



MAYFAIR Properties company: Overview of the market rent of elite real estate. The results of 2011.

According to research by the analytical department of MAYFAIR Properties Company in 2011, the rental market has developed rapidly, as evidenced by increase in demand, increased budgets and rental rates during last year. Many foreign companies this year increased its staff, including foreigners, thus increased the number of queries from expatriates.

The rental market in 2011 grew in traditional way: a particular increase in demand was noted at the beginning of the year (January-February) and summer (July-August) during the school holidays, when families with children solved the "housing problem".

Following with MAYFAIR Properties' analytical department research in the beginning of 2011 apartments at the rate of 3,000-5,000 USD were at greatest demand (50% of clients), the proportion of clients with a budget above \$ 5,000 was 37%, above \$ 10,000 - 13%. March was marked by the increase of the number of clients with a budget above \$ 5,000 - their proportion amounted to 40%, and the proportion of clients with a budget above \$ 10,000 was 13%. Thus, in the second quarter, a trend towards an increase in budgets appeared.

In the second half of 2011 apartment rental rates from more than \$ 5,000 (49%) became most popular, with the proportion of clients with a budget of 3000-5000 dollars was 37% above \$ 10,000 - 14%. By year-end percentage of requests for rental apartments with a rate of \$ 5,000 has increased to 50%, while the share of customers with a budget of 3000-5000 dollars was 33% above \$ 10,000 increased to 17%, indicating a strengthening of the final formed in the second quarter 2011 trend of increasing budgets.

Another trend in 2011 was increasing of the number of customers with high (more than 15,000 dollar) budgets. And, if previously such budgets were mainly relevant to suburban rent, now demand has grown on high-budget apartments located in the Golden Mile, Arbat and the Patriarshy Ponds. Meanwhile, according to statistics from MAYFAIR Properties specialists, a high budget requests are equally divided between Russian clients and foreign employees of international companies with their families.

In 2011, traditionally apartments in CAD were under greatest demand: the most expensive proposals were in the Golden Mile and near the Patriarshy Ponds (up to \$ 25,000 per month). Western Administrative District was the second most popular area (especially apartments on Kutuzovsky Avenue). Traditionally, demand is great for high quality finished apartments in Elite Residential Complexes in North-Western Administrative district and South-Western Administrative District of Moscow. It should be noted that interest in the countryside

"foreign" housing developments was the highest in the third quarter, while in the fourth quarter it fell slightly. The main reason was the falling level of demand from the employees with families working for international companies.

Summarizing the results of the year 2011, apartments of 120-200 sq.m with 3 or more bedrooms were under greatest demand. Most requests (74%) on apartments of over 150 sq.m. came from foreign employees of large international companies who move to Moscow with their families and pets. Among the requests from Russian citizens most account for apartments of 150-200 sq.m.

Increase in rental rates for last year was an average of 12-15%, but it is important to note that many owners were not going to make concessions in connection with high demand and limited supply, especially in the Golden Mile, Chistye Ponds, Patriarshy Ponds and Arbat.

Rental rates according to the results of the year 2011:

Number of rooms	Minimum (\$)	Maximum (\$)
1	1800	4500
2	2000	7500
3	4000	13 000
4	6500	23 000
5 and more	10000	25 000

Rental rates for elite suburban Real Estate according to the results of the year 2011:

Housing developments	Sq.m	Price (\$)
Pokrovskie hills, Serebryany Bor, Yekaterinovka, Rosinka	100-500	5000 (apartments in Serebryany Bor)-30000

Direction	Sq.m.	Price (\$)
Rublevo-Uspenskoe, Novaya Riga, Ilyinskoe	300-1000	7000-60000
Mozhaiskoe, Kievskoe, Kaluzhskoe, Dmitrovskoe	150-700	4000-15000

According to research by the analytical department of MAYFAIR Properties company a shortage of liquidity offer on luxury rental market is possible in 2012, in connection with limited number of new facilities in the primary market. Demand is consistently high for apartments in the historical center of Moscow and on modern apartments in modern Residential development in the north-and south-western districts to Third Ring Road.