



MAYFAIR Properties: Elite Real Estate Rental Market Review of the First Half-year of 2011

According to the research carried out by the Analytical Department of MAYFAIR Properties in the first half of 2011 the most in-demand apartments were those with the rental rate of 3,000-5,000 USD (53% of clients), the percentage of clients with the budget of over 5,000 USD made 34%, and over 10,000 USD – 13% accordingly. The second quarter of the year was marked by a growing number of clients with the budget exceeding 5,000 USD: the share made up 45 % of the overall amount of requests. That said, the quota of clients with the budget of 3,000- 5,000 USD equaled 42%, and over 10,000 USD remained at the same rate as in the first quarter of the year (13%).

It is noteworthy that the first quarter of the year was marked by a substantial rise in the number of clients with high budgets over 15,000 USD. And if earlier such budgets were mostly characteristic of rural real estate rental sector, the demand in the first quarter was mainly focused on apartments located in the “Golden mile” area and around the Patriarshiye Ponds. The same tendency was observed in the second quarter as well. Moreover, according to the data, provided by MAYFAIR Properties experts, the majority of requests with high budgets came from Russian clients, but not expats with their families, as it was last year.

In the first half-year of 2011 the most in-demand apartments were those of total area of 100-150 sq.m., though the second quarter was marked by a growing interest towards larger areas of about 150-200 sq.m. As a rule, requests for apartments of total area of 150 sq.m. come from foreign specialists of large international companies, who arrive in Moscow with their families and pets. The same category of clients file the majority of requests for cottage compounds like Pokrovskie Hills, Rosinka, Pokrovskoe-Glebovo, Angelovo.

In the first half-year of 2011 the geographical range on the elite rental market remained unchanged: the most in-demand apartments are traditionally those in the Central Administrative District of Moscow, with the most expensive offers in the Golden Mile area and around the Patriarchy Ponds (up to 27,000 dollars per month). The second most popular area to reside in is the Western Administrative District with the most sought-after apartments located in Kutuzovsky Prospect. Traditionally demanded are apartments with high-quality renovation located in elite residential complexes in North-Western and South-Western Administrative Districts.

In the first half of 2011 the rental market dynamics was marked by considerable growth in demand from behalf of international companies by 15-20% due to increase in number of employees. The biggest growth in demand occurred in the end of May- June. Hence the increase in the number of deals – 10-20 % on average as compared with the beginning of the year.

The surge of rental rates in the first quarter of the year made up about 7-10 %. The second quarter of 2011 did not bring about any considerable changes, though due to the dollar decline in spring many property owners preferred fixing rental rates in roubles. During the summer period real estate rental market remains very active because of the growing demand from behalf of international companies' employees who move over in summer period when schools break up for holidays.

Rental Rates Following the Results of the First Half-year of 2011:

Number of rooms	Minimum (\$)	Maximum (\$)
1	1500	4500
2	1800	7500
3	4000	12 500
4	6000	23 000
5 and more	10000	27 000

Elite Rural Real Estate Rental Rates Following the Results of the First Half-year of 2011:

Cottage compounds	Sq.m.	Price (\$)
Pokrovskiye hills, Silver Forest, Troitse-Lykovo, Rosinka	100-500	5000 (apartments)- 30000

Direction	Sq.m.	Price (\$)
Rublevo-Uspenskoe, Novorizhskoye, Iliyinskoe,	300-1000	5000- 60000
Mozhaiskoye, Kievskoe, Kaluzhskoye, Dmitrovskoye	150-700	3000- 15000

According to the research carried out by the Analytical Department of MAYFAIR Properties, it is possible to forecast a growth in demand and increase in the number of deals concluded in the second half of 2011 due to the positive dynamic tendencies in the rental market of elite real estate.