



UNIVERSAL
DEVELOPMENT
CONSTRUCTION
H O L D I N G

**BULLETIN
REAL ESTATE MARKET
OF KYIV AND THE REGIONS OF
UKRAINE**



DECEMBER– 2008

News Digest

The capital will be built up with shopping centers

On Poznyaki, Lisova and Petrivka will appear “megashops”.

The capital's architects considered that there is a keen shortage of shopping-entertainment centers in Kiev that's why they decided to adopt at once three projects on the City Council meeting. The most «modest» among them became the building on Moscow boulevard 13A: from 9 floors of the center 4 will be hidden under the earth, restaurants, bars and café will be placed there.

Bigger shopping and office-trade centers will appear on Poznyaki and Lisova correspondingly. Total area of the complex at the metropolitan station «Lisova» will make 75 thousand sq.m and have a parking per 3 thousand of cars.

Segodnya
22.12.2008

Developer "XXI Century" sold the Shopping Centre in Balzaka str.

Development company "XXI Century " (Kiev) sold 100% of the shopping center in progress (stage of construction) in Balzaka street in Kiev for \$2,98 millions and bought for \$2,27 millions a remaining share in size of 20% in the project of multifunction complex in Poltava.

At that, it is marked that "XXI Century " liquidated the short-term debt obligations with the terms of redemption in the fourth quarter of 2008 to the amount of about \$15,1 million.

Building
22.12.2008

NBK Company puts into operation a new 4-storied office center in Koltsova street

The sales of areas start on 15 December 2008. And NBK forecasts that a crisis, in this case, can only positively influence on demand.

NBK
18.12.2008

A situation changes – now a leaseholder rules a ball

In the first months of 2009 there will be the correction of rent rates on office premises in Kiev. Such an opinion was expressed by a vice-president on the regional policy of Union of specialists on the real estate of Ukraine (RPUC) Anatoliy Topal.

According to his words, today at the market of commercial real estate of the capital there is migration from expensive offices to cheaper ones, from center to suburbs that is related with contra-crises measures that companies hold and reduce charges on the office rent.

A. Topal marked that in the dollar equivalent the price of offices lease fell down in Kiev, in hryvna it remained at the rate of August, 2008.

MIGnews.com.ua
16.12.2008

A price at the market of real estate is dictated by a buyer

The real estate continues to fall in price. However specialists assure they don't wait the collapse of prices. But since now the terms are dictated by a buyer.

Actual cost of a square meter for today is below declared at least by 20%. And payment by cash at the purchase of the primary or second real estate a salesman encourages with postponements and indulgences.

UBR Videonews
16.12.2008

The contra-crises measures of companies reduced filling of Kiev Business Centres

Contra-crises measures undertaken by companies - leaseholders of business centers in Kiev, reduced filling of Kiev BC to 88%. The supply on office premises in working BC grew by 50-55 ths sq.m since the beginning of October (by Ukrainian Trade Guild data).

For the first week of December the completeness of centers reduced by 6.6%.

The analysts of company mark that a vacancy rate in BC of «A»-type made 15% in the first December week.

Building
15.12.2008

Doesn't Kyiv have commercial real estate?

Main Administration of city-planning, architecture and design of city environment of Kyiv City State Administration estimates the deficit of commercial real estate in 4,5 millions sq.m in the capital (by main architect's of Kiev V. Prisyazhnik words).

According to his words, the Administration began working out a new general plan of Kiev development and in nearest 3 months they will conduct analytic work. Also he offered developers to give clear suggestions for possible joint work.

RBC-Real Estate
02.12.2008

The Israelis will settle on Poznyaki

At the beginning of next year building of a new shopping-entertainment center "Boulevard on Poznyaki" will start in Kharkovskiy district. The opening is planned on the first quarter of 2011 year.

The conglomerate of the Israel and local architects came forward the developers of project scale SEC, which must appear on crossing of Anna Akhmatova street and Dragomanova street. Conception of SEC is developed by Colliers International.

An object will be erected on the area of three-cornered form at the area of more than 1 ha. Total area of SEC will make 60,6 thousands sq.m.

Business Capital
02.12.2008

A 160-meter «monster» will appear on European square

City Council let to «squeeze» a high building in the center and decided, how to construct Poznyaki.

They adopted the project of 160-meter complex in 5 Kreschatik str. In a place of former restaurant «Stolichniy» near the European square and very close to the present hotel «Dnipro» there will be erected 47-floor multi-stage office-dwelling «candle» with a total area about 190 thousand sq.m. There will be spa-salons, boutiques, cafe and restaurants on the lower levels and dozens of apartments and suites of luxury class.

Also capital architects adopted the project of complex construction of two microregions of dwelling array Poznyaki (Darnitsa district). On the territory of 7 ha the company «Kievgorstroy» will build five dwelling-houses. The second turn of building is more scale and foresees building of social objects: schools and nursery schools.

Today
29.12.2008

The ICC “Real Estate” plans to build an office building near cathedral Kiev Sofia

The ICC “Real Estate” came forward a building customer of 10-storied office complex of “B+” class in 10/1 Streletska street near the monument of architecture of national value Kiev Sofia.

Building
27.12.2008

Fund market will feel investment changes already in February

A fund market got long-awaited changes to the law about joint investment. And according to it the possibilities for exit from crisis. The essential structural changes in the investment climate of Ukraine experts expect already in February. The number of assets management companies grew by 20% within a year. But the next year every tenth will stop its activity. There will be investors, adjusted to wait the rising of prices on investment objects. And the law will give the possibility to react operatively on changes in a fund environment and to participate in the venture investing not only for artificial but also for physical persons.

UBR Videonews
26.12.2008

Real Estate Market Observation

Kyiv

The consequences of world financial crisis for Ukraine did not compel itself long to wait in December: the capital market of commercial real estate essentially slowed the temps of development. Relatively to devaluation of national currency, considerable vibrations of course of dollar, adjustment of prices happened at the market of the real estate.

Prices on square meters considerably fell down in all districts of Kyiv. In office sphere a slump is 32%, in trade – 33% (sale) on the average in the city. At the market of lease of real estate price changed as thus: in office segment a slump is 32%, in trade – 38%.

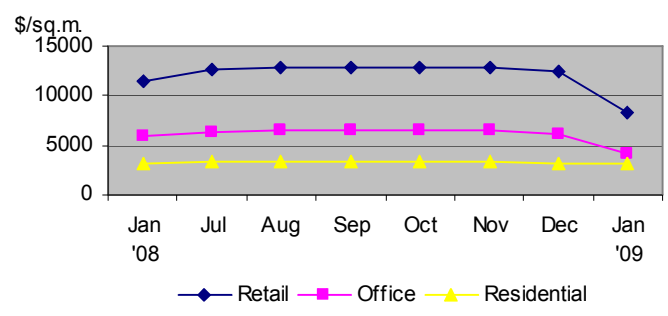
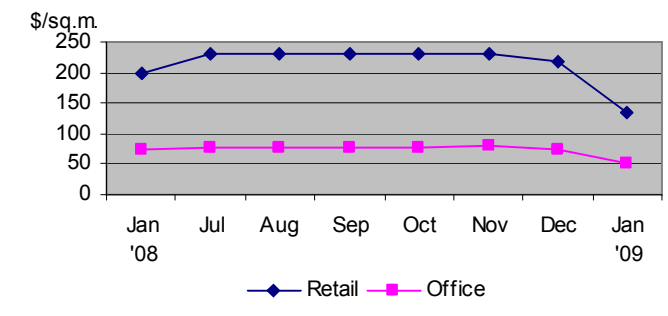
At the market of dwelling real estate prices are going down still. A slump is 4%.

As for country real estate the cost of cottages fell down by 4,5%, and land lots – by 15%.

A considerable price-cutting is observed at regional markets of Ukraine. In regions in average the slump makes 30% in the field of sale of office premises, 34% - facilities of storages, slump in the field of rent makes 59% and 58% correspondingly.

The Dynamics of 1 sq.m Valuation Changes in the Sectors of Commercial and Residential Property

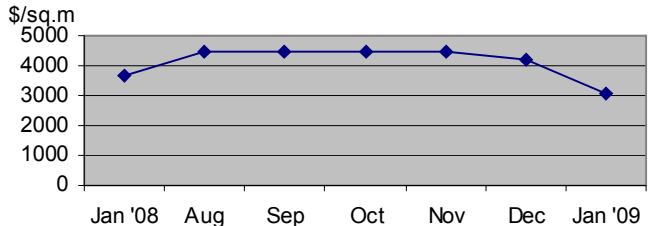
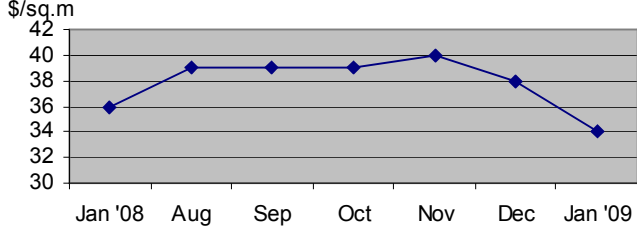
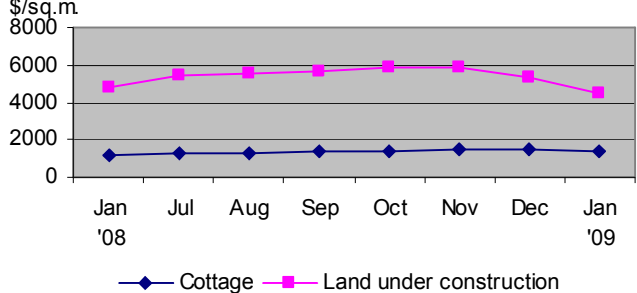
Kyiv (on average)

Sale			
Property Type	Property Type		Property Type
	01.12.08	01.01.09	
Retail	12 482	8 363	
Office	6 185	4 206	
Residential	3 246	3 116	
Rent			
Retail	219	136	
Office	73	50	

The Dynamics of 1 sq.m Valuation Changes in the Sectors of Commercial Property

Podol (historical part)			
Sale			
Property Type	Property Type		Property Type
	01.12.08	01.01.09	
Retail	8 550	7 432	
Office	8 000	5 574	
Rent			
Retail	81	61	
Office	56	34	
Shevchenkivskiy district (historical center)			
Sale			
Retail	13 575	7 282	
Office	8 319	5 851	
Residential	5 726	5 654	
Rent			
Retail	180	100	
Office	72	48	

The Dynamics of 1 sq.m Valuation Changes in the Sectors of Commercial Property

Solomyanka (Mechanizatoriv street)			
Sale			
Property Type	Price, \$/1 sq.m		Annual diagram of valuation changes
	01.12.08	01.01.09	
Office	4 200	3 100	
Rent			
Office	38	34	
Brovarskoy district of Kyiv region			
Cottage	1 451	1 386	
Land	5 323	4 531	

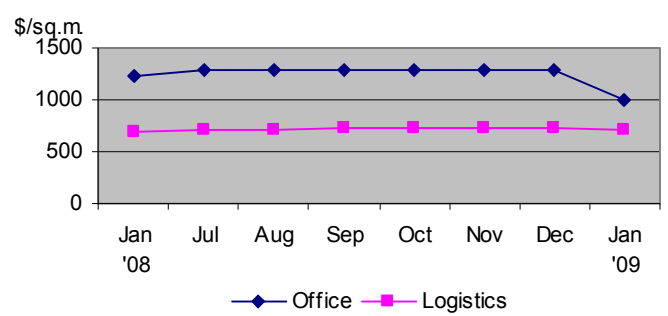
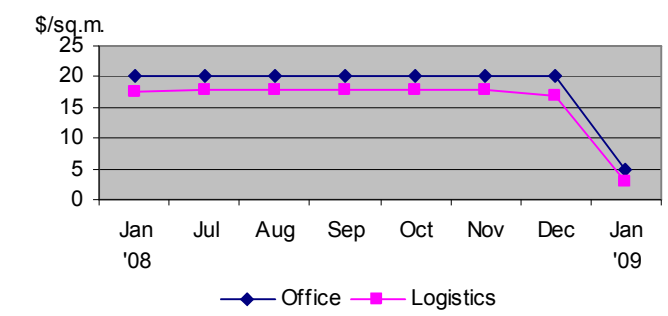
The Dynamics of 1 sq.m Valuation Changes in the Sectors of Commercial Property

New Darnitsa			
Sale			
Property Type	Property Type		Property Type
	01.12.08	01.01.09	
Retail	3 700	2 500	
Office	3 400	2 011	
Rent			
Retail	51	29	
Office	36	20	
Darnitskiy district (Poznyaki)			
Sale			
Retail	4 000	2 395	
Office	3 416	2 282	
Rent			
Retail	51	30	
Office	42	28	

The Dynamics of 1 sq.m Valuation Changes in the Sectors of Commercial Property

Dnipropetrovsk region			
Sale			
Property Type	Property Type		Property Type
	01.12.08	01.01.09	
Office	1 700	1 000	
Logistics	780	410	
Rent			
Office	19	11	
Logistics	15	8	
Mykolaiv region			
Sale			
Office (city)	2 600	1 547	
Office (in storages)	960	700	
Logistics	610	300	
Rent			
Office (city)	30	17	
Office (in storages)	18	7	
Logistics	16	9	

The Dynamics of 1 sq.m Valuation Changes in the Sectors of Commercial Property

Rivne region			
Sale			
Property Type	Property Type		Property Type
	01.12.08	01.01.09	
Office	1 283	1 000	
Logistics	740	702	
Rent			
Office	20	5	
Logistics	17	3	

The Dynamics of 1 sq.m Valuation Changes in the Sectors of Commercial and Residential Property

Lviv region			
Property Type	Property Type		Property Type
	01.06.08	01.01.09	
Sale			
Retail	7200	5 000	
Office	2 300	2 572	
Residential	2 039	1 974	
Rent			
Retail	55	31	
Office	21	18	

The Dynamics of Valuation Changes of sales for building materials

Name	Price, grn.		Annual diagram of valuation changes
	01.12.08	01.01.09	
Cement, t	830.0	800.0	
Brick, ths.	120.0	115.0	
Foam concrete, cub.m	660.0	640.0	
Pane, sq.m	73.0	70.0	
Malm, t	48.0	48.0	
Metal, t	5 900	4 000	