the 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 a transitional economy, in which the number of alternative investment instruments is limited and available instruments have a low level of citizens' confidence. That's why the purchase of residential real estate with the opportunity of further resale is considered being a 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 a 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 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 statistical data, the current residential stock amounts to 30,081.3 thousand sqm, and the 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 a normative is outdated and should be reviewed regarding the fact that the most of residential stock is decrepit. Moreover, the 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 the number of people, living in large cities like Kharkiv, may vary from official statistics and constitute a larger amount that can also correct the 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.