

# INVESTMENTS



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*"Despite the certain nervousness, emerged at the investment market in Q2, the balance between demand and supply can be considered stable. The main investors are still the Russian companies, interested in acquisition of quality stabilized assets".*

## MAJOR TRENDS

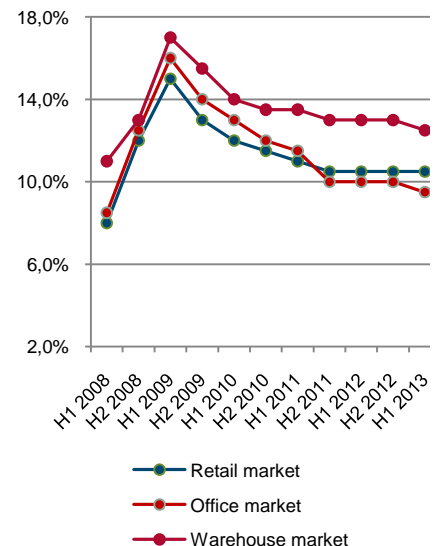
- During the 1st half of 2013 the market of investments into the commercial real estate in Russia has been generally stable.
- Lacking quality supply in the regions, the Moscow market attracted the vast majority of the investments.
- Over the course of the first half of 2013, the retail market was the biggest market for investments.
- The investors continued to be interested in high quality projects, assets that produce significant cash flows.
- The Russian real estate is still the most attractive to the Russian investors; its attractiveness to foreign investors remains rather low. Economic and political problems in Euro zone have significant impact on the capabilities of the European investors, who either have no unallocated funds for investment, or find acceptable investment yield rates in the European market.
- Among the investments into commercial real estate, the foreign capital goes to high class projects in Moscow and Saint Petersburg, big retail complexes and A-Class business centers.
- Land plots with architectural plans offered for sale appeared on the market as a result of, on the one hand, significant increase in number of approved projects and, on the other hand, an increase in long-term risks, related to the economic state.

## CAPITALIZATION RATES

Commercial real estate market segment	Rate
<b>Moscow</b>	
Office real estate	10.0 – 11.0%
Retail real estate	9.5 – 10.5%
Warehouse real estate	12.0 – 13.0%
<b>Saint Petersburg</b>	
Office real estate	10.0 – 11.0%
Retail real estate	9.0 – 10.0%
Warehouse real estate	12.0 – 13.0%

Source: ASTERA an alliance member of BNP Paribas Real Estate

### Changes in capitalization rates in different commercial real estate market segments during 2008-2013 (Saint Petersburg)

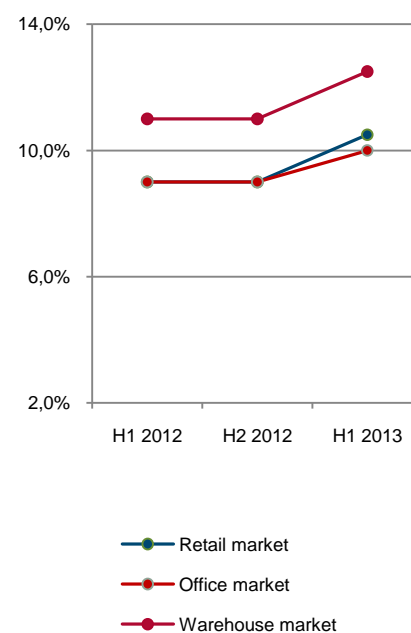


Source: ASTERA an alliance member of BNP Paribas Real Estate

## Investment transactions, 2013

Project	Seller	Buyer	Area, sq. m	Unit price, US \$
<b>Retail real estate</b>				
RLC Metropolis, Moscow	Capital Partners	Morgan Stanley	205,000	1.2 bln
100% of shares owned by JSC Tverskaya, 16 (retail and business centre Gallery Aktyor), Moscow	JSC Stolichnaya strakhovaya gruppa	State oil fund of the Azerbaijani Republic (SOFAZ)	18,000	133 mln
Hypermarket OBI in Borovskoe highway, Moscow	LLC 'OBI Nedvizhimost i Razvitie Rus'	Avica Property Investors International (SPV Romanov Property Holdings)	23,343	N/A
55% of shares owned by RLC Okhta Mall, Saint Petersburg	SRV	RussiaInvest	144,000	25 mln
Industrial site, Saint Petersburg, Stepana Razina str.	Heineken	LLC Stepan Razin Development	7.4 ha	25 mln
Factory Tinkoff, Saint Petersburg	SUN InBev brewery holding	A+ Development	N/A	N/A
RLC 'Lipetskaya yarmarka' (incompleted), the city of Lipetsk	Kilic Foreign Trade Inc	Technic-retail centre (TRC) Folium	50,000	10 mln
RLC Aura, the city of Novosibirsk	Renaissance Construction	RosEuro Development	150,000	N/A
<b>Office real estate</b>				
Class A BC 'Belaya ploshchad', Moscow (intersection of Butyrsky Val and 1st Tverskaya-Yamskaya street)	AIG/Lincoln, VTB Capital Bank and TPG Holdings	O1 Properties	74,000	1.0 bln
Business centre 'Chetyre vetra', Moscow	AFI Development	Millhouse Capital	28,308	370 mln
BC 'Ermitage Plaza', Moscow, Krasno proletarskaya str.	Forum Properties	private Western investor	38,000	245 mln
BC Aquamarin III Moscow	Super Passion Limited	AFI Development	75,000	230 mln
BC 'Severnaya stolitsa', Saint Petersburg	JSC Baltiysky bank	LLC Leasing Centre and LLC FinInvestLeasing	10,000	N/A
Building in Nevsky pr., 58, Saint Petersburg	LLC Lyuka Invest	Gazprom International	8,000	N/A

## Changes in capitalization rates in different commercial real estate market segments during 2012-2013 (Moscow)



Source: ASTERA an alliance member of BNP Paribas Real Estate

Investment company 'O1 Properties' continues acquiring the best office real estate projects on the Moscow market. In March 2013, the company concluded an acquisition transaction of BC 'Belaya Ploshchad' from AIG Lincoln, VTB Capital and American fund of direct investments TPG Capital. Therewith, the transaction on business centre Levium in Nakhimovsky pr. is at the closing stage.

In the 1st half of 2013 the transaction on acquisition of RLC Metropolis by investment fund Morgan Stanley from Capital Partners was concluded (sales price made approximately 1.2 bln \$).

The banks keep supporting the projects under construction with well-developed concept. The most active banks are Sberbank, VTB, Moscow Bank.

Project	Seller	Buyer	Area, sq. m	Unit price, US\$
<b>Hotel real estate</b>				
Hotel 'Renaissance Moscow Olympic', Moscow, Olimpijsky pr.	Viktor RASHNIKOV	Alexandr Klyachin	40,000	170 mln
100% of shares owned by CJSC 'Gostinitsa Alrosa', hotel Vvedensky, Saint Petersburg	JSC Alrosa	LLC Nord	N/A	32.5 mln
<b>Warehouse real estate</b>				
Warehouse complex Tomilino, Moscow region	GNP Group Limited	Group of Companies BIN	89,000	100 mln
5 buildings of Tekhnicheskaya kniga company, Izmajlovsky pr., 29	Holding Tellus Group	private investors	18,000	N/A
Factory Tinkoff, Saint Petersburg	SUN InBev brewery holding	A+ Development	N/A	N/A
Warehouse complexes 'Tolmachyovo' in the city of Novosibirsk, 'Biek Tau' in the city of Kazan, 'Pyshma' in the city of Yekaterinburg	Evrasia-Logistic	CJSC Medion, Management Company 'IQ Property Management'	N/A	800 mln
<b>Land Plots</b>				
Saint Petersburg, Kudrovo - for residential construction	SVP-Group	A B Group	200,000	625 mln
Saint Petersburg, 40 ha within the Morskoy facade project	CJSC Terra Nova	Renaissance	400,000	100 mln
Saint Petersburg, Marshala Blyukhera pr. (land plot 13, to the North-West from intersection with Laboratornaya street) - for residential construction	Property fund	Lider	20,000	25 mln

Source: ASTERA an alliance member of BNP Paribas Real Estate

According to the forecast of the Ministry of Economic Development of the Russian Federation, economics in 2013 will increase by less than 3%.

The most active market players are still the Russian investors.

As the country risk of Russia is high, the changes in legal base and town-planning policy are significant, and global economics is unstable, the foreign investors are not being very active. Investment activity significantly reduced in Q2 at the volatility of the exchange rate. Many planned transactions are postponed until September 2013, when a more precise understanding of the further development perspectives of the Russian economics is yet to be unraveled.

# ABOUT ASTERA

**ASTERA an alliance member of BNP Paribas Real Estate** is an international consulting company, providing professional consulting services in commercial and elite residential real estate. The Company has been actively working on Russian real estate market since 1992. The Company's offices are located in Moscow, St. Petersburg and Kiev.

ASTERA is the partner of **BNP Paribas Real Estate** in Russia and Ukraine. BNP Paribas Real Estate is a leading international real estate company and the largest company by gross turnover among European consulting companies by year 2010, according to annual rating of authoritative publication Property Week.

An alliance with BNP Paribas Real Estate gives ASTERA the opportunity to represent the interests of their clients abroad and to attract foreign investments into Russian development projects.

ASTERA portfolio comprises retail, office, industrial, warehouse and hotel projects, including large multi-functional complexes and commercial premises of street retail format, detached buildings, 'built-to-suit' projects and land plots.

ASTERA portfolio includes over **500 implemented projects** of strategic and investment consulting and the exclusive data base consisting of **30,000 objects** in all segments of commercial real estate. Since 1992 ASTERA consultants have leased and sold **more than 6,000,000 sq. m** of commercial premises and concluded over **9,000 transactions** on commercial real estate market in Russia and Ukraine.

ASTERA has assisted over **4,000 clients**, including major international and Russian financial, investment, trading and industrial corporations and networks.

*ASTERA provides a full range of services for investors, developers, owners, tenants and buyers of commercial and elite residential real estate:*

- Consulting services
- Investment consulting
- Real estate valuation
- Brokerage services
- Pre-brokerage
- Representing the clients' interests
- Property management
- Legal services
- Real estate projects promotion

*A reputation of ASTERA is a member of the leading Russian and international professional organizations:*

- Guild of Managers and Developers (GUD)
- Russian Shopping Malls Council
- Russian Realtors Guild
- Russian-British Chamber of Commerce
- European Business Association

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