



Main indicators

The re-sale market demonstrated the greatest activity in March 2010, while the rate dynamic on the prime lettings market slowed.

Market segment	Average prices / rental rates, March 2010, \$/sq m (\$/month)	Change in average prices / rates, %	
		For March 2010	For 12 months.
New-build	19 475	0,3	-5,4
Re-sale	24 730	4,5	10,4
Lettings*	6 615	0,2	3,4

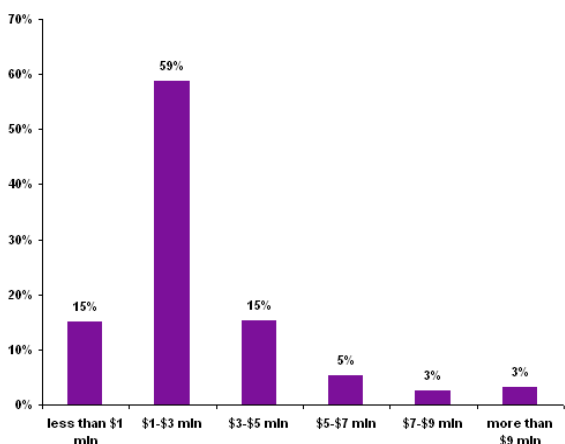
* Rental rates for apartments with a total area of 80 to 150 sq m with high-quality furnishings.

Source: Knight Frank Research, 2010

Trends

- ◆ The volume of supply from new-builds decreased by 6.3% and equaled 1040 apartments in March 2010. Compared with March 2009, the volume of supply has decreased by 18%. However, merely one third of the current supply on the re-sale market is commissioned buildings or in buildings that will be delivered in the course of the year. The volume of supply on the re-sale market decreased by 3.7%, despite active additions to the market by new objects.

The largest volume of supply on re-sale market in March 2010 was found in the price segment ranging from \$1-\$3 mln.



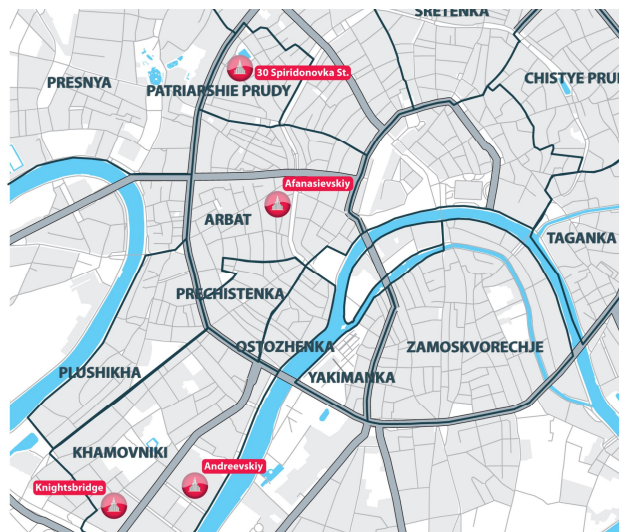
Source: Knight Frank Research, 2010

- ◆ The quantity of deals on the re-sale prime residential market increased by 9% in March. As before, preferences are being given to the apartments in already built residential complexes – more than half of all deals are being closed in completed buildings. More than 70% of all deals on the re-sale prime residential market were closed with budgets ranging from \$1-\$3 mln.

- ◆ At the same time, the mass market is demonstrating an unprecedented rebound. According to data from FGSR, the quantity of deals registered in March surpassed numbers from February 2010 by 71%. As a result, the quantity of deals registered in Q1 2010 surpassed those registered in 2009 by 66%. More activity was recorded only in Q1 2006, when 10% more deals were closed than in the current year.
- ◆ In March 2010, prices on the new-build market grew 0.3%. The growth in prices for the month on the re-sale market equaled 4.5%, which is connected with the entry of super-expensive apartments to the market, which were removed from sale before the crisis. At the same time, owners are raising prices, being led by the high level of demand and anticipations of seasonal activity.
- ◆ A lull entered the rental market in March. Rental rates almost did not change compared to the last year. The volume of supply grew 12.6%, while demand for prime lettings noticeably declined.

Market news

- ◆ In March 2010, 3 new elite projects were announced. MR Group announced its new project, starting the realization of a residential complex on Spiridonovka. Two projects were also presented on MIPIM: Knightsbridge presented «Restoration H», while Vedis presented «Andreevsky Dom». The total area of construction announced for 2010 is more than 122,000 sq m. Moreover, work on the «Afanasievsky» project is resumed. The restarting of Eurasia Tower, which includes apartments, became known, as well as plans by Capital Group regarding the construction of a multi-functional complex on the 16th land plot in «Moscow-City».



Source: Knight Frank Research, 2010

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