



UNIVERSAL
DEVELOPMENT
CONSTRUCTION
H O L D I N G

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



JANUARY– 2009

News Digest

«XXI Century» will sell part of project of out-of-town complex «Residences Lesniki» beyond Kiev

The development company «XXI Century» (Kiev) declared the release of the company Evropeyska Ploscha LLC from guarantees on eurobonds to the amount of \$175 millions with the term of appeal till 2010 year, let out by the company in May, 2007.

The company needs this procedure for sale of share (plot of land) in the project of country complex «Residences Lesniki» on Novoobukhiv highway in the village Lesniki in Kyiv region, which belongs to Evropeyska Ploscha LLC.

The general area of the complex will make 140 thousands sq.m. Start of construction is planned in 2009, completion - in 2012.

Interfax Ukraine
15.01.2009

Banks go out to the market of real estate

An interesting fact is that banks are obsessed with an idea of increase of liquidity so strongly, as before they were obsessed with distribution of credits.

All largest banks get in this unenviable category. Presently all of them aim to present potential buyers as more possibly correct credit portfolio. It aims to sell all problem credits to the collector agencies.

Realizing weak demand at the internal market and its absence at the external one, agencies buy up debts with a very big discount. As a result, collectors become the end owners of a big amount of property, and consequently, they will quickly throw it out to the real estate market.

Rynok.biz
20.01.2009

Prices on building materials will fall down on 20-30%!

Manufactures of building materials are in the situation of oversurplus production in conditions of deficit. Exactly the absence of demand from builders can influence on a price-cutting already in the nearest months.

“Now we appeared in the situation of not deficit, but over-producing, because there is no sale. At that there is over-producing in the conditions of deficit. Even if to compare with «positive» 2007 year, a year ago they built 0.22 sq.m of dwelling per one habitant in Ukraine, when the need is 1 sq.m. This year we'll not have even 0.22 sq.m. Construction in industrial areas is minimized at all. But the most important is sale because storages are stuff and there is nobody to buy materials” – such an opinion was expressed by the head of Supervisory Council of Association «All-Ukrainian union of building materials and goods producers» Ivan Saliy.

100m2.com.ua
15.01.2009

Expert: world crisis obviously influenced the market of real estate!

Intensity of transactions at the real estate market go down farther until banks will not change the terms of crediting (Peep Sooman, Pindi Kinnisvara).

Sooman noted that a critical moment in the sector of the real estate will come in the second half of this year and added that only strongest players will remain in the market, and the half of enterprises, incapable to adjust to the vibrations of the market, will stop their existence.

SVdevelopment
09.01.2009

The law about stabilizing of situation in building has been published

The law of Ukraine "About prevention of influencing of world financial crisis on development of a construction industry and housing building" (№800-VI) was published and came into force on 14 January 2009.

The law, in particular, foresees completion of dwelling objects construction with readiness more than 70% for state facilities in 2009 and in 2010 - with readiness more than 50%.

The law obligates the government to foresee purpose subventions in size of 0.5% GDP in the state budget 2009 on the program of building of "accessible dwelling".

Also the law regulates the lease of apartments with their subsequent redemption at legislative level.

SVdevelopment
15.01.2009

Yuschenko entered in the action decision of NSDC on questions of adjusting of land relations

The president of Ukraine Victor Yuschenko signed a decree № 5/2009 "About the decision of national security and defensive Council of Ukraine from 21 November, 2008 "About implementation of decisions of national security and defensive Council of Ukraine on questions of adjusting of land relations, usage and protection of lands".

The government must take measures concerning formation and development of land market, including the abolition of moratorium on alienation of agricultural land, to provide the proper accompaniment of law projects about land market in Verkhovna Rada of Ukraine and about the state land cadastre.

Svdevelopment
12.01.2009

The capital market of the real estate comes back to life

From the middle of January there is a revival at the market of the capital real estate: by estimations of market realtors «Alyans-brok», «Noviy Gorod», the amount of requests from potential buyers was multiplied on 20% comparing with December.

In this month market activity practically returned to the level of September 2008. First of all it is connected with decrease of prices on the capital real estate. The prices on apartments in dollars went down on the third as majority of experts asserts.

Details
27.01.2009

Land around Kiev: the sale will last to March

In January prices on land around Kiev fell almost into 2 times. Buyers are ready to buy lots at the price of \$800-1000 per 0.1 ha. The unique segment where the change of price was insignificant is cheap distant areas.

The land market practically doesn't work; there is few transactions cause now the land is sold only in forced cases.

The volume of supply grew insignificantly in January.

By the prognoses of realtors, the peak of prices on land decline can happen in the end of March, but in accordance with a political and economic situation the process can be delayed till the spring 2010.

SVdevelopment
26.01.2009

The real estate in Dnepropetrovsk cheapened substantially!

The President of investment group «Magistr» Margaret Uritskaya marks that there is price-cutting in all segments at the Dnepropetrovsk real estate market.

There is complete stagnation at the market of real estate. The mortgage sector of economy does not work. The transactions of purchase-sale practically are not present, and those which take place are made at the price substantially below market.

Cost of the land in Dnepropetrovsk suburb decreased almost in 2-3 times. Rent demand is not high, but stable and is much higher than purchase-sale demand.

Builders decreased prices by 20% and only some companies will restart the construction.

Dnepr.mycityua.com

14.01.2009

Real Estate Market Observation

Kyiv

The analysis of real estate market specifies that political and economic crises narrow the market, worsening a situation there, it results the decrease of demand and increase of supply. It conduces to continuation of decline of prices on real estate in dollar equivalent.

According to financial destabilization at the real estate market of regions of Ukraine, in particular at the market of the capital, prices on commercial real estate continued to fall within January. In a trade segment a slump is 16% (sale) and 26% (rent), in office segment – 2,6% and 6% correspondingly.

As population have no available assets, prices on dwelling continue to fall. A slump is 8,2%.

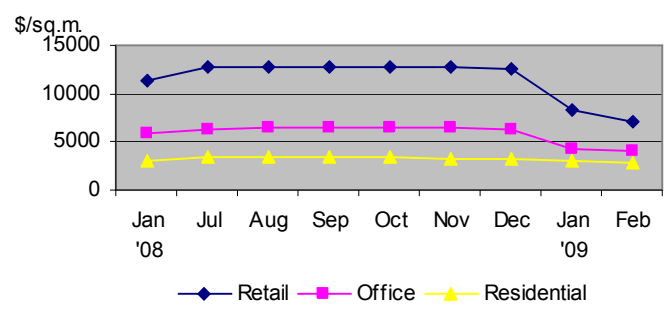
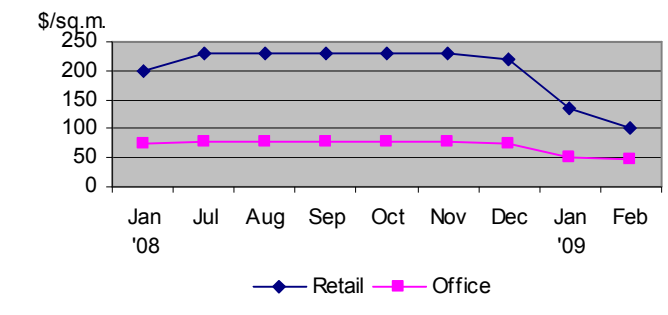
Land round Kyiv is stably going down in price and a slump is 13%. At the country real estate market the cost of cottages also fell down by 8,7%.

There is stagnation of prices at the market of regional markets of Ukraine. Prices fell down in all segments of the real estate in the Dnipropetrovsk region. In relation to other regions (Mikolaiv and Rivne regions) the price substantially changed on office premises in logistic complexes.

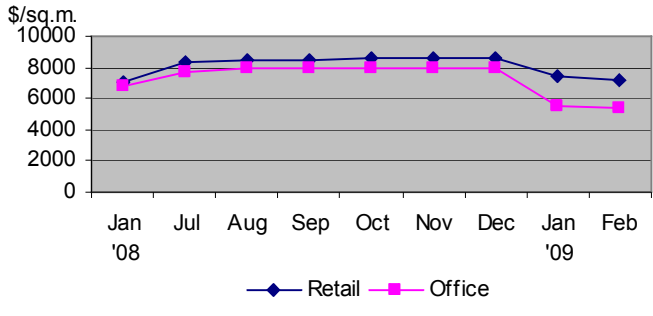
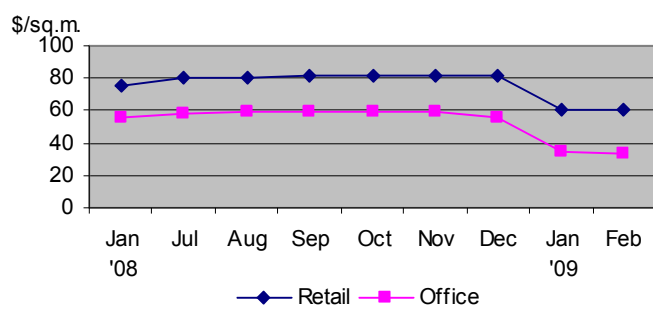
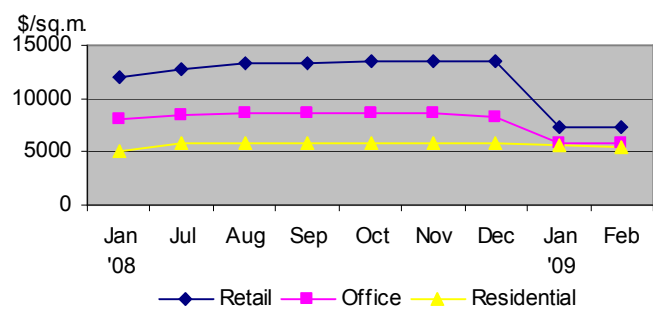
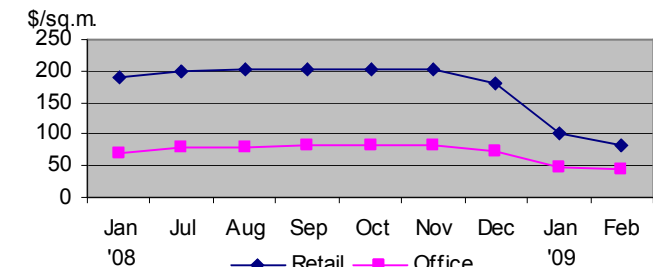
Market of Lvov: the decline of prices is characteristic both, in all segments of the commercial real estate and in residential real estate.

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

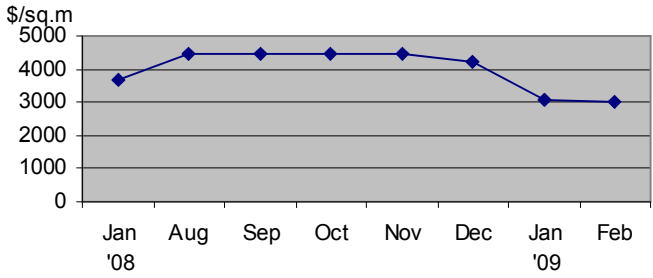
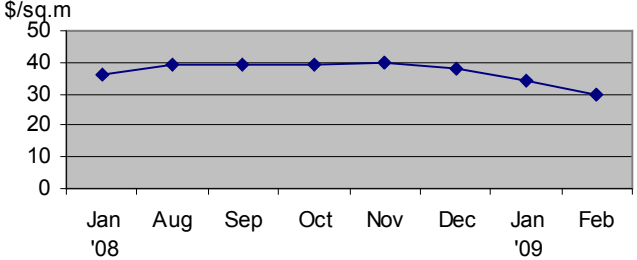
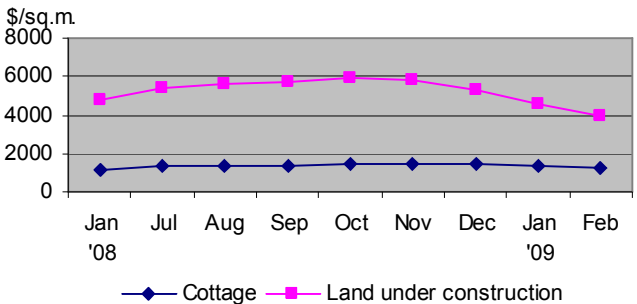
Kyiv (on average)

Sale			Property Type
Property Type	Property Type		
	01.01.09	01.02.09	
Retail	8 363	7 000	
Office	4 206	4 096	
Residential	3 116	2 860	
Rent			Property Type
Property Type	Property Type		
	01.01.09	01.02.09	
Retail	136	100	
Office	50	47	

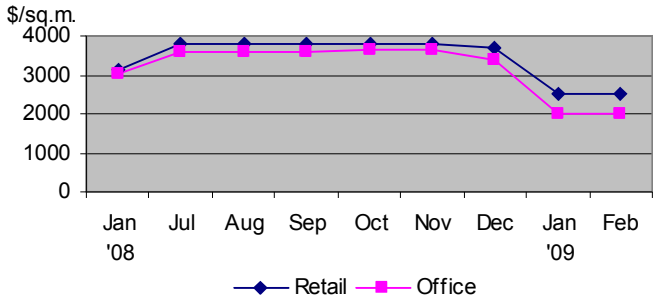
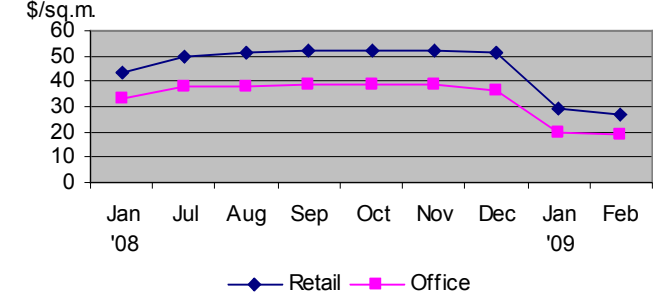
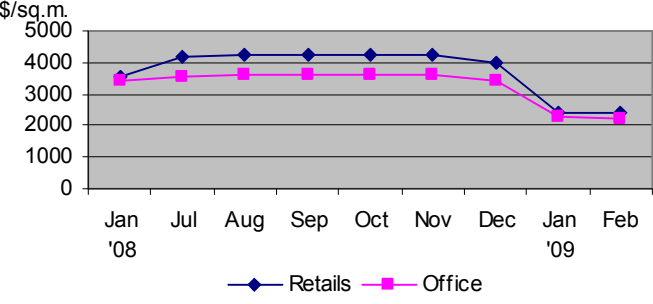
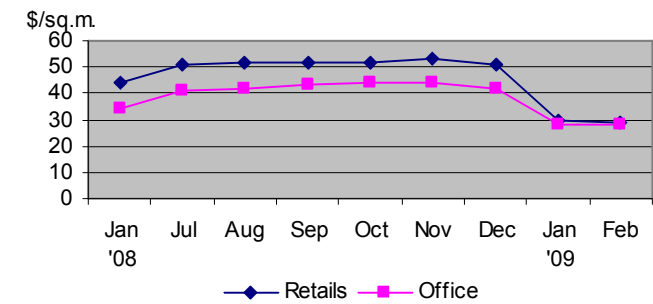
The Dynamics of 1 sq.m Valuation Changes in the Sectors of Commercial Property

Podol (historical part)			
Sale			
Property Type	Property Type		Property Type
	01.01.09	01.02.09	
Retail	7 432	7 200	
Office	5 574	5 350	
Rent			
Retail	61	61	
Office	34	33	
Shevchenkivskiy district (historical center)			
Sale			
Retail	7 282	7 282	
Office	5 851	5 750	
Residential	5 654	5 377	
Rent			
Retail	100	81	
Office	48	43	

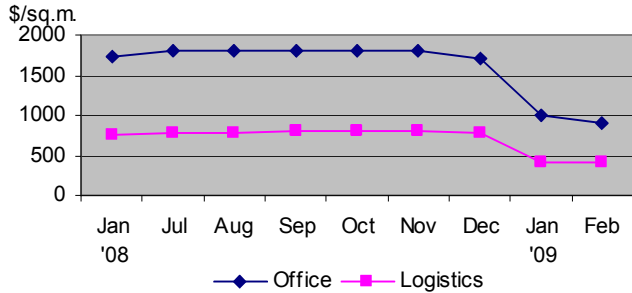
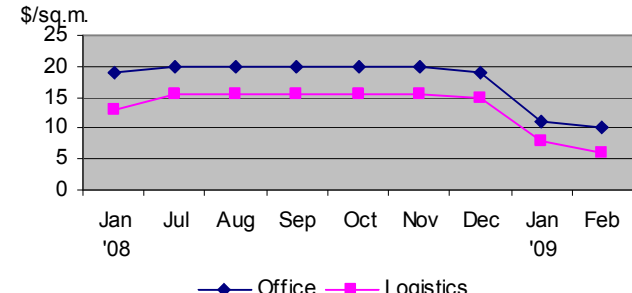
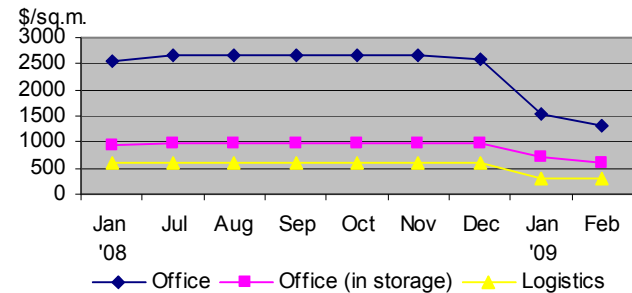
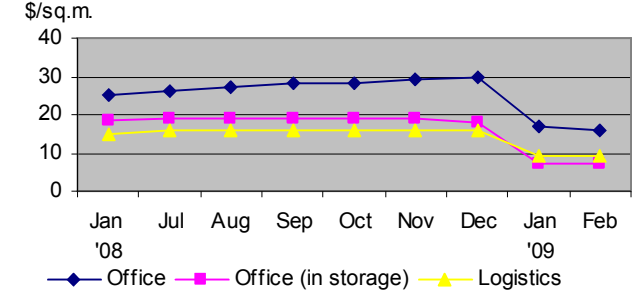
The Dynamics of 1 sq.m Valuation Changes in the Sectors of Commercial Property

Solomyanka (Mechanizatoriv street)			
Sale			
Property Type	Price, \$/1 sq.m		Annual diagram of valuation changes
	01.01.09	01.02.09	
Office	3 100	3 000	
Rent			
Office	34	30	
Brovarskoy district of Kyiv region			
Cottage	1 386	1 266	
Land	4 531	3 931	

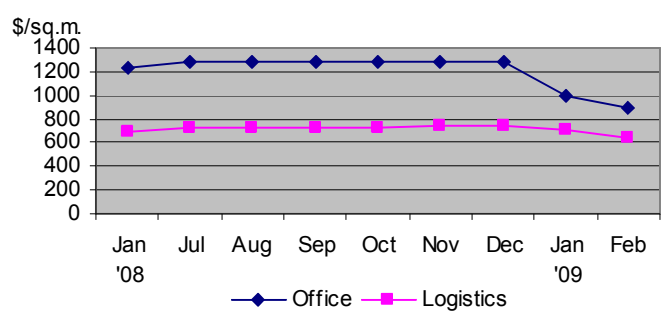
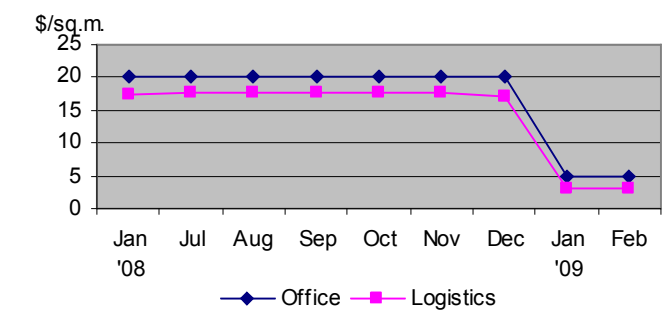
The Dynamics of 1 sq.m Valuation Changes in the Sectors of Commercial Property

New Darnitsa			
Sale			
Property Type	Property Type		Property Type
	01.01.09	01.02.09	
Retail	2 500	2 500	
Office	2 011	2 011	
Rent			
Retail	29	27	
Office	20	19	
Darnitskiy district (Poznyaki)			
Sale			
Retail	2 395	2 395	
Office	2 282	2 197	
Rent			
Retail	30	29	
Office	28	28	

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

Dnipropetrovsk region			
Sale			
Property Type	Property Type		Property Type
	01.01.09	01.02.09	
Office	1 000	900	
Logistics	410	400	
Rent			
Office	11	10	
Logistics	8	6	
Mykolaiv region			
Sale			
Office (city)	1 547	1 315	
Office (in storages)	700	600	
Logistics	300	300	
Rent			
Office (city)	17	16	
Office (in storages)	7	7	
Logistics	9	9	

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

Rivne region			
Sale			
Property Type	Property Type		Property Type
	01.01.09	01.02.09	
Office	1 000	910	 <p>\$/sq.m</p> <p>Jan '08 Jul Aug Sep Oct Nov Dec Jan '09 Feb</p> <p>Office Logistics</p>
Logistics	702	639	
Rent			
Office	5	5	 <p>\$/sq.m</p> <p>Jan '08 Jul Aug Sep Oct Nov Dec Jan '09 Feb</p> <p>Office Logistics</p>
Logistics	3	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
	01.01.09	01.02.09	
Sale			
Retail	5 000	4 700	
Office	2 572	2 315	
Residential	1 974	1 572	
Rent			
Retail	31	29	
Office	18	16,5	

The Dynamics of Valuation Changes of sales for building materials

Name	Price, grn.		Annual diagram of valuation changes
	01.01.09	01.02.09	
Cement, t	800.0	780.0	
Brick, ths.	1 150	1 110	
Foam concrete, cub.m	640.0	700.0	
Pane, sq.m	70.0	67.0	
Malm, t	48.0	48.0	
Metal, t	4 000	4 000	