



# Shopping Malls

## Development Perspectives in Kazakhstan

2<sup>nd</sup> June 2009

Almaty, Hotel 'Kazakhstan'

 **Scot Holland**  
PROFESSIONAL SERVICES

IN ASSOCIATION WITH

**CBRE**

CB RICHARD ELLIS

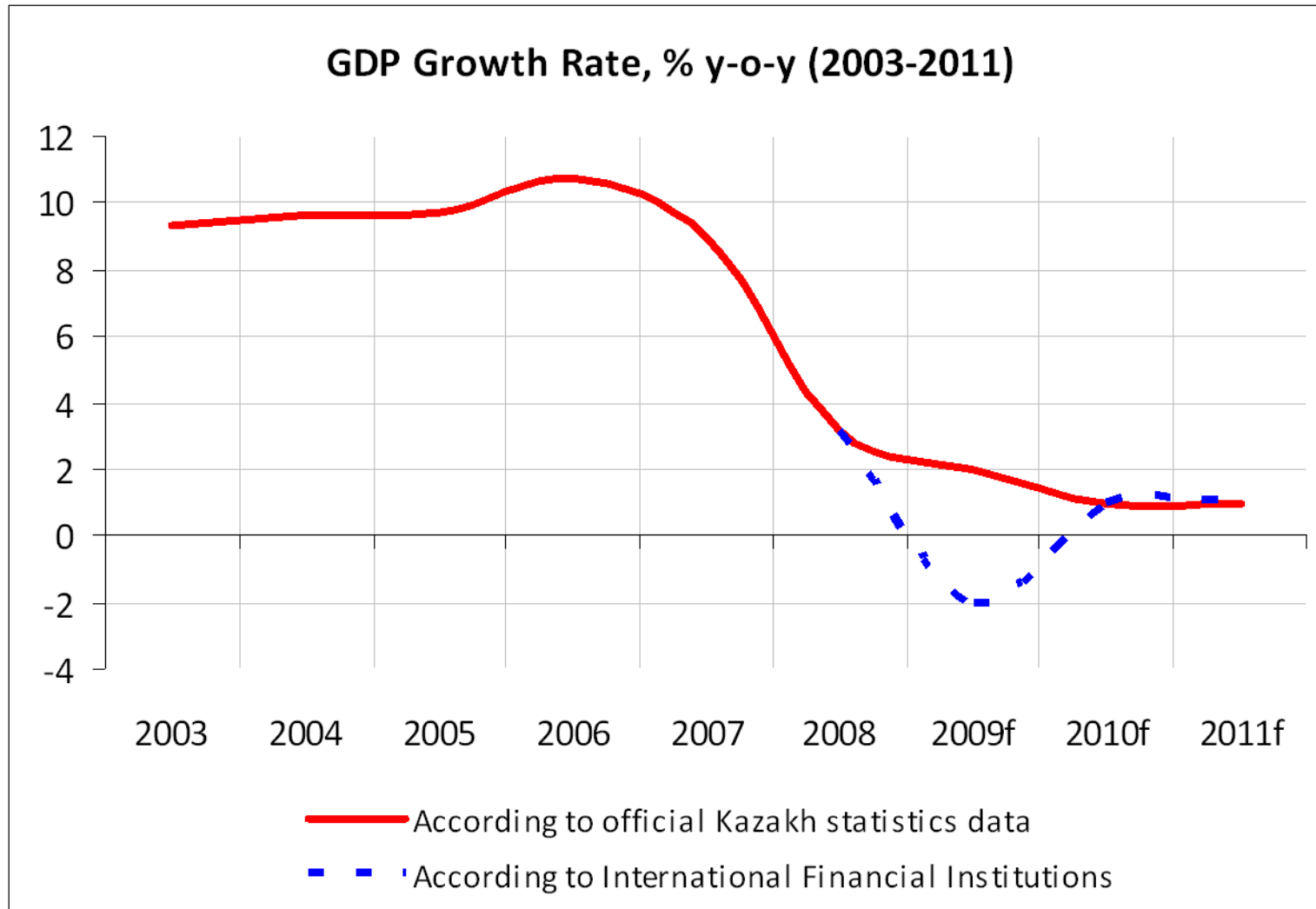
# Kazakhstan Overview



# Map



- Ambition to rank among world's 50 wealthiest nations by 2015;
- Kazakhstan's credit ratings recently reduced to BBB-;
- Construction industry hit severely by current liquidity crisis;
- Will continue to be a primary economic growth driver long-term;
- Major and urgent investments in infrastructure are required;
- Typical emerging market issues;
- Still a relatively well managed and predictable economy.



The image features a solid green background. On the right side, there are two concentric circles drawn with a thin, light green line. The circles are centered vertically and partially cut off by the right edge of the frame. The text 'Major Cities' is positioned between the two circles, centered horizontally relative to the space between them.

Major Cities

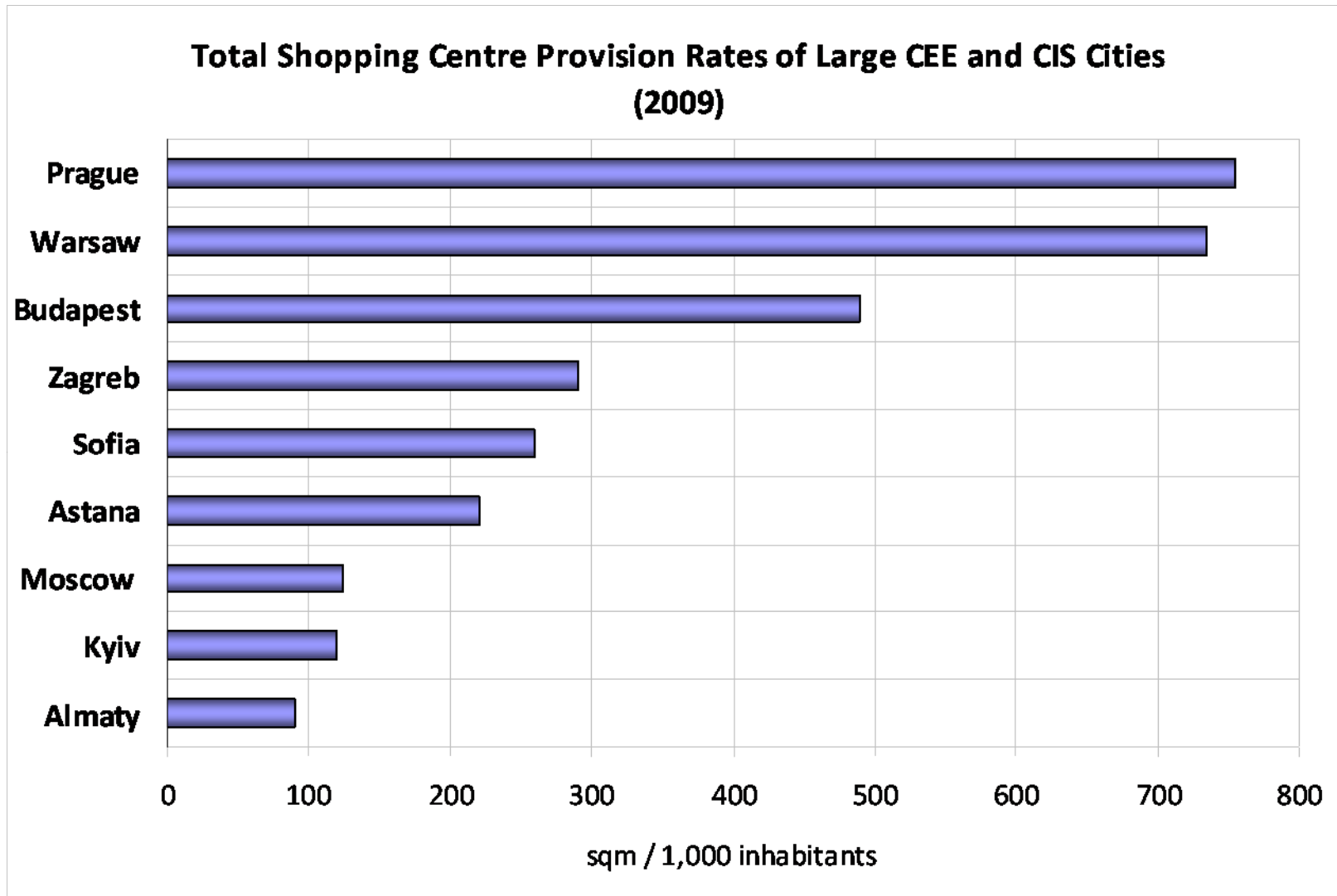
- Largest city in Kazakhstan;
- Official Population  $\approx$  1.3 M people;
- Estimated Population  $\approx$  2 M people;
- Area 325 sq. km;
- Former Capital city (until 1997);
- Cultural, economic and financial centre of the country;
- Almaty Region population  $\approx$  3 M people;
- Population density  $\approx$  11,000 people per sq. km;
- GDP per capita more than USD 15,000;
- Responsible for 26% of total country GDP.

- Kazakhstan's capital since 1997;
- Current Population  $\approx$  600,000 people;
- Population almost tripled during past 10 years;
- Area  $\approx$  710 sq. km;
- Population density  $\approx$  2,200 persons per sq. km;
- Government organizations, diplomatic missions and businesses;
- Retail trade turnover USD 1,3 billion; 9% of Kazakhstan total.

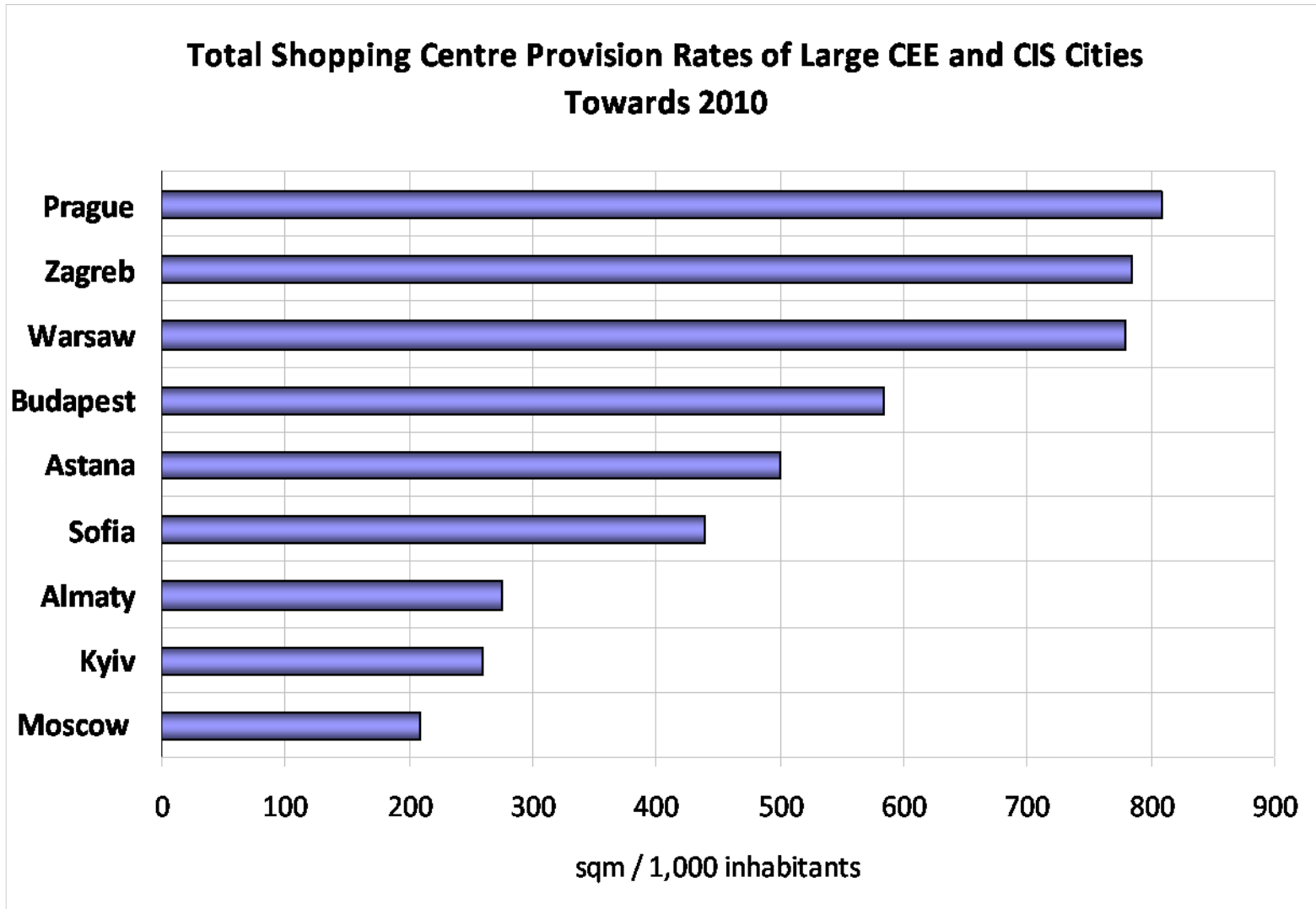


# Market Overview

# Retail Space per Capita - 2009



# Retail Space per Capita – 2010f



- Significant improvement of the quality of new retail facilities;
- Appearance of new-generation conceptual shopping centres;
- Improved amenities such as cinemas, entertainment, bowling, etc.;
- Larger retail spaces in newly-built projects;
- Increased number of international brands and anchor tenants;
- International retail chains consider entering the market;
- Saturation of the Retail market in major Kazakhstan cities.

- Kazakhstan appears 'on the radar screen' of international retailers;
- Entry process hindered by numerous local factors;
- Retail market is underdeveloped mostly due to:
  - low population density;
  - poor infrastructure leading to high logistic costs;
  - low purchasing power of the population;
- Increasing buying sophistication of the population;
- Further improvement of the overall quality of the market;
- Almaty and Astana are the main focus of international retailers.

# Company Overview

The background is a solid dark green color. On the right side, there are two large, thin white circles that overlap each other. The larger circle is positioned behind the smaller one, and they are partially cut off by the right edge of the frame.

The services rendered by **Scot Holland** | **CB Richard Ellis** include:

- Strategic Consulting;
- Market Research & Analysis;
- Valuation;
- Brokerage;
- Office and Retail Agency;
- Property Acquisition;
- Transaction Management;
- Property Leasing;
- Specialized Services;
- Property Disposition.



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