

Яков и Партнёры

Outlook for Russia's Real Estate Development Industry: Survival Guide

November 2024



After strong growth, developers may face slowing demand and declining margins

1 **Government support has spurred the real estate development market growth:** in the last 3 years, new housing supply has increased by 28 mln m², and housing space per person by 8%

2 **The real estate development industry has faced a number of challenges since 2022:**

- **Cost escalation:** rising wages, construction materials and financing costs due to the Central Bank rate increases
- **Declining demand** driven by cuts in subsidized loan programs and mortgage rate hikes

3 **During similar crises** in China, Japan, and the US, **demand for new homes fell by 26–48% and housing prices by up to 30%**

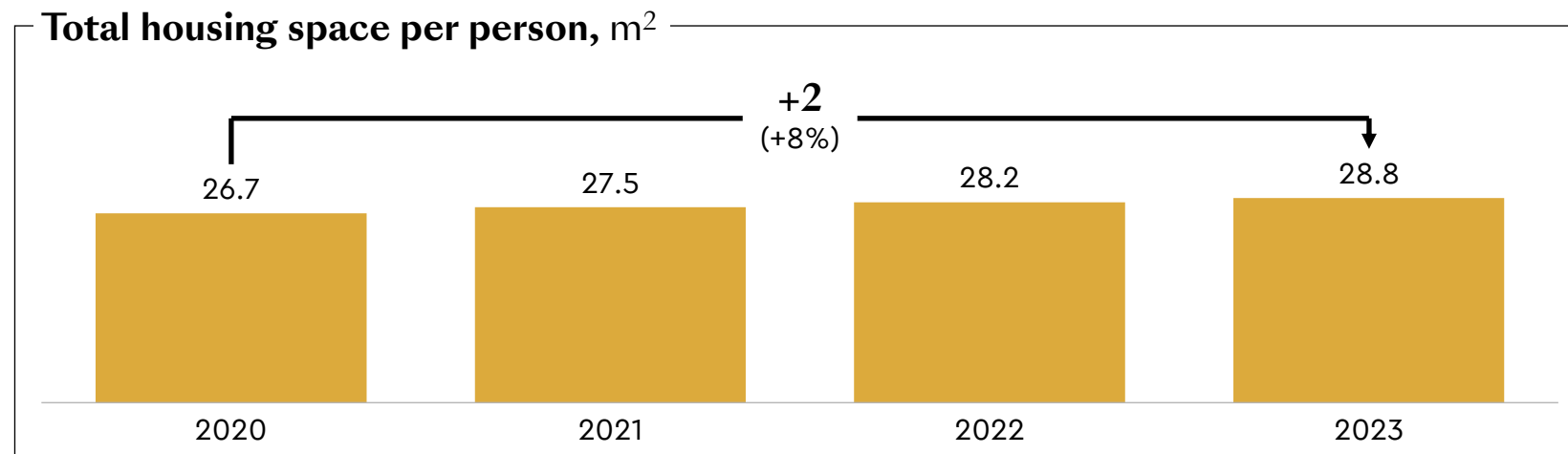
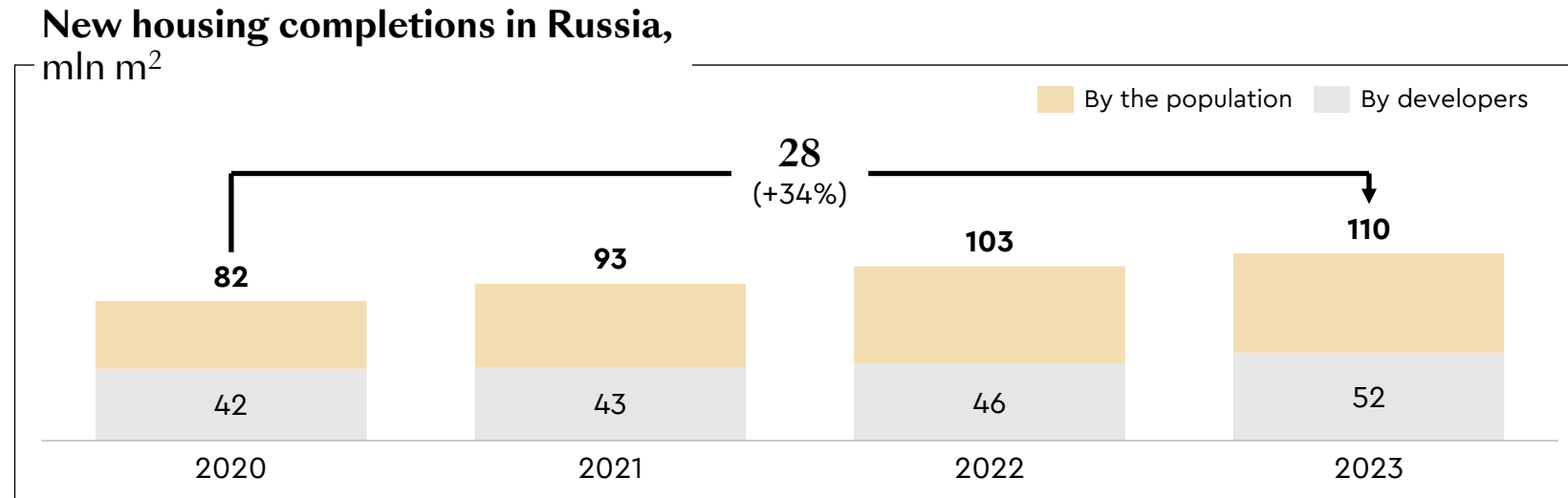
4 According to our estimates, based on current trends, **new home sales may fall by 19–35% in 2025.** In the base case, this means a **decline in sales** from RUB 7.5 tn in 2023 to **RUB 5.3 tn in 2025**

5 Market downturn and rising construction costs **could result in 30% of developers posting losses as early as 2025**

To weather the crisis, the most appropriate strategy will be to implement a set of relevant solutions for strategic diversification, operational development, and product improvement



Government support boosted new housing completions by 34% in 2020–2023



1. The rate from 2018 through July 2023 was at 4.25–8.50%, but there was a temporary spike to 20% between February and August 2022, at the outbreak of the special military operation

Key growth drivers for the real estate development market

Government support:

1.6 mln loans issued under subsidized mortgage programs for more than RUB **6.1** tn from April 2020 to July 2024

1,800 low-margin housing construction projects for **23** mln m² benefited from the program of government-supported project financing in low-income regions

4.25–8.5%¹ was the Central Bank rate until July 2023, which fueled market growth by attracting cheap finance for housing construction and purchase¹

Costs went up in 2022 and subsidized programs and real estate demand declined in 2024

Problem

Purchasing power contraction



Rising costs for developers



Causes

Central Bank rate increase up to 21% in October 2024, followed by mortgage lending rate increase

Curtailment of government programs to **subsidize mortgage lending**:

- **Termination of subsidized mortgages in July 2024.** In 2023, subsidized loans worth RUB 2 tn were issued¹
- **Stricter requirements for IT mortgages** from 2024, making it impossible to buy homes in Moscow and St. Petersburg

Construction materials price growth is outpacing housing price growth and inflation due to the rising Central Bank interest rate, rising prices of imported equipment, and logistics cost escalation (**10–25% growth** on average in H1 2024 alone)

Labor shortage in the industry due to:

- demographics and geopolitics
- labor migration to industries with higher wages
- stricter migration controls

To stimulate demand, **interest rate subsidies by the developer and tranche lending are being introduced.** The share of such loans will be 24% in 2025 and 28% in 2026

Impact on the real estate development market

- **20–70% decrease in demand for new homes** in the first 2 months after subsidized mortgages were withdrawn
- Housing **price growth is expected to slow down** to 1–5% in the next 3–5 years. As a consequence, investment attractiveness of the housing market will decline
- **2–5 p.p. decrease in business margins** due to cost growth outpacing the increase in housing prices
- **Decrease in business margins** due to higher labor costs and downtime associated with understaffing
- **Average wage growth of 30–40%** across the industry in 2023–2024
- **Expected wage growth of 40–45%** in the industry by 2026
- **A 13% increase in construction costs** per square meter **by 2027** due to higher financing costs

1. For the purchase of new multi- and single-family housing

Similar problems in the real estate market occurred during the crises in Japan, the US, and China between the 1990s and 2010s

Description of real estate crises

1990s

"The Lost Decade" in Japan

- From 1987 to 1990, **demand for real estate grew by 51%, while prices rose by 30%**
- The drivers of **long-term growth included**:
 - low **key rate**
 - **increased purchasing power** due to economic growth (increased exports, industrial development, etc.)
 - **buying up real estate for resale** due to constant expectation of price growth
- **From 1990 to 1993, demand fell by 48%** as exports declined and the economy slowed

2000s

The 2008 financial crisis in the US

- From 2002 to 2006, **real estate transactions increased by 18% and prices rose by 37%**
- **The boom** in the real estate market was **mainly driven by**:
 - **issue of low-interest mortgages to borrowers with a high risk of bankruptcy**
 - issue of mortgage-backed securities and subsequent **speculation on the stock market**
- From 2007 to 2008, **demand fell by 37% and prices dropped by 25%**. Failure to pay mortgages led to foreclosures and the subsequent oversupply in the market (against the backdrop of banks getting rid of assets on their balance sheets)

2010s

China's currency crisis in 2015

- **From 2008 to 2013, home sales increased by 90% – this growth was fueled by a surge in exports in the 2000s through the 2010s.** At the same time, prices remained roughly flat
- **The boom in real estate supply and demand was driven by**:
 - **increased purchasing power** due to economic growth (increased exports, industrial development, etc.)
 - **buying up real estate for resale** due to constant expectation of price growth
 - **urbanization** of the population
- **From 2013 to 2016, demand fell by 26%** due to declining exports, falling real incomes, and a weaker yuan

01

A sharp drop in demand plays a central role in times of crisis, as falling prices are offset by a drop in new home completions

Key indicators

Crisis period

Real estate price index

XX Inflation, %

1990s

"The Lost Decade" in Japan

- **Cause:** a "bubble" due to low key rates, buying up properties for resale
- A 30% drop in new home completions in 1990–1993
- In the short term, a small price decline (~4%)

Number of completed MDUs¹, '000

Year	Number of completed MDUs ('000)
1988	111
1989	128
1990	145
1991	85
1992	75
1993	105
1994	188
1995	178

Key rate

Year	Key rate (%)	Inflation (%)
1988	2.5%	0.1
1989	3.2%	2.3
1990	5.4%	3.1
1991	5.7%	3.3
1992	3.8%	1.8
1993	2.4%	1.2
1994	1.8%	0.7
1995	1.0%	-0.1

2000s

The 2008 financial crisis in the US

- **Cause:** low-interest mortgages issued to borrowers with a high risk of bankruptcy; use of mortgage-backed securities for stock market speculation
- Real estate transactions fell by 15% between 2007 and 2011
- Prices fell by ~30% from 2007 to 2011

Number of real estate transactions, mln

Year	Number of real estate transactions (mln)
2005	81
2006	78
2007	60
2008	49
2009	53
2010	50
2011	51
2012	56
2013	61

Key rate

Year	Key rate (%)	Inflation (%)
2005	1.3%	1.6
2006	5.0%	3.2
2007	5.0%	2.9
2008	1.9%	3.8
2009	0.2%	-0.4
2010	0.2%	1.6
2011	0.1%	3.2
2012	0.1%	2.1
2013	0.1%	1.5

2010s

China's currency crisis in 2015

- **Cause:** real estate demand plunged 26% due to lower exports, falling real incomes, and a weakening yuan
- Development projects contracted by ~20% between 2013 and 2016
- No real price decline, prices reached pre-crisis levels in 2017

Volume of new MDU starts, tn m²

Year	Volume of new MDU starts (tn m ²)
2011	1.3
2012	1.2
2013	1.3
2014	1.1
2015	1.0
2016	1.0
2017	1.2
2018	1.4

Key rate

Year	Key rate (%)	Inflation (%)
2011	6.9%	5.9
2012	6.6%	2.6
2013	5.7%	2.6
2014	5.5%	1.9
2015	4.3%	1.4
2016	4.3%	2.0
2017	4.3%	1.6
2018	4.3%	2.1

1. Multi-dwelling unit

Source: World Bank, Trading Economics, US Federal Reserve Board, US Department of the Treasury, Government of Japan, Yakov and Partners analysis

Яков и Партнёры

6

To support developers, governments adopted a series of economic stabilization measures to stimulate supply and demand

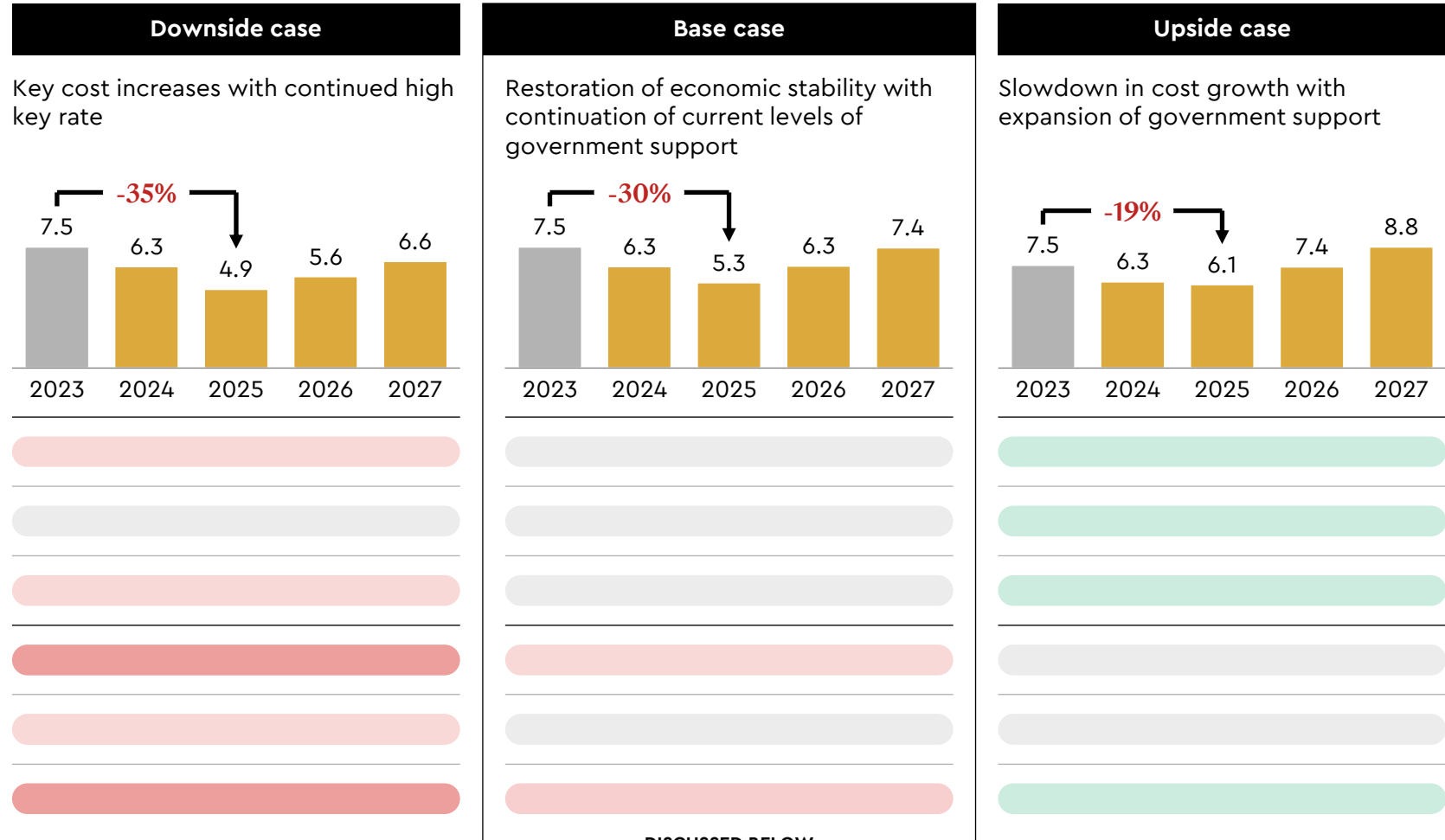
Measures taken



Three scenarios for the development of the Russian new home market have been identified, with sales declining between 19% and 35% by 2025

Improvement No change Deterioration

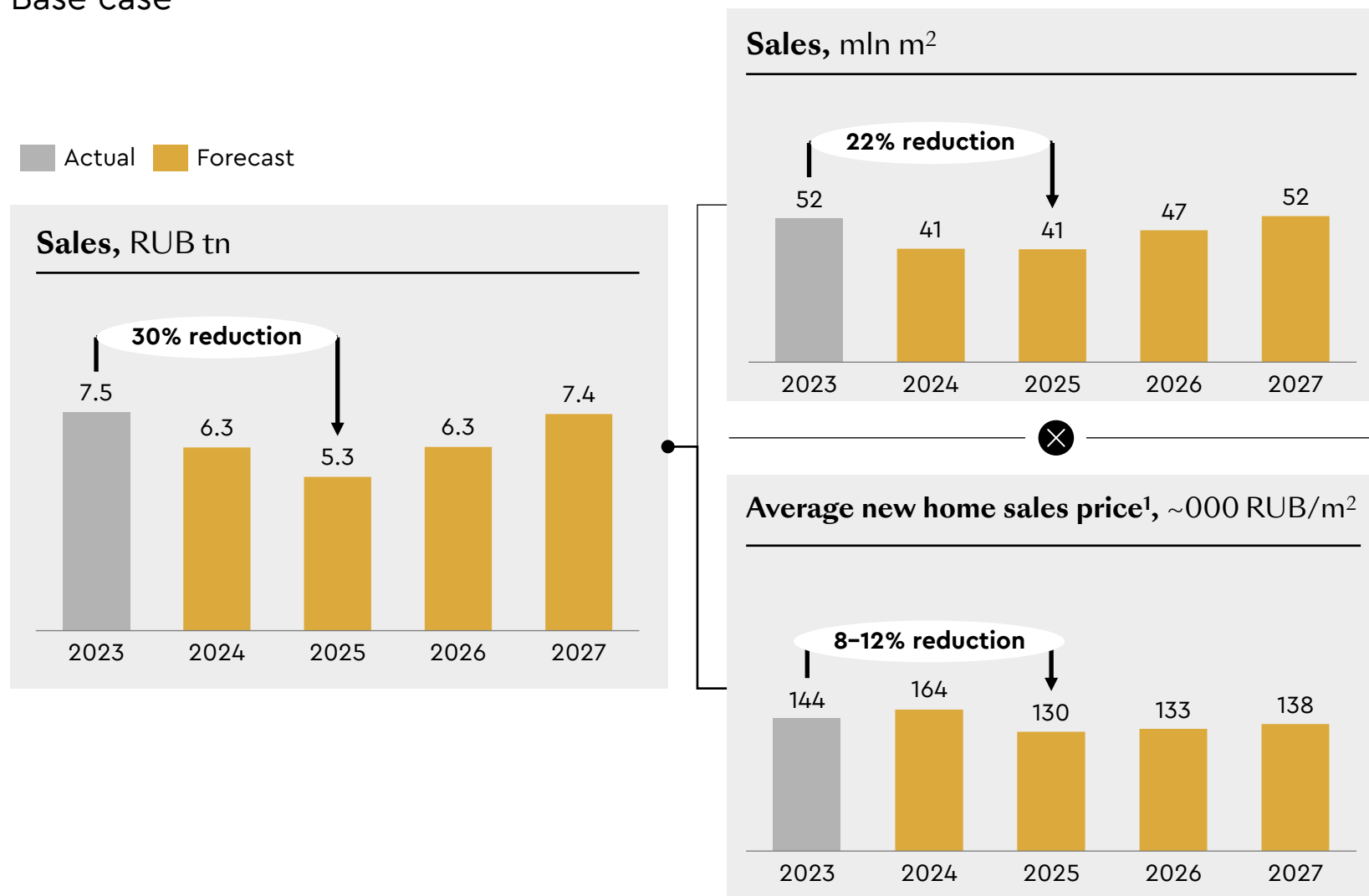
New home market size, RUB tn



DISCUSSED BELOW

In 2025, the new home market could see a 30% drop in sales

Base case



1. In nominal prices

Key market drivers in 2024–2027

Sales volume

Decrease in demand for housing:

- Demand contraction with **high CBR rate and loss of purchasing power, and slow recovery of demand following CBR rate reduction**
- **End of subsidized mortgages and stricter requirements for IT mortgages**
- Reallocation of investment to commercial real estate

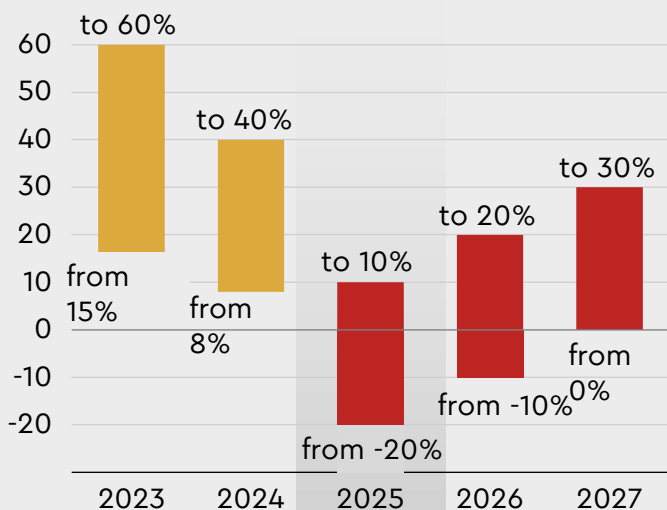
Average price

Up to 12% sales price adjustment through:

- **Discounts offered** by developers to maintain sales volume and repay project financing (5%–30%)
- **Emergence of bank products** to support demand (variable rate mortgages, deferred first payment, etc.)
- **Continued high inflation** in 2024–2025 (15%–20%), preventing a more significant decline in prices

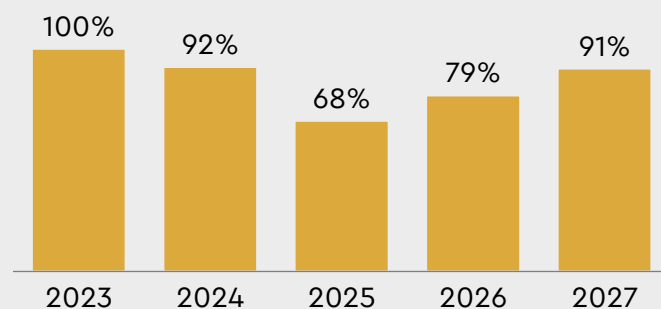
Rising construction costs coupled with falling real prices will lead to losses for some market players

Developers' margins

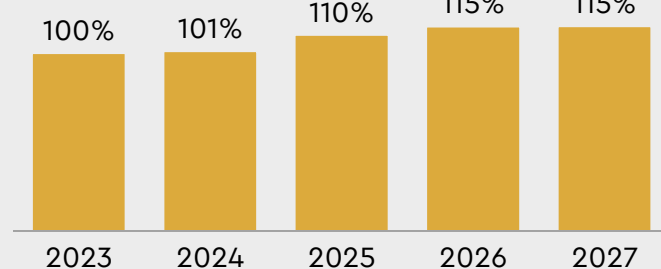


~30% of companies will be in the red, some projects will be canceled or postponed, and companies will begin to cut costs aggressively

Real price index for 1 m² of new housing¹



Construction cost index of 1 m²



Drivers of cost changes in 2024–2027

- More stringent migration legislation will exacerbate labor shortages and drive wages higher
- Key rate hikes will increase financing costs and reduce demand
- Construction commodity price growth will slow down from 2025 as demand declines and completions remain high

The probability of the forecast may change due to the following factors

- Introduction of new government measures to support consumer demand
- Weakening of migration control or creation of programs to attract migrants
- Weakening or tightening of sanctions policy against Russia

1. In a high inflation environment, nominal prices will rise

01

After strong growth, developers may face slowing demand and declining margins

02

To weather the crisis, the most appropriate strategy will be to implement a set of relevant solutions for strategic diversification, operational development, and product improvement

1

International experience shows that **developers pursue three lines of action** to minimize the impact of crises: strategic **diversification**, **operational** development, and **product improvement**

2

Depending on the company's focus and success in implementing the approaches, the **potential benefit could be up to a 290% increase in EBITDA** over the long term

3

Progressive **international developers tend to focus on four to eight tools**, allowing them to grow their business even during crises

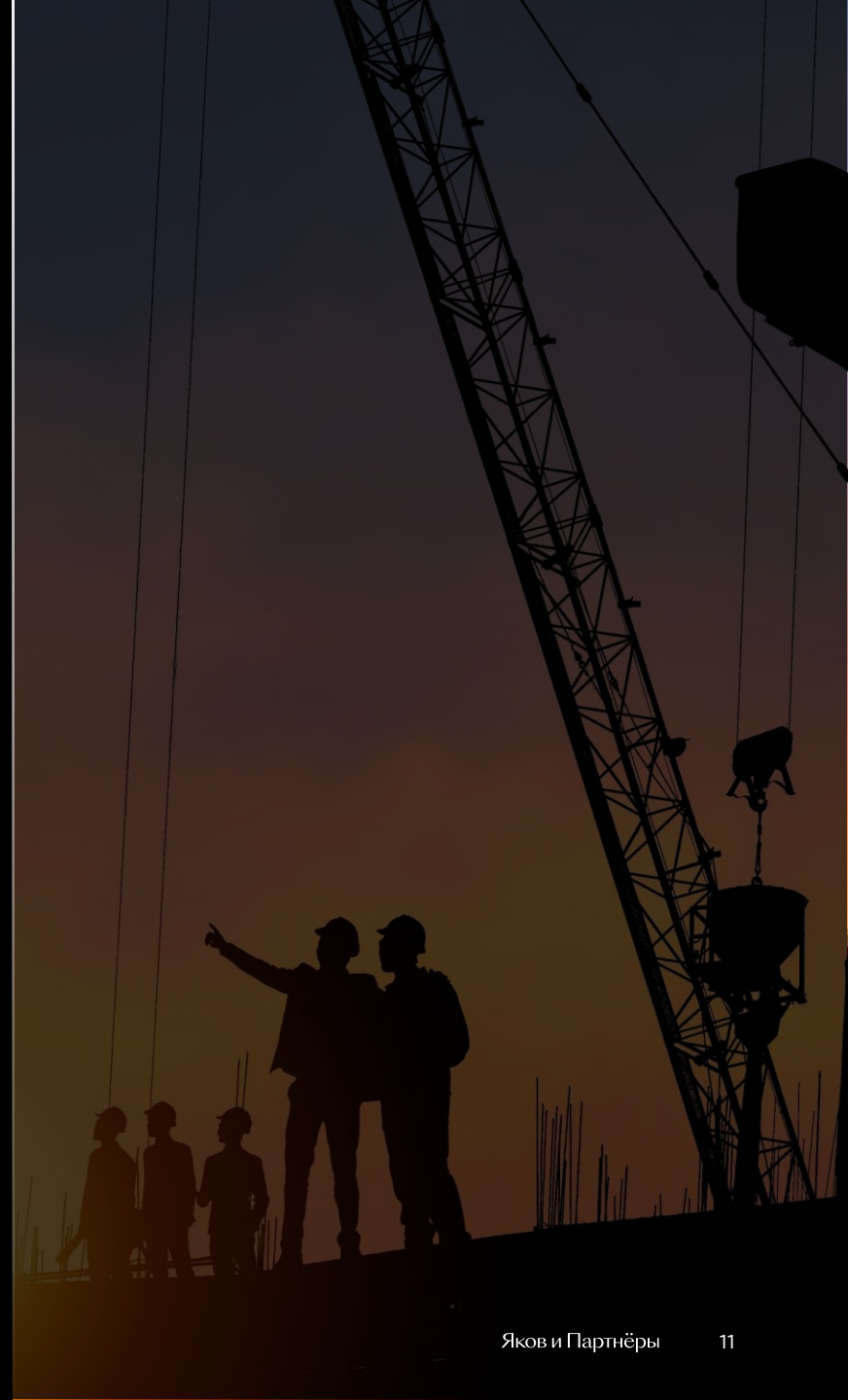
4

Analysis of the Russian market shows that:

- Leaders already use many of the tools, but **some tools are underdeveloped**
- However, the majority of players use a **limited set of tools**

5

To mitigate the challenges, **it is necessary to implement a series of measures in each of the three areas** to cover the expected 30–40% reduction in margins




There are three key lines of action that developers use to proactively navigate times of crisis

Strategic diversification




Geography/location 


Expansion into new markets at home or abroad

Type of real estate 

Expansion of the current portfolio to other property types and formats and/or other price niches

Vertical integration 


Branching out into upstream or downstream stages of the value chain or related businesses

Horizontal integration 


Increasing market share through acquisitions of or mergers with competitors

Operational development




Use of government subsidies 

Implementation of public infrastructure projects and obtaining subsidies

Operational efficiency 


Operational improvement from land purchase to SoC¹, including implementation of technology solutions

Business model 

Including models of operation without land acquisition, focus on property management, franchise models, etc.

Digitalization 


Implementation of proptech² and contech³ solutions for construction management, building maintenance, financing, etc.

Financial optimization of debt burden 


Improved debt-to-assets ratio

Product improvement




Product efficiency improvement 


Product change focused on improving margins per square meter (e.g., optimizing the apartment mix)

Adaptation to customer needs 

Product redesign to better meet current and future customer needs in a declining market / focus on cost reduction

Additional services 

Development and implementation of additional services that will emerge as centers of gravity for acquiring customers

Marketing and pricing strategies 

Revision of current pricing, optimization of sales strategy to match product offerings




1. Statement of conformity
 2. Property technology (technology and innovative real estate products, services, and business models)
 3. Construction technology (technological and innovative products used in the construction process)
 Source: Yakov and Partners analysis

By focusing on four to eight tools, leading developers were able to drive their business through the crisis periods

✓ Initiative utilized by the company


■ Mid-sized players that have grown significantly

■ Market leaders that managed to hold on to their positions

		USA			China		Singapore	Japan	
		NVR	LENNAR	RELATED	B	vanke 万科	CapitaLand	TOKYU LAND CORPORATION	NOMURA REAL ESTATE DEVELOPMENT
Strategic diversification 	Geography/location	✓	✓		✓	✓	✓	✓	✓
	Type of real estate			✓	✓			✓	✓
	Vertical integration	✓	✓	✓		✓	✓		
	Horizontal integration	✓			✓				
Operational development 	Use of government subsidies			✓			✓		
	Operational efficiency	✓	✓	✓		✓	✓		✓
	Business model	✓	✓			✓		✓	
	Digitalization				✓	✓	✓		
	Financial optimization of debt burden	✓				✓			
Product improvement 	Product efficiency improvement				✓		✓	✓	
	Adaptation to customer needs			✓		✓			✓
	Additional services			✓	✓	✓			
	Marketing and pricing strategies	✓	✓	✓	✓		✓		

A combination of diversification and operational development strategies enabled Related to grow in the face of the crisis


- Geography/location
- Type of real estate
- Vertical integration
- Horizontal integration
- Use of government subsidies
- Operational efficiency
- Business model
- Digitalization
- Financial optimization of debt burden
- Product efficiency improvement
- Adaptation to customer needs
- Additional services

Context 


The 2008 economic crisis

In 2006–2008:

A sharp rise in real estate prices due to a large number of cheap and risky loans issued, followed by a market collapse when interest rates rose

37% 

Average decrease in the number of sales transactions

30% 

Average decline in home values after 2007

Strategies

Diversified project portfolio

Multi-dwelling units, luxury real estate, commercial real estate, mixed-use

Vertical integration

- Design office
- Construction division
- MC for property management

Use of government subsidies

for the extension of seven metro lines and the construction of related public infrastructure

Operational efficiency

- Downsizing
- Energy savings during construction with advanced equipment

Adaptation to customer needs

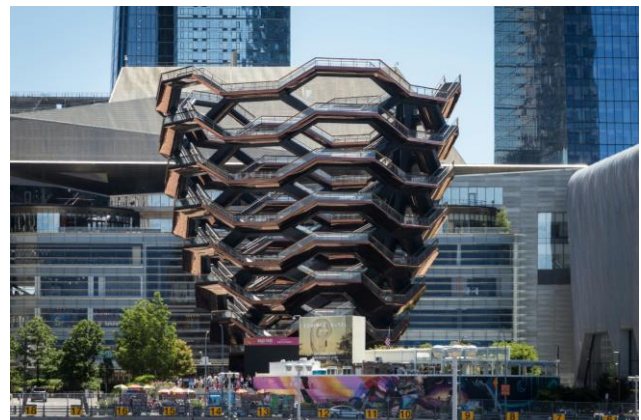
Offering free months of rent for long-term private tenants

Additional services

Concierge services, relocation assistance, interior design, selection of renovation contractors

Outcome

- Lead developer of the **largest private real estate development project in US history** (Hudson Yards in New York City)
- **Strong drive to scale the business** through diversification **in the 2010s**
- Stable **cash flows during and after the crisis** due to expansion of the rental segment



During the crisis, CapitaLand's liquidity build-up enabled it to start buying up distressed assets

- Geography/location
- Type of real estate
- Vertical integration
- Horizontal integration
- Use of government subsidies
- Operational efficiency
- Business model
- Digitalization
- Financial optimization of debt burden
- Product efficiency improvement
- Adaptation to customer needs
- Additional services

Context 

The 2008 economic crisis

Reduced demand for real estate due to general economic slowdown and fear of recession

20–30% 

decrease in sales of office, commercial, and residential real estate

Strategies

Geographical diversification

Committing USD 2.2 bn of equity to acquire and develop seven major sites in China

Vertical integration

Establishment of an autonomous site management unit

Use of government subsidies

Reduced interest rates on loans for the use of energy-efficient building technologies in accordance with the requirements of the Green Financing Program

Operational efficiency


- Large-scale organizational transformation with a focus on reducing payroll
- Investing in startups, including an in-house technology startup incubator

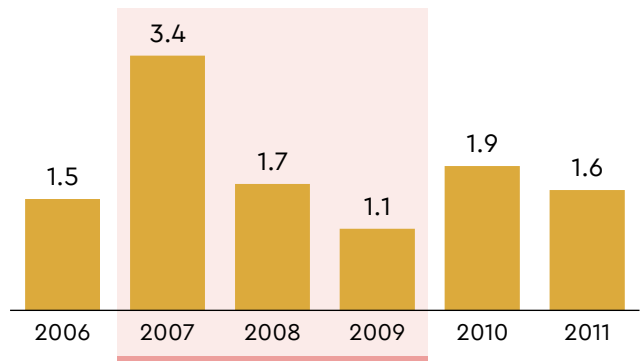
Product efficiency improvement

Energy-efficient solutions: ventilation, intelligent water management systems, etc.

Outcome

Profit before tax, USD bn

 Crisis period



Year	Profit before tax (USD bn)
2006	1.5
2007	3.4
2008	1.7
2009	1.1
2010	1.9
2011	1.6

- **Doubling of revenues** through aggressive **land acquisition** and dramatic **expansion of footprint in China**
- Focus on **less distressed** regions of China
- **Diversifying operations**, expanding into new locations, investing in technology companies (Ascendas-Singbridge, Digital Realty), etc.

A combination of approaches enabled Vanke Group to overcome the 2013–2016 property market crisis in China

- Geography/location
- Type of real estate
- Vertical integration
- Horizontal integration
- Use of government subsidies
- Operational efficiency
- Business model
- Digitalization
- Financial optimization of debt burden
- Product efficiency improvement
- Adaptation to customer needs
- Additional services

Context

The 2013–2016 economic crisis

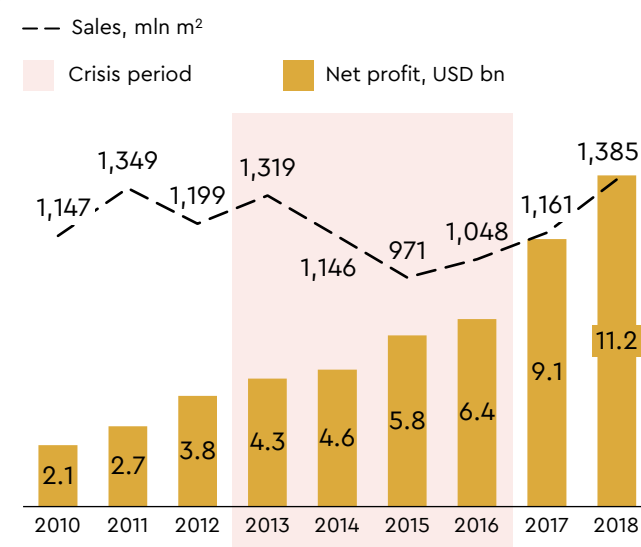
Sales in the regions almost came to a standstill, creating ghost towns. A 1.65 p.p. interest rate cut stimulated sales in only five to seven major cities

26% 

Average decrease in the number of sales transactions

- ### Strategies
- Geography/location**
Going to the US, EU, and Singapore markets
 - Vertical integration**
Logistics companies (VX Logistics), long-term rental services (Vanke Property Management)
 - Operational efficiency**
BIM, prefab and precast structures, high-strength steel and concrete, unit coordination systems
 - Business model**
Development of the cooperation model (the developer does not acquire the land to build on)
 - Digitalization**
ERP¹ systems, online home buying and selling services, internal communication software
 - Financial optimization of debt burden**
Selling a portion of the land portfolio to use the proceeds to repay debt













Outcome



- Successfully weathered the crisis and dramatically increased net income in the post-crisis period
- Achieved a 20% efficiency improvement in 64% of its major projects
- Added six new cities abroad, launched a number of new businesses and digital products

1. Enterprise resource planning

With a low debt load and a unique land business model, NVR successfully navigated the crisis


-  Geography/location
-  Type of real estate
-  Vertical integration
-  Horizontal integration
-  Use of government subsidies
-  Operational efficiency
-  Business model
-  Digitalization
-  Financial optimization of debt burden
-  Product efficiency improvement
-  Adaptation to customer needs
-  Additional services

Context


The 2008 economic crisis

In 2006–2008:

A sharp rise in real estate prices due to a large number of cheap and risky loans, followed by a market collapse when interest rates rose

37% 

Average decrease in the number of sales transactions

30% 

Average decline in housing values after 2007

Strategies

Shifting geographic focus

Avoidance of competition in the largest regions and selection of the best projects in second-tier regions with less inflated prices

Vertical integration

Establishment of in-house manufacturing of construction/cladding materials and ventilation equipment

Horizontal integration

Post-crisis acquisition of developers (e.g., Heartland Homes) to boost growth

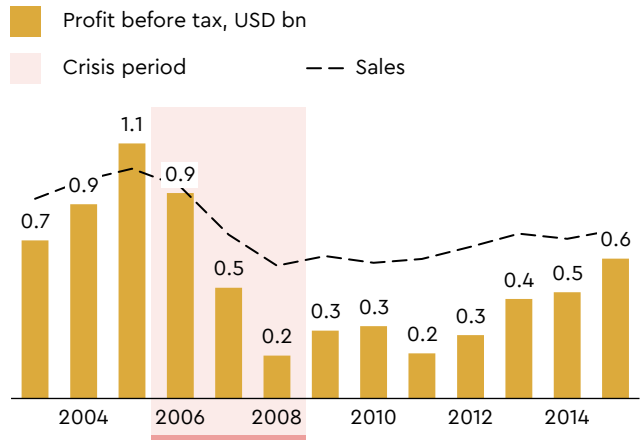
Improvement of the business model

- Strategy of buying land ready for development instead of preparing "raw" land
- Purchasing land through options

Financial optimization of debt burden

Low debt burden (in pre-crisis period, debt was ~10% of assets) with large amount of cash on hand (20–25% of capitalization)













Outcome



Year	Profit before tax (USD bn)	Sales (USD bn)
2004	0.7	0.7
2005	0.9	0.9
2006	1.1	1.1
2007	0.9	0.9
2008	0.2	0.2
2009	0.5	0.5
2010	0.3	0.3
2011	0.3	0.3
2012	0.2	0.2
2013	0.3	0.3
2014	0.4	0.4
2015	0.5	0.5
2016	0.6	0.6

- **The only one of the top 5 US homebuilders** in the 2000s to **maintain positive net income** throughout the crisis
- Land model helped **avoid risks associated with increased costs** of land preparation
- **Focus on regional markets** least affected by the crisis helped avoid massive **price declines**
- Accumulation of cash before and during the crisis allowed the company to **actively pursue the acquisition of unstable developers** in the 2010s

China Overseas Land & Investment focused on strategic diversification

-  Geography/location
-  Type of real estate
-  Vertical integration
-  Horizontal integration
-  Use of government subsidies
-  Operational efficiency
-  Business model
-  Digitalization
-  Financial optimization of debt burden
-  Product efficiency improvement
-  Adaptation to customer needs
-  Additional services

Context 

The 2013–2016 economic crisis

Interest rates fell 1.65 p.p., boosting real estate sales in major cities

26% 

Average decrease in the number of sales transactions

Strategies

Geography/location
Expansion into new regions within China, more international projects (e.g. London)

Vertical integration
Establishment of a new supply chain management company for the building materials sector

Type of real estate
Development of projects that are not typical for the developer, e.g. high-end low-rise residential buildings

Horizontal integration
Acquisition of land with a total area of 32 mln m² from a developer on the verge of bankruptcy

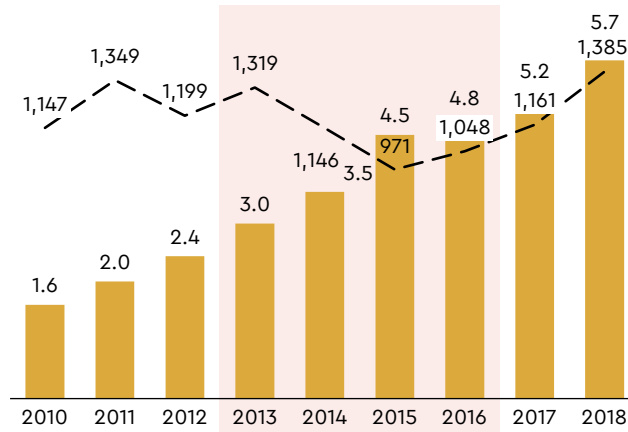
Digitalization
Creation of a technology company for the digital management of housing construction and business operations

Development of additional services
Launch of a service for long- and short-term leasing of office space, co-working spaces, conference rooms

Outcome

— Sales, mln m²

■ Crisis period ■ Net profit, USD bn






Year	Sales (mln m ²)	Net profit (USD bn)
2010	1,147	1.6
2011	1,349	2.0
2012	1,199	2.4
2013	1,319	3.0
2014	1,146	3.5
2015	971	4.5
2016	1,048	4.8
2017	1,161	5.2
2018	1,385	5.7

- The Group **successfully navigated the crisis** and continued to increase its net profit in 2013–2016
- **Active diversification of activities**, in particular by expanding into new regions and changing the type of real estate, allowed COLI to increase its share in non-core markets during the crisis
- However, **borrowing was one of the main levers that allowed COLI to successfully weather the crisis**

Domestic market leaders are already developing some tools, but there is still significant room for growth in corporate efficiency

Intensity of tool use: █ High █ Medium █ Low

	Russian market leaders ¹	Typical players
Strategic diversification 	Geography/location █ <ul style="list-style-type: none"> Starting projects in foreign markets Many companies have a broad regional footprint 	█ <ul style="list-style-type: none"> Expansion into another Russian region
	Type of real estate █ <ul style="list-style-type: none"> Branching out into new price segments and property types 	█ <ul style="list-style-type: none"> Expansion into new types of real estate
	Vertical integration █ <ul style="list-style-type: none"> Some companies opened their own business units at different stages of the real estate development cycle, e.g. PIK (production of ceramic tiles, cladding), Samolet (real estate aggregator) 	
	Horizontal integration █ <ul style="list-style-type: none"> Inorganic market share gains, e.g. by acquiring competitors 	
Operational development 	Use of government subsidies █ <ul style="list-style-type: none"> PPPs for infrastructure and public facilities, integrated territorial development Housing renewal program 	
	Operational efficiency █ <ul style="list-style-type: none"> Headcount optimization Utilization and development of automated procurement and project management systems 	
	Business model █ <ul style="list-style-type: none"> Some companies pursue fee development, franchising, commercial real estate management, or set up in-house contractors 	
	Digitalization █ <ul style="list-style-type: none"> Launch of a real estate software development company Application of BIM² technologies Implementation of construction process automation platforms Launch of an automated contractor engagement system 	█ <ul style="list-style-type: none"> Implementation of construction process automation platforms
	Financial optimization of debt burden █ <ul style="list-style-type: none"> CEIFs: RUB 490 bn worth of Russian assets Partnerships with investment funds 	█ <ul style="list-style-type: none"> Sale of additional services
Product improvement 	Product efficiency improvement █ <ul style="list-style-type: none"> Smart apartment layouts 	
	Adaptation to customer needs █ <ul style="list-style-type: none"> Super apps with access to the neighborhood ecosystem Smart home systems, automated resource accounting, digital access Customer traffic map for B2B 	█ <ul style="list-style-type: none"> Furnished apartments Mortgages with a fully digital transaction cycle
	Additional services █ <ul style="list-style-type: none"> Live streaming of construction sites Service for the sale of furniture, appliances and home accessories B2B and B2C services marketplace B2B services for investment, leasing and business promotion 	█ <ul style="list-style-type: none"> B2C services
	Marketing and pricing strategies █ <ul style="list-style-type: none"> Flexible pricing Ongoing review of sales strategy 	█ <ul style="list-style-type: none"> Flexible pricing

Insights

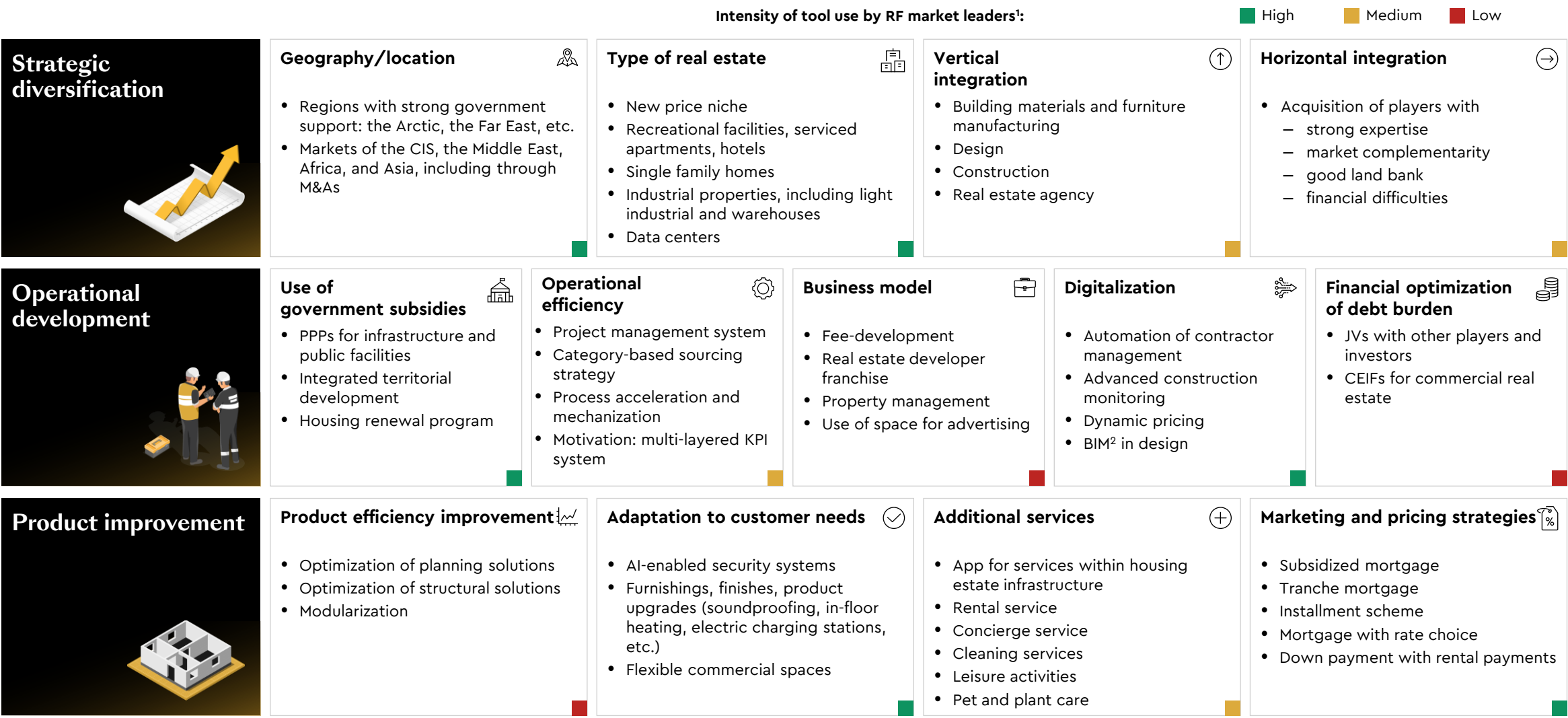
Market leaders tend to develop between two and eight tools. Some areas of development are not up to speed

At the same time, typical players use a limited set of tools with a lower level of maturity. Operational development is the area least addressed

1 Leaders in terms of volume of housing under construction
 2. Building information modelling

Source: Yakov and Partners analysis

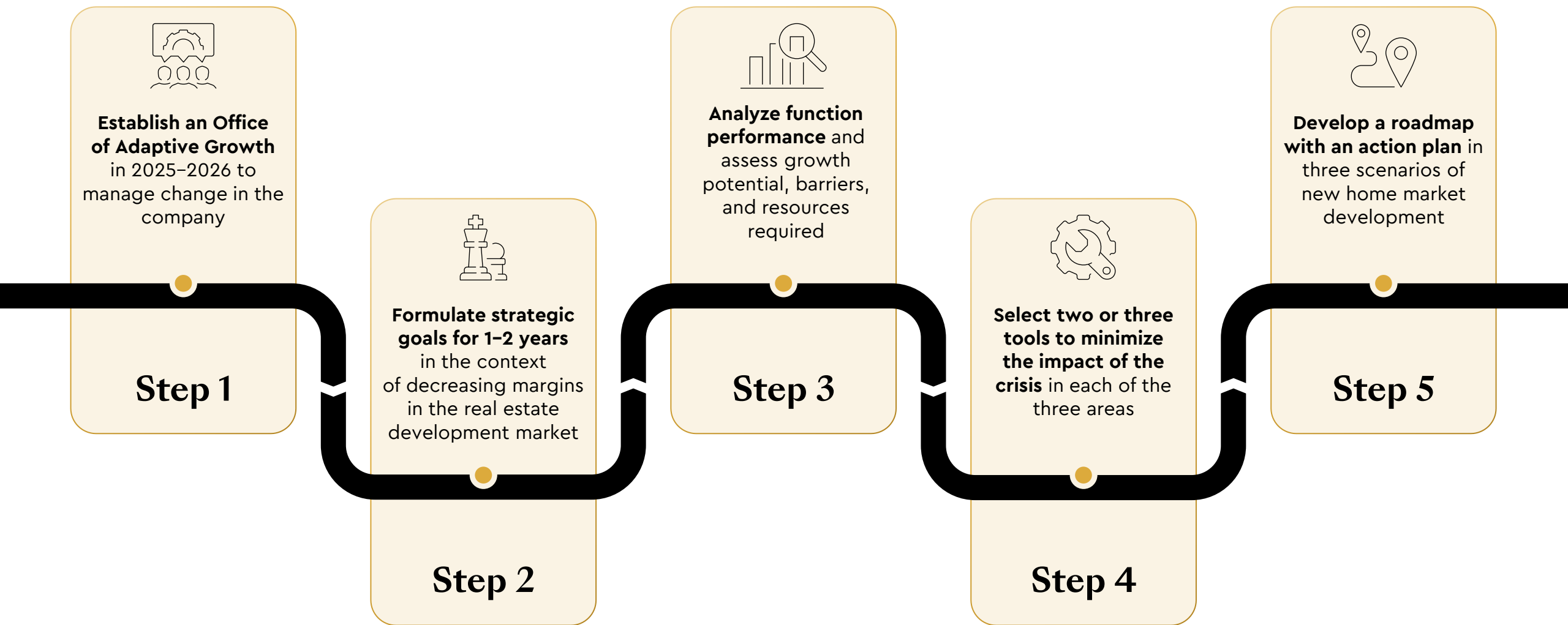
Developing an optimal crisis management strategy requires the right combination of tools in three areas


















1. Leaders in terms of volume of housing under construction
 2. Building information modelling

Source: Yakov and Partners analysis

To maximize the impact of the workstreams, we recommend following a simple five-step flowchart



The total long-term potential benefit of the initiatives could be a EBITDA uplift of up to 290%

Strategic diversification 	Geography/location  Revenue 15–50%	Type of real estate  Revenue 10–30%	Vertical integration  Revenue 10–20%	Horizontal integration  Revenue 25%+		
	Use of government subsidies  EBITDA margin 1–5%	Operational efficiency  EBITDA margin 5–15%	Business model  EBITDA margin 5–10%	Digitalization  EBITDA margin 2–5%	Financial optimization of debt burden  EBITDA margin 1–5%	
	Product efficiency improvement  EBITDA margin 5–15%	Adaptation to customer needs  Revenue 10–15%	Additional services  Revenue 1–5%	Marketing and pricing strategies  Revenue 1–5%		
						

<p>Up to 150% of revenue growth</p>	<p>Up to 290% of EBITDA growth</p>	<p>Up to 55% of EBITDA margin growth</p>
--	---	---

All information contained in this document (hereinafter "Study", "Study Materials") is intended only for private informational noncommercial purposes and does not constitute professional advice or recommendations. Neither the information contained in the Study nor its use by any party shall create a contract, agreement or other relationship between Yakov & Partners and any party that has received and is reviewing the Study Materials and (or) any information contained in the Study. Yakov & Partners reserves the right to amend the information contained in the Study but assumes no obligation to update such information after the date indicated herein, notwithstanding that the information may become obsolete, inaccurate or incomplete. Yakov & Partners gives no promise or guarantee regarding the accuracy, completeness, sufficiency, timeliness or relevance of the information contained in the Study. Yakov & Partners has not carried out an independent verification of the data and assumptions used in the Study. Changes to the input data or assumptions could impact the analysis and conclusions presented in the Study. Yakov & Partners does not provide legal, statutory, accounting, financial, tax or regulatory advice. Any party that has received and reviewed the Study Materials and (or) any information contained in the Study bears liability for the receipt of independent advice in the aforementioned areas. Advice in the aforementioned areas may impact the analysis and conclusions presented in the Study. Nothing in the Study is intended as a recommendation to perform actions that could lead to a violation of any applicable law. Yakov & Partners does not provide opinions on the fairness or valuation of market transactions, and the Study Materials should not be relied upon or construed as such. Study Materials may contain forward-looking data (including, but not limited to, market, financial and statistical data), the feasibility of which in the future is not assured and which are therefore associated with some difficult-to-predict risks and uncertainties. Actual future results and trends may differ materially from those described in the forward-looking statements due to a variety of different factors. If any person relies on the information contained in the Study Materials, he or she does so solely at his or her own risk. No guaranteed property rights can be derived from any type of information provided in the Study. To the maximum extent permitted by law (and except as otherwise agreed to in writing by Yakov & Partners), Yakov & Partners assumes no liability for any damages whatsoever that may be caused in any form to any person by the use, incompleteness, incorrectness, irrelevance of any information contained in the Study. The Study Materials may not, in whole or in part, be distributed, copied or transferred to any person without the prior written consent of Yakov & Partners. The Study Materials are incomplete without an accompanying commentary and may not be relied upon as a separate document. Any party that has received and reviewed the Study Materials and (or) any information contained in the Study hereby waives any rights and claims that it may have at any time against Yakov & Partners in respect of the Study, the information contained in the Study or other related Study Materials, conclusions or recommendations, including their accuracy and completeness. The product names, company logos and trademarks indicated in this document are protected by law. The receipt and review of this document shall be deemed to be consent to everything set out above.

Outlook for Russia's Real Estate Development Industry: Survival Guide

Yakov and Partners production team:

Anna Danchenok, director

Elena Kuznetsova, director of the Yakov and Partners Institute

Vitaly Zuev, engagement manager

Pavel Shashkov, expert

Natalia Kuvaeva, expert

Aram Sarkisyan, associate

Aydar Medetov, business analyst

Sabina Babaeva, analyst

Sergey Kuznetsov, production editor

Yakov and Partners is an international consulting firm headquartered in Moscow, Russia, with offices in other BRICS countries. Committed to addressing development challenges, we work shoulder to shoulder with leaders of various industries and the public sector. Together with them, we shape turning points in the history of companies and society, striving for sustainable results on a scale extending far beyond individual businesses.

© Yakov and Partners, 2024. All rights reserved.

To contact the authors, request comments and clarifications, or check for any restrictions, please reach out to us at:

media@yakovpartners.ru

For more research, analytics and publications, please visit :

[**www.yakovpartners.ru**](http://www.yakovpartners.ru)





Яков и Партнёры