

2021

GUIDE

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TO UKRAINIAN REAL ESTATE MARKET



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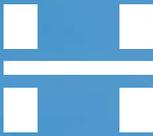


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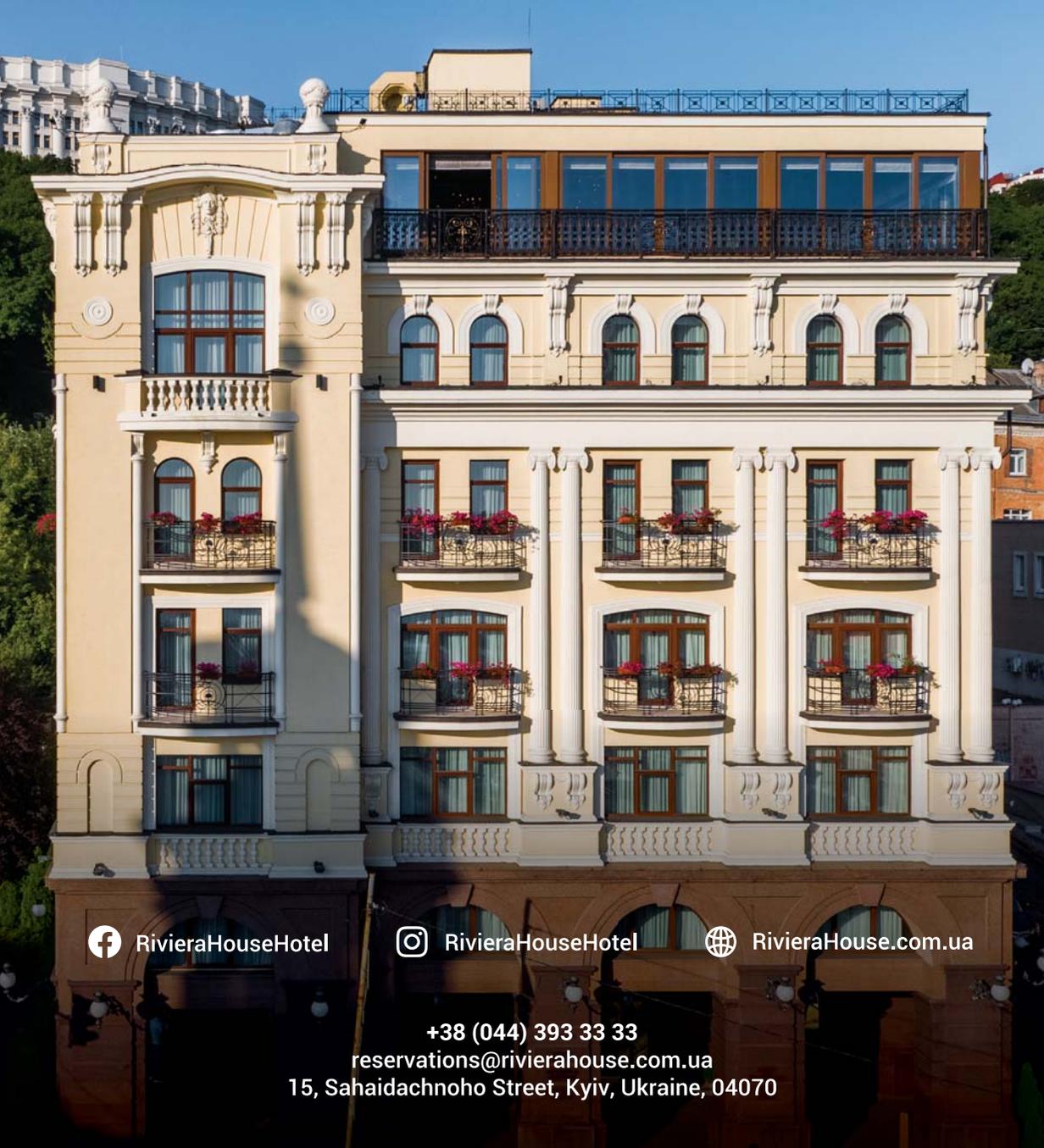
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EDITORIAL



Dear Readers!

Last year, the annual catalog from the publishing house CP PUBLISHING, "Guide to Ukrainian Real Estate Market", was published before the pandemic in our country and the introduction of quarantine. Now, this edition, as well as in 2020, comes out in the period of another tightening of restrictions.

This year's "Guide" is prepared in a slightly updated format. Unlike previous issues, we changed the headings, grouping articles by the real estate sectors. However, as before, the mission of the publication is to become a valuable and most comprehensive source of information on the situation in the Ukrainian commercial real estate market. It presents reviews of the office, retail, hotel, and warehouse sectors of Kyiv and the largest and most active regional markets of Ukraine: Kharkiv, Dnipro, Odesa, Lviv. The editorial materials cover key trends, events, results of the last pandemic year, and forecasts for the near future from the market players, etc. Special emphasis is placed on investments, key legislative changes in urban planning, and the field of architectural and design services.

The COVID-19 pandemic has shown how both global and narrow our world is. Global means how broad and fast the virus has spread, and narrow means the forced restrictions we all face: from closing borders to isolation. In this unusual and difficult period, the real estate market players adapted to new conditions, continued to build, open, and plan new projects. Traditionally, the "Guide" contains two parts, which provide information about the companies working in the real estate sphere and their services, as well as about the market supply: finished and future real estate projects.

We are grateful for your cooperation and loyalty! We believe that new opportunities and prospects await us!

Tetiana Antoniuk,
Project Manager

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Guide to Ukrainian Real Estate Market 2021**

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Cover: innovation park UNIT.City (Kyiv)

Photo: Ivan Avdeenko

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UKRAINE

UAH4194.1 billion

Nominal GDP

-4%

Real GDP fall

UAH199 billion

Volume of executed construction works

104%

Index of executed construction works



KYIV

UAH42.87 billion

Volume of executed construction works

97.8%

Index of executed construction works



KYIV REGION

UAH12.6 billion

Volume of executed construction works

116%

Index of executed construction works



KHARKIV REGION

UAH14.35 billion

Volume of executed construction works

92.2%

Index of executed construction works



DNIPROPETROVSK REGION

UAH17.75 billion

Volume of executed construction works

84.9%

Index of executed construction works



ODESA REGION

UAH27.92 billion

Volume of executed construction works

145.8%

Index of executed construction works



LVIV REGION

UAH14.14 billion

Volume of executed construction works

122.3%

Index of executed construction works

ON THE WAY TO CHANGE

New trends caused by the coronavirus pandemic, in particular the shift of some businesses to remote work, have changed the current situation in the office property market and pushed this sector to some changes.

REORGANIZATION OF WORK PROCESSES

Remote work format is the main trend in the office property market, which was caused by COVID-19. Since the beginning of quarantine, a lot of companies have adapted to work in the pandemic, setting up operational processes based on the new realities. Depending on the specifics of the activity and corporate policy of each company, now, work schedules and flows are divided as follows. Some tenants visit offices as usual as possible, as they did before the pandemic. Others implemented a hybrid work model. Some companies operate almost entirely remotely, and right this attracts the most attention as a trend that will lead to changes in the office property segment. Market players are sure that it will be an incentive for further reorganization and adaptation of work processes and office areas. For example, in big cities, the model is projected to grow in popularity with a smaller head office and several satellite offices near major residential centers. Demand for the hot-desking format, i.e. the use of the same workplace by different employees at different times, is also expected to increase. Also, the pandemic has already resulted in the reformatting of large and open spaces to minimize staffing and comply with the rules of social distancing.

RENTAL ACTIVITY

As was expected, in the current crisis, the main office property markets in Ukraine suffer from an increase in vacancy. Trends that caused this were the launch of new projects, the abandonment of leased premises or their reduction, in particular due to the remote work format, reduction of take-up of office premises. Thus, in 2020, given the instability and unpredictability of the situation caused by the coronavirus, companies paused negotiations and postponed lease plans. The strongest

decrease in rental activity was observed during the spring lockdown. It recovered partly with the easing of restrictions. In general, as for the categories of tenants that were the most active last year, this was primarily the IT sector.

DISCOUNT PERIOD

The introduction of quarantine initiated a dialogue between landlords and tenants to ease the lease terms. Therefore, as of 2020 year-end, rental rates for offices in key property markets of Ukraine decreased by 10-15%. Business center owners compromised, for example, by deferring payments or providing discounts. The main period when landlords made concessions was the first spring lockdown. Some of them provided discounts up to 70% depending on the contract terms, and some, conversely, did not change the price. As for discounts, landlords determined their size individually, analyzing how much a particular business suffered from the pandemic as well as the business relationship with a partner, opportunities for further cooperation, etc. These actions and loyal approach, in general, allowed maintaining a significant pool of tenants. Currently, the practice of discounts is almost non-existent. As for the new agreements, there are examples of contracts when the parties prescribe special conditions for the period of inability to use office space.

NEW REQUIREMENTS

Currently, there is a greater demand for smaller offices, finished premises, which require minimal additional investments from tenants. They are also interested in safety issues. Now, in particular, more attention is being paid to air purification, ventilation, and air conditioning systems. Business centers have already become accustomed to such measures as thermometry and enhanced antibacterial surface treatment, installation of contactless sanitizers.





In the photo: business center City Garden, Kyiv

PHOTO: FREEMEDIA BY VISITORYUM

OFFICE PROPERTY IN KYIV: UNDER MILD STRESS

155,000 m² of new supply that entered the Kyiv office property market in 2020 led to an increase in the vacancy rate to 11.5%. It took place amid the decrease of take-up of such premises. But the players of this property sector believe that offices will be in demand with tenants despite the uncertainty that still prevails in the market due to the pandemic and the remote work as one of its consequences.

NEW SUPPLY

According to the consulting company Colliers Ukraine, 16 business centers totaling 155,000 m² GLA were put into operation in Kyiv in 2020 (in 2019: 104,000 m²). In particular, the A-class segment grew up by 28,000 m², and the B-class sector – by 126,600 m². As a result, the total supply of professional office premises reached 2,147,000 m² (+7.7% in 2020) in the city. Among the new additions were M8 Business Center (11,014 m² GLA) located on Moskovska Street, GRAND (8,782 m² GLA) located on Velyka Vasylkivska Street, HILLFORT Business Mansion (8,550 m² GLA) on Mykhailivska Street,

Platforma (19,800 m² GLA) on Korolenkivska Street, Avenue53 (16,700 m²) on Peremohy Avenue, FORUM Infinity (over 8,740 m² GLA) on Saksahanskoho Street, and others.

Interesting to mention that, according to consulting companies, about 230-250 thousand m² of office space was to open in Kyiv last year. Therefore, the full-year new supply was approximately 1.5 times less than announced.

VACANCY

Changing workflows due to remote format has led to a reduction by some companies of leased areas within their business centers, to a change of location, or abandoning the office at all. However, this did not affect the vacancy in the Kyiv market, which increased above all due to the significant volume of new supply. According to Colliers Ukraine, the total share of vacant premises in business centers of classes A and B increased from 7% in early 2020 to 11.5% at the year-end. In particular, vacancy in A-class business centers increased from 4.5% at the beginning of the year to 10.8% at the end of December 2020, and in B-class projects, it increased from 7.9% to 11.7%, respectively. Compared to other crises, for example, during the financial crisis 12 years ago, the vacancy increased from 1% in 2007 to 17% in 2008, and with the beginning of Russian aggression, this index increased from 15% in 2013 to 20% in 2014.

Regarding specific examples on the market, in the business center Gulliver, in particular, the vacancy rate stood at about 1% at the beginning of spring 2020, and it increased to 1.8% at the year-end. As the management company of this project informed, during the lockdown period only one tenant reduced the area it occupied, another did not renew the contract as a permanent physical office was no longer required. In the projects of Araks Group, which manages two business centers in Kyiv, the vacancy rate did not change until November 2020 and stood at 1%, but in the last month of autumn, this figure undramatically increased to 4%. The company FORUM, which owns and operates 14 business centers in the capital, admitted that the share of vacant premises in its projects increased slightly, but did not exceed the forecast level.



PHOTO PROVIDED BY NEST

In the photo: business center HILLFORT Business Mansion, Kyiv

MAJOR BUSINESS CENTERS PLANNED FOR DELIVERY IN KYIV IN 2021

| Name | Address | GLA, m ² |
|-----------------------------------|----------------------------------|---------------------|
| MAG.NETT (1 st phase) | 137-139, Velyka Vasytkivska Str. | 44,000 |
| LUWR | 2/10, Y. Illenka Str. | 27,000 |
| Business center on Olenivska Str. | 23, Olenivska Str. | 21,000 |
| UNIT.City, campus B15 | 3, Dorohozhytska Str. | 7,500 |

Source: Colliers Ukraine, CP

Class C suffered the largest losses among office projects of the NEST company. The occupancy rate of such locations was 87% last year. The higher vacancy in this segment is explained by the fact that such business centers had tenants that worked in the entertainment industry, which reduced occupied areas more than others. B-class business centers were 95% full. And the A-class business center HILLFORT Business Mansion, which the company launched last year, is 100% leased.

Office leasing activity decreased in 2020 in Kyiv. The strongest downfall was observed during the spring lockdown. In line with the easing of quarantine restrictions, naturally, it recovered. The 2020 full-year take-up of office premises amounted to about 100,000 m² (in 2019: 131,000 m²). The market players admit that the spaces that required minimal additional investments into office fit-out were more in demand with tenants. Interesting that they were also focused on large premises. **Iryna Kruppa, General Director of the business center and shopping mall Gulliver**, confirmed these trends: "Before the introduction of quarantine restrictions, rental activity at Gulliver was quite high. Often we could not satisfy the requests of potential partners because we did not have a suitable supply (companies were interested in 700+ m² lots). The number of inquiries and viewing appointments resumed at the end of September, and demand remained stable at the end of December 2020, in particular for 'turnkey' offices."

As for the categories of tenants that were the most active, this was primarily the IT sphere. It had the largest share in the structure of total take-up in 2020, accounting for 54%. For example, nine contracts for an area of more than 2,000 m² were signed at the business center Gulliver last year, all of these deals were made with IT companies.

Also, during the last year, several large lease agreements were concluded with companies in the energy sector, they accounted for 18% of the total take-up of office premises. As Colliers Ukraine informed, FMCG companies and professional services providers, including coworking operators, were also active renters in 2020.

However, these are not the only active sectors. For example, among the new tenants of the business center

Horizon Office Towers were banks, large international projects, funds, etc. In 2020, new contracts were signed in the business centers of Araks Group with the law and insurance companies, metallurgical companies, construction materials manufacturing companies, etc. Industrial and insurance companies, medical companies, security systems developers joined the FORUM chain of business centers. The company also noted that it attracted IT players from Belarus as its tenants.

RENTAL RATES

The rental price for office premises decreased in Kyiv in 2020. According to Colliers Ukraine data, the maximum base rate slid by 15% to US\$26/m²/month (VAT and operating costs excluding).

It should be noted that last year landlords provided temporary discounts to tenants or (very rarely) released them from paying rents. The main period when landlords offered concessions was the spring lockdown. Currently, the discounts are almost non-existent. After all, if in March-May 2020 there were 'levers' to reduce the rental payments due to lockdown and its negative impact on a large number of businesses, then with the weakening of quarantine such concessions were over.

FUTURE SUPPLY

Due to the still unstable situation caused by the coronavirus pandemic, the Kyiv office property market will suffer from mild stress for some time, unless, of course, new unpredictable significant factors arise. The development activity will decrease: some of the future office centers will be postponed, this primarily applies to projects with minimal readiness. However, the construction of the business centers announced for 2021 continues. In particular, according to Colliers Ukraine, the forecast new office supply in 2021 amounts to approximately 200,000 m²; expected completions include MAG.NETT (1st phase) and LUWR business centers, B15 campus in the UNIT.City innovation park, and some others. In general, about 350,000 m² of the office property is currently under construction with the prospect of putting it into operation over the course of the next few years.

KHARKIV OFFICES: USING OLD RESOURCES

Due to the difficulties caused by the COVID-19 pandemic, the launch of part of the office real estate projects that was planned in Kharkiv in 2020 was postponed. As a result, about 35,000 m² of new supply was put into operation in the city last year. Although that volume can be called a record for the office market in Kharkiv, which has shown a fairly low growth in recent years.

NEW SUPPLY

In recent years, Kharkiv has shown relatively low volumes of new office real estate supply. And many of the projects that have been opened are either small in size, or renovation of old buildings, or long-term construction. Reconstruction of old administrative and industrial facilities (administrative institutions, former factories, plants) into office projects is one of the main trends in this market, according to the consulting company Colliers Ukraine. It's data state that the total volume of professional premises in Kharkiv which belong to classes A and B is about 167,000 m². That is a significant contrast against the background of the fact that the total supply of office real estate in the city reaches almost 850,000 m², according to the investment and consulting company Proconsul.

In 2020, the construction of four projects was completed in Kharkiv. In particular, the Diamond City A-class business center (24,700 m² GBA, 17,750 m² office GLA). Also, as stated by Proconsul, two new projects of B and B+ classes entered the market last year; they were respectively UM-INVEST (almost 7,900 m² GBA, 5,900 m² GLA), which was developed by the same name company UM-Invest, and the first building of the IT-park Manufactura called Home (about 7,500 m² GBA), developed by the Stroy City Development company. Furthermore, Rotunda Hall (4,950 m² GBA, 4,240 m² GLA), which belongs to A-class, according to its developer – the Rotunda Hall company, was put into operation in the city.

However, **Andrii Mochenkov, Commercial Real Estate Investment Expert at Proconsul**, says that the pandemic has negatively affected the pace of construction and commissioning of most of the facilities planned for 2020. Therefore, the launch of some of them was postponed to 2021.

RENTAL RATES

According to Proconsul, last year, the average range of the base rental rate in business centers of A and B classes in Kharkiv amounted to US\$9-18/m²/month (VAT and operating costs excluding). In C-class facilities, this figure varied from US\$6 to US\$10/m²/month (VAT and operating costs excluding). As compared to the beginning of the year, the average rental price for the offices of A and B classes decreased by 12% as of the end of 2020. However, there was no massive decline in this indicator, and in some facilities, the level of rates remained unchanged.

For example, in the business center Space Hall, the

average rental rate amounted to \$12-13/m²/month as of the end of last year, while at the beginning of 2020, the price reached \$16-17/m²/month (VAT and operating costs excluding). The only exception was the premises on the ground floor of the building, which the company invariably leased for \$22/m²/month (VAT and operating costs excluding) both before and after the lockdown. However, during the spring hard quarantine period, the price didn't go unnoticed: the rate for keeping tenants in this facility was reduced by 50%.

And in the Home section of the IT-park Manufactura project, for example, at the end of last year, office spaces could be rented for \$16-20/m²/month (VAT including, operating costs excluding). "The section Home in the IT-park Manufactura was commissioned in early 2020. The quarantine period went with the active phase of office renovations, so we managed to keep the balance of rates even during the crisis," said **Yehor Maslennikov, Founder of Stroy City Development**, which is the developer of this project.

VACANCY RATES

As expected, the share of vacant premises in the office real estate market of Kharkiv increased during the current crisis. In the time of the hard spring quarantine in 2020, its level grew up from 2% to 10% in business centers of A and B classes, as reported by Proconsul. According to the company's data, some recovery in demand was observed in summer, but at the end of the year, the vacancy increased again and reached 20% in some business centers in December. Meanwhile, the major centrally located office projects of Kharkiv had just 0-5% of vacant spaces, as reported by Colliers Ukraine.

According to market players, last year, the representatives of small businesses and, of course, the IT sector, which remains the most active tenant of office spaces, showed interest in renting premises. Online retailers, clinics, laboratories, language schools, and small service providers were also willing to take up such spaces.

FUTURE OFFICE OPENINGS

The future supply of office real estate in the city is made of mainly 'old resources', i.e. projects the development of which lasts for years, which have been suspended and resumed. So, one can say that there are almost no new



In the photo: business center Diamond City, Kharkiv

BUSINESS CENTERS PLANNED FOR DELIVERY IN KHARKIV IN 2021-2022

| Name | Address | GBA/GLA, m ² |
|---|--------------------------------|-----------------------------|
| Imperial Grand MUC | Klochivska Str./Kosmichna Str. | 28,070/7,500 (office space) |
| Elysium Plaza SOC | 24D, Haharina Ave. | 18,000/15,000 |
| Voomy IT-park | 138A, Moskovskiyi Ave. | 11,000 |
| Solomon BC | 28, Marshala Bazhanova Str. | 10,000/9,000 |
| Matrytsia BC | 4, Serpova Str. | 7,600/5,160 (office space) |
| IT-park Manufactura block Next block Place block Space | 13, Y. Chyhyryna Str. | 14,665 6,530 3,690 |

Source: Proconsul

names in the market. In particular, as Proconsul informs, the category of long-term construction includes Elysium Plaza, Solomon, Imperial Grand (formerly known as Kovcheh), Voomy IT-park, etc.

This year, Sroy City Development plans to put into operation several more buildings of the IT-park Manufactura project, which will feature retail and B+ class office spaces. This project is just one of the new names in the market.

Also, the future supply in the city includes the UNIT.Kharkiv innovation park, which is developed by UDP, the company that stands behind the UNIT.City innovation park in Kyiv. The Kharkiv project is planned to combine educational,

work, conference, and lounge zones within an area of 13,000 m². In 2019, an IT factory, which is a reconstruction of the exhibition center building and combines an IT-school, co-working spaces, and club offices, was opened within UNIT.Kharkiv.

The largest development project in the city is the redevelopment of the territory of the Kharkiv Tractor Plant, which was announced by the DCH group; that is where the Ecolopolis HTZ industrial park will be located. As part of it, it is planned to implement the Ukrainian Silicon Valley project, which will be based on a multifunctional business park. However, specific data on the volume and timeline of the construction have not yet been reported.

DNIPRO OFFICE REAL ESTATE MARKET CAUGHT A WAVE OF GROWTH

In the coming years, the office real estate segment of Dnipro may grow significantly: currently, several business centers of different scales are being built in the city. These modern projects will improve the quality of supply and change the balance of power in this market.

MARKET INCREASE

Over the last two years, in 2019-2020, the Dnipro office real estate market became more active. During this time, several business centers were opened and even more future projects were announced. The new and future supply covers both small and large-scale office buildings for the city; some of them will replace obsolete constructions and enrich the architectural landscape of Dnipro.

Comparing the last two years, 2019 was more 'productive' in terms of opening new office projects than 2020. Thus, the market added over 30,000 m² of such premises in 2019. The largest project was the shopping and office center Kudashevskiy on Barykadna Street; it features 20,300 m² GLA. Furthermore, several more facilities were opened during this time, their area varying approximately from 1,500 m² to 3,500 m².

The volume of the new supply was lower in 2020. According to the consulting company UTG, the major office projects that opened last year were FABRIKA (10,800 m² GLA) located on Barykadna Street and Pixel Plaza (4,245 m² GLA) located on Lyvarna Street.

Thus, as stated by UTG, the total office leased area

reached 404,000 m² in Dnipro as of the beginning of 2021, which corresponds to a market saturation of about 404 m²/1,000 citizens. Meanwhile, according to the consulting company Colliers Ukraine, about a third of the total supply, namely 124,000 m², is represented by professional business centers of classes A and B.

RENTAL RATES AND VACANCY

According to the market players, there was a modest increase in demand for A- and B-class offices in Dnipro before the quarantine. "Tenants paid attention to the level of finishing materials, interior space design, infrastructure of a business center (related services), quality of a facility in general. There was a stable demand for 100+ m² office spaces before the quarantine in March 2020," says **Arthur Vanian, General Manager at Joint Industrial Park**, which owns office real estate of classes B and C in Dnipro, in particular the business centers Citadel-1 and Citadel-2, the project of the business center FRANKLIN, other office and administrative buildings, as well as office spaces in the shopping and entertainment center NEO PLAZA.

However, as in the other real estate markets



In the photo: business center FRANKLIN, Dnipro

MAJOR BUSINESS CENTERS COMPLETED OR PLANNED FOR DELIVERY IN DNIPRO IN 2021

| Name | Address | GLA, m ² |
|--------------|-----------------------|---------------------|
| ARENA TOWER | 4, Kostomarovska Str. | 12,000 |
| Comfort City | P. Orlyka Ave. | 7,075 |
| MADISON | 49, Shevchenka Str. | 3,741 |
| FRANKLIN | 16, Stoliarova Str. | 2,880 |

Source: ABV Estate, Joint Industrial Park, UTG

in Ukraine, in Dnipro, the demand of tenants for office spaces has changed somewhat due to the pandemic. As Arthur Vanian says: "Dnipro has tangibly responded to the coronacrisis impact, if compared, for example, to Kyiv. Now, financial terms are more important for tenants. Smaller offices became more in demand when the quarantine was introduced, and a certain percentage of companies relocated to cheaper and smaller premises." For example, language and IT courses and coworkings were forced to significantly reduce offices or temporarily suspend activity.

However, the trends caused by the coronacrisis (e.g. distant work format) did not lead to dramatic consequences – the vacancy in the office real estate market in Dnipro was not critical. According to Colliers Ukraine, the share of vacant premises in A- and B-class facilities did not exceed 10% as of the end of Q3 2020. Joint Industrial Park, for example, was able to maintain the occupancy of its facilities over the past year through relocations, as well as new agreements with those seeking to improve rental conditions. In general, during the pandemic, it signed contracts with companies working in the retail, logistics, and IT sectors. The latter, as stated by Colliers Ukraine, has been one of the leaders in terms of take-up of office premises in Dnipro. Last year, most IT enterprises continued to rent offices, even though a certain percentage of employees worked remotely. "We can forecast that players in this sector will gradually return to normal starting from March 2021, provided that the pandemic situation stabilizes," said Arthur Vanian.

Regarding rental rates, in 2020, the premises in business centers of classes A and B in Dnipro were offered in a fairly wide range – US\$6-20/m²/month. The lower price, for example, was typical for those projects that were under construction. Joint Industrial Park, analyzing the dynamics of rental rates in its projects in Dnipro last year, noted that they did not change much. In particular, in the pre-quarantine period at the beginning of 2020, the price averaged US\$10/m²/month (VAT and operating costs excluding) in B-class business centers, and at the end of 2020 it decreased to US\$9/m²/month. Besides, Joint Industrial Park noted that during the severe quarantine

period individual discounts were provided to tenants who were forced to suspend activity amid the restrictive measures imposed by the government to prevent the spread of COVID-19.

FUTURE PROJECTS

Judging by the recently completed, current, and announced projects, the most active developers in the Dnipro office real estate market are Alef Estate, Vertex Group, ABV Estate, etc. The development activity in this segment continued despite the difficult year of 2020. At the beginning of this year, the business center MADISON on Shevchenka Street entered the market. And now, according to Colliers Ukraine estimations, several projects with a total leasable area of about 50,000 m² are under construction. In particular, the development of the business center Comfort City on P. Orlyka Avenue continues. Also, the future office real estate supply in Dnipro includes business centers ARENA TOWER on Kostomarovska Street and PSHKN on Lypynskoho Street, the administrative and office complex on 25, Naberezhna Peremohy Street. And Joint Industrial Park is renovating a building on Stoliarova Street, which will become a business center called FRANKLIN when the works are completed.

Alef Estate, a developer from Dnipro, will significantly expand its portfolio. Last year, the company, which owns several commercial facilities in the city, announced two projects at once. So, in April 2020, it began the construction of the shopping and business center Perekhrestia, which will become a part of the mixed-use complex Brama in the future. The construction of this project was supposed to begin in 2008 but was postponed due to the crisis. This complex provides for two 5- and 17-storey buildings, their first floors will be occupied by retail premises, and the others will be allocated for offices. Perekhrestia is announced to be completed in 2023. Another project that Alef Estate launched last year is the mixed-use complex Ermolaev Center. It will have three towers of different heights, two of which will contain office spaces. The completion of this project is scheduled for 2024.

OFFICE REAL ESTATE IN LVIV: REALITY OF 2020 AND EXPECTATIONS FOR 2021

The players of the Lviv office real estate market, who faced a growing vacancy due to the coronavirus pandemic, hope to see the recovering demand for such premises in 2021. However, the existing business centers are contesting for the tenants not only among themselves – new spaces for rent are to open in the city in the nearest future.

MARKET SIZE

High demand with a small amount of quality premises provided favorable conditions for investors and developers of office real estate in Lviv. Therefore, both new projects and the projects for reconstruction and expansion of existing buildings were scheduled in the market. However, over the past few years, this has not led to a significant increase in supply. As of early 2021, according to the consulting company Cushman & Wakefield in Ukraine, the Lviv office real estate fund was estimated at approximately 312,000 m² of the total leasable area or 414 m²/1,000 persons. If we consider the spaces built speculatively for further lease and/or marketed as business centers only, the total office real estate market is about 207,900 m² GLA or 275 m²/1,000 persons of the official population.

In 2020, the new supply was about twice less than expected. Thus, according to Cushman & Wakefield in Ukraine, the company Intergal-Bud opened the shopping and office center Semytsvit on Shevchenka Street and the business center Bank of Business on Hnatiuka Street last year in Lviv, the cumulative leasable area of these facilities is approximately 9,300 m². The business center Graphite with a rentable area of 8,370 m² located on Zelena Street was also put in service.

Completion of some facilities has been rescheduled for 2021. In particular, the completion of KIVSH, a mixed-use creative space on Shevchenka Street. The opening of its first phase with a total leasable area of 5,500 m² is scheduled for Q2 2021. KIVSH is a redevelopment project of a former production area.

RENTAL RATES AND VACANCY

New trends driven by the coronavirus pandemic have not amended the situation in the Lviv office real estate market for landlords' benefit. **Arman Sarkisian, Deputy Head of Office Landlord Representation at Cushman & Wakefield in Ukraine**, notes that last year this sector was very unstable. The pandemic, lockdown, quarantine, and, as a result, the trend towards remote or variable work of companies have produced a negative effect on business centers' operation. For example, during the quarantine period, the number of workers in the business park OPTIMA-PLAZA decreased by approximately 60-70%. And according to estimates by **Olena Khoverko, Commercial Real Estate Leasing Manager of the retail and office center Intercity**,

in general, 50% of companies continued office operations in the market. The quarantine has made many businesses realize that they can operate remotely, yet being just as effective. Therefore, in this situation, some companies gave up leased office space. Requests from potential tenants also declined significantly. 70-80% – this was the estimated decrease in demand according to **Lesia Tychynska, Head of Lease Department of OPTIMA-PLAZA**.

Prior to quarantine and the negative trends caused by it, the vacancy in the Lviv office real estate market was extremely low. According to the consulting company CBRE Ukraine, in 2019, the share of prime vacant spaces was 2-3%. In 2020, the vacancy increased approximately 3-5 times compared to the pre-quarantine numbers. "Even in the class A business centers offering the best architectural solutions and engineering equipment, there were vacant spaces," Arman Sarkisian notes.

As a result, the balance between landlords and tenants has changed, as it did in previous crisis periods. First and foremost, it affected the rates. Most landlords offered concessions and discounts for a certain period of the lease. According to Cushman & Wakefield in Ukraine, the average discount ranged from 20% to 50%. Besides, the company notes that achieved rental rates in Lviv are lower than the declared ones. Representatives of OPTIMA-PLAZA confirmed that they reduced the rent, however, on the condition of a gradual rise back to the base price. Moreover, this business park even provided discounts when concluding a long-term lease agreement. The retail and office center Intercity also reduced the rates, and this step, as well as a generally loyal approach, made it possible to keep a significant pool of tenants.

In general, in the market, the average rental rate for the office spaces in 2020 varied between US\$10-12/m²/month (VAT including, operating fees excluding), according to Cushman & Wakefield in Ukraine.

EXPECTED GROWTH

"The office real estate sector in Lviv is the second most active after that of the capital and heads the list among the regions in terms of activity," the consulting company Colliers Ukraine describes the market. Its experts are convinced that this sector has potential and will be growing. **Nataliia Kravets, Commercial Director for Office and Retail Real Estate at Dragon Capital Property Management**, notes that there are almost no quality office

premises offered in Lviv. Therefore, Dragon Capital as an investor sees potential in the development of this sector. Back in 2019, they built over 7,000 m² of office spaces in the shopping and entertainment center Victoria Gardens on Kulparkivska Street. Also, the portfolio of Dragon Capital in Lviv includes the business center Viking with an area of 18,000 m² on Zelena Street, which will be completed in 2021.

In general, according to Cushman & Wakefield in Ukraine, there are several office projects in the city at different stages of development with a total leasable area of over 230,000 m². Among them, there is the innovation park LvivTech.City on Stryiska Street which is developed by UDP. The first of three business centers of this park of 18,800 m² will be opened in 2021. At the same time, UDP does not change its strategic plans: the office spaces of LvivTech.City with a total area of 60,000 m² will be built by the end of 2023.

The future supply of the city, according to Cushman & Wakefield in Ukraine, consists of the following major projects (in addition to the ones mentioned above):

- Innovation District IT Park on Stryiska Street;
- the business center PENTA on Khimichna Street;
- the business center Washington Tower on George Washington Street;
- the business center Kristal Plaza on Panasa Myrnoho Street, and others.

At the same time, the current crisis caused by the coronavirus pandemic may force developers to reconsider their plans in terms of office projects.

CONTEMPLATION OF RECOVERY

In Ukraine, the number of tenants that optimize the cost of renting office space, who prefer hot-desking (a form of work when an office desk is shared by multiple employees) will grow in the near future. Olena Khoverko also notes the changing demand for functionality and organization of the workspace. According to her, it is focused on flexible offices. As a result, an interest in coworking format is projected to grow. Although the operators of such spaces are also going through difficult times, several companies show strong interest in the locations for opening flexible projects.

“The office real estate market in Lviv showed a clear growth trend in the dynamics of recent years. However, the lockdown switched most players to a ‘standby’ mode or a state of risk-and-uncertainty balancing,” told **Vitalii Melnyk, Vice President of UDP**. According to Lesia Tychynska, in 2021, the demand for office space will be restored, but given the very smooth return of employees to work and the trend to remote work, this will happen as early as at the end of Q1 2021. And the pre-quarantine indicators of the office real estate market will be reached again in a year or so.



In the photo: Victoria Gardens Offices, Lviv

YEAR OF RESTRICTIONS

2020 was a real challenge for shopping centers and the retail sector. Despite the unprecedented situation, both landlords and tenants have found compromises trying to minimize the negative effects of the pandemic and the crisis it has caused.

LOCKDOWNS

Since the pandemic in Ukraine and the introduction of quarantine, shopping malls and the retail sector survived three periods of nationwide severe restrictions: March-May 2020 – 2-2.5 months of lockdown, November 2020 – weekend lockdown, January 2021 – 3-week lockdown. It is worth noting that the local authorities could make their own decisions to strengthen or ease restrictions. Thus, for example, shopping and entertainment centers in Kyiv reopened later (at the end of May) than in other cities in Ukraine. And in Lviv, malls were able to reopen on May 11, but clothing and footwear retailers were an exception – they restarted operations on May 18, 2020. Besides, due to the adaptive quarantine model, different regions could set various restrictions depending on the epidemic situation therein during other periods. Amid severe limitations, some retailers were allowed to operate. They were food retailers, drogerie stores, pharmacies, pet stores, etc. Considering this, shopping and entertainment centers were not completely closed during lockdowns, approximately from 10% to 40% of their tenants (% of the lease area) were open for customers or worked like e-commerce stores or for delivery.

RENTAL RATES

Lockdown was kind of a 'shock therapy' for shopping centers and the retail sector. However, despite the absence of conditions in the lease agreements that would provide for such a situation, landlords and tenants mainly reached a consensus. Shopping and entertainment centers canceled the rent payments for those retailers that didn't have an opportunity to work during the lockdown period, and after the reopening, they reduced rental rates, providing discounts that could be as much as 15%, and 50%, or more. Commercial conditions were discussed with each tenant personally, paying attention to the operator's sphere and the situation around, the relationship between the parties, the background and future of the partnership, the dynamics of turnover, etc. Rental revenues of shopping centers from the entertainment sphere decreased the most: children centers and cinemas, as well as food services (food-courts), were the segments that suffered the most.

TRAFFIC

In 2020 after the spring lockdown immediately, there was a decline in attendance rates, which in some projects could reach 40%. Gradually, consumers returned to shopping and entertainment centers, their traffic increased, although not fully recovered. With the start of the weekend lockdown, there was a shift in consumer flows and an increase in attendance in shopping centers on weekdays, which could reach 20%. However, as of the 2020 year-end, the traffic did not recover. According to Watcom.Ukraine, the average annual attendance rate of shopping centers in 2020 decreased by 26.5% compared to 2019.

TURNOVER

After the spring lockdown, some consumers returned to social life and to visiting shopping centers in particular. According to the market players – developers and managing companies – mall visits became more targeted. As a result of the deferred demand, there was an increase in conversion and average check, a rise of turnover in certain retail segments, including clothing and footwear, household goods, tech and electronics, sports goods, etc. In some categories, the turnover exceeded the results of 2019. At the same time, there was a decline in the turnover of some other operators, especially of food and entertainment spheres. In general, as of the 2020 year-end, despite all the unexpected developments, the retail turnover in Ukraine was positive: it increased by 8.4% compared to 2019.

VACANCY RATE

After the reopening after the first severe lockdown, the key shopping malls of Ukraine managed to keep the pool of tenants; the vacancy increased in some facilities insignificantly. Due to the coronavirus pandemic and the crisis caused by it, stores were closed mainly by small and non-systematic companies that had no margin of safety. Some operators optimized physical presence and closed unprofitable locations. As a result of the crisis, some retailers paused the development plans and focused on maintaining the existing stores, while others have exploited the situation for expansion following the increase in vacancy in high-quality shopping and entertainment centers. Therefore, due to these trends, the retail property market undergoes the gradual rotation of tenants.





In the photo: shopping and entertainment center Victoria Gardens, Lviv

KYIV RETAIL PROPERTY: TO WITHSTAND THE CRISIS

Shopping malls and retail sector are usually the first to experience crisis trends but also the first to show recovery. Of course, in the current realities and limitations, the market cannot return to the pre-quarantine indicators; but even the worst forecasts that were made during the first lockdown in the spring of 2020 did not come true: there were no notorious store closures or significant increase in shopping center vacancy in Kyiv. The exception is a decrease of rental rates.

SHOPPING CENTERS OCCUPANCY

After the spring lockdown of 2020, almost all tenants opened in Kyiv shopping and entertainment centers. The key retail projects retained their tenant pools, and the share of vacant spaces, although increased in some malls, was insignificant. Interesting to admit that the average vacancy rate even decreased in 2020. Thus, according to the consulting company Colliers Ukraine, this indicator was 11.9% at the beginning of the last year and fell to about 10% as of the 2020 year-end. The reason for this was the fact that the new projects that entered the market were gradually leased by tenants. These are Blockbuster Mall, which opened at the end of 2019, and the shopping and entertainment center RETROVILLE, which started operations in 2020. For example, when the quarantine was implemented, Blockbuster Mall, the largest retail project in Ukraine with 150,000 m² GLA (1st and 2nd phases), had 10% of opened stores, and its occupancy rate increased to 36% in December 2020.

In general, based on trends, the retail property market in Kyiv follows the scenario of gradual rotation of tenants. There were no mass closures of operators last year. However, due to the coronavirus pandemic and the crisis caused by it, small and non-systemic companies that did not have a margin of safety closed their stores. Some retail operators abandoned unprofitable locations, optimized offline presence, and revised expansion plans.

At the same time, new stores were launched by stronger players. For example, two retail projects of the group Epicenter K entered the open market, i.e. the company began to locate its stores, which previously operated only in the company's own facilities, in other shopping centers. This refers to the children's stores E.PIC and decor galleries named Deko. At first, they opened in Kyiv shopping centers in 2020. The group's future plans are to expand these chains in shopping malls all over the country.

Also, as UTG informed, new brands entered our market last year, among them were clothing brands Miss Sixty (Italy), Karl Lagerfeld (Germany), Fransa and B.young (Denmark), as well as cosmetics retail chain The Body Shop (UK), shoe retail chain FLO (Turkey), and some others. The first IKEA store opened in February 2021 in Kyiv, before that the company operated in Ukraine in the online format and had several pick-up points in the capital. However, it should be noted that the Danish clothing

brand InWear Matinique and the British Topshop left our market last year.

RENTAL RATES

According to the estimates of the Ukrainian Council of Shopping Centers, UAH2.5-3 billion of lease payments were lost by the Kyiv shopping and entertainment centers during the spring lockdown period, which lasted from mid-March till the end of May 2020. In such projects, the retailers that were not allowed to work during the period of severe restrictions were temporarily released from paying rent; later, after reopening of malls, landlords reduced rental rates providing discounts that could reach 15%, and 50%, and more, depending on the operator's situation and the relationship between the parties.

Therefore, the average rental price in the retail property market in Kyiv, which in 2020 survived one more lockdown in November, decreased. According to Colliers Ukraine, the prime rates in the best Kyiv malls for 100-200 m² premises stabilized at the level of US\$60/m²/month, and on the main shopping streets – at the level of US\$65/m²/month (VAT and operating costs excluding). The percentage reduction was 20-30% year-on-year at the end of 2020. For comparison: according to Colliers Ukraine, the prime rental rates in the best Kyiv malls for 100-200 m² premises reached US\$80/m²/month, and on the main shopping streets – US\$83/m²/month (VAT and operating costs excluding) at the beginning of March 2020.

According to UTG, the fixed rates for the fashion gallery premises with an area of 50-200 m² in existing shopping and entertainment centers amounted to US\$27.9/m²/month as of 2020 year-end compared to US\$33.8/m²/month (VAT, operating and utility costs, turnover % excluding) at the beginning of the last year.

TRAFFIC

Just right after the spring lockdown of 2020, traffic of shopping malls decreased, and in some projects the footfall was 35% lower compared to the pre-pandemic period. Gradually, consumers returned to the malls, traffic grew up, although not fully recovered. During the weekend lockdown, there was a redistribution of flows and an increase in attendance on weekdays. In response, some malls changed their schedules, extending opening hours on weekdays.



PHOTO: ANDRIY KOSYRKO/SHOOTING MALL.UA

In the photo: Blockbuster Mall, Kyiv

MAJOR SHOPPING MALLS SCHEDULED FOR OPENING IN KYIV IN 2021

| Name | Address | GLA, m ² |
|-----------------|-----------------------------|---------------------|
| Respublika Park | 1A, Ring Road | 135,000 |
| Ocean Mall | 176, Antonovycha Str. | 110,000 |
| BalticSky | 134/1, Peremohy Ave. | 10,000 |
| HIT Mall | 23, Baltiyskiy Lane | 13,500 |
| Standard One | 2, Akademika Hlushkova Ave. | 2,500 |

Source: UTG

However, the pandemic has boosted the growth of e-commerce and strengthened loyalty to online shopping; the development of marketplaces and the expansion of demand for goods that were not previously popular online were also observed. These trends as well as the desire of consumers to reduce costs or to avoid public places/transport has led them to visit retail projects less often. Therefore, according to UTG data, the traffic in Kyiv malls decreased significantly as of the year-end. The average market rate dropped to 516 people/1,000 m² as of January 2021, and that was about 40% less compared to 2019.

NEW AND FUTURE SUPPLY

As it was mentioned, the shopping and entertainment center RETROVILLE opened in Kyiv in 2020 – it was the only project that entered the capital retail property market last year. The mall's GLA is approximately 86,300 m². The opening of the project was phased: the first phase

welcomed visitors in May, and the second – in August. According to Colliers Ukraine, with the launch of RETROVILLE, the stock of the Kyiv retail property market increased by 5.7% to 1,588,000 m².

Several retail projects are under construction in the city now. And in general, as Colliers Ukraine informs, there are currently 13 malls at different stages of development, scheduled for opening from 2021 to 2024. Their total area is about 770,000 m²; the launch of this supply is likely to last over a longer period of time. According to UTG, in the nearest perspective, the following projects are expected to enter the market: Respublika Park on the Ring Road (its launch was planned in 2014, but the construction was suspended in 2015), HIT Mall on Peremohy Avenue, BalticSky on Baltiyskiy Lane, Standard One on Akademika Hlushkova Avenue. It was also announced that Ocean Mall on Antonovycha Street, the launch of which was planned for 2019, may be opened this year.

RETAIL REAL ESTATE OF KHARKIV: ON THE THRESHOLD OF CHANGE

The retail real estate market has found itself in a difficult position due to the pandemic and the introduction of significant restrictions. Against the background of uncertainty and the suspension of the development of many retailers, the situation in Kharkiv looks quite optimistic – two iconic projects, that will bring a lot of expected brands with them, are about to open in the city. This will lead to a change of consumer habits and the balance of power in the market.

MARKET SUPPLY

As of 2020 year-end, the supply of the retail real estate market in Kharkiv remained unchanged – during this period, no malls were opened in the city. Therefore, according to the consulting company UTG, 3 regional, 5 community, 28 neighborhood, and 17 specialized shopping centers worked in the city as of the end of the last year. The total area of retail projects, including more than 20 stand-alone supermarkets and hypermarkets, surpassed 474,520 m², which corresponds to a saturation rate of 328.6 m²/1,000 citizens. At the same time, about 139,000 m² accounts for professional retail projects of the traditional format, as the consulting company Colliers Ukraine informed. And taking into account the stores up to 3,000 m², street retail, and markets, according to the assessment of the investment and consulting company Proconsul, the volume of retail area in Kharkiv reaches about 1.5 million m².

VACANCY RATES

In the main existing malls of the city, the occupancy did not change during the quarantine period. At least that's what was observed in the malls Dafi and Karavan. "We do not have empty lots, because we have pre-signed contracts," said **Ihor Skliarenko, CEO of the Dafi chain of malls** (Kharkiv, Dnipro). During the quarantine and lockdowns in particular, despite the difficult situation, the shopping and entertainment center Dafi did not feel the outflow of tenants: its tenant-mix did not undergo significant changes. In both stable and crisis periods, the annual rotation rates in this project are the same – 5-7%.

The vacancy rate of the Kharkiv shopping and entertainment center Karavan was less than 0.6% in 2020. According to **Iryna Povarchuk, CEO of DCH Infrastructure & Real Estate** (the managing company of the Karavan chain of malls in Kyiv, Kharkiv, and Dnipro), the performance of the project was stable and fluctuated insignificantly at the 'technical' level: if 2020 started with a vacancy of 0.4%, then at the end of the last year, it increased by only 0.2%.

In general, according to Colliers Ukraine, the average vacancy rate in the shopping and shopping and entertainment centers in Kharkiv was about 1%. But this applies to professional projects of the traditional format. UTG estimates the average vacancy in Kharkiv shopping

and shopping and entertainment centers in 2020 to be no higher than 6% (for comparison: at the end of 2019, this average market index was 3.77%). And according to Proconsul, the vacancy rate in malls with a 'well-thought-out' concept did not exceed 3-5%, in others it could reach as high as 20% or even 40%.

Interesting dynamics were demonstrated by Nikolsky shopping and entertainment center, which is scheduled to open in the spring of 2021. By the end of 2020, its retail area was 95% leased (the project also features office and warehouse premises). Also, during the quarantine period, namely from March to December 2020, about half of its 53,000 m² GLA was leased to tenants. However, according to Budhouse Group, the developer of the project, many pre-lease agreements have been re-signed because they expired.

RENTAL RATES

The unfavorable state of affairs affected the rental rates in the Kharkiv market. Players of the retail real estate sector updated the terms with tenants, regulated the payments with individual discounts for a certain period while taking into account different factors, including the type of a retailer's activity, as quarantine restrictions had different effects depending on the industry. In general, according to Proconsul, the average rental rates in shopping and shopping and entertainment centers decreased by 15% in 2020.

The rates differ significantly depending on the format of a mall. For example, last year, the base rent for Kharkiv's neighborhood shopping centers averaged US\$7-18/m²/month (VAT and operating fees excluding). According to the Ukrainian Council of Shopping Centers, 100-150 m² premises could be rented at US\$20 to US\$100/m²/month (VAT including). But this is not the highest price. For example, as Budhouse Group informed, the rental rate of some premises on the 1st and –1st levels in the Nikolsky mall reached \$130/m²/month (VAT including).

LONG-AWAITED ADDITION

In the retail real estate sector of Kharkiv, one should expect high-quality market growth in the near future. The most promising malls in the city are Nikolsky (106,000 m² GBA, 53,000 m² GLA) and Planeta Mall (110,000 m² GBA, 70,000 m² GLA). Nikolsky will open in the spring.

SHOPPING MALLS PLANNED FOR DELIVERY IN KHARKIV IN 2021

| Name | Address | GBA/GLA, m ² |
|---------------|--------------------|---------------------------------|
| Planeta Mall | 4A, Ring Road | 110,000/70,000 (phases 1 and 2) |
| Nikolsky | 2, Pushkinska Str. | 106,000/53,000 |
| Elysium Plaza | 24D, Haharina Ave. | 18,000/4,500 (retail area) |

Source: Proconsul

The launch of Planeta Mall is scheduled for this year as well (it should be noted that it is the former Magelan shopping and entertainment center, which is being reconcepted and expanded now).

Another source of growth of the retail real estate market in the city is the construction of shopping and shopping and office facilities as part of residential complexes. For example, according to Proconsul, the Manhattan mixed-use complex provides a 3-storey shopping center; in the residential complex on 144, Poltavskyi Shliakh Street, there will be about 3,000 m² of retail spaces; and a 3-storey shopping and office center with a total area of about 2,000 m² has been designed in the Continental residential complex.

An increase in retail premises is also observed in places of concentration of passenger flows, namely near metro stations. According to Proconsul, the construction of a neighborhood shopping center with 30-40 stores near the metro station Peremoha (approximately 2,000 m²) is currently being completed. At the stage of realization, there is another neighborhood shopping center project

for 40-50 stores (approximately 5,000 m²) near the metro station Heroiv Pratsi.

Also, according to the data provided by Colliers Ukraine, two more shopping malls with 162,000 m² of a total area may be developed in the city.

"With the opening of new conceptual projects of the regional format, the retail real estate market in Kharkiv will inevitably face new challenges and changes," said **Kostiantyn Oliinyk, Head of Strategic Consulting at UTG. Maksym Havriushyn, Head of the Ukrainian Council of Shopping Centers and COO at Budhouse Group**, shares the same opinion. He characterizes Kharkiv as still one of the most 'empty' cities in terms of saturation with modern retail real estate. The opening of new large malls will not only restore the balance but will also lead to increased competition as the requirements of consumers and their preferences for visiting shopping malls will change. As a result, the projects that have been operating in the market for over 10 years will be forced to carry out reconstruction – a trend that should be expected in the coming years.



In the photo: shopping and entertainment center Karavan, Kharkiv

COVID FLUCTUATIONS: REVIEW OF THE DNIPRO SHOPPING MALLS MARKET IN 2020

After five years of stagnation, the Dnipro retail property market has entered a stage of qualitative changes. Some malls in the city have been renovated or expanded, improving their concept and tenant mix. However, in 2020, the coronavirus pandemic did not allow developers to convert investments into higher returns.

FAR FROM SATURATION

According to the analysis provided by the consulting company UTG, 46 retail projects, including 2 regional, 6 community, 12 neighborhood, 17 specialized shopping centers, and 9 separate hypermarket buildings worked in Dnipro as of the end of 2020. Karavan (77,870 m² GLA) and MOST-city (33,000 m² GLA) are the largest shopping and entertainment centers in the city.

Pursuant to the ICSC classification, excluding small stores, street retail premises, markets, and separate supermarkets and hypermarkets, the total area of retail premises exceeds 406,000 m², which corresponds to 405.1 m²/1,000 inhabitants.

Slightly different data on the market saturation are provided by the Ukrainian Council of Shopping Centers (UCSC), which was established on the basis of ICSC. According to the UCSC, currently, Dnipro ranks seventh among the regions of Ukraine in terms of saturation of retail areas in shopping centers with a rate of 344.3 m²/1,000 inhabitants. "The retail property market in Dnipro had developed in the pre-war period. No shopping centers were opened in the city for five years (from 2014 to 2019). The situation began to change from 2019 – there was an increase in such premises. At the same time, the processes that take place in Dnipro can be called rather qualitative changes of the market. The main trend is the renovation of shopping centers," says **Dmytro Topolskov, Head of the UCSC Research Group.**

Taisiia Lytovchenko, Director of the consulting company Retail & Development Advisor (RDA), shares his viewpoint. As she says, despite some intensification of development activity in recent years, new large malls, which could boost competition on the retail property market, are almost not being built in Dnipro. In 2019-2020, the new supply was provided mainly by small projects, as well as the renovation or expansion of existing shopping centers.

LIMITED SUPPLY

In 2004-2013, the Dnipro market was characterized by a period of rapid growth; and there was a period of stagnation in 2014-2018; the qualitative stage of its development began in 2019 – as Dmytro Topolskov tells. For example, the shopping and entertainment center NEO PLAZA, which is a reconstruction project of the former Materyk mall, opened at the end of 2019. The renovation of the shopping and entertainment center Dafi was

completed in 2020; and DCH Infrastructure & Real Estate, which manages the Karavan chain of malls in Ukraine, is evaluating the experience of reconstructing of its project in Kyiv and is at least thinking about renovating its facility in Dnipro – adds Dmytro Topolskov.

UTG notes that the new supply in the retail property market of Dnipro was even more limited in the crisis year of 2020 compared to 2019. Thus, no large projects were opened in the city last year. A two-storey 4,000 m² GLA shopping center was built in the Station Square; the first phase of the retail and exhibition complex with about 10,000 m² GLA was completed at the intersection of Lamana and Kotsiubynskoho Streets; a small shopping and office center Uspensky was put into operation in Uspenska Square. Several retail projects were closed at the same time. In particular, the shopping centers Grand Plaza (9,000 m² GLA) and Kubometer (2,900 m² GLA) were closed and completely built down.

The largest volumes of new retail property supply in the Dnipro market were provided by the second phase of the shopping and entertainment center APPOLO in 2020. According to RDA, the GBA of this project grew up by 50% after the opening, and its GLA reached 30,000 m²; it allowed APPOLO to enter the top 3 largest malls in the city.

STABLE VACANCY

Shopping malls succeeded in retaining most of the tenants last year. For example, there was no outflow of retailers from NEO PLAZA; moreover, the number of new leases exceeded the number of outlets that were forced to close. Thus, only one store shut down during the severe spring restrictions in this mall, and seven outlets closed in total during the period from March to December 2020. The managing company signed contracts with 16 new tenants during this time. Therefore, the occupancy of this mall grew throughout the year, and it had only 8.2% vacant spaces in December.

DCH Infrastructure & Real Estate notes that its projects reacted differently to force majeure caused by the coronavirus pandemic. "Unlike other projects, in the Karavan mall in Dnipro, the share of tenants representing small businesses is relatively high – up to 50%, so the risks for all parties were great because this market segment is the most vulnerable to quarantine," explains **Iryna Povarchuk, CEO of DCH Infrastructure & Real Estate.** As she said, the tenant mix slightly changed during the spring lockdown: about 10% of 'retail islands' and



In the photo: shopping and business center Perekhrestia, Dnipro

kiosks left the mall, giving chance to more viable small-format operators. Also, the developer conducted several rotations in the shopping galleries during this period, but the vacancy rate was not significantly affected: it fluctuated at the 'technical' level of 1.8% at the beginning of 2020, and it was 1.5% in December.

ILLUSIVE PERSPECTIVES

The competition in the retail property sector has intensified under the current conditions. Because of the existing restrictions, the market players cannot hold the usual mass events, so they are looking for alternative ways to restore traffic and stimulate sales, which, in particular, has affected the marketing policy. For example, the Dafii mall has focused on local coalition promotional actions, and Karavan has strengthened marketing initiatives in collaboration with tenants.

The market players hoped that the traditionally successful December season would improve the situation, but awaited anxiously the beginning of 2021 with the January lockdown. "The situation was more favorable in December and the first days of January; we reached better results than expected, which were almost similar to the indicators in 2019," said Iryna Povarchuk; but she noted that it was difficult to draw parallels with last year

indexes in general and sometimes even incorrect, as all social behavior patterns changed significantly during the quarantine period, and this applied to both peak periods of seasonal demand and customer preferences.

"The overall situation with the coronavirus pandemic in Ukraine affects directly the performance of retailers and shopping centers. Prolonged quarantine and the economic downturn may not only worsen the situation of the existing players but also delay the entry of new projects into the market," warns Taisiia Lytovchenko. She noted that it was already clear that the opening of large retail projects in Dnipro should not be expected in 2021. And the projects that were previously planned for 2022 are likely to be postponed. In particular, the company Alef Estate has already announced the postponement of the shopping and business center Perekhrestia (35,000 m² GBA) commissioning for 2023. This project will feature a shopping area, which will become the second phase of MOST-city, and a business center.

UTG and DC Evolution announced earlier their intention to build the shopping and entertainment center Alfa Mall (105,000 m² GBA, 52,000 m² GLA) in Dnipro. However, the launch of construction has not yet been announced. Therefore, its implementation in the previously announced timeline is extremely unlikely.

SHOPPING MALLS IN ODESA: IS THE MARKET PUT ON HOLD?

2-3 years ago, the retail property market in Odesa was expected to significantly grow and even reach the saturation point due to the opening of some large malls. However, this did not come true – the projects announced before are now put on hold.

2020, the year of crisis, brought no replenishment of the retail property market in Odesa. If in 2019 it showed a certain growth, specifically due to the opening of the neighborhood shopping center Perlyna 40/41 (Perlynnna Street, 4,000 m² GLA) and extension of the shopping and leisure center Gagarin Plaza (Genuezska Street, 6,000 m² GLA), then in the last year there were no new malls in the city, as the consulting company UTG informed.

For this reason, the list of the market leaders remained unchanged. The largest shopping and entertainment center is still Riviera with its total area of 82,000 m². It should be noted that last year it was decided to improve the use of premises in this property so that 1,760 m² was added to its gross leasable area that as a result made up 66,760 m². The shopping and entertainment center City Center ranks second in size with its gross leasable area of 55,000 m². FONTAN SKY center rounds out the top three, its gross leasing area being 30,000 m².

Different experts give different estimations of the size of the market supply, and hence of its saturation as well. According to the Ukrainian Council of Shopping Centers (UCSC), there are 17 malls in the city (according to the ICSC classification) with their gross leasing area being 392,800 m². Odesa with a population of more than one million ranks in the top five of the leaders among the regional centers of Ukraine in terms of saturation of areas in shopping malls per 1,000 residents. In spite of that, according to **Dmytro Topolskov, Head of the UCSC Research Group**, retail facilities face no difficulties with occupancy, this refers in particular to quality projects. According to UTG, the cumulative area of the retail facilities of the city is 453,135 m², while the saturation is 447.6 m²/1,000 residents. This rate covers 2 regional shopping centers, 10 community ones, 13 neighborhood ones, 7 specialized shopping centers, and 11 stand-alone buildings of hypermarkets. At the same time, according to the consulting company Colliers Ukraine, the total supply of quality retail property in Odesa is 236,000 m². So, the level of saturation with quality retail premises makes 233 m²/1,000 residents of the city. "The rate is almost twice lower than in Kyiv. However, the saturation level in Odesa is the highest among other million-plus cities of the country," Colliers Ukraine comments.

RATES ARE UNDER PRESSURE, VACANCY IS STEADY

The year 2020 characterized by intermittent tightening up and easing of quarantine restrictions made significant pressure on companies that manage retail properties. This

forced them to partially correct the terms of work with tenants, which were generally similar in malls in different regions of Ukraine. For instance, the shopping and entertainment center Riviera confirmed that certain of its retail operators were granted short-term discounts on an individual basis depending on their commodity lines and the rates of sales turnover.

In general, according to UTG, the retail property rental rates in Odesa vary greatly depending on the format and location of a mall. Last year, 50-200 m² fashion gallery premises were leased at the price US\$30-60/m²/month (VAT and maintenance payments excluding) in the most successful properties, US\$15-25/m²/month – such prices were typical for the shopping centers that used to be successful in the past but now are out-of-date, \$5-15/m²/month – in the remote city districts, in morally obsolete projects that have major conceptual deficiencies.

However, most of the factors historically inherent to the Odesa market supported the landlords in the tough time. This is the place where commercial activity is traditionally developed, as Odesa is the main commercial seaport of the country; this is the city, where the population is well-off enough, the tourism potential is high, and sales drastically grow in the holiday period. For this reason, this market was one of the leaders by popularity among retailers of all pricing tiers. Besides, a small supply of new retail real estate projects provided for practically zero vacancy in most of the quality shopping malls. At the same time, **Kostiantyn Oliinyk, Head of Strategic Consulting of UTG**, emphasizes that in spite of the stable situation typical for the leaders of the Odesa market, there was a gradual growth of vacancy in small community and neighborhood shopping centers that had a weak anchor component, a limited assortment of commodity lines, and no venues for leisure and entertainment activities.

For example, within the year 2020, the shopping and entertainment center Riviera maintained the vacancy at the level of 1.7% and 'entered' into January 2021 with this rate. "The previous year was pretty successful for us; we worked hard on involving international and Ukrainian operators. Of course, in the quarantine period, such negotiations take more effort than usual," indicated **Andrii Brynzylo, CEO of the shopping and entertainment center Riviera**. Thus, last year, the managing company signed several leasehold contracts for a total area of almost 7,200 m², particularly with two international brands for a total area of 5,600 m². This mall attracted



PHOTO PROVIDED BY RIVIERA

In the photo: shopping and entertainment center Riviera, Odesa

brands new for the city, namely Gap and Decathlon.

Besides, it is expected that due to the planned opening of two anchors in two different segments the traffic of the shopping and entertainment center Riviera will grow. According to the results of Q4 2020, its footfall was reduced by only 5% as compared to the similar period of 2019. "I would like to emphasize that in Q4 2020 Riviera passed the test of 'the red zone' that made the work of the mall impossible, except the supermarket and tenants offering products allowable to sell. Moreover, the weekend lockdown fell within this period, when apart from the shopping gallery, the leisure and entertainment zone, restaurants, and the movie theatre, in particular, stood idle; the children's entertainment park was closed because of a change of the tenant. For this reason, we consider this 5% drop of the traffic in this period absolutely insignificant as compared to the previous year," said Andrii Brynyzlo.

MARKET PROSPECTS

Odesa is not only a tourist resort area in Ukraine but ranks 3 in such an important rate for the commercial activity as population. However, as noted by Colliers Ukraine, within the recent five years, no professional shopping projects with an area of more than 30,000 m² have been put into operation here. "That's why the market supply is represented mostly by properties opened in 2004-2014, which have already become obsolete and worn-out," stated Kostiantyn Oliynyk.

However, despite a rather complicated previous year, not all the construction sites of the city stopped or slowed down their work. Several projects in Odesa are already in the final stage, and they are most likely to be

opened in 2021. One of the examples is the shopping mall Mercury (Paliia Street), which is reformatted into an outlet center. According to UCSC, due to the renovation, the gross leasable area of the property will grow up to 40,000 m². Besides, in the current year, the second phase of the shopping and entertainment center Ostriv (Novoshchipnyi riad Street) is expected to open, the gross leasable area of which after the extension will be 37,800 m² (currently it is 15,727 m²). While the total area of this property will increase up to 70,100 m², according to Cushman & Wakefield in Ukraine data. Apart from that, the construction of the project Aquarel is going on in the city, which is positioned as both a shopping and a business center. And the real estate development company Budhouse Group is planning to unfreeze the construction of the shopping and entertainment center Yessa (39,000 m² GLA) by the end of the year. "Also, we should not ignore the fact that the regional shopping and entertainment centers of Odesa (Riviera and City Center) have an opportunity to put into operation new phases in prospect, increasing their competitive stability at the market," added Dmytro Topolskov.

Works on new projects in the city are in progress as well. According to Colliers Ukraine, last year four malls with a total area of more than 180,000 m² were under conceptual development.

At the same time, implementation and opening dates of some of the projects announced before are rescheduled for an indefinite period. These, in particular, are Odessa Mall (39,200 m² GLA) and Ipodrom (62,500 m² GLA). Further plans for the shopping and entertainment center Auchan Les Vignes (40,000 m² GLA) remain unclear as well, according to UTG.

FIGHTING AND SURVIVING

Perhaps, the hotel industry is the one to have suffered the most as compared to other commercial real estate sectors. The market players have to grapple with the lack of tourists, who are the main consumers of their services. As a result, in 2020, such facilities' key performance indicators dropped significantly compared to the pre-pandemic period.

SURVIVAL STRATEGY

2020 is now mentioned as the most difficult year in the history of tourism. Last year, the amount of proceeds from the tourism industry decreased by 70-85% compared to 2019 in Ukraine. According to the estimates of the State Agency for Tourism Development, the losses in this industry amount to about UAH60 billion or over US\$2 billion, where the lion's share is that of the hotel business. In 2020, this segment operated in the context of declining tourist traffic, periodic tightening and easing of quarantine restrictions, and with no significant support from the government. Last year, a positive step was taken – a law was adopted to reduce VAT for hotels from 20% to 7%, however, the reduction in taxes has become effective from January 1, 2021.

During the strict quarantine period, Ukrainian hotels decided on their own whether to continue or suspend operations. The absence of clients prompted them to temporarily close. Needless to say, even under such conditions, hoteliers have certain liabilities and expenditures. To mitigate the negative effect, they were forced to resort to some remedies: cost reduction, staff optimization (changes to the employees' work schedules according to the workload, unpaid leave, personnel reductions), renegotiation of terms of cooperation with partners, deferment of payments – these were the steps taken by the market players. At the same time, they were trying to keep the business running in every possible way and stimulated the receipt of funds. According to an online survey conducted by Horwath HTL and the Ukrainian Association of Hotels and Resorts (UHRA) to study the sentiments of hoteliers in Ukraine, about 27% of operators introduced additional services in their properties, including the lease of coworking and office spaces, and another 7% repurposed some areas for gambling halls. Some market players brought down the prices to encourage travelers to come to their hotels, developed special futures packages and promo certificates for future trips, asked bloggers and influencers for support, and more.

OCCUPANCY

Closed borders due to the quarantine restrictions have become a major challenge for the hospitality industry and hotel sectors in particular. The business has lost its main consumer – international travelers. Along with the ban on public events, this has led to a significant reduction in the occupancy rate. The degree of occupancy of hotels in 2020 fell by about half.

Last year, there were temporary surges in demand, and the industry operated due to domestic tourism. During particular months, recreation areas enjoyed a better position, like Odesa, which was especially popular in summer, and Lviv, which attracted travelers for the New Year holidays. The more or less successful peak months smoothed over the situation of 2020. However, they were unable to eliminate the negative factors, such as the lack of foreign tourism, the absence of the event market, and the general reduction in numbers of Ukrainian travelers due to decreasing solvency, etc.

GAMBLING

Adoption of the Law of Ukraine 'On State Regulation of Activities Related to the Organisation and Conduct of Gambling Games' is considered to be one of the positive events of 2020. According to the law, casinos are allowed in Kyiv 5-star hotels with at least 150 rooms, and bookmakers and slot machine halls may be located in 3-, 4- or 5-star projects with at least 50 rooms. As to the regional hotels, the requirements are slightly different: casinos may be run in 5-star 100-room facilities, and bookmakers and slot machine halls are allowed in 3-, 4- or 5-star hotels with at least 25 rooms. Hotels are expected to attract a broader range of clients and, as a result, improve occupancy and profitability on account of gambling facilities. As of March 2021, several accommodation facilities in different cities of Ukraine received permits to open gambling halls.





In the photo: travelers' hub Globe Runner Hotel & Hostel, Kyiv

KYIV HOTEL MARKET: SUPER COMPLICATED 2020

In 2020, the performance of the hotel market in Kyiv decreased. Occupancy, for example, almost halved. According to optimistic forecasts, at the end of 2021, this sector may approach the levels of 2019, and a full return of the market indicators is possible in 2022, provided that the business environment is gradually recovered and no hard lockdowns are introduced.

OCCUPANCY

2020 started quite successfully. According to EY in Ukraine, the occupancy of Kyiv's upper-priced hotels was about 38% in January-February 2020, which was 6 p.p. higher compared to January-February 2019.

Subsequent quarantine restrictions imposed in mid-March and onwards, their periodic easing or tightening led, among other things, to the forced temporary closure of a large number of hotels, and occupancy in the Kyiv market halved in 2020. Note that in 2019, 5-star hotels were 45% occupied, and 4- and 3-star projects were 55-65% occupied. According to the consulting company Colliers Ukraine, last year, the higher-priced hotels were filled by 22%, and the medium-priced projects – by 23-25%.

Over 2020, some months were more successful for hotels, and some were less productive.

As **Irantha Duwage, CEO of DBI Hotel Management**, informed, in the hotel Ramada Encore Kyiv, which is managed by the company, there were two best months during the pandemic period – August and November, when occupancy reached almost 35% and 23%, respectively. As for another Kyiv hotel of DBI Hotel Management – Number 21 by DBI, the best months after the announcement of the pandemic were October and December. In October, the occupancy rate reached almost 34%, and it exceeded 29% in December. In general, the occupancy of Ramada Encore Kyiv decreased to 21% in 2020 compared to 52% in 2019, and the occupancy of Number 21 by DBI was 27% last year compared to 54% in 2019.

For the hotel chain Premier, which operates 16 facilities in Ukraine, including one 5-star and two 3-star hotels in Kyiv, the best months during the quarantine period were July and August. In general, the hotels of this chain finished 2020 with occupancy rates that were 10-55% lower compared to 2019. Meanwhile, Kyiv was one of the cities that showed the biggest decline.

In Kyiv's President Hotel, which is managed by Vertex Hotel Group, the autumn months were the most successful due to the growth of business activity.

And for DEOL Partners, the developer and operator of the 11 Mirrors Design Hotel, the chain Senator Hotels and Apartments, and the travelers' hub Globe Runner Hotel & Hostel, the most effective months during the pandemic were August and October. The average occupancy rate of the 11 Mirrors Design Hotel and Senator Hotels and Apartments was 50-70% last year.

RESQUE DOMESTIC TOURISM

In response to limited international travel, Ukrainian hotels have changed their focus to domestic tourists. So, if earlier many of them targeted foreign guests, the industry worked thanks to local tourism in 2020.

However, the situation in each project may be different. For example, last year, the number of foreign clients in the President Hotel decreased significantly, now 80-90% of its guests are Ukrainians. Before 2020, the share of foreign residents reached 70% in some facilities in the chain Premier; but last year, due to reduced international tourist flows, hotels lost up to 50% of income from this segment of guests. Ramada Encore Kyiv attracted Ukrainian audiences earlier, so despite the general decline in occupancy, the ratio of Ukrainian to foreign tourists remained unchanged: it was 77% in 2020, while it reached 78% in 2019.

The chain of Senator Hotels and Apartments welcomed more foreign guests (70%) than Ukrainian (30%) from June to October of the last year. However, due to a series of lockdowns, constant fluctuations from the 'yellow' to the 'orange' quarantine zone, cancellation of flights, etc., the flow of foreign tourists decreased significantly, and those residents who stayed in these apart-hotels canceled their bookings and left Ukraine. Therefore, in November-December 2020, the company-operator of the chain focused on domestic tourists. Another DEOL Partners' project – Globe Runner Hotel & Hostel, which was launched in early 2020, attracted a Ukrainian audience mainly.

The market players expect that in the short-term period this situation will be the same: in 2021, even if the international travel restrictions are weakened, domestic tourism will still support the hotel sector of Ukraine.

ADR

The quarantine, decline of foreign tourist flows, and the inability to hold large-scale events led to a 50% drop in hotel revenues in 2020. According to Colliers Ukraine, last year the average daily rate (ADR) in the Kyiv higher-priced segment was €130 compared to €150 in 2019. And in the middle-priced hotels, the ADR decreased to €40-55 compared to €89 in 2019. Interesting that in the chain Premier, the 5-star segment showed the smallest changes: as the company informed, the ADR remained at the level of 2019, but this indicator decreased by 10-30% in the operator's 3-4-star hotels. In the 4-star President Hotel, the fall of ADR did not



VISUALIZATION: RADISSON HOTEL GROUP

In the photo: Radisson Hotel Pechersk Park Kiev, Ukraine

exceed 15% last year. And the average daily rate decreased by 15-20% in 11 Mirrors Design Hotel and in the chain Senator Hotels and Apartments.

MARKET SUPPLY

The hotel market of Kyiv was expected to grow in 2020. The prospective supply included the hotel ibis with 150 rooms and apart-hotel Adagio with 100 rooms. Sheraton Kyiv Olimpiyskiy with 208 rooms was also expected to open. However, these projects were not launched last year. Instead, the market added another location: in February, before the quarantine, the hub Globe Runner Hotel & Hostel, developed and operated by DEOL Partners, was launched in Kyiv. The project combines the features of a hostel and a hotel: it offers 17 private rooms and family suites as well as 21 dormitories. Among the results of 2020 in the Kyiv market, the completion of the reconstruction of the hotel Number 21 with 18 rooms, managed by DBL, and Bratislava Hotel Kyiv with 335 rooms is worth noting.

Last year, a new project by the international chain Radisson Hotel Group was added to the list of the future supply of the Kyiv market: it announced the construction of the 167-room Radisson Hotel Pechersk Park Kiev, Ukraine. Its launch is scheduled for 2022. Even before the quarantine, several hotels were announced to be developed and opened in Kyiv in 2021-2022, among them were the 300-room Slavutych and 146-room St. Petersburg (both after reconstruction), and 58-room apart-hotel under

the brand Swissotel Living. However, the COVID-19 crisis will likely adjust the plans of developers, because the hotel sector suffered more than other segments of commercial real estate. However, **Ruslan Oleksenko, Founder and Managing Partner at DEOL Partners**, notes that this year one can still expect the opening of new hotels or the reconstruction of old ones. He believes that this segment remains attractive for investors. "The most important thing is to choose or create a flexible real estate project (for example, apart-hotels with elements of a coworking space), which can be easily adapted to the demands of the present and trends of the future," commented Ruslan Oleksenko.

FORECASTS

The forecasts of most market players for the current year are quite restrained. Colliers Ukraine does not expect significant growth in 2021, assuming that in autumn, hoteliers will reach 70-80% of profitability compared to 2019. A full return to the pre-quarantine level is possible in 2022, provided that the business environment is gradually recovered and no hard lockdowns are introduced.

But Irantha Duwage was quite optimistic about the prospects of 2021. He forecasted that Q1 market indicators would be close to the results of Q4 2020. Hotel market measures are expected to grow in Q2 2021, but, for example, the average occupancy will not exceed 50%. In Q3 and Q4 2021, the indicators will be close to the level of 2019.

HOTEL MARKET IN ODESA: NEW REALITY IN TERMS OF FIGURES

After the period of absolute lockdown in spring 2020, hoteliers of the Odesa region partially managed to make up for the lost time during summer vacations. Although having no tourists from abroad, they gained an advantage over hotel operators in the capital, which to a greater extent depend on business activity.

SUMMER MOOD

During the strict spring quarantine of 2020, in spite of the fact that hotels were allowed to work in Odesa, most operators closed their whole room stock or a part of it. For example, Mozart Hotel Group (its portfolio includes such hotels as Mozart, OK Odessa, Arcadia, and Tsentralna) temporarily suspended the work of three of the four properties. The management company Ribas Hotels Group (its portfolio includes eight sites in the Odesa region) decided to put on hold all the four hotels in Odesa, while its seasonal locations in the Odesa region had not been opened yet before the quarantine began. The same happened to Premier Geneva Hotel of the Premier network, it closed its doors in March and was standing idle up to May 12, 2020.

Traditionally, the holiday season in Odesa opens in May; however, in 2020, it started 1.5-2 months later because the quarantine restrictions were extended from time to time. After the restrictions were eased, starting from June 1, all accommodation facilities were gradually reopened. It should be noted that according to Hotel Matrix, as of 2020, there were 255 hotels with a total room stock of more than 6,570 rooms operating in Odesa. Early in the season, their occupancy rate was not high: about 20-30%. The first

summer month was rather wait-and-see both for hoteliers and travelers who kept a low profile as for planning their vacations, because they did not understand in which way the situation would evolve with the quarantine restrictions and transportation in particular.

Contrasted with other regions of the country, Odesa was to and did have higher demand as an available seaside summer holiday destination in the season of 2020 for Ukrainians. At the same time, there was a range of factors, in view of which the hotels found themselves far from their results of 2019. That was, namely, an absence of international tourism and a limited event market. "We saw an increased demand for Odesa and even feverish booms in the periods of long-term holidays. But this did not turn out to be enough to compensate for the total lack of clients from abroad as well as earnings from mass-attendance events. Consequently, the initial basic prerequisites made up a reduced pattern of demand," the hotel operator Premier commented on the situation.

IN TERMS OF FIGURES

Last year, the average monthly occupancy rate of hotels in Odesa ranged from 20% to 68%. According to the research data of Hotel Matrix that covered 3-, 4-, and 5-star properties with the cumulative room stock of more



In the photo: Hotel De Paris Odessa MGallery, Odesa



In the photo: hotel OK Odessa, Odessa

than 1,700 rooms or 26% of the total room stock of the city, the highest rate – 68% – was recorded in August. At the same time, the hotels in the downtown of Odessa reached 70% occupancy, while those located in health-resort zones were 65% occupied. According to Hotel Matrix, in this peak month of the previous year, the average daily rate (ADR) was UAH2,300 (about €70). At the same time, the average daily rate (ADR) of the hotels located by the sea amounted to UAH2,919 (about €88), and that of the properties in the downtown area was UAH1,700 (about €50). The revenue per available room (RevPAR) ranged from UAH1,068 to UAH1,478 (about €32-44) depending on the location.

It is worth mentioning that last year the occupancy rates of lower-priced resort hotels were better, since they are more focused on domestic travelers than higher-priced locations. For example, in peak months, some of the properties of Ribas Hotels Group worked at the level of 2019 or even higher than it had been planned. However, this referred to seasonal properties. At the same time, the situation was worse in the city hotels of Ribas Hotels Group. For instance, in summer they were 20-25% occupied.

REVIVAL AND GROWTH OF THE MARKET

Operators expect that there will be a revival in 2021, while the rates of the hotels will have returned to the level of 2019 by 2022 at the earliest. The way the situation will evolve depends on a range of factors, namely on opening the borders, recovery of international and event tourism, etc. It should be noted that in 2020 as compared to 2019, the tourist flow to Odessa was more than 30% reduced –

down to 2 million people, of which 13% were foreigners, while the rest were Ukrainian citizens from other regions. These data were provided by the Department of Culture and Tourism of the Odessa City Council. To compare, 3.3 million tourists visited the city in 2019.

Yet, in spite of the complicated year of 2020 and cautious forecasts, the hotel market in the Odessa region keeps developing and expanding. For example, last year, the company Premier, which manages Premier Geneva Hotel, opened the 5-star 200-room Premier Hotel Odessa after its reconstruction. Despite the tough conditions, in August of the last year, it managed to almost reach the average market occupancy rates in the competitive environment of the property, while in the period of the Independence Day celebration it was 100% 'sold out'.

Besides, the 25-room hotel Brik became operational in Odessa last year. And the international managing company Radisson Hotel Group announced the plans to open its first property under the brand of Radisson in Odessa – Radisson Hotel City Centre Odessa. This is actually a project of rebranding and reconstruction of the 90-room Milano Hotel. In 2021, it is planned to complete this work and to commission the renewed property with its room stock increased by 37 rooms.

Last year, Ribas Hotels Group invested in the network of glamping sites – this is a type of camping sites combined with comfortable accommodation similar to that in a hotel. The first property of the network named Mandra was opened in the Odessa region. Also last year, the operator was engaged in a dialog about buying a franchise for the construction of an apart-hotel for 400 rooms in Odessa.



In the photo: !FEST Hotel, Lviv

PHOTO PROVIDED BY !FEST HOLDING OF EMOTIONS

HOTEL REAL ESTATE IN LVIV: RESULTS OF 2020

Lviv is a city that has always attracted travelers; and in recent years, it welcomed more foreigners than Ukrainians. In 2019, for example, the structure of the tourist flow consisted of 65% of foreign guests vs 35% of Ukrainians. In total, 2.5 million people visited the city in 2019. For that reason, the closure of borders as one of the restrictive quarantine measures has become a significant challenge for the hospitality industry and the hotel sector in particular, as the business has lost its main consumer. In 2020, Lviv was visited by 70% fewer travelers than in 2019, which was 750,000 people; 66% of them were Ukrainians.

DRAMATIC DECLINE

During the period of severe spring quarantine in 2020, Lviv hotels independently decided whether to continue or suspend operations. A lack of guests, of course, resulted in a temporary closure of such facilities. For example, during the lockdown period, it was decided to suspend ibis Styles Lviv Center's operations, because, as its management explained, it was more financially feasible. Premier Hotel Dnister was closed during this period. But BANKHOTEL did not stop activities for a single day.

The deteriorating epidemiological situation in Ukraine,

restrictions on the entry of foreign travelers, and a sharp decline in tourist flows led to a significant reduction in hotel market occupancy. Last year, occupancy in Lviv hotels varied between 20-34% depending on the month. Considering the quarantine restrictions in Ukraine and the world, operators did not expect to resume occupancy to the level of 2019, when it reached 65%. Falling occupancy, as well as discounts on the accommodation provided by hotels to stimulate domestic tourism, reduced the profitability of this business. In the peak month of the quarantine 2020, December, the ADR, according to

Hotel Matrix, was UAH1,978 (about €60), and RevPAR was UAH669 (about €20).

BANKHOTEL shared its results for 2020. So, last year, its average annual occupancy rate was 31%, ADR was UAH2,241 (about €68), and RevPAR amounted to UAH703 (about €21). Compared to 2019, the occupancy in 2020 was twice lower, and the price policy was reduced by 15%. "2020 was not the same as all previous years and was difficult for the tourism industry. The situation was changing dynamically and required to adapt to new realities and develop a new strategy. The income rate of the hotel was directly proportional to the epidemiological situation and the quarantine restrictions adopted by the government. The percentage of profits began to grow in August. The removal of restrictions on different events and conferences had a positive effect, as a result, this indicator increased significantly in September compared to previous months. It is clear that during the weekend quarantine in November, the number of guests decreased, which significantly affected the situation in the city. Instead, domestic tourism was actively developed in December, when a lot of tourists chose Lviv to celebrate instead of traveling abroad," BANKHOTEL describes the situation.

Another market player, ibis Styles Lviv Center, reached 30% of occupancy in 2020, while this rate was 80% in 2019. Last year, the hotel's ADR fell by 18% and RevPAR by 65%. The best results for 2020 were in July when the hotel reached 40% of occupancy (this was due to the completion of the lockdown) and in December when it was 50% occupied (high domestic demand during the Christmas and New Year holidays).

EXPECTATION OF RECOVERY

The current situation remains unfavorable for the hotel industry in Lviv. Further recovery in demand in this market will depend on external factors, including decisions to ease quarantine restrictions not only in Ukraine but also in neighboring countries, as before the pandemic the number of foreign tourists in the city exceeded the number of domestic.

So, until the epidemiological situation stabilizes, borders open, and regular international air travel resumes, Lviv hoteliers will depend on domestic tourists. At the same time, the hotel market players in the city expect a gradual recovery in demand from H2 2021 onwards, providing the absence of new shocks.

"We are optimistic. We hope that all the planned and postponed events will be held this year, and we hope for improving the epidemiological situation in the city and the country as a whole, which will have a positive impact on the occupancy of the hotel industry. But, being realistic, at the same time, we are working on creating and generating new ideas to attract a new segment that we have not worked with before," was remarked by BANKHOTEL.

ibis Styles Lviv Center forecasts that the occupancy

rate will reach 60% in 2021. The hotel sector will be positively affected by the main offline events in Lviv; for example, Leopold Jazz Fest, IT Arena, and Lviv Mozart are planned for the current year in the city. "The market will rely mainly on domestic tourists. At the same time, we hope to see some recovery in international tourism in the summer and in H2 2020. Of course, everything will depend on the pandemic situation," commented Daniel Mlcousek, General Manager of ibis Styles Lviv Center.

THE MARKET WILL GROW UP

The hotel market supply in Lviv remained almost unchanged compared to 2019. Only one project opened last year – the 69-room !FEST Hotel, which was launched in January 2020. The developer of the project is !FEST Holding of Emotions. In general, according to the data provided by Hotel Matrix, last year, this market offered 107 2-5-star hotels with almost 3,530 rooms in total.

Despite the fact that even before the quarantine, according to some experts, the hotel property market in Lviv exceeded the level of saturation, the supply in the medium- and higher-priced sectors exceeded demand, and competition between the players sometimes escalated into price wars, it did not stop investors' interest in this sector. In March 2021, the 56-room Reikartz Mural Lviv was opened. In the current year, the launch of Best Western Plus Lviv Market Square is expected; and ibis Lviv, Novotel Lviv, and some other projects are planned to open in the next two years. Besides, in 2019-2021, the Lviv City Council approved several decisions on the implementation of new hotel projects. For example, on December 27, 2019, the Council's executive committee allowed the construction of a 6-storey hotel on Heroiv UPA Street near the business center Business-City Technopark. Also in 2019, it was announced about the intention to build a mixed-use complex with event areas, offices, and a 200-300-room hotel near the Lviv airport. In 2020, the Lviv City Council provided city planning conditions and restrictions for the construction of a conference hotel on Shevchenka Street. Also last year, the winner of the architectural competition for the development of a hotel and shopping complex on Doroshenka Street was chosen. Besides, the City Council provided city planning conditions and restrictions for the reconstruction of a building on Zaliznychna Street near the main railway station, which is to be redeveloped into a hotel, as well as for the construction of a hotel on Shchyretska Street. In 2021, the city planning conditions and restrictions for designing a hotel with administrative and retail premises in Mickiewicz Square and an office and hotel project on B. Khmelnytskoho Street were approved. And these are not all the projects that have been considered by the City Council over the last two years. However, their implementation is not a matter of tomorrow; besides, market conditions, as always, adjust the plans of investors.

WITHOUT PANDEMIC FEVER

The warehousing and logistics sector was found to be the most persistent to the challenges of 2020. However, it was not immune to the general negative trends caused by the coronavirus crisis.

STEADY POSITIONS

In times of crisis, the warehouse and logistics sector reacts the slowest to negative trends, but it also takes longer than other segments of commercial real estate to recover. No downfall was observed in this market, which proved to be the most persistent to the challenges associated with the pandemic, first of all, due to slow growth (recent years were not too abundant in terms of new openings of warehouse and logistics complexes) and mainly stable demand. It is worth mentioning that in general in Ukraine, the warehousing and logistics sector develops predominantly in the Kyiv region, which is the largest in the volume of such supply, and to a lesser extent in cities such as Dnipro, Odesa, and Lviv. The proportion of class A warehouses between Kyiv and other cities is around 80% to 20%. The high-quality facilities in the regions are in short supply.

SEARCH FOR COMPROMISE

Last year, the main players in the warehouse and logistics sector managed to keep their tenants, of course, they had to look for compromise commercial solutions. During the period of strict quarantine, many tenants initiated negotiations with landlords to reduce monthly payments. What is meant here is an appeal to reduce the payment in part or in full, to defer payments, or to provide other individual concessions for the period of restrictive measures and the like. The landlords, even if they made concessions, it was on a case-by-case basis, by analyzing, for example, how much the tenant's business suffered during the strict quarantine period, what share of the company's expenses was attributable to storage space, and so on. Arrangements during this period were regarded as temporary measures.

OCCUPANCY

A total of about 200,000 m² of warehouses were built in Ukraine last year, including

100,000 m² in the Lviv region. The facilities that were put into operation in 2020 – beginning of 2021 were almost completely leased out. That is, even after their opening, the vacancy in the segment of warehouse and logistics real estate remained relatively low. Demand in the market is driven, first of all, by the development of trade, delivery services, and certain sectors of the economy, in particular pharmaceuticals. The retail sector is one of the main tenants of warehouse and logistics centers. Thus, during the strict quarantine, the retailers which could not operate in physical stores began to launch an online format. Accordingly, they needed additional premises, since e-commerce, according to some sources, requires three times as many warehouses as offline business. At the same time, the operators which already had such a format of business could require more space to serve the growing demand.

However, amid the positive dynamics of take-up, there were other trends: the rotation increased, some of tenants planned to expand and rent additional space but were not able to do this, some postponed the conclusion of transactions; there was a decrease in leased space or withdrawal from the lease relationship.

PROSPECTIVE FORMAT

It is expected that the retail sector, particularly e-commerce, will support demand for warehouses, which were the least affected during the pandemic. Besides, online retail will not only be a catalyst for take-up but will also lead to certain changes in this real estate market. In particular, it is setting the trend for the format of small logistics-warehouse facilities within the city limits, the so-called in-city warehouses or urban warehouses. Growth of demand specifically for such premises is observed both in Kyiv and in regional cities. Over the medium term, given the rapid development of e-commerce, one can expect growth of this real estate format.





In the photo: Fozzy Group's distribution center (based at the logistics center Protec Zymna Voda), Lviv region

WAREHOUSE PROPERTY MARKET IN KYIV AND KYIV REGION: RESULTS OF 2020

The warehouse and logistics sector of Kyiv and Kyiv region was the least affected by the negative trends caused by the coronavirus pandemic compared to other segments of commercial real estate. It 'entered' the crisis with a shortage of available supply and low vacancy. The fact that the sector was not 'overheated' became a stabilizing factor for it.

NEW SUPPLY

According to the consulting company CBRE Ukraine, the new supply of warehouse premises on the market of Kyiv and Kyiv region amounted to 78,000 m² in 2020 and significantly exceeded the volume in 2019 when only 22,000 m² were launched. Last year, the main stock was provided by the 53,000 m² (GBA) second phase of the warehouse complex Amtel (Bilohorodka village, Kyiv region), developed by Amtel Properties.

The warehouse and logistics property sector has also grown due to the entry into the speculative market of the Falbi complex with approximately 11,000 m² of warehouse area after the change of ownership of this facility – it was bought by Dragon Capital, and it became a major investment deal of the last year.

Furthermore, as CBRE Ukraine informed, there was a change in the intended end-use of Epicenter K, located on Viscozna Street in Kyiv, from retail to logistics, that added about 20,000 m² to the total market supply. Therefore, the total stock of the warehouse and logistics premises in Kyiv and Kyiv region grew up to 1.52 million m² last year.

VACANCY AND RENTAL RATES DYNAMICS

The dynamics of demand on the warehouse and logistics real estate market of Kyiv and Kyiv region mainly remained high during 2020. According to CBRE Ukraine, positive leasing activity contributed to the conclusion of 16 agreements last year, and the total volume of gross take-up grew up by 20% y-o-y and amounted to about 166,000 m². The stable demand was primarily driven by the development of the e-commerce and grocery retail sectors. Particularly, wholesalers and retailers accounted for the largest share in the take-up structure – 48%, and logistics operators accounted for almost 29% of all new lease agreements in 2020.

The rental activity contributed to the fairly low vacancy in the warehouses that entered the market last year. For example, the warehouse complex Amtel had 15% of vacant spaces at the moment of commissioning in October 2020. That is, 85% of its premises were leased at the construction phase. The vacancy rate of its second phase decreased to 10% as of the beginning of 2021.

However, contrasted with the positive dynamics of take-up, there were other trends in the market: rotation



In the photo: warehouse complex MLP-Chaika, Kyiv region

MAJOR WAREHOUSE AND LOGISTICS PROJECTS PLANNED TO OPEN IN KYIV AND KYIV REGION IN 2021

| Name | Location | GLA, m ² |
|---|-----------------------|---------------------|
| Makarivskiy logistics complex (2 nd phase) | M-06, E40 | 40,000 |
| SAN Factory logistics complex (2 nd phase) | Kyiv | 23,400 |
| Mirage warehouse complex (3 rd phase) | Hostomel, Kyiv region | 9,000 |

Source: CBRE Ukraine

grew up, some of the tenants planned to expand and lease additional areas and could not, some of the companies postponed the conclusion of new agreements, also, there was a reduction of leased areas or termination from a lease. This was especially observed in H1 2020. As a result, as CBRE Ukraine informed, it led to a slight increase in the average vacancy rate on the warehouse and logistics real estate market in Kyiv and Kyiv region by 0.4 p.p. y-o-y to 2.9% as of the 2020 year-end.

Also, with the beginning of quarantine, a lot of tenants initiated negotiations with landlords, which affected this business by way of postponement of payments, temporary reduction of payments, and other individual concessional terms for the period of restrictive measures. However, it did not affect the nominal rental rates for warehouse premises in Kyiv and Kyiv region, which remained generally stable. According to CBRE Ukraine, they were denominated in UAH last year. Declared rental rates varied from UAH133 to UAH159/m²/month (VAT and operating costs excluding), which was equivalent to US\$4.7-5.6/m²/month – that was the price for premises in A-class dry warehouses (in 2019: UAH125-150). The rent of the same premises, however, in the B-class projects varied in the range of UAH95-100/m²/month (VAT and operating costs excluding), which was equivalent to US\$3.4-3.9/m²/month (in 2019: UAH75-110). And the declared rental rates for cold storage facilities were UAH300-360/m²/month (VAT and operating costs excluding) or US\$10.6-12.7/m²/month as of the 2020 year-end (in 2019: UAH250-300).

As CBRE Ukraine forecasts, the gradual recovery of the economy and rise of consumer spending and e-commerce will contribute to further rental activity in the warehouse and logistics real estate market. Therefore, the vacancy rate is expected to decrease to 2.6% by the end of 2021. Concerning rental rates, a moderate increase and return to indexation in the US\$ are possible.

WAITING FOR GROWTH

Possibilities for the warehouse and logistics real estate segment in Ukraine, in particular in Kyiv and Kyiv region, are highly valued; first of all, due to the quite active lease of such premises. However, there are still more deterrents

despite the expectations of experts and their hopes that demand will create the conditions for a breakthrough. Therefore, in recent years, there has been no boom similar to 2008, when over 400,000 m² entered the market. Moreover, the commissioning of part of the new supply was periodically postponed.

Currently, several projects are planned to be opened in 2021: according to CBRE Ukraine, the new supply should reach about 72,000 m² this year. Also, as stated by the company, several built-to-suit projects will be announced this year, too.

Furthermore, as **Natalia Sokyrko, Head of Logistics and Warehouse Property Department at CBRE Ukraine**, notes, there is now a rapid growth in demand for inner-city logistics by online retailers. “As during the last ten years, e-commerce will once again become a catalyst for demand and lead to shifts and changes in the warehouse property market in the next economic cycle, which will further help attract investment in this segment,” she said. According to **Vitalii Kashchenko, CEO of the warehouse complex MLP-Chaika** (Chaika village, Kyiv region), Kyiv needs at least 100,000 m² of such warehouses, and the current stock is about 25-30 thousand m². “Another 100,000 m² more – and the market will take it up,” he says. However, it is not so easy to develop such projects within the city. “I was looking for a land plot for such a project. Frankly speaking, within six months, I didn’t find anything which would meet the necessary requirements,” said Vitalii Kashchenko.

In the long-term perspective, the warehouse real estate market in Kyiv and Kyiv region may grow up, in particular due to E40 Industrial Park, which is to be developed by Dragon Capital in Kolonshchyna village. The company plans to start the construction of the first phase of the project in 2021. According to the concept, the total area of the industrial park premises will be 200,000 m², which will include class A production and storage facilities, cross-docking terminals, office, household, and infrastructure facilities. And Amtel Properties plans to explore the multi-temperature warehouse market and the availability of interesting land plots soon. The developer also informed that it could begin designing the third phase of the warehouse complex Amtel.

WAREHOUSES & LOGISTICS: LVIV REGION MARKET REVIEW

At the beginning of 2021, a 73,000 m² logistics center was commissioned in the Lviv region. This facility increased the market supply by 34%, which amounted to 187,000 m² before. It is expected that another 200,000 m² of warehouse and logistics premises will be built in this region in 2021-2022.

MARKET SUPPLY

According to the consulting company Cushman & Wakefield in Ukraine, as of 2020 year-end, the total supply in the warehouse real estate market in Lviv and Lviv region, which can be classified as a relatively high-quality stock, amounted to approximately 187,000 m². For comparison, according to different consulting companies, the cumulative area of warehouses and logistics complexes in Kyiv and Kyiv region amounts to 1.5-2 million m². That is, the total quality stock of the warehouse property market in Lviv and Lviv region was 8-10 times smaller than in the capital.

In recent years, there were not many openings of new warehouses and logistics facilities in Lviv and Lviv region. According to the consulting company CBRE Ukraine, two projects were launched in the city in 2019, and both were developed for the customers' needs. For example, the group of companies Nova Poshta built a 15,000 m² innovative terminal named LEO, and the national distributor BERTA Group completed the first phase of the logistics center UB1 with an area of 43,000 m².

The new supply was to exceed 100,000 m² in 2020. Thus, last year, the first phase of the logistics center Ecobusiness-Lviv (33,000 m²) was launched near Lviv, and the first phase of Protec Zymna Voda, the largest logistics center in Western Ukraine, was expected to be commissioned. According to the official website of the project, its total area reaches 73,000 m², 63,000 m² is allocated for warehouses, another 10,000 m² is created for offices. This project will exceed 100,000 m² after the completion of all construction phases. As Cushman & Wakefield in Ukraine informed, the project was commissioned in early 2021.

According to the development and managing company Alterra Group, 200,000 m² of new warehouse and logistics premises are to be built in Lviv and Lviv region in 2021-2022. Among the future projects in this region are the extension of the logistics center Protec Zymna Voda (about 40,000 m² GBA), and the construction of the logistics complex Galileo Logistic (45,000 m² GBA) and PORT Lviv Logistic Center (approximately 35,000 m² of warehouse and production facilities), etc.



And according to Cushman & Wakefield in Ukraine, new warehouses totaling approximately 300,000 m² are being developed or planned in Lviv and its outskirts. Additionally, at the end of 2020, Epicenter K announced the plans to build a 230,000 m² shopping and logistics center. “The new supply, which is being developed in Lviv and its outskirts, may partly meet the growing demand for quality premises and increase competition in the segment,” said **Dmytro Pasenkov, Head of Warehouse and Industrial Property Department at Cushman & Wakefield in Ukraine**. However, he pays attention to the fact that the development activity in some cases consists only in the acquisition of land plots and creation of project concepts, but investors are ready to start construction only at the request of tenants.

RENTAL PRICE

As of the end of 2020 – beginning of 2021, the asking rental rates for premises in high-quality dry warehouses in Lviv and its outskirts were in the range of UAH140-200/m²/month (equivalent to US\$4.9-7.1/m²/month at the exchange rate UAH28.3/US\$1) including VAT and operating costs – as Cushman & Wakefield in Ukraine informed.

According to the group of logistics companies ZAMMLER, the rental rates for A-class warehouses in the region reached UAH145-165/m²/month, including VAT (in Lviv due to a smaller supply – UAH190-200/m²/month), for B-class – UAH145-120/m²/month, for C-class – UAH80-

120/m²/month. The company admits that the rental prices are likely to increase by 10% in 2021.

TOO MANY CHALLENGES

The warehouse and logistics property market is poorly developed in the regions of Ukraine, in particular in Lviv, where there is a shortage, often acute, of quality facilities. This segment has potential for development in the Western region, but there are a lot of risks for developers and investors. These are primarily the factors such as economic instability, uncertain and insufficient demand, lack of project financing, and low and volatile rental rates. Thus, experts do not observe significant demand in the warehouse segment in Lviv region, compared to Kyiv, even though it is located near the European border. **Natalia Sokyrko, Head of the Warehouse and Logistics Property Department at CBRE Ukraine**, considers that the market was even a little ‘overheated’ by high expectations due to the proximity to the border and potential activity of both Ukrainian and foreign companies.

On the other hand, the fact that Dragon Capital bought the project of the industrial park Riasne-2 in Lviv from the company CTP, one of the largest industrial developers in Europe, shows the potential of the warehouse and logistics property segment of this region. According to the current concept, the development of six warehouses and production facilities totaling 140,000 m² is planned on the territory of the industrial park. “We believe in the viability of the industrial and logistics real estate sector, and this acquisition is in line with our strategic vision,” commented **Tomas Fiala, CEO of Dragon Capital**. It should be noted that over the past four years, the company has acquired 11 logistics complexes totaling 330,000 m² and is ready to start construction of new class A facilities in its industrial parks.

Some other factors testify to the good prospects of the warehouse and logistics property in Lviv and Lviv region. In particular, according to Cushman & Wakefield in Ukraine, further changes in logistics flows and the creation of new distribution chains with an emphasis on the Western region may have a positive impact on the development of this real estate sector. Besides, Lviv, like Kyiv, has a high potential for the warehouse facilities of the urban logistics format, focused on meeting the growing needs of e-commerce and other categories of tenants who need quality, compact, and efficient warehouses within the city with good access to residential complexes and key transport arteries. Among the projects of the urban logistics format in Lviv Cushman & Wakefield highlights the following complexes: logistics-trade-office complex on Luhanska Street, its first phase is approximately 15,000 m²; logistics and office complex Lemberg Logistic (26,000 m²) on B. Khmelnytskoho Street; warehouse complex near Horodotska Street (approximately 18,000 m²).



In the photo: logistics complex Galileo Logistic, Lviv

REAL ESTATE INVESTMENT IN THE TIME OF CORONAVIRUS

Commercial real estate is still one of the main areas for investment. However, it should be noted that all real estate segments in Ukraine have more or less felt the negative impacts of the COVID-19 crisis. In general, the Investment Attractiveness Index of our country decreased in the second half of 2020 to 2.40 points out of 5 possible.



PHOTO: COLLIERS UKRAINE

Alexander Nosachenko,
Managing Director of Colliers Ukraine

After several years of growth, the global commercial real estate market began to slow down. Back in 2019, the Brexit uncertainty, the trade war between the United States and China, and expectations of a global economic recession affected the investment climate. The pandemic accelerated a further decline in the indicators in 2020 and forced investors to reconsider their strategies. Global investment in real estate in the first three quarters of 2020 decreased by 53% (year-on-year), in particular in Europe, which saw a drop of 43%.

However, 2021 is generally expected to be a year of gradual recovery. According to the Colliers Global Capital Markets 2021 Investor Outlook, 98% of investors across all regions aim to expand their portfolios, with approximately 60% looking to expand by more than 10%. Furthermore, 67% of survey respondents in the EMEA region and 88% of those in the U.S. are planning their next investment as early as the first quarter of 2021.

Investors with international capital still find the office sector attractive in the major commercial hubs such as New York (USA) and London (UK). Commercial real estate is still one of the main areas for investment.

However, it should be noted that all real estate segments in Ukraine have more or less felt the negative impacts of the COVID-19 crisis. Even though most investors and market players may not be able to immediately and

objectively evaluate the full extent of the consequences of the crisis. Besides, according to the European Business Association survey of investor sentiment in Ukraine, in the second half of 2020, the Investment Attractiveness Index in the country decreased to 2.40 points out of 5 possible. These results show an unprecedented decline in CEO sentiment, comparable to 2013 estimates.

Although business leaders have not noticed significant improvements in the last six months, they have acknowledged a relatively rapid economic recovery after the lockdown-induced recession, controlled inflation, a lowering of interest rates, a stable exchange rate, the simplification of foreign exchange operations, the land market liberalization, and the introduction of state e-services.

Investment activity in Ukraine, in particular, was boosted by the privatization of the State Property Fund assets. After the successful auction sale in the summer of 2020 of the Dnipro hotel in Kyiv for UAH1.1 billion, the State Property Fund is preparing to sell several other large real estate objects. Among them are the Ukraine Hotel, the President Hotel, and the Bilshovyk plant in Kyiv (JSC First Kyiv machine-building plant). If done properly, the revenue from the sale of any one of those assets could significantly exceed the selling price of the Dnipro hotel.

OFFICE SEGMENT

The office market is the most capital-intensive segment of commercial real estate but in the long term remains relatively stable for investment.

Over the last few years, the Kyiv office real estate market has gradually recovered, given the low vacancy rates, increased demand for high-quality property, and limited new supply. The market entered the crisis with relatively stable positions. However, as the pandemic spread and quarantine measures triggered a decline in demand, it put pressure on rental rates, and the market flipped to the tenant's side.

At the end of 2019, developers had announced the commissioning of a significant amount of new supply for 2020 – about 230,000 m². But, as in previous years, some of the projects were not commissioned, with many postponed to 2021-2022. In fact, the actual level of new supply in 2020 was just slightly over 150,000 m².

In 2020, remote work became the new normal. However, this regime is unlikely to continue in the long term, as it



VISUALIZATION: KOVALSKA GROUP

In the photo: NUVO Business Park, Kyiv

makes many business processes significantly less efficient. The office remains the primary place for collaboration, whilst business success continues to depend greatly on personal interaction, collaboration, and the exchange of ideas. Nevertheless, there is a noticeable shift towards greater adoption of the hot desk system, which will lead to a reduction in the number of workstations in offices in general and, therefore, a decrease in staff seating density, tending towards respecting broad social distancing guidelines. As a result, the focus when creating new office spaces will shift towards increasing public zones, meeting areas, and conference facilities. The office segment will continue to develop, and office space is highly unlikely to shrink, but rather to transform itself, and there will still be a significant demand for it.

The vacancy rate and rental rates will directly depend on the pace of the economic recovery. The health of this segment will be greatly affected by the results of the fight against the pandemic and the speed of decision-making by global corporations about investing in office space.

The market is expected to level out, but in the near future it will continue to favour the tenants' side.

Presumably, the new supply will be commissioned in relatively small 'portions', which will be taken up gradually by the market throughout the economic recovery. And predictably, systematic clients will prioritize high-quality premises, thereby contributing towards an outflow of companies to new and high-quality projects with attractive concepts.

Incidentally, new players entered the office real estate market in 2020. Mixed-use properties and business parks were the most attractive for investment. Kovalska Group, for example, has started the construction of five business campuses in UNIT.City with a total area of 70,000 m². The investment into these projects exceeds US\$70 million. Kovalska, with the development company KDD Engineering, also started working on the first business park in Kyiv's central business district. NUVO Business Park is a complex of seven properties, which will include Grade A office buildings and several infrastructure buildings, notably residential. The total commercial area of this business park exceeds 88,000 m², and the expected project cost stands at more than US\$90 million.

RETAIL SEGMENT

According to Colliers ExCEEDing Borders research, when comparing the COVID-19 crisis to the recession following the global financial crisis of 2007-2008, retail sales in Central and Eastern Europe have seen a robust V-shaped recovery in a lot of cases. Labour markets in the CEE region as well as purchasing power seem to be in much better shape this time around than a decade ago. The overwhelming shift towards e-commerce has led to a transformation in the retail segment.

Building on the experience of previous crises, landlords in Ukraine have outdone themselves to keep tenants. Both sides have learned to find compromises, realizing that open communication is crucial to a market rebound, provided the purchasing power recovers.

However, at the end of 2020, the enduring pandemic still led to store closures and tenant rotation, causing a moderate fluctuation in the vacancy rate in key shopping malls. Retail operators are reviewing plans to open new locations and are more conservative about their development prospects. The exception is the supermarket segment, which continues to actively develop and implement new formats. In recent months, there has been a noticeable growth in this sector.

Among the major events in the retail segment was the acquisition of Billa supermarkets by the grocery retailer NOVUS at the end of 2020 and the beginning of the consolidation of these two chains.

As for the Kyiv retail segment, it grew in 2020 by only one object – RETROVILLE, with a GLA of approximately 86,300 m². Its first phase was commissioned in May, and the second in August. With the launch of RETROVILLE, the total stock of the Kyiv retail real estate market increased by 5.7% to almost 1.6 million m². The project, which previously attracted a loan of €41.1 million from the Polish State Bank Gospodarstwa Krajowego, became the only shopping center in Kyiv that opened its doors during the quarantine period in 2020. Colliers Ukraine was responsible for its tenant-mix. At the beginning of 2021, RETROVILLE's occupancy rate was about 80% when just counting opened stores, but a higher 91.6% when considering signed lease agreements.

The construction of large shopping and entertainment centers in Kyiv and in Ukraine in general has not halted completely, particularly for projects which were at an advanced stage of construction. Almost all of those objects are financed by Ukrainian companies whose revenue streams come from other sectors. Provided that the overall structure of profits in their other businesses does not deteriorate, companies are inclined to finish the construction of the shopping malls already under construction in order to avoid seeing their capital investments freeze up. The only way towards a return

of their investments is to complete the construction and launch the facility.

Most likely, there will be no large purchase transactions of functioning shopping malls at this stage. Potential buyers, considering all the risks, will expect a sizeable discount. Whilst potential sellers, estimating that this crisis is short-term, that the situation will soon stabilize, and that the object will rebound to its pre quarantine indicators, are not ready to reduce the price and sell below the construction cost.

WAREHOUSE SEGMENT

Warehouses have become the most stable segment in the current crisis. Even before the quarantine, e-commerce was a driver of demand for such premises, but the lockdown significantly amplified this trend. The vacancy rate remains at the level of 1-3%. The growth in demand and rental rates is raising interest in this segment among developers and investors alike.

The most active player on the market is Dragon Capital, which during 2020 acquired the logistics complex Falbi (13,800 m²), announced the construction of the E40 Industrial Park (200,000 m²) and the sale of the logistics complex Omega-2 (both in the Kyiv region), and also purchased the project of the industrial park Riasne-2 (in Lviv).

HOTEL SEGMENT

The hotel segment suffered the most due to the pandemic. In the new environment, this sector has become the most difficult to manage and generate any profits. When calculating net operating profit and capitalization rates, it becomes clear that the real value of such objects on the market has dropped. Owners are not ready to sell such real estate at a price significantly lower than the cost of construction.

Hoteliers have learned to respond faster to crisis situations, mainly by optimizing operating costs, but hotel profitability has plummeted nevertheless. The legalization of casinos in Ukraine may become the much-anticipated lifeline for the hotel segment.

FORECASTS

Unsurprisingly, the market will be quite complex in the near future. But when making strategic decisions about entering a particular project, investors do not take a short-term one-year outlook but rather focus on long-term developments with an outlook of at least the next 5-10 years.

Market players expect the beginning of a gradual recovery of the market, which should accelerate after the start of mass vaccinations, and provided that no further strict lockdowns are introduced and that businesses return to their usual mode of operation.

REAL ESTATE DEVELOPMENT

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QUARANTINE YEAR OF URBAN PLANNING REFORM

Summing up the results of 2020, we assumed that the past year may surpass the previous one in terms of the activity of the legislator in the industry. The quarantine imposed in Ukraine in connection with the spread of COVID-19 has had an unpredictable and long-lasting economic effect on construction market participants. But did the pandemic quell the state's intentions to correct the infamous state of affairs in the field of urban planning?



PHOTO: ANTIKA LAW FIRM

Alexander Burtovoy,
Partner of Antika Law Firm



PHOTO: ANTIKA LAW FIRM

Vasyl Sheretko,
Senior Associate of Antika Law Firm

To answer the question of whether the pandemic quelled the country's intentions to correct the state of affairs in the field of urban planning, it is enough to turn to the chronology of legal novelties of 2020, which eloquently testifies not only to the attempt to destroy the former regime of management of the industry but also causes persistent feelings of incompleteness and surprise.

Note that this review is limited to organizational, managerial, and procedural innovations that relate exclusively to the construction of facilities. We did not touch on changes in legislation that also indirectly affect the urban planning industry (land, tax, environmental, etc.).

NEW MANAGEMENT SYSTEM IN THE FIELD OF URBAN PLANNING

On March 13, 2020, the Government adopted the Resolution "On Liquidation of the State Architectural and Construction Inspectorate and Amendments to Certain Resolutions of the Cabinet of Ministers of Ukraine" #218 (hereinafter – Resolution #218) and the Resolution "On Optimization of State Architectural and Construction Control and Supervision Bodies" #219 (hereinafter – Resolution #219), which entered into force on March 18, 2020.

These decisions terminated the 'sole management' of the industry by the State Architectural and Construction Inspectorate (hereinafter – DABI), which meant the implementation by a single body not only control, supervision, permitting, and registration functions and

also the implementation of licensing in construction. This approach to governance has created opportunities for large-scale abuses and widespread use of corruption schemes. The Government abolished the DABI and created instead of the latter three bodies, among which it distributed the broad functionality of the DABI:

- State Service for Urban Development of Ukraine (hereinafter – DSSM), which is designed to perform permitting and registration functions within the state architectural and construction control and supervision, in particular, to issue permits for construction works as well as to commission completed facilities.
- The State Inspectorate for Urban Development of Ukraine (hereinafter – DIM) as the main body of state architectural and construction control and supervision, which will conduct inspections and issue mandatory instructions.
- State Agency for Technical Regulation in Urban Development of Ukraine (hereinafter – DATR), which will implement the state policy on technical regulation in the field of urban planning.

How was the new construction management organization implemented during 2020? Initially, the steps of the legislator were quite consistent. It should be recalled that Resolution #218 provided for the continuation of the DABI's performance of its powers and functions until the completion of the establishment of the DSSM. On May 27, 2020, the Cabinet of Ministers adopted the Resolution "Some Issues of Functioning of Architectural and Construction Control and Supervision Bodies" #422,

which liquidated the territorial bodies of the DABI and provided for the establishment of 8 interregional territorial bodies of the DIM. The regulations on the relevant bodies of the DIM were approved by the order of the Ministry for Communities and Territories Development of Ukraine (hereinafter – Minregion) #147 dated 25.06.2020. Subsequently, on September 9, 2020, the Government adopted the Resolution “Some Issues of Functioning of Central Executive Bodies in the Field of Urban Planning” #806, which provided for the establishment of 24 territorial bodies of the DSSM.

However, at the end of the year, there was a ‘surprise’. In the light of the Government Resolution of 23.12.2020 “Some Issues of Functioning of Architectural and Construction Control and Supervision Bodies” #1340, which entered into force on December 30, 2020 (hereinafter – Resolution #1340), most of the novelties on the new management system suddenly lost their relevance. Pursuant to Resolution #1340, the Government liquidated the DIM and DSSM and established a new body, the State Inspectorate for Architecture and Urban Planning of Ukraine (DIAM), to which it regained the broad competence that previously belonged to the DABI. At the same time, the provision of Resolution #219, which provided for the establishment of DATR, was also excluded.

An important feature of the transition period of the governance reform is the abolition of bylaws governing licensing in the field of architecture and construction. At the same time, DABI was excluded from the list of licensing bodies, which was approved by the Cabinet of Ministers Resolution #609 dated 05.08.2015. As a result, from March 18, 2020, new licenses cannot be issued, and Minregion is responsible for making decisions to suspend licenses.

It should be remembered that in accordance with sub-clause 3 of clause 2 of the Final Provisions of the Law of Ukraine #530-IX “On Amendments to Certain Legislative Acts of Ukraine Aimed at Preventing the Occurrence and Spread of Coronavirus (COVID-19)” dated 17.03.2020, the period for application for administrative and other services and the terms of these services specified by law are suspended for the period of quarantine or restrictive measures related to the spread of coronavirus disease (COVID-19) starting from the date of quarantine. Taking into account this provision of the Law #530-IX as well as the ten-day period for issuing a permit for construction works, which is established by the Law of Ukraine “On Regulation of Urban Development” #3038-VI dated 17.02.2011 (hereinafter – the Law #3038-VI), DABI could legally issue building permits only until 30.03.2020.

An important innovation of Resolution #219 was also the introduction of a moratorium on inspections of the DABI before the start of the functions and powers of the DIM. This governmental act suspended the resolution of the Cabinet of Ministers #553 dated 23.05.2011, which

approved the Procedure for state architectural and construction control (hereinafter – the Procedure #553)*.

CHANGES IN THE PERMITTING PROCEDURE

Resolution #218 significantly changed the “Procedure for the Performance of Pre-construction and Construction Works”, which was approved by the Resolution of the Cabinet of Ministers #466 dated 13.04.2011 (hereinafter – the Procedure #466).

Among the key novelties should be noted:

- updating the list of documents attached to the application for a permit;
- introduction of checklists for acceptance of documents in the center of administrative services for obtaining a permit to start construction works for new construction, reconstruction, and overhaul of the construction object as well as a permit to start construction works for restoration objects;
- introduction of checklists for inspection by a DSSM officer of documents for obtaining a permit to start construction works for new construction, reconstruction, and overhaul of a construction object as well as a permit to start construction works for restoration objects;
- reduction of the term for the decision of the state architectural and construction control body on granting a permit or refusal to issue it (5 working days instead of 10 working days);
- reduction of the list of grounds for a refusal to issue a permit;
- the possibility for Minregion to consider the decision to issue or revoke a construction permit in an administrative manner.

The proposed changes should also be reflected in the Law #3038-VI, but this did not happen. As a result, at the moment there is a discrepancy between the current version of Art. 37 of the Law #3038-VI as a norm of supreme legal force, which regulates various procedural issues regarding the issuance of a construction permit, and a new version of the Procedure #466. It is hoped that this discrepancy between the bylaw and the law will be resolved soon.

ELECTRONIC SYSTEM IN THE FIELD OF CONSTRUCTION

It should be recalled that the introduction of a unified state electronic system (USES) is provided by the Law of Ukraine “On Amendments to Certain Legislative Acts of Ukraine on Improving the Procedure for Providing Administrative

**One more ‘surprise’ was the renewal by the Government the Procedure #553 according to the Resolution #1339, which was adopted by the Government on December 16 and came into force on December 30, 2020.*

Services in Construction and Creating a Unified State Electronic System in Construction” #199-I dated 17.10.2019, which entered into force on December 1, 2019 (hereinafter – Law #199-IX). In 2020, several important steps were taken towards the establishment of the USES. Thus, Resolution #219 amended the Regulation on the Minregion, approved by the Resolution of the Cabinet of Ministers #197 dated 30.04.2014 in terms of determining the competence of the Minregion to ensure the functioning of USES. Minregion is authorized to carry out all organizational measures to ensure the functioning of the USES, including the control over its functioning.

On May 20, 2020, the Cabinet of Ministers approved the “Plan of Measures for the Establishment and Implementation of the USES” by Order #565-p, and on July 1, 2020, in pursuance of this Plan of Measures, adopted the Resolution “On the Implementation of a Pilot Project for the Introduction of the First Stage of the Unified State Electronic System in the Field of Construction” #559 (hereinafter – Resolution #559), which approved the Procedure for conducting a pilot project for the implementation of the first stage of USES (hereinafter – the Procedure for conducting a pilot project) and the Procedure for conducting the first stage of USES during the implementation of the pilot project (hereinafter – the Procedure for conducting the first stage).

The Procedure for conducting the first stage defines the mechanisms of operation of the first stage of USES in order to ensure the creation, review, sending, receiving, collecting, depositing, accumulating, processing, using, reviewing, storing, protecting, accounting, and providing information in construction as well as electronic interaction mechanism between individuals and legal entities, state bodies, and local governments in order to obtain the construction services specified in the Procedure for conducting the first stage during the period of implementation of the pilot project for the introduction of the first stage of USES. The first stage procedure applies to the activities of economic entities in the event that they have notified the Minregion of the voluntary use of USES. An important and long-awaited appendix to the Procedure of the first stage is the “Table of the ratio of classifiers of special purpose, lists of functional zoning of territories, and the classifier of buildings and structures.”

The Procedure for conducting the pilot project establishes the following important requirements to ensure the start of work of the USES:

- Creation and introduction of information on documents entitling to the performance of preparatory and construction works, documents certifying the commissioning of completed facilities, on the change, refusal to issue, suspension, cancellation, and annulment of such documents are carried out exclusively using the Register of construction activities of the first stage of the USES and are mandatory from July 6, 2020 to March 31, 2021.

- From July 1, 2020, during the provision of urban-planning conditions and restrictions, and construction passport of the land plot, the authorized body of urban-planning and architecture shall upload to the Register of construction activities graphic materials in the form of an extract from urban-planning documentation (main drawing) and copying with a map key. This procedure of upload confirms the compliance of construction intentions with the functional purpose of the territories in accordance with the urban-planning documentation and the copying from the topographic and geodetic plan 1:2000, provided by the customer. At the same time, the specified graphic materials are not a component of urban-planning conditions and restrictions or the construction passport of the land plot.

Resolution #559 also amended the Procedure #466 related to the implementation of the USES. In particular, the implementation of the functions of the electronic cabinet provided for in Procedure #466 is entrusted to the electronic cabinet of the user of the Unified State Web Portal of Electronic Services ‘Portal Diia’, which is integrated with the first stage of USES. On July 17, 2020, the Ministry of Finance announced the launch of the Register of Construction Activities and the Public Portal of the USES, and on December 2, the Minregion published a notice on the expansion of the functionality of the USES. It is expected that the work of specialists and experts in geodesy and energy efficiency, addressing bodies, and bodies on technical inspection of buildings and structures will also take place in electronic format.

OTHER LEGISLATIVE NOVELTIES

Summing up the review of legislative changes in 2020, we can name a few more interesting innovations that will have an impact on urban planning. First of all, it is appropriate to pay attention to the renewal of a significant number of DBNs**, in particular, the entry into force of the new DBN “High-rise buildings” (DBN B.2.2-41:2019) from 01.01.2020 as well as Change #1 to DBN B.2.5-20:2018 “Gas supply” from 01.06.2020, which allows the installation of gas-using equipment for apartment heating and hot water supply as well as household stoves in apartment buildings above 3 floors. The novelties introduced by the Law #199-IX should also be borne in mind. Thus, to obtain urban-planning conditions and restrictions from March 1, 2020, it is not necessary to submit an extract from the State Land Cadastre as well as copies of title documents to land and real estate located on the land, if they are registered in the State Register of Property Rights to Immovable Property.

***State building standards.*

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SLAVA BALBEK: "ARCHITECTURE IS MUSIC, BUT EACH ARCHITECTURAL SOLUTION MUST BE LOGICAL"

The sphere of architectural and design services develops together with the real estate market, in particular the commercial one. Together with it, this area goes through difficult times and transformations, such as during the pandemic. Slava Balbek, the Founder of the balbek bureau, whose projects of offices, hotels, restaurants, etc. are known not only in Ukraine, believes that the industry is currently in transition, and the inertia of the pandemic will fully affect it during the year.

Interviewer: Lucia Bondar



PHOTO: YEVHENII AVRAMENKO

Slava Balbek

Your bureau has been working in the market of architectural and design services for 13 years. What main episodes in the history of the company could you mention? How did they affect the development of your bureau?

The development of our bureau is organic. We did not have any key episodes that would radically change the company's history, for example, its structure or approach to design. Naturally, our history is divided into some stages. There was a stage when we started working with Olha Bohdanova and created 2b.group. This was followed by the stage when we decided to work separately and turn into balbek bureau and bogdanova bureau. This did not affect the development, the cases, the order method, the typology. We have always been universal, designed for all spheres. There is just something that we started doing earlier. For example, apartments. Then restaurants were added, and later offices. I would not like to detach it as a separate episode, because we went our own way. Nobody taught us restructuring. We did not receive any bonuses or additional investments. I think that our way of formation from the moment we started to the moment we are now has been quite organic. We had no stagnation, no horizon. We grew up constantly, increased the staff, changed the type of the team, and came to this result step by step.

During these 13 years, what was the most difficult and why?

The most difficult thing for us was to understand what specialists we need and at what benchmark. The team at the balbek bureau has the most value, and its development is the greatest responsibility and challenge. The structure of our bureau is based on the method of trial and error.

How has the market of architectural and design services of Ukraine changed during this period? How has a client, his requests and preferences changed?

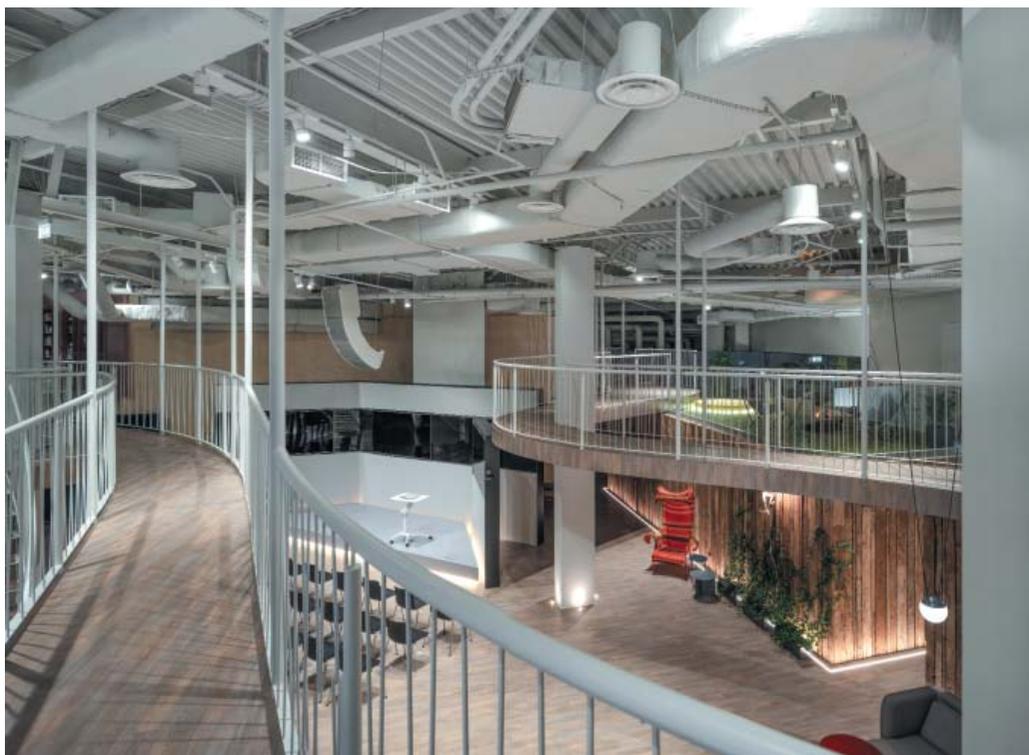
Our client has become younger. People aged 23-35 have access to investments, they manage finances on their own. This, of course, had a positive influence on the development of modern style in design and bolder architectural solutions.

Over the last 10 years, the modern design market has changed completely. The client's request has gone from satisfying purely functional needs to aesthetic ones, which are based on a conceptual approach to design. Conceptual means the development of design based on ideas, and a functional approach means that everything is in place, everything is clear and obvious. Conceptual design is bolder, with a slight romanticism.

It is difficult to comment on how the market of architectural and design services in Ukraine has changed because we started when completely different players worked in this industry. Now, there are no previous players on the market, there are only a few of them or they have 'taken a back seat'. We were a new wave. We are the middle wave now, because new professionals have entered the market, and, like us in our time, they have a completely different approach.

How has the pandemic affected the market of architectural and design services and its players in general? And how has the pandemic affected your company in particular, how difficult the year 2020 was?

The personal health and the health of the team have become a top priority. People began to take more seriously that space where they live, work, and spend time. The purpose of the business has also changed.



Grammarly's office, Kyiv



PHOTO: VEVHENI AVRAMENKO

Bar-bistro Zweig, Kyiv

New planning solutions are being implemented in public places and offices. Distance has become more important than tactility. Contactless door opening, investment in high-quality ventilation systems with the ability to filter and purify the air, work tables and room planning with at least 1.5m per person – this is a new reality.

In general, I think that the inertia of the pandemic will fully affect the market of architectural and design services during the year. It is only a transitional period now when in different countries everyone is obliged to use these rules differently depending on the social understanding of both the client and the architect. There are companies that think about the current situation, make plans for three years, and give a technical task given the pandemic.

In my opinion, the pandemic had the least impact on housing projects. We have a greatly reduced category of orders for apartments (about 5%) because we have chosen a global vector of development in the commercial segment. Within that 5%, there was no request like to make a workroom better than it was. People are still more comfortable working out of the home. They will look for a secluded, free place somewhere outside. You can live at home, love at home, raise children at home, but you prefer not to work at home.

It was an interesting and productive year for the balbek bureau. We have completed corporate projects in China, started work on two hotel projects in the United States. Our workshop has expanded the staff and geography of the team. We work remotely, so we decided to try to attract specialists to the team in different cities of Ukraine. On the one hand, it gives us more flexibility and prompt interaction with a client. On the other hand, we managed to expand the number of regional requests.

What trends have intensified and what new trends have emerged in architecture and design during the pandemic?

Trends that are becoming more popular during the pandemic include separate video rooms, separate meeting rooms for different numbers of people at a safe distance, and also the street, indoor, small, and large individual work modules.

The trend has spread to hybrid spaces. They make it possible to be more flexible by combining several business models and work formats. On the one hand, it is about focusing on the direct function of the business, and on the other – the diversification of strategy and space opportunities.

How would you describe the competition in the Ukrainian market? How to become a relevant and in-demand designer?

The demand for design services is so high that we don't feel competition. The requests do not meet with the requests of our competitors-friends. Restaurants, new offices, and companies will always open and grow. And someone, on the contrary, closes. I would call it an architectural community, not a competition. Any experienced, expensive, or budget architect will find his client. You just need to find your niche and work in it.

Someone is more famous, someone is less. Someone creates fast and budget but not thought-out projects. The wider scope of a studio – the more requests it has. The more precisely the company presents itself on the Ukrainian market, the more focused it pearls off these issues. If the studio shows that it only makes black apartments, it will not get orders to create white restaurants. But if it can make a project in any style and of any size, then it will have a steady demand for its services. And the studio will have the ability to choose which projects it wants to work with. There is competition here, but it is healthy. I don't feel that it affects the relationship in the architectural community.

To be relevant, you need to stay tuned and be able to use information. For me, in general, the word 'relevant' is close to the word 'trend'. I don't like the last word, because it is short-term and limiting. For example, the trend of the year, the trend of the season, the trend of triennial. What is relevant now will be irrelevant in a year. If we want to leave behind an architectural physical trace, we must strive not for relevance but for things beyond time. When we learn to do useful, reliable things that are not subject to trends, they will be as interesting in 10 years too.

Being a sought-after specialist is a request for service and personal features of an architect. It doesn't always depend on style and budget. If your personality features are of a high level, then you will always be in demand. You will have a flow of clients who will continue to trust you and return to you.

How popular are Ukrainian architects and designers abroad, for example, in Europe and the United States? What exactly is their advantage compared to foreign specialists?

The Ukrainian architects and designers occupy high positions at the world level, but the services of our specialists cost much less compared to American or European ones. Ukrainian design has an objectively high level, as it wins international competitions along with other world studios.

However, there are some barriers to development abroad. If you are from Ukraine and want to compete on equal terms, then you need to have your representative. Americans, for example, sometimes find it safer to pay

more for the services of a local architectural studio. Here, perhaps, we are talking about some cultural features.

Even more, it is a matter of legality, barriers, formality. One needs to have a bank account, own office, and a license. That is, at this stage of development we are talking about requirements that not everyone can meet, given the organization, budget, etc. Still, the architectural business is very shaky in terms of profitability. Not many studios reach economic heights. To have the ability and capacity to enter the international market, a good commercial stock is needed.

Tell us about the projects you have recently completed. How many projects are currently in progress?

We have recently finished working on such projects in Kyiv as bar-restaurant Brik in Odesa, bar-bistro Zweig which is close to Kyiv Food Market, cafe Dyletant, the new office for IT company Grammarly on the 12th floor of the business center Gulliver, the Korean restaurant Kim Kimchi, as well as on the architectural and interior design of a private house in Kozyn (construction lasted during three years), cafe Hooks in Kharkiv, and several other projects of offices, which are still under NDA.

We currently have about 35 projects in progress, two of them, in particular, in the United States. The total design area of all the facilities is about 20,000 m².

In one of your interviews, you said that even small projects need to be approached to create a work of art. What do you insert in this concept? How to make a project so that it becomes an artwork?

There are no specific instructions on how to make the interior a work of art. Rather, it is the communication between a client and an architect, their views on a project, on its requests. It's about details and approach. If each decision has its philosophy, logic, and arguments for its defense, it is much easier to present a project, to build a so-called legend. Here, we have not to forget that every architectural solution must be logical. Architecture, though not mathematics, is music but has to explain everything.

What inspires you to work, where do you get your ideas from?

I am inspired by the success of my colleagues. When I see my architect friends or my team come up with a good idea, finish the project, it inspires me. This is about the domestic market, not the global. I am not so interested in the success of architects abroad. However, I am always interested in rejoicing and being inspired by the success of the Ukrainian architectural and design community.

Apart from the architectural and design bureau, you have some other businesses: a furniture brand, educational direction, and a restaurant. When and why did you decide to expand your activity?

I want to develop comprehensively, not to be a narrow specialist in one field. I like to change directions of activity, gain new experience, grow steady, expand my worldview. It's about curiosity, testing yourself for strength, and constantly moving forward. It seems to me that if you always do the same, you can turn into one big lake. I don't want to be like a dead-water, I want to move like a mountain river and spread in different directions.

How do you manage to combine these four business directions?

It is important to find a balance and spare time for everything little by little. I use the same principle of management, coordination of tasks, and I have a formed attitude to the team based on human qualities – it helps to simplify some processes. It just happens on a clear schedule. Something is a business and something is not. At least, these business directions are interesting for me. And I do my favorite thing.

Tell us about your plans for 2021.

Apart from the architectural workshop, we do not have a development strategy for other businesses. Because they are all quite unstable. Besides, the situation has shown that no matter what strategy you build, you must be ready for changes that happen every second, every week, every month. We set goals for a maximum of four weeks. And we don't have a big development map in all sectors of our activity.

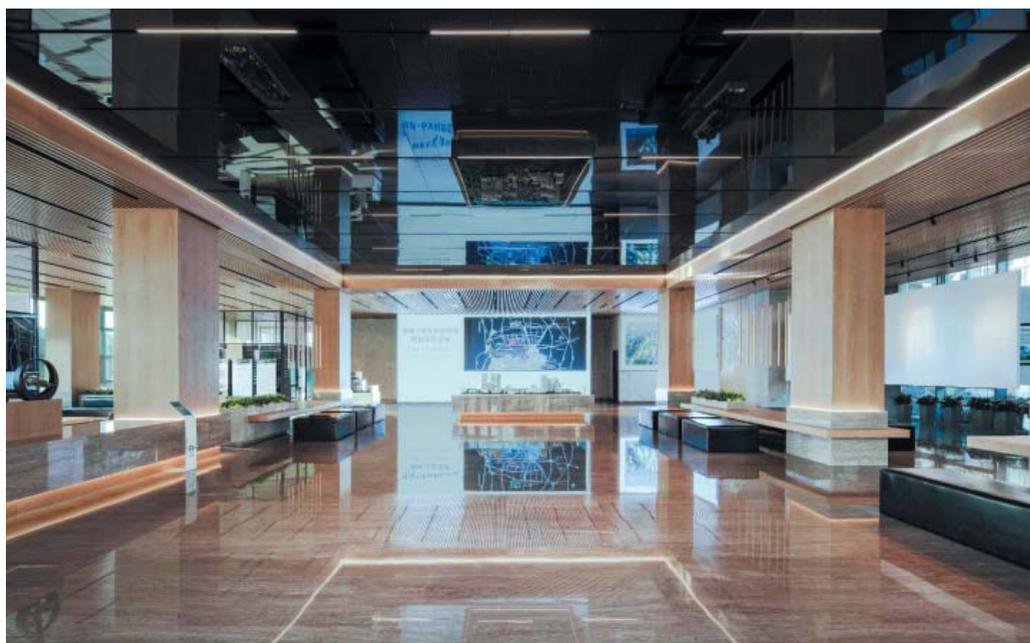
As for the architectural business, we have a plan to expand in the United States and China. In both of the

countries, we have our current projects. We are interested in taking the geography of our field of activity abroad. Also, there is an idea to pay more attention to social contribution. We distribute some of the workload of our team to social projects (SIDAA). For us, it is also one of the methods of external communication and one of the methods of returning to the direction from which we draw everything. You can't just take, you have to give something. Do something for free, not for profit. This has a completely different attitude and philosophy. I want to do something just like that.

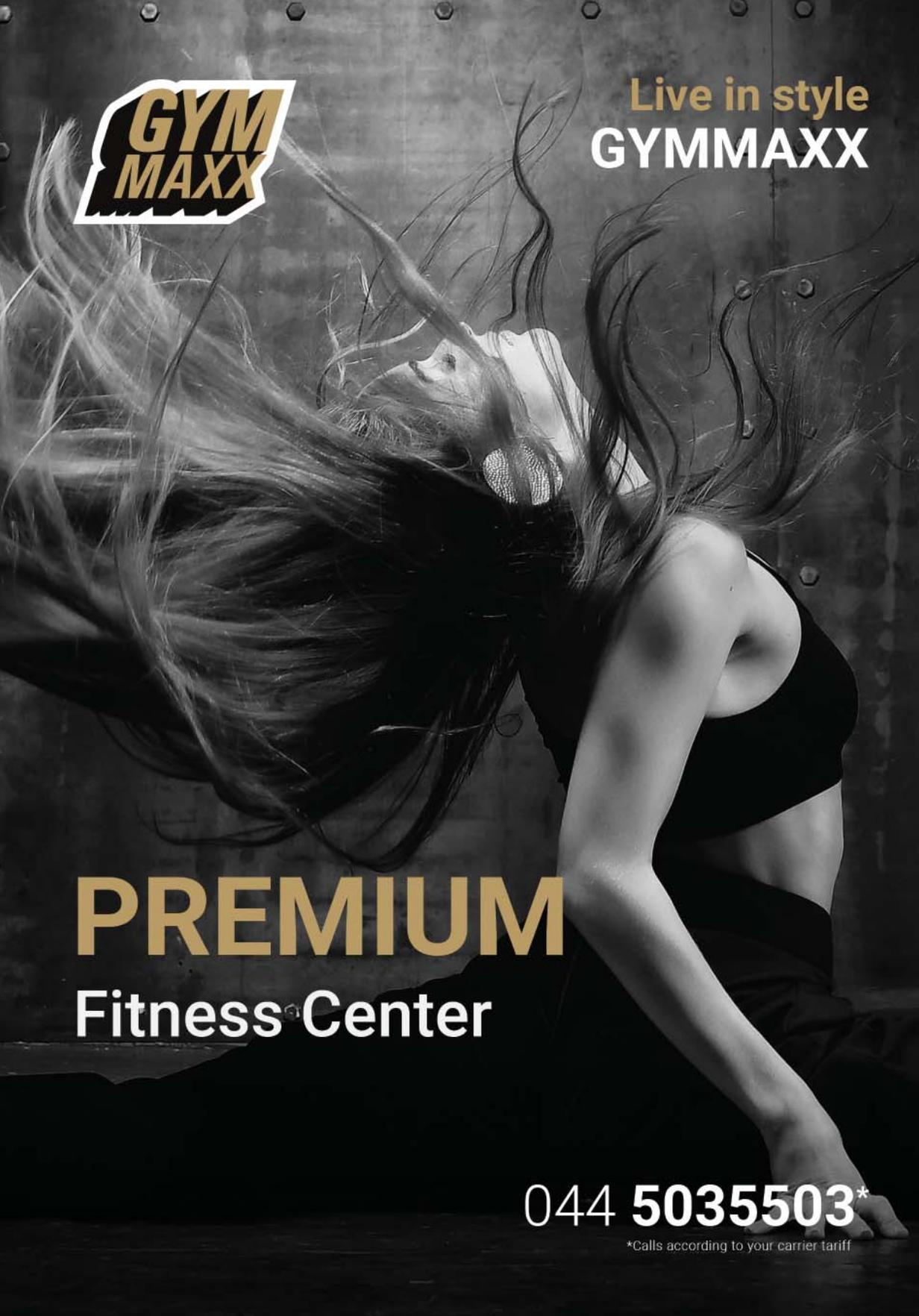
In all other sectors, we are expanding, moving in small steps. We try to strive for quality rather than quantity. We understand that we have cut-offs and limits of quantity. When we can't do more so as not to compromise quality, we don't. This year, we are launching our production and assembly facility for our furniture brand *propo*. Before that, we were housed in various locations throughout Kyiv. Now, we have a comprehensive place where all our products will be manufactured.

As for *Dyletant* (Slava Balbek's own cafe – *ed*): a restaurant is not a business, it's a daily risk. One needs to deal with it every day and monitor its dynamics constantly. This is not a business one could launch, move to the Maldives, and just receive dividends. It should be supported and cared for. It didn't make me more independent.

In the field of education, we plan to launch a course in product design, architecture, restaurant business, and consulting.



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- Offices and business centers:
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Center, Innovation technopark BIONIC Hill, Inkom office and retail center (Kyiv), Innovation District IT Park (Lviv), etc.

- Hotels:
Holiday Inn Kyiv, Leipzig, Radisson Blu Hotel Kyiv (Kyiv), Campanile, etc.
- Residential developments:
Novopecherski Lyvky, Crystal Park, Riviera Riverside, Tetris Hall, Zarichnyi, Hoffmann Haus, Frantsuzkyi kvartal 2, Varshavskiy, Montreal, Kvartal-Aley, MG, etc.

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ADVANSYS GROUP

Advansys Group is an innovative engineering and construction group of companies for the construction of the efficient commercial and industrial real estate.

The range of services provided by the company includes support for construction projects at all stages of the project life cycle, creating an optimal engineering concept of the facility: from the implementation of the investor's initial idea to the commissioning and maintenance of the property. By introducing expert solutions to create efficient buildings, Advansys Group reduces the client's capital expenses on construction and the client's expenses on property management.

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- Construction projects support.
- Implementation of automation and dispatching systems.
- Development of services for the efficient operation of real estate objects.
- Service and warranty service.
- Production of lighting products YASA Lighting TM for the business.
- Construction of commercial solar power plants TM Greenlogic.

Advansys Group, as a leader in the construction of efficient real estate for business in Ukraine, is constantly actively innovating and has introduced the following innovations:

- Building Energy Modeling – energy



modeling of future real estate objects in the early stages of design.

- Building Information Modeling – modeling of real estate objects in the development of project documentation.
- Project Management – effective management of construction projects using the modern methodology for high-quality project management.
- Building Management System – real estate automation and dispatching systems. Allows you to effectively operate real estate objects.

Separately it would be desirable to note new unique development of Advansys Group – Advisor SCADA service for remote management of real estate objects. It gives an opportunity to heads of the real estate to reduce operating costs at least by 10%, effectively controlling key parameters and indicators of energy consumption. Management happens via the control panel of the user web interface and the system of analytics of data. The service has the set of the wireless equipment and a possibility of connection of the equipment of third-party producers of automation systems. It is applied in business centers, industrial, commercial, and residential buildings.

The professionalism of the company's services, the quality, and the reliability of partnerships were highly appreciated by investors, major developers, industrial and retail sectors. Among the clients of the company are SEC River Mall, Retroville,

Ocean Plaza; office centers Astarta, Parus, Senator, Silver Breeze; networks Planet Kino, Sport Life, McDonald's, Fozzy Group; auto centers Bentley, BMW, Jaguar, Land Rover; plant Huhtamaki, SPP, ZAP, warehouse complexes Procter & Gamble; LG, Mondelez, Glencore, GlobalLogic, BIC, Colgate, Adidas, and many others.



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ALEF ESTATE

Alef Estate has been established on the Ukrainian market since 2001 and is now among the leading companies in the field of residential and commercial real estate. The company has two decades of experience in real estate management through the system approach: concept development, design, construction, and commissioning of A-class business centers, shopping and entertainment centers, residential complexes, mixed-use complexes, and so on.

Alef Estate today:

Plans and new objects

To date, the company has implemented 11 shopping centers, 5 business centers, 4 residential complexes, a pedestrian boulevard and its extension, all becoming landmarks for Dnipro and the whole country. Alef Estate is committed to the construction of upscale objects, unified by a single concept and intended for the high-profile clientele with the most exacting outlook on life.

The projects under construction:

Heading for a 'city quarter' development

▪ Ermolaev Center Mixed-Use Complex

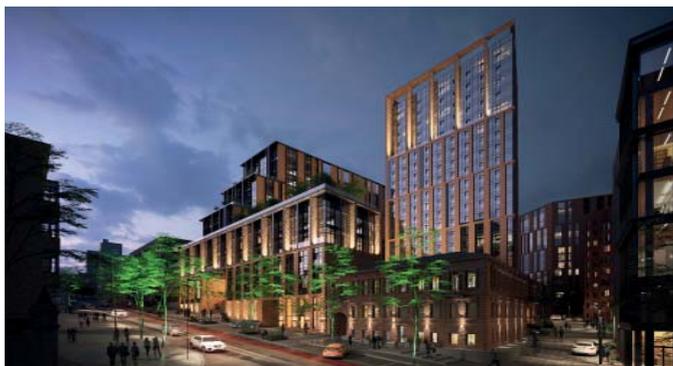
Ermolaev Center Mixed-Use Complex is the most long-expected project of the company. It comprises a business center, a residential complex, a recreation area, and the first in Dnipro multistorey automated car park. This modern premium complex is intended for business people, enabling them to combine their work and leisure at one place.

▪ Perekhrestia Shopping and Business Center

In 2020, the construction of a new shopping and business center, Perekhrestia, was started. The complex will consist of 2 parts: the shopping one and the business one. The shopping part will extend the city's most known shopping complex, MOST-city. The high-density development of both complexes, as well as the skyway in between, will help recreate the genuine shopping quarter in the heart of the city. The second part of the MOST-city will get the additional 3-storey fashion zone. The 19-storey office part will significantly expand the target audience of MOST-city Shopping and Entertainment Complex.

▪ Troitskyi Residential Complex

Troitskyi Residential Complex is a successful example of a heritage asset reconstruction. At the heart of the architect's concept lies the idea of a combination of history and modernity. That is why this former revenue



Ermolaev Center Mixed-Use Complex, Dnipro



Port City Apartment Complex, Dnipro



Perekhrestia Shopping and Business Center, Dnipro

house is going to be complemented with eclectic modern details and will have a modern multistorey part adjacent to it.

▪ Port City Apartment Complex

Every urban citizen misses natural landscapes and beautiful scenery. Port City Apartment Complex is intended for those people actually – who seek to live in harmony with nature and love enjoying nice views. The Complex comprises 3 multi-rise blocks and is located at the picturesque embankment of Dnipro.

▪ ARTEL Commercial Center

This unusual for Dnipro commercial center, ARTEL, is currently underway. It will comprise 2 buildings, one of those being a nationally-renowned reconstructed historical sight. For one more time, Alef Estate gives a lead in preserving the historical values in modern life. ARTEL will be a combination of contemporary and historical buildings. The latter will be

combined with the adjacent reconstructed shopping complex to form a large shopping quarter near the railway station.

Alef Estate has even more new projects under construction. Eventually, they will make Dnipro even a more competitive player on the real estate market of Ukraine.

Alef Estate: Changing the appearance of the city.



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ANTIKA LAW FIRM

Antika Law Firm provides legal services to corporate and private clients since 2010. During this time, the Firm has achieved a competitive advantage in a legal market, has been recognized by reputable international and Ukrainian guides such as The Legal 500 EMEA, Chambers Global, Chambers Europe, IFLR1000 Energy and Infrastructure, IFLR1000 Financial and Corporate, Best Lawyers, Ukrainian Law Firms, 50 Top Law Firms of Ukraine, Client Choice. The Top 100 Best Lawyers in Ukraine, The Market Leaders. Ranking of law firms in Ukraine.



Alexander Burtovoy,
Partner



Vasyl Sheretko,
Senior Associate

The domestic and international professional community recommends Antika in the areas of antitrust, dispute resolution, corporate law/M&A, banking law, project finance and capital markets, real estate, land law, energy, subsoil use, energy efficiency, and energy-saving.

The Firm received Legal Award 2012 in the nomination "Law Firm – a Breakthrough of the Year". The Firm is the Finalist of the Legal Award 2013 in the field of Antitrust, Litigation and Real Estate, in 2014-2019 – in the field of Energy.

Partner Alexander Burtovoy was named as the best lawyer in Ukraine in the Energy field according to the International assessment The Legal 500 EMEA – 2020 Edition. Managing Partner of Antika Law Firm, Doctor of Law Alexey Kot got the title "Lawyer of the Year" in the field of litigation according to the results The Best Lawyers in Ukraine 2020. He was also recognized as The Best Lawyer in Competition Law by Legal Awards 2015 (Yuridicheskaya Praktika) and The Best Scientist in the framework of the Competition "Lawyer of the Year – 2017" by Ukrainian Advocates' Association.

Antika's team includes 15 highly-qualified lawyers, who have significant experience in various fields of legal practice. The partners of the Firm are

well-known on the market: they have over 20 years' experience in providing legal consulting.

Antika's main principles are high quality and timely legal services, strict confidentiality, and a bespoke approach to every client's project.

The Clients of the Firm are Ukrainian and international companies doing business in Ukraine and abroad, and working in various industries including telecommunications, heavy, chemical, food, and automotive industries, subsoil use, complex development, real estate and construction, wholesale and retail, media and sports, banks and financial services market. The representative Clients are the following: AWT Bavaria, ViDi Group, Ibis Group of Companies, MF Telecom, Nadra Ukrayny, Association of International Automobile Carriers of Ukraine (AsMAP), IC PERSHA, Henkel Ukraine, Henkel Bautechnik Ukraine, Chornomornaftogaz, Ukrnafta, NPC Ukrenergo, Energobank, FC Dnipro, The Deposit Guarantee Fund (DGF), Cadogan Petroleum, Shell, Cargill, Enesa a.s., Esan Eczacibasi Industrial Raw Materials, Ghelamco, Heitman, International Resources Group, Lantmannen Axa, Imperial Tobacco, International Resources Group (The USAID Municipal Energy Reform Project

in Ukraine (USAID Project). The Firm also advises the World Bank, the European Bank for Reconstruction and Development, TACIS.

Antika is a member of the Ukrainian Chamber of Commerce and Industry, the Kyiv Chamber of Commerce and Industry, the American Chamber of Commerce in Ukraine, the European Business Association, the Canada-Ukraine Chamber of Commerce, Energy Club. The lawyers of the Firm are the members of the Ukrainian Bar Association, the Ukrainian National Bar Association, the International Bar Association.



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APLEONA HSG

APLEONA HSG LLC is effective management and service in the field of technical, infrastructure, and commercial project management and consulting.



Serhii Dmytruk, Director



Shopping and entertainment center
Retroville, Kyiv



Shopping and entertainment center
Ocean Plaza, Kyiv

APLEONA HSG LLC is a part of the international company APLEONA HSG – one of the leading facility management companies in Europe.

The company has been working in Ukraine since 2005. During its activity, it was also known as HSG Zander UKR and Bilfinger HSG Facility Management.

Our main service is the operation and optimization of real estate management processes.

Main areas of activity:

- Integrated Management:
 - Technical Management;
 - Infrastructure Management;
 - Commercial Management;
 - FM-consulting.
- Production and Processes:
 - Maintenance;
 - Process Optimization;
 - Sensitive Environments.
- Energy Management:
 - Energy Management and Consulting.

Apleona is a leader in operating commercial property activities. The company applies a comprehensive approach in close cooperation with the client. Technical, infrastructural and commercial management of facilities as well as consulting services are purposefully combined to provide our client with the maximum possible value.

Having extensive experience with different types of buildings (shopping malls, retail and entertainment centers,

mixed-use complexes, business centers, branched-net operators (communications), logistics centers, etc.), our experts can give professional recommendations at any phase of construction and operation of the facility.

What makes us different?

- Apleona is already a well-known company in the world and one of the largest European real estate services providers.
- European platform and international net with perfect well-established business structure and management organizations that provide consistently high-quality standards across national borders.
- High level of technical expertise and internal activities.
- Our business model is focused on a long-term relationship with clients – always based on the needs of our clients and considering all factors.
- Improved and standardized working procedures, reporting.
- Digital solutions for clients.
- Product innovations to support the core business (for example, in security service and reception of visitors) or in management, as well as to optimize processes.

Our advantages:

- Available confirmed certified management systems according to ISO 9001 (Quality), ISO 14001

(Environment), ISO 27001 (Compliance), ISO 45001 (Labor Protection), and ISO 50001 (Energy), as well as the Sustainability in FM certificate (GEFMA-160).

- Multiple awards 'Industry Leader'.
- Liability insurance on both local and global levels.
- Transparency of our services and their effectiveness (for example, through customer offices for control of client's side, compliance with the SLA/KPI and introduction of new contracts models).
- IT tools.

APLEONA
HSG Facility Management

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COLLIERS INTERNATIONAL

Global leader in real estate services and investment management.
Company operates in Kyiv, Ukraine since 1997.



Alexander Nosachenko,
Managing Director
of Colliers Ukraine



Established in 67 countries



Comprised of 18,000+ professionals



54,000 lease / sale transactions



Annual revenue \$3.3B



Managing 186 mln m²

All statistics are for 2020, are in U.S. dollars and include affiliates.

CORE SERVICES:

- Brokerage and Agency:
 - Landlord Representation
 - Tenant Representation
- Corporate Solutions
- Investment Services
- Valuation Services
- Advisory Services
- Green Building Advisory

CORE SECTORS OF COMMERCIAL REAL ESTATE:

- Office
- Retail
- Hotel
- Industrial / Logistics
- Mixed-Use

KEY PROJECTS:

Retail:

- Kyiv: Respublika Park, Blockbuster Mall, Retroville, River Mall, Gulliver, Globus,

NUVO is the first business park in the center of Kyiv. The project concept was developed by Colliers Ukraine experts.



Sky Mall, Karavan, Mandarin Plaza, Piramida, Magelan, Livoberezhnyi, 4Room, RayON, Alta Center, Blockbuster, Prospekt, Aladdin, Ukraina, Gorodok, Art Mall;

- Cherkasy: Cherkasy Mall;
- Lviv: Forum Lviv, King Cross Leopold, Victoria Gardens;
- Odesa: Fontan Sky, Panorama;
- Dnipro: Passage, Vavilon, Dafi;
- Kharkiv: Dafi, Frantsuzkiy Boulevard, AVE Plaza;
- Mykolayiv: City Center;
- Zaporizhzhia: City Mall;
- Kryvyi Rih: Sun Gallery, Victory Plaza;
- Zhytomyr: Global UA.

Office (business centers, Kyiv):
NUVO Business Park, MAG.NETT, Venetsiansky, IQ Business Center, Eurasia, SP Hall, Grand, 101 Tower, M8, LAVRSKIY, Illinsky, Senator, UNIT.City, Toronto-Kyiv, Gulliver, Dynasty, MERX, Horizon Park, Leonardo, Prime, Podil Plaza, Prestige Center, Horizon Office Towers, City Garden, West Side, Infinity, Park Tower, Victoria Park, Business City, Mikom Palace, Silver Breeze, Astarta Organic, Nivki City, Europassage, Eleven, Fabula Placet, BC at 29 Kovpaka Str., BC at 35V Borychiv Tik Str., BC at 22/24 Gogolivska Str., etc.

OUR CLIENTS IN VALUATION AND ADVISORY SERVICES:

- Retroville, Ocean Plaza, Coca-Cola, OSCE, UN, VS Energy, ATB, METRO, VARUS, Good Wine, EBRD, Dragon Capital, ESTA Holding, Ceetrus, Arricano Group, Amtel Properties, Stolitsa Group, Karavan, DCH,

The portfolio of current leading Kyiv retail projects comprises:



Blockbuster Mall, Kyiv



Respublika Park, Kyiv



Retroville, Kyiv



River Mall, Kyiv

- ArcelorMittal, Ukrtelecom.
- Oschadbank, NBU, PrivatBank, PUMB, Alfa-Bank, UniCreditBank, Ukreximbank, Raiffeisen Bank Aval, etc.



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DENZA CONSTRUCTION

Denza Construction performs a full range of design work, fit-out, and engineering works in offices and other types of commercial premises.



Pavlo Podtopta,
Managing Partner

We design and carry out fit-out and engineering works for all types of commercial premises. We have a huge experience in construction, and our own design department and architectural bureau can significantly reduce the implementation time and project price for our customers.

The main services provided by our company:

- development of design projects;
- development of a working documentation of engineering networks;
- ordering and delivering all construction and finishing materials from local and foreign manufacturers;
- fit-out and engineering works of any complexity;
- production and installation of glass partitions in a facility;
- design and manufacture of furniture or trade equipment;
- general cleaning and handover of an object on time.

One of the key areas of our business is the design and construction of offices of all types and levels as a 'turnkey solution'. When large companies decide to move to a new office, it looks almost impossible for them to do this without the help of professionals. The permanent staff of professionals of our company can easily make finishing works for such premises with a total area of more than 40,000 m² at the same time.



Our clients are industry leaders in Ukrainian and global companies. One of these customers was the company Fozzy-Food (the retail chain Silpo), for which we made the full complex of fit-out and finishing works in the office in Kyiv with the total area more than 11,000 m² in strict deadlines and according to all the Client's expectations, including the budget, deadlines, and the highest quality (photos 1).

Another of our latest projects is VOKI Games. The direct speech of the co-founder of the VOKI Games studio Volodymyr Savenkov: "As for the design of the office, apart from the technical wishes, the most important was the 'mood': the office should be the one that you want to come there. And, I must say, it excellently turned out."

For the new office of VOKI Games in Kyiv (photos 2), we created a unique design project. Decorative bricks and metal elements gave this space a style, and materials such as carpet tiles, furniture with soft elements, and plants (indoor plantscaping) gave an atmosphere of home comfort.

Keeping in line with the budget, we carried out fit-out works and created the new office for the company, which now looks exactly like the visualizations in the design project.

Duration of the project for VOKI Games: 4 months. The project scope: design project

development, development of working documentation, development of executive documentation, the whole scope of fit-out and finishing works including the engineering systems, supply of the materials.

We also additionally provide:

- maintaining of construction projects;
- warranty and after warranty service;
- obtaining permits;
- service maintenance of buildings and structures;
- office furniture rental;
- relocation assistance.

DENZA CONSTRUCTION
DESIGN & BUILD CONTRACTOR

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DESIGN HUB INTERNATIONAL

Design Hub International is a team of experts in creating efficient architectural solutions. We are architects, engineers, urbanists, and designers with international experience in commercial and residential real estate design. We develop projects in which the interests of business and the end consumer do not compete with each other but complement and strengthen one another.



Andrey Yatsentuk,
Founder

The main advantages of working with us

Flexible Partnership. We are willing to share the risks, become co-investors, and receive up to 50% of the payment in m² or as a share in the business.

Smart Management. We reduce our costs by inviting only the necessary specialists according to the scale and complexity of the project and its real needs.

International Experience. Thanks to the foreign partner network, we have the opportunity to attract leading global architectural companies to our projects.

Project Cost Reduction. When working with European architects, we reduce the final cost of the project by delivering part of the work produced by our local team.

Effective Consulting. Providing consulting services, we take responsibility for the result of our work. We are ready to act as a partner of the project on further stages as a core design development team and as a general contractor.

Our company provides consulting services for the concept development of retail and other commercial real estate projects starting with marketing analysis and up to architectural concept design and financial analysis. We help to choose



Retroville shopping center, Kyiv



Residential complex, Odesa



AL Maktoum International Airport, Dubai, UAE



Residential complex, Kyiv

the right vector of development at the very early stage of a development project, which allows our clients to reduce costs in the future and receive maximum profit.

The founder of the company, Andrey Yatsentuk, graduated from Deakin University (Australia). For over 10 years, he has been working on projects in Ukrainian, CIS, and international markets of various scale and programmatic conditions.

Among the founder's personal portfolio: Kyiv Central Department Store, Lavina Mall, Blockbuster Mall, Ocean Mall (all in Kyiv), Alexander Plaza (Zaporizhzhia), ATRIUM mixed-use complex (Mogilev, Belarus), and many others. DHI's portfolio includes such landmark projects as Sky Mall's new extension, Park Inn Hotel renovation, and the only shopping center opened in 2020 in the capital – Retroville.

The scope of services of the company includes and not limited to:

- Full scope of architectural services from initial concepts through to delivery.
- Adaptation and concept development in collaboration with international consultants according to the local market requirements.
- Engineering concept development.

- Master planning and urban planning.
- Best-use analysis and master planning, development feasibility studies.
- Landscaping.
- Interior design.
- Wayfinding design and graphics.
- Furniture, fixtures, and equipment acquisition, procurement and tender process support, fit-out supervision.
- Building consultancy at all stages of the project development.
- EPCM contracting services and project fee development services.
- Tenant coordination and tenant handbook development.



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DESIGN PROF

Design Prof specializes in design, integrated project management, and turnkey construction; the Company has been creating space for work and life since 2012. The Company's work is aimed at high-quality implementation of projects within the minimum period of time as a part of the agreed budget.



PHOTO: SERGIY KADULIN

EPAM Systems office, Kyiv



VISUALIZATION: DESIGN PROF

Business center ArtGarmat, Kyiv



PHOTO: SERGIY KADULIN

TEVA office, Kyiv



VISUALIZATION: DESIGN PROF

Creative Quarter coworking, Kyiv



VISUALIZATION: DESIGN PROF

SERVIER office, Kyiv

Focusing on the commercial real estate segment, we are well aware that investments should be effective, and our main goal is to ensure maximum return on investments. In this case, each of our projects is aimed at a person who, as a result, will be a user of the environment that we create.

■ WE UNITE

specialists with a wide variety of backgrounds, which makes it possible to develop integrated solutions and participate in all stages of work on the project.

■ WE CREATE

high-quality projects where we want to achieve high results and help our clients on all issues related to the provision of architectural, engineering, structural, and construction work.

■ WE TRANSFORM

rented space into an environment for creating ideas and building efficient business processes.

■ WE HELP

companies of all sizes to organize or quickly adjust business space in rented or own commercial space.

Main services:

■ Design

Regardless of the area of the premises and the number of floors, Design Prof specialists will create the optimal interior design for office premises which will correspond to the current trends, corporate policy, and wishes of the client.

■ Project Management

We undertake to plan, coordinate, and control work within the project. The integrated approach is the basis of successful design implementation (standard developer's finish, full repair, modernization, refurbishment, or new construction) under conditions of information variability and limited resources.

■ Integrated construction works

We provide a package of services on dismantling, construction, decoration, and engineering equipment of internal

premises of commercial real estate.

■ Interior decoration

We work individually with each client and find models that perfectly meet the requirements of the client and the general concept of the design project.

We will select, arrange the supply and installation of furniture and accessories both of Ukrainian production and directly from producers located in Europe, Asia, and the USA.

DESIGN PROF: WE WILL CREATE YOUR PERFECT SPACE.



DESIGN PROF

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EXPOMEDIA

Being present on the LED screen market for over 16 years, Expomedia accumulated the tremendous experience both in Ukraine and in foreign countries.



Yurii Trofymov, Director

Over the long time of its work, Expomedia accumulated the invaluable experience in providing screens for various events. A small company party or a large festival – be sure that our team will get the things done.

The company has 2 directions: rent and sale of LED screens. If you just want to rent a screen, of course, our company will give you this possibility. However, if you need the comprehensive technical maintenance of the event, you came to the right place as well. Expomedia will provide you with all the required light, audio, video, and stage equipment, involving the approved partners. Independently of the event nature and complexity, be sure: technical support will be on the highest level.

So how did we manage to achieve the excellent value price-quality trade-off in our work? The answer to this question can be expressed in 2 words only: experience and team. Professional VJs and technicians have more than 10 years of work experience in our company and know all the details of equipment installation and setup perfectly. We provide screens to events of any level and complexity. We regularly work both on large sites, like the Kyiv's Palace Ukraine and the Palace of Sports, large open air festivals, and small corporate events. Moreover, our screens are actively used on television, because they are perfectly suitable for TV filming.



Every order is unique for us, and it has certain features that should be paid attention to. For example, for exhibition stands and conferences we offer our customers special screens with fine bits, which allow reducing the observation distance to 1-2 meters. This increases the viewing level of comfort.

The second direction of our company is sale, installation, and maintenance of screens, and we are maximally committed to this task. In Expomedia, you can easily order media facades, advertising stands, billboards, and LED signs. We offer indoor screens as well. So if you own a salon, store, or a shopping center, it's highly probably that our company will become your reliable partner.

Every enterprise is welcome to contact us. We specialize and develop in one direction, that is, screens. Every day,

we do our best to develop in this field, without distracting attention. We offer individual partnership conditions to any customer in the field of LED screens.

LED screens are Expomedia.



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IQ SERVICE

Since 2014, IQ SERVICE has been providing a full range of real estate management services, and each employee's experience is more than a decade in the real estate industry. The company's portfolio includes the class A+ IQ Business Center located in Kyiv.



Victoria Fedorova,
Director

Over the years of professional management activity, all areas of IQ SERVICE have been perfectly honed: legal, engineering, accounting, marketing, administrative and cleaning accompaniment, security service with unmanned systems and inspection of explosives technicians and cynologists.

IQ Business Center managed by IQ SERVICE was recognized as the Best Class A Business Center according to the National Real Estate Award CP AWARDS 2017 and the Office Project of the Year according to the results of the Eastern Europe and Asia Real Estate Project Awards 2015.

Among the residents of the business center there are such companies as JDE, BAT, OLX, IDS Borjomi, PUMA, Regus, Novo Nordisk, and other leading companies in Ukraine and in the world.

OUR BASIC PRINCIPLES:

- We are guided only by the highest standards.
- We consider the customer's need as our top priority.
- We are looking for an honest feedback from residents.
- We act according to clear internal protocols.
- We value partnership.
- We choose innovations.
- We demonstrate indisputable indicators of financial success.



OUR MISSION is to create a model space for big business.

We do not just rent space and provide effective management, we build a holistic Universe in which people want to live and produce new meanings.



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MANEZH

MANEZH is the manufacturer and developer of sun protection systems on the Ukrainian market. The company was founded in August 1995. Nowadays, MANEZH holds the leading position in the Ukrainian market in the sphere of terrace and facade systems production, as well as indoor sun protection systems and textiles.



Maryna Diachenko, CEO

MANEZH today is:

- Ukrainian manufacturer (ISO 9001-2015; CE);
- implementing of the KAIZEN system for 12 years;
- developer of own solutions, 12 patents and 4 TMs;
- line of M-Ocean pergolas;
- line of typical terrace solutions LITE;
- line of facade systems ARSO;
- consultations, service, installation, supervision;
- work in 3D programs, REVIT;
- calculation of energy efficiency;
- license for the right to perform outdoor and high-altitude work;
- safety approvals;
- work all over Ukraine and abroad;
- over 7,500 implemented projects;
- we follow environmental friendliness, energy efficiency, turquoise organizations, and made in Ukraine trends;
- training projects for installation partners; KAIZEN principles, personnel management, sales, and corporate culture training;
- educational and cultural project 'Irrational Morris Space'.

Our key customers are:

- Gas station networks: WOG, OKKO, Glusco, SOCAR.
- Banks: Universal Bank, Oschadbank, Bank Vostok, Bank Credit Dnipro.



M-Ocean pergola, This is Pivbar



ARSO facade system, private object



- Development companies: KAN Development, UDP, SAGA Development, Alef Estate, KADORR Group.
- Car dealerships: BMW, Volkswagen, Mercedes-Benz, Renault.
- Restaurants: Citronelle, Argentina Grill, This is Pivbar, JZL, Veranda on the river, Mr. ZUMA, M1 Club Hotel.
- IT companies: Ciklum, SoftServe, MacPaw, Wargaming.
- Architectural studios: JK Lab Architects, YoDezeen, YOD Design Lab, balbek bureau, Sergey Makhno Architects, SBM Studio.

We love what we create.
We are more than our product...
We create our own world – it's special...
And we are ready to open it for you...

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Sun Protection Systems



MCL

MCL provides environmental and engineering services. Under ecology, MCL means not only the well-known in Ukraine a set of 'air-waste-subsoil use' but also the traditional ecology – surveys, development of renewable energy, and green certification. References of the company are available both from large Ukrainian companies in the real estate market and from developers of green areas and renewable energy in Europe.



Mykola Gerasymenko,
Founder and CEO

Modern trends in the rational and responsible use of natural resources encourage more developers to observe and apply best international practices in the field of energy efficiency and sustainable construction. One such practice is the installation of sub-meters for equipment or engineering systems that significantly consume energy, use of water-efficient fittings, grey or rainwater, procurement control of construction and finishing materials, and construction and operational waste management.

As a result for developers, this has a positive effect on improving the quality of a square meter and the cost of the project, including through the certification of ecological construction – a guarantee and confirmation of the use of safe technologies and materials.

MCL is a licensed assessor company of certification of green and 'healthy buildings' in accordance with BREEAM, LEED, and WELL standards. The company has three accredited assessors with 15 years of experience in certification of commercial, residential, and industrial real estate; this allows certification of several objects simultaneously. Now, the company's specialists carry out certification for residential buildings,



Residential development UNIT.Home, Kyiv



Residential development DIADANS, Kyiv

offices, a shopping mall, an industrial plant, and an innovative business park.

The main purpose of certification and obtaining a prestigious international certificate is to promote the project on the real estate market as an object of high standard and quality, which represents the reduction of negative impact of a building on the environment and optimization of its operating costs.

In 2019, the MCL working group in close collaboration with BRE Global, the author and operator of the BREEAM standard, determined and approved the weightings for the assessment categories of residential buildings according to BREEAM. In 2020, MCL certified the residential development DIADANS with the Interim certificate under the BREEAM International New Construction scheme and BC Horizon Park under the BREEAM In-Use International scheme.



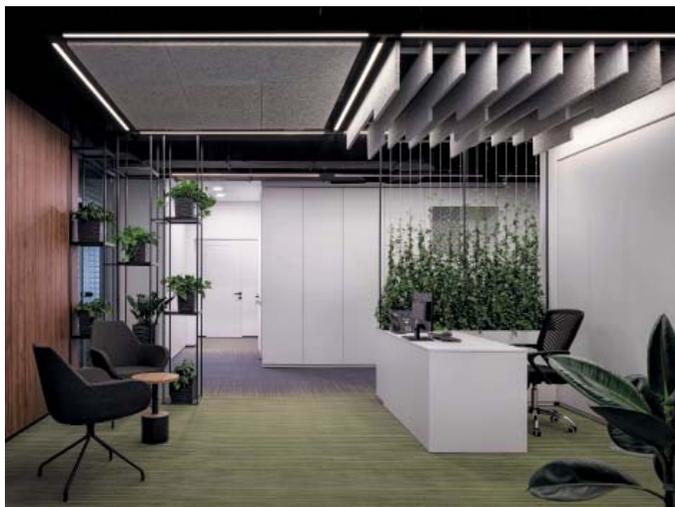
Business center Horizon Park, Kyiv



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MDT GROUP

MDT Group is an official distributor of different materials for interiors. The company has been working since 2012. MDT Group's activity is based on innovative products for commercial areas.



Today, MDT Group is ranked among the top companies specialized in flooring, suspended and acoustic ceilings, glass partitions, and sound-isolating panels. It cooperates with around 40 leading European factories. For the last 9 years, more than 100,000 m² of commercial areas were equipped thanks to MDT Group. This is only a part of projects completed by the company, which has thousands of happy clients such as Novus, DTEK, Samsung, Ferrero, KAN Development, Makhno Architects, PrivatBank, Jaguar, OLX.

Products

For MDT Group, product quality is the main priority. All of the materials are ecological and correspond with international standards, including green building standards LEED and BREEAM. The company chooses only modern products with a wide selection of different designs.

Basic materials:

- floor coverings: vinyl tiles LVT, broadloom and tile carpets, PVC and linoleum, entrance flooring, and dust control systems;

- raised floors;
- acoustic panels and modules;
- aluminum and glass partitions;
- ceilings.

Products of MDT Group have been and are now used in different segments, such as:

- offices and data centers;
- hotels;
- gyms;
- automobile showrooms;
- residential areas;
- shops;
- showrooms;
- medical centers;
- cinemas;
- cafes and restaurants;
- beauty salons.

Services

MDT Group offers a complex approach to working with clients. It includes installation and support services during the whole process of work, and accurate guarantees for already finished projects. MDT Group can also provide post-guarantee support to its clients.

Corporate credo

MDT believes that modern technologies allow creating beautiful, however reliable materials. Modern manufacturing facilities can create products that imitate different textures, like aged trees or concrete floors, and can also create individual designs. By placing an order with us, you make a huge step to implementing almost any idea and design.

MDT

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MG MANAGEMENT

MG Management is the Ukrainian built-to-suit company, founded in 2016, which provides full-cycle services in commercial construction and implementation of turnkey projects.



The team consists of young professionals who prove it every day with their results. Despite their age, they already have experience and many significant achievements. Thanks to the skillful management and application of modern management methods, MG Management's team was able to implement a lot of complex and interesting projects over the few years. Among them, there is a very creative and modern office project of one of the leading companies in the IT industry of Ukraine, which was implemented in 2020 in Kharkiv. Thanks to the full dedication of the responsible project manager Serhii Haponiuk and other colleagues of MG Management as part of the project team, the project with an area of 1,300 m² was fully commissioned in 3.5 months. The company performed a full package of turnkey services, including:

- general contract;
- execution of design works (architecture, engineering decisions);
- all disassembly and assembly works;
- finishing works;
- installation of lighting and power supply systems;
- installation of low-current SCS, ACMS, CCTV systems and installation of the Evoko conference hall reservation system;
- manufacture, procurement, and installation of glass panels;
- procurement of factory furniture;
- manufacture and installation of individual cabinet and upholstered furniture;
- procurement and installation of facilities and equipment;
- office decoration.

MG Management does not just carry out the assigned tasks but is focused on mutual



Playrix office project, Kharkiv

understanding with the client. Our specialists strive to develop and improve. We do not provide individual but full package services that include all stages of work – from design to commissioning of the completed project.

The best achievement of our company is that we perform our responsibilities with high quality. Our customers have repeatedly been satisfied with the implemented projects, as evidenced by their letters of thanks. In the MG Management portfolio, you will find many examples of 'turnkey' projects that the company's team has implemented.

The company stands out in the market due to:

- Competent approach with customers. We evaluate the goals and tasks, suggest a range of alternative design concepts, detailed budget calculation, as well as an implementation plan and full reporting.
- Compliance with the required standards. We carry out designing and furnishing of premises concerning all requirements of safety and operation, ergonomic characteristics.
- Systematic selection of materials for a specific design based on the finance party and the total project budget.
- We provide warranty and full support during operation after project completion.



A lot of leading companies from the IT industry, pharmaceutical industry, digital sector, CPA chains, as well as legal organizations and international resellers cooperate with and trust MG Management.

MG Management has repeatedly collaborated with well-known brands and reputable companies such as Playrix, Asters, EPAM, Cropio, Codeminders, ED&F Man – Ukraine, Perrigo Ukraine, Axel Clinic, Vigo Group, Everad, and others. These companies appreciate the responsibility of MG Management, their time and prefer to get a quality result.



MG Management
quality in time

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MOSS DECOR

Moss Decor is a leading company in the production of green panels, preserved moss products, and natural decorative elements for interior and exterior.



Ihor Avramenko,
Founder

Our company began to manufacture moss products among the first. With positive feedback from clients, Moss Decor acquired experience and started to work with a broader range of imported materials, having created a greater variety of preserved moss and plants.

Moss Decor is a Ukrainian company that has made progress thanks to a tightly knit team who has little changed since its formation. Gradually, Moss Decor has examined the opportunities to make natural materials available to use in the process of manufacturing.

The Company's services:

- **Vertical garden of preserved moss and plants.** Walls of preserved moss and plants do not require any care; they are easily installed and need no water supply. The walls decorated with moss needs no additional light or maintenance, or fertilizers; you may install a vertical garden in any premises, including premises with the lack of light, which constitutes another advantage over ordinary plants.
- **Promotional preserved moss gifts.** Such gifts will be automatically favored above all during any promotional campaign and may highlight the environmental friendly nature of your product.
Green 'living' products and solutions offered by Moss Decor will be of immediate interest to both private clients and big companies.
- **Preserved moss logos and signs.** Moss logos and installations may be designed to attract the attention of guests and clients, evoke positive emotions among employees, and highlight the environmental friendliness of the product you present.



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PRO-CONSULTING

Pro-Consulting is one of the major players in Ukrainian consulting services market in marketing research, analysis of commodity, and financial markets as well as strategic planning.



Aleksandr Sokolov,
CEO

Pro-Consulting was established in 2004. During this time we have conducted over 1,900 analytical reports and marketing researches, over 500 investment documents for over 1,000 clients from different economic sectors. The company is the part of investment holding Pro Capital Group.

Pro-Consulting offers professional support in your business development.

Our **Mission** is to attract investments into dynamically developing businesses and help to improve the financial welfare of our clients.

Our **Aim** is the dynamic growth with the usage of innovative technologies, the constant search for new areas of developing.

Our **Strategy** is providing high quality services in market research, marketing strategy, and financial consulting, contributing to our clients' prosperity.

With our help you will be able to:

- determine the niche on the market;
- define target audience;
- identify competitors' strengths and weaknesses;
- analyze prices, products, and placement of products on the market;
- clear up current and expected market trends;
- determine growth directions;
- develop marketing strategy.

OUR SERVICES

Analysis and market research:

- analytical market report;
- marketing research (surveys, focus groups (with the equipped room), online surveys);
- market passport;
- analysis of enterprises' activities and databases provision.

Marketing strategy planning:

- marketing strategy development, implementation, and maintenance;
- marketing audit;
- brandbook development;
- strategy implementation coordination;
- media planning;
- digital analysis, online strategy development.

Call Center:

- phone surveys (CATI);
- mystery calling;
- contact database update;
- predictive dialing and voicemail sending.

Investment analysis:

- investment analysis of market sectors;
- investment risks analysis;
- providing concept of the most effective asset use;
- franchising consulting;
- analytics and consulting for franchise purchase;
- consulting on franchise creation and development;
- analysis and marketing strategy of franchise.

Export consulting (entry on foreign markets).

We also provide the unique analytical product – **online database 'Market Analysis'**. This is the structured selection of statistical and analytical information collected by our specialists from over 2,000 open sources. It contains over 60,000 reports on all economic sectors.

Our clients are the leaders in the areas:

- agriculture;
- medicine and pharmaceuticals;
- chemical and petrochemical industry;
- metallurgy;
- food processing;
- banking and financial sectors;
- retail and HoReCa;
- industrial goods;
- consumer goods;
- machinery and automotive goods;
- construction materials;
- real estate;
- telecommunications;
- transportation and logistics;
- services and other.

Our major clients include:

UkrSibbank (BNP Paribas Group), Alfa-Bank Ukraine, Oschadbank, L'oreal Ukraine, Hyundai Corporation, Nestle Ukraine, Roshen, Arzinger, McDonald's Ukraine Ltd, Milk Alliance, Paul Hartmann, Mercator Medical, Agrohholding Avangard, Lukoil Lubricants Ukraine, Johnson & Johnson, Shell and others.



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SCHÜCO

Schüco develops and supplies system solutions aimed to manufacture windows, doors, facades, sliding structures, security and sun protection systems. The company's representative offices can be found in more than 80 countries.



More than 5,500 Schüco employees around the world work every day to retain leadership in technology and services today and in the future. With this goal in mind, it invariably focuses on customer needs at all stages of the construction process: from the first idea and design to the implementation and use of residential and office buildings. What was Schüco's path and what formed its success story?

In 1951, Heinz Schürmann founded Heinz Schürmann & Co in Porta Westfalica in northwestern Germany. With the help of six employees, he made shop windows, awnings, and protective screens in the backyard of his house.

The 1970s – the company started supplying systems for the manufacture of aluminum windows and doors. It set up new branches throughout Germany and rapidly expanded its sales network.

The 1980s – Schüco entered the international markets of Europe thanks to its licensed partners. It also began to develop a promising PVC market and expanded its product range.

The 1990s – East Germany and Eastern Europe faced a heavy need to renovate buildings using environmentally friendly building materials. Schüco anticipated that trend and set up a new direction, namely solar energy systems. In 1990, the company reached a turnover of 1 Deutschmarks a year thanks to the construction boom.

The 2000s – Schüco expanded its activities in the United States, South America, and China in three areas: metal structures, PVC, and solar systems. The company became a top expert in environmentally sustainable solutions applied to arrange building envelopes in an integrated fashion.

2005 – the Schüco Technology Center in Bielefeld, Germany became an independent and certified laboratory for testing windows, doors, and facades.

In 2012, Andreas Engelhardt assumed the position of the company



head. The company focused on two key areas, namely metal and PVC.

2013 – Schüco introduced the Parametric concept and the new SimplySmart fitting generation. In December 2013, an exhibition pavilion with an area of 800 m² opened in Bielefeld.

2016 – complex investment construction started in Bielefeld. The logistics center was expanded followed by the construction of a new office.

In 2017, Schüco presented innovative products and services at the leading BAU international exhibition.

In 2018, the company expanded its product range. More specifically, it acquired Sälzer GmbH, an expert in security systems, and Soreg AG, a manufacturer of high-end sliding systems.

On January 18, 2021, Schüco turned 70!

SCHÜCO

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UBI CONFERENCE HALL

UBI Conference Hall has been providing complex solutions for business and lifestyle events since 2012. Taking into account current trends and needs, the company offers 7 modern locations, each of them features its unique style.



UBI Conference Hall SHOW, Kyiv



UBI Conference Hall FUSION, Kyiv



UBI Conference Hall NATURE,
Chernihiv region



UBI Conference Hall CO-WORKING,
Kyiv



UBI Conference Hall BUSINESS,
Kyiv region

The ideal place for lifestyle, fashion, or art events is SHOW. Due to a good location, SHOW can host events on the roof terrace; it adds a special and original atmosphere to the event, making it one-of-a-kind. In addition to the open terrace, it's worth mentioning the large club area and the tent that can be used as a food court. It has a technical zone for backstage as well. The total area of the SHOW venue is 700 m².

SPACE is a location with an area of more than 900 m², used for large events. Depending on the format of a ceremony, the venue can be zoned by dividing it into several more "chamber" spaces. The advantage of SPACE is a loft-style design and open area, which allows you to welcome up to 500 people.

The hall FUSION is the best option for organizing exhibitions and fairs. The location design allows organizers to place exhibition objects in the most favorable perspective. The area of this hall is more than 650 m².

For business negotiations, it is worth considering the CO-WORKING venue. The movable partition-walls allow organizing a comfortable working place, a meeting

room or, for example, a conference room. CO-WORKING can be used as a conference room for 80 attendees. The total area of the location is more than 125 m².

The conference hall STUDY serves for training events. The advantage of the location is the ability to hold several lectures, seminars, or trainings simultaneously, as it includes a conference hall for up to 55 attendees, 2 study rooms for 20-60 people, and an exhibition area.

BUSINESS is an ideal venue in the Kyiv region to hold huge business events. The total area of the location is more than 1,000 m². It is equipped with technical and multimedia solutions for videoconferencing or a conference with simultaneous translation. The venue includes welcome-, lounge-, and coffee-zones, a conference hall for 20 attendees, and a 500 m² exhibition area. The territory has private closed parking for 40 cars.

Taking into account the importance and popularity of eco-leisure, the NATURE venue was opened on the territory of the Nature Park Beremyske. NATURE is ideal for team building, scientific and eco-conferences, and training events.

The total area of this conference facility is 118 m² for welcoming up to 100 guests in an amphitheater seating. The location is equipped with everything necessary for high-quality events. On the territory of the park, there are also tents and eco-houses with all the amenities for a comfortable living if the event lasts more than one day.

The special thing about UBI Conference Hall is the providing of a full range of event organization services. The success of an event is a result of individual planning and joint work. You choose the format of the event – we create the atmosphere!



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VERTEX HOTEL GROUP

Vertex Hotel Group is a group of companies, specializing in hospitality, wellness, and commercial real estate. The company's portfolio includes three 4-5-stars hotels in Kyiv (President Hotel) and Odesa (Bristol Hotel, Londonskaya Hotel), and also one of the best premium fitness club in Odesa – Formula.

Vertex MICE is an "on a turn-key basis" for any of your events:

- Meetings – corporate meetings, presentations, business talks and business lunches.
- Incentives – incentive or motivational tours and programs, team building, training, corporate holidays.
- Conferences – conferences, congresses, forums, seminars.
- Exhibitions – exhibitions, image events, PR events and press tours.

Vertex MICE is always a comprehensive approach, 5 stars service and valuable bonuses:

- Holding an event and accommodation in one place.
- Welcome drink zones.
- Coffee areas – breaks, lunches, gala dinners.
- Lounge – areas and SPA.
- Location – city center (Kyiv, Odesa).
- Parking with an electric car charging station.
- Audio and video equipment for presentations.
- Ability to host multiple events at once.

Conferences and banquets at President Hotel 4* (Kyiv):

- 17 modern banquet and conference rooms, capacity to 400 guests.
- Large selection of technical equipment.
- Ergonomic furniture.
- Wide range of catering services.
- Professional team and years of experience in organizing events of any complexity.

Meeting space at President Hotel 4* (Kyiv):

- 5 modern meeting rooms for meetings, negotiations, interviews, workshops.
- Meeting rooms for up to 20 people.
- Flip charts, screen, Internet, notepads, pens, water at your disposal.
- Catering or in-box catering can be ordered additionally.
- Phone charging stations.

Conferences and banquets at Bristol Hotel 5* (Odesa):

- Windsor Grand Ballroom (460 m²), capacity up to 450 guests.
- Greenwich Conference Hall (190 m²), capacity up to 160 guests.

Meeting rooms at Bristol Hotel 5* (Odesa):

- 3 meeting rooms in different thematic design.
- Ideal for private negotiations and business meetings.
- Meeting rooms for up to 20 guests.

Conferences and banquets at Londonskaya Hotel 4* (Odesa):

- Legendary hall Aivazovsky (213 m²), capacity up to 200 guests.
- Historic hall Boffo (80 m²), capacity up to 80 guests.
- 2 meeting rooms (45 m²), capacity to 20 guests.



Bristol Hotel, Odesa



Londonskaya Hotel, Odesa



Bristol Hotel, Odesa

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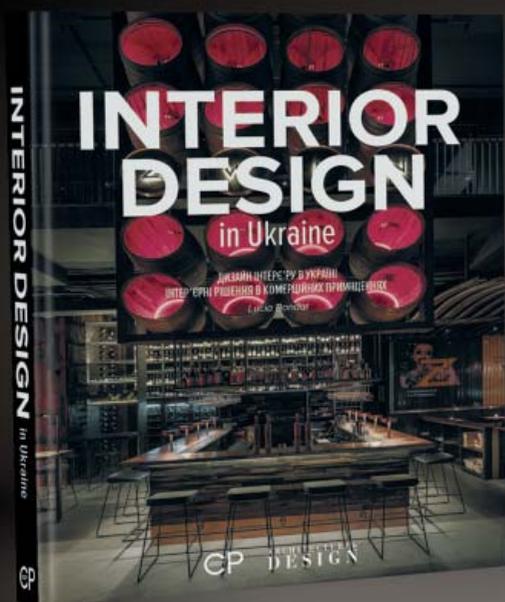
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BANKHOTEL

BANKHOTEL hospitably welcomed the guests and residents of the city on June 8, 2018. The hotel is located in the historic part of Lviv in a renovated building of the former Austro-Hungarian Bank, which was built in 1914.



The main design idea is the maximum preservation of the historical appearance of the building as an architectural monument. The elements of the interior that weren't changed fundamentally include:

- lobby with marble staircases and stained-glass windows;
- ceramic flooring in the lobby on the ground floor and in the hall on the first floor;
- wall decoration with authentic eaves.

BANKHOTEL has 6 floors and 101 rooms of different price categories. The author of the unique interiors of rooms is Olha Riabova. She used graphic compositions of French modernist artists Serge Gladkyi and Eduard Benediktus. Due to this, each room has its unique pattern, the main color of which sets the tone of the whole space and creates the feeling of the special artistic atmosphere of the beginning of the 20th century.

For business meetings in BANKHOTEL, there are 8 conference halls with a total capacity of 270 people, which will meet any requirements for the organization of negotiations, seminars, and presentations. Members of business events also have access to a lounge area and an outdoor terrace.

The cozy restaurant SAFE will allow its guests to enjoy a cup of real Lviv coffee and dishes of Ukrainian and European cuisine. There is also the RESERVE wine bar, where one can taste fine wines and



enjoy the panorama of the old town on the terrace. The night art bar SATIRIKON in the hotel serves specialty cocktails, and it also works as an exhibition of works of world-famous cartoonists.

The exhibition of two art projects 'Banknotes and Shahs' and 'Coins' by Victor Kudin runs in the hotel on a permanent basis. The main idea of the first project is to familiarize with banknotes that were in circulation in the Ukrainian People's Republic. Hotel guests and visitors of the exhibition will be able to learn about the features of each banknote, its author, and where it was printed. The peculiarity of the 'Coins' project is the familiarity with the jubilee coins issued by the National Bank of Ukraine.

BANKHOTEL is one of the few hotels that has passed star certification and is an official five-star hotel. In addition, the hotel is the best in the city and one of the best in Ukraine according to the ratings of Tripadvisor (5\5) and Booking.com (9.6\10).

Also, in 2021, it is included in the top 20 hotels for honeymoon in Lviv, top 10 best hotels in Lviv, top 5 luxury hotels in the city, top 3 hotels for business travellers in Lviv according to Travelmyth. BANKHOTEL is nominated for the European Union Prize for Contemporary Architecture – Mies van der Rohe Award 2022, which is granted every two years in Barcelona (Spain) at the expense of the European Union and the Mies van der Rohe Foundation for the best projects in the field of modern architecture.



BANKHOTEL

ART + CONFERENCE HALL

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BUSINESS CENTER S26

Business Center S26 is a new project in the portfolio of the Intergal-Bud Developer. The object is located directly next to the historic Kyiv, at Podil. This premium location in the central business district is popular among international and Ukrainian companies.



Business Center S26 was created according to a unique design solution of Kramall Studio architectural studio. The building is inscribed in the existing urban landscape, taking into account all the town-planning requirements and the historical and cultural heritage of the district.

The total area of the new B+ class Business Center is 13,300 m², and the area for rent is 10,800 m². It is a 8-storey building where there are office spaces starting from the first floor. The area of each floor is 500-1,440 m². The architectural project provides free planning, which allows one to individually choose the best option for rent, depending on the wishes of the company. Thanks to the well-thought-out organization of the space in the architectural decisions, there can be traditional offices and various flexible formats that are popular nowadays. The terraces and balconies can be turned into lounge space for rest, communication, and

social interaction of employees, which has a positive impact on corporate culture and company development is an additional value for the tenants.

The internal infrastructure includes a shop, a restaurant, a cafe, and a lobby on the ground floor, which allows the business center to perfectly perform the most important task currently set by the companies – to create a comfortable environment for the employees. In the underground part of the building, there is a spacious parking. There should also be a ground parking, as well as chargers for electric cars.

Security and privacy in the business center are provided by professional security, access control system, and video surveillance.

Business Center S26 is located at 26/14, Spaska Street, which is just a 5-minute walk from Kontraktova Ploshcha Metro Station. There are only two subway stops to the Independence Square and it

will take no longer than 10-15 minutes to get there by car.

In addition to transport accessibility, the advantage of Business Center S26 is the developed infrastructure of the district, as well as green squares, where the residents can walk after work.



**26/14, Spaska Street
Kyiv 04070, Ukraine
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BUSINESS RETREAT AVENUE

Harmony, peace, and self-improvement. Business Retreat Avenue introduces a new approach to the formation of business space for companies that are rapidly changing their business model and internal processes. Companies for which constant development and improvement are one of the key components of their strategy.



Approaches that are now positioned as a trend in the field of commercial property (smart technologies, environmental friendliness, space flexibility) have long before become a counterpart of the successfully implemented project, the business center Avenue53, and will be introduced and improved in the project of the second phase of the territory development – Business Retreat Avenue.

In the implemented project of the business center Avenue53 (put into operation in summer 2020), it can already be seen as the introduced technologies, ecology of internal environment, and maximum automation work for comfort and needs of residents. Work processes within the business center can be managed remotely through the use of a smartphone. Environmental friendliness, processability, complete safety, and comfort are essential characteristics introduced in the business center Avenue53. Outdoor terraces, a garden inside, and maximum landscaping allow one to change surroundings, inhale, exhale, and reboot during the office day.

The purpose of the Business Retreat Avenue development is to update constantly, improve, and find the most modern architectural and technical solutions aimed at increasing the comfort of residents and adapting to their needs.

The second phase of the project, Business Retreat Avenue, consists of three independent buildings with 40,000 m² GLA. The project has different architectural solutions but at the same time forms a single harmonious ensemble. In combination with the implemented first phase of the project, all buildings open on to the central zone – a grand park with a lake in the center (the area of the park is almost 1.5 ha).

Just imagine that you do not need to go or fly anywhere to change the vibe and take over. It is enough to leave the office to take a walk in nature in the park, go to the recreation zone to get a massage, visit the area of meditation and sound healing, shop in niche stores, work out, replenish in a beauty salon, drink coffee in a cafe by the lake in the park, gain new knowledge at training or seminar.

Business Retreat Avenue is an escape out of work routine to look at yourself from the side in business and life. It is a place where nature and modern architecture, impeccable service, work, study, and rest are combined.

Business Retreat Avenue is a center of harmony and self-development. A place that inspires creativity and finding optimal solutions. It is a place that will arouse a desire to live there, act, create, study, and relax.



Harmony, tranquility, and self-improvement are the three key aspects that have been taken as a basis when developing architectural and conceptual solutions for this project to form a balance between work and creative space.



AVENUE

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DERENIVSKA KUPIL

The history of the Derenivska Kupil Health Resort Complex began in the 16th century. During this time, the resort was part of six states, and each page of history has left its mark on its development. The infrastructure and architecture of the buildings have changed, yet our values remain unchanged – the curative ‘Silver Slatino’ water and clean Transcarpathian air. The modern Derenivska Kupil is an object of unsurpassed beauty and unique service, which continues its development, reaching new horizons.



Infrastructure. The Complex is located 20 kilometers from Uzhhorod, the regional center of Transcarpathia. Guests are offered free of charge two-level parking for 100 cars, equipped with solar panels and an electric car power station. Also, there is a helipad on its territory.

Apartment Hotel and Irys Hotel. The Apartment Hotel offers guests of the Complex 44 full-fledged apartments with a living room, bedroom, equipped kitchen, which will be the best option for the whole family. There is also a modern European Irys Hotel with 130 rooms of different categories. The interior combines the aesthetics of laconic details and restrained elegance.

Restaurants of the Derenivska Kupil. The Irys Restaurant is a spacious and bright establishment with a delicate, democratic interior style. The idea of cuisine is to reinterpret Transcarpathian culinary traditions. The Salamandra Restaurant offers gourmet cuisine and local recipes in the European variation. In addition, pleasant emotions are added by exquisite wine, selected on the recommendations of leading wine critics. The peculiarity of the gastronomic service is organic products, grown on our own farms.

Silver Therms SPA-Complex and Irys Wellness Center. One of the main values of the Derenivska Kupil is silicon water, which is the basis of the whole wellness process. We offer a wide range of individual programs for rejuvenation, cleansing, and body support. Specialists of the wellness center pay special attention to the problems of the musculoskeletal system and the improvement of all body systems. In addition, there is an aquazone in the Irys Wellness Center. It offers an indoor pool of 1.2-1.6 m deep and +27°C, a Finnish sauna, and a cozy relaxation area. The Silver Therms SPA-area with a seasonal outdoor pool and semi-outdoor with thermal water (up to +34°C) is available throughout the year. There are also excellent conditions for active leisure and daily sports. The Health Resort Complex has a modern fitness center, tennis courts, volleyball court, and mini-golf.

Symbiosis of nature and art. The Derenivska Kupil is a unique combination of nature and art, because in our territory there is a dendropark with a total area of 14.5 ha. Its collection has more than 5,000 varieties of trees and shrubs, including unique and diverse collections of trees, shrubs, and vines. The best

artists from all over Ukraine and Europe have made efforts to create our sculptural ensemble. The unique location of the Complex is a passage with the ART-DK art space, which combines an art gallery, where famous Transcarpathian artists present their paintings, and a salon of local art brands with craft souvenirs.

We invite You to the Derenivska Kupil Health Resort Complex, since this is the place for Your ideal vacation.

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Transcarpathian region
For reservation:
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+380 (50) 400 01 88
derenivska-kupil.ua**

EDEM RESORT MEDICAL & SPA

Is there Paradise on Earth? Yes, there is! And it is not far away from old Lviv. When you get here, you can relax, forget the noise of the big city, and enjoy every minute of being here. Your watch stops, and you become immersed in an atmosphere of peace and healing relaxation for your body and soul.



Edem Resort Medical & SPA is a complex surrounded by a forest and a lake. It is a five-star hotel with five haute cuisine restaurants, three event halls, three conference halls, a medical centre for health and convalescence, a spa, an art space, the landscape sculpture PARK3020, the first golf club in Western Ukraine, a white-sand beach, vineyards, fruit and vegetable gardens, stables, and hunting grounds.

The unique medical centre focused on revitalisation and health is the true pride of Edem Resort Medical & SPA. It provides such services as diagnostics, balneology, dietology, dermatology, hydrotherapy, water and herbal medicine, aesthetic medicine, instrumental cosmetology, and more.

Each guest is offered an individually customised program. For example, a 7- or 10-day Detox program, a 3-day Anti-Stress course, or a 3-day Re-Energy program. The medical programs at Edem Resort Medical & SPA have two main goals: to improve your mental state (soul, emotions) and invest in your physical health and longevity. This is the holistic approach, in which the health of the human being is seen as a symbiosis of body and soul.

A stay here combines medical programs, relaxation, and spiritual cleansing.

Edem Resort Medical & SPA is among the nine best Spa & Wellness resorts of the world listed by the Total Escape international edition. It has also won the Best Hotel in Ukraine award at the Chance Travel Awards.

In 2018, DeVine Restaurant got the two-glasses rating from the American magazine Wine Spectator. Only six restaurants in Ukraine had the honour of such a rating. In December 2018, Terrace Restaurant received the title of the Best Country Restaurant from the SALT National Restaurant Awards. In January 2019, Edem Resort Medical & SPA was named the Best Medical Hotel at the International Hospitality Awards. And at the end of 2019, the International Hospitality Awards nominated the complex as the Best Wedding Hotel.

The Chateau Edem vineyards located on the territory of the complex are some of the largest in Western Ukraine. The wines have received several prestigious awards, including those at the Galician Vine Grape and Wine Festival in 2019, the Uwines Awards 2019, and the Ukraine Wine & Spirits Awards 2020.



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MEDICAL & SPA**

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FRANKLIN

The concept business center FRANKLIN will start operating in the business area of Dnipro in 2021. The project will be completed in the architectural style – Federal, which was very popular at the proper time in the United States and was used for government buildings.

The project has 3,668 m² GBA and 2,880 m² GLA. There are two floors in the business center and a basement that can be used as a warehouse. The implementation of FRANKLIN office area is planned in the open space format with the opportunity of division into separate offices. The ground floor has separate offices from 48 m² to 153 m², the first and second floors feature open space areas from 329 m² to 872 m². There is a land parcel for 46 parking slots on the territory of the BC with convenient entrance by own car.

BC has a competitive location: public transport stop (200 meters), 400 meters to Yavornytskoho Avenue. The railway station is about 7-10 minutes by car, and the airport is 25-30 minutes from BC.

Project status: total building renovation. Completion of fit-out works



and commissioning are scheduled for Q4 2021.

Payback period – 10 years.

Sale price – US\$1,000/m².

Rental price – UAH250/m²/month (VAT excluding).



**16, Stolarova Str.
Dnipro 49000, Ukraine
+380 (96) 101 08 10
franklin.dp.ua**

CITADEL-2

Citadel-2 is a B-class business center located in the center of Dnipro. This office project, built in a classic style, fits straight into the architecture of the business district of the city.

Citadel-2 has 5,718 m² GBA. The business center operates four floors of effective business area: on the ground level, there are commercial premises from 200 m² to 519 m², and from the first to the fourth floors, there are premises from 53 m². Interfloor connection is provided by three Otis elevators. The business center has a café for business meetings.

There is a developed infrastructure near Citadel-2 – public transport stop (50 meters), Nova Poshta alongside, supermarkets, banks, restaurants, and a shopping and entertainment center. The main street of the city, Yavornytskoho Avenue, is 700 meters away.

The project provides for 36 parking slots on the business center territory, which is located on a land parcel of 0.37 ha.

The business center performed face-lift and renovation in 2017. The building



is equipped with video monitoring and access checking systems, twenty-four-hour guarding.

The business center Citadel-2 enjoys high demand among tenants and has a low vacancy rate.

Revenue-generating capacity – up to 15% per annum.

Cost – US\$900/m².



**12, Sviatoslava Horobroho Str.
Dnipro 49000, Ukraine
+380 (96) 101 08 10
citadel2.jip.com.ua**

GLOBE RUNNER HOTEL & HOSTEL

In February 2020 in Kyiv, DEOL Partners launched the unique travellers' hub Globe Runner Hotel & Hostel that combines the features of 3-4 star hotels, hostels, and aparthotels.



Ruslan Oleksenko, Founder and Managing Partner at DEOL Partners

Our achievements include:

- Winning the national CP Awards as the best Commercial Real Estate Project.
- Garnering the Traveller Review Award from Booking.com.
- Scoring 10 out of 10 – an exceptional mark – on Hotels.com.
- Scoring 9.7 – a superb mark – on Hostelworld.
- Acquiring the SafeTravels stamp.

At DEOL Partners, we plan to open the Globe Runner travellers' hubs and Senator Hotels and Apartments in other Ukrainian cities and seek cooperation with investors and co-development partners.

DEOL Partners is Ukraine's leading real estate investment, development, and management company with a strong focus on the hotel segment. We provide investors, co-development partners, and landowners with straightforward solutions based on our in-depth local and global market knowledge and more than two decades of experience.

Our diverse portfolio includes successful niche brands, such as Senator Hotels and Apartments (Ukraine's first chain of fully furnished and serviced aparthotels) and 11 Mirrors Design Hotel (the first design hotel in Ukraine and Eastern Europe, part of Design Hotels™ collection).

On 1 February 2020, we launched **Globe Runner Hotel & Hostel** – a brave pioneer, which embraces the lifestyle & community hostel trend and **brings a new breed of hospitality to Kyiv**. Globe Runner is a travellers' hub that combines the best features of 3-4 star hotels, contemporary hostels, and aparthotels.

With an intelligent character, eclectic aesthetics, and urban vibe, Globe Runner provides today's adventurers with a variety

of accommodation options – dorms, private guestrooms, and family apartments. The property is outstanding and vibrant.

Nestled in a 4-storey stand-alone building dating back to 1899, the hub boasts well-preserved architectural elements.

Each accommodation unit is one of its kind and features vintage detailing mixed with a modern décor, conceptual art pieces, and smart furnishings. The ground floor is equipped with an amphitheatre-like lobby, open-space lounge area, communal kitchen, and café.

Globe Runner has a top location within an easy walking distance of Opera House, Golden Gate, St Volodymyr and St Sophia Cathedrals. The hub is not merely 'an accommodation option', it is a get-together space where guests interact and socialise with one another, making memories, which will last a lifetime.

Our creative approach and development solutions did not require big budgets. The project will yield a positive return on investment soon. Globe Runner already faced all the challenges of 2020 and showed **impressive performance results**.



**4, Lypynskoho Str., office 16
Kyiv 01030, Ukraine
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www.deol-partners.com
www.globerunner.house**

GULLIVER

Gulliver mixed-use complex (MUC) is the project that features the unique location on the retail and office real estate market in Kyiv. It is located both in the historical and business district of the capital, at the intersection of major transport arteries, in the vicinity of the key metro stations and public transport stops.



Multifunctionality is one of the main advantages of Gulliver. As the world business practice shows, having everything close and all together – work, entertainment, and shopping – is very effective. There is no need to spend half a day in traffic jams, waste time, and get nervous because of the tough traffic in the capital; just a few steps – and one can get where he needs to be: in an office, cinema, or store.

The total area of the complex is 157,400 m². It includes an A-class business center, which consists of two towers, and a 10-storey shopping and entertainment center. Gulliver MUC is one of the highest buildings in the capital. The height of the 33-storey tower 'A' of the business center is 141 meters.

The scale, comfort, modern design, functionality, and unique set of services make Gulliver an ideal choice for the best companies in the capital.

The business center Gulliver meets all of the international requirements for A-class office centers with its high-quality transport junction, good and convenient location, extensive infrastructure, comfortable parking, innovative technical solutions, high level of safety and energy efficiency, and high-quality services. The coordinated work of all of the complex's life support systems is secured by an intelligent automated control system and building management,

i.e. all the engineering is managed by using a single console. The business center has the most advanced heating, ventilation, and air-conditioning systems. Fire safety is secured by the sprinkler system by Mercor (Poland) and Siron (Netherlands) firms, and the uninterrupted power supply is guaranteed by a complex's own substation and several emergency diesel generators.

Approximately 60 Ukrainian and international companies, such as Coca-Cola, Colin's, Grammarly, Yves Rocher, Bacardi-Martini Ukraine, Playtech, Ciklum, Inditex, and others located their offices in the business center. Over 10,000 m² in Gulliver are occupied by the best coworkings, namely Creative Quarter, Creative State, and Regus.

The shopping and entertainment center Gulliver has over 150 stores of various profiles: fashion, classic, and youth clothing and footwear, sports goods, children goods, home and interior items, gifts and accessories. These are the brands of the Spanish Inditex group (ZARA HOME, Massimo Dutti, Bershka, Pull & Bear, Stradivarius, Oysho, Uterqüe), Polish LPP (Mohito, Reserved, Cropp, House), as well as Zadig & Voltaire, Maje, Sandro, Lacoste, Tommy Hilfiger, Roy Robson, Naf Naf, Arena, ALL STARS, PUMA, Adidas, Falke, Hanro, Polo Ralph Lauren, BROCARD, Kilian, Jo Malore.

Silpo supermarket in a new format,

Eldorado store of home appliances and electronics, and JYSK home goods store are located on the ground floor of Gulliver.

The extensive infrastructure makes Gulliver not just a business center with a shopping and entertainment component, but a space for life and efficient use of time, where all details have been carefully elaborated. And these are the renovated parking with electric car charging station, beauty salons, modern Gulliver Bowling, 6-screen Oscar cinema, and Sky Fitness center with unique panoramic views and a 25-meter pool, a visa service center, more than 20 eateries with various cuisines – from traditional Ukrainian to exquisite Italian and Japanese.

The availability of this infrastructure provides considerable savings of time since most issues can be settled within the territory of this mixed-use complex.

GULLIVER

**1A, Sportyvna Square
Kyiv 01001, Ukraine
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gullivercenter.com**

HORIZON OFFICE TOWERS

Horizon Office Towers is the first premium class business center in Kyiv that keeps its leading position in the commercial real estate market for many years already.



Horizon Office Towers is a unique facility consisting of several buildings with a total area of about 17,000 m². In close vicinity to the business center, there is a parking area with 52 parking spaces, as well as a heated garage on several levels for 50 cars in total. The complex is located in the governmental quarter of Kyiv, which is also a cultural and historical center of the capital and the center of business activity – Pechersk district, on 42-44, Shovkovychna Street. Office of the President of Ukraine, Parliament, and Cabinet of Ministers are located near the business center.

The complex consists of the main building and two adjoining annexes:

- main building – 17 office floors;
- first extension – 6 office floors and an underground parking;
- second extension – a two-level office unit and a three-storey parking.

All buildings of the Horizon Office Towers complex have autonomous utility systems and have access through the lobby of the main building (the main entrance to the business center). Alternatively, each extension has its own entrance.

The well-designed infrastructure of the complex makes it possible to use the

facilities of the business center by all tenants without exception, regardless of whether they are located in the main building of the complex or in one of the extensions.

Horizon Office Towers is equipped with 5 OTIS elevators, which ensure minimum waiting time, the most efficient distribution of tenants, their visitors, and staff flows.

All premises in the business center have quality fit-out of the European level, but some of them differ by higher quality fit-out with premium class decoration materials.

The management and maintenance of Horizon Office Towers are provided by a professional company that has a reputation as one of the best companies on the commercial real estate management market of Kyiv.

Safety and order in Horizon Office Towers are provided 24/7 by a professional security company.

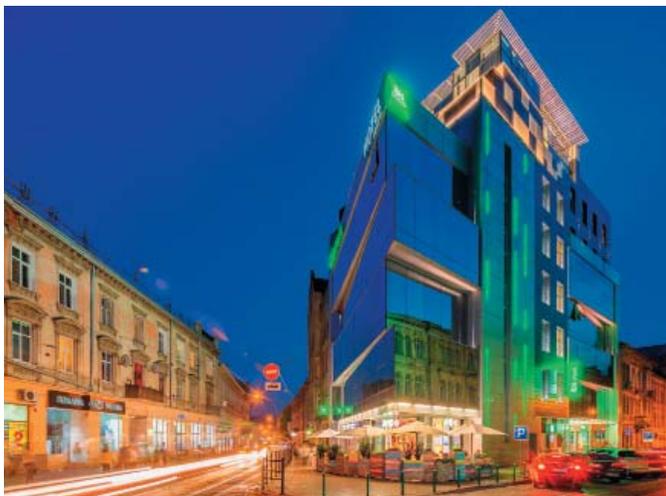
Horizon Office Towers stands out by its uniqueness and exclusiveness in terms of internal organization, extended infrastructure, and concentration of tenants, who have successfully approved themselves on both the international and Ukrainian markets.



42-44, Shovkovychna Str.
Kyiv 01004, Ukraine
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IBIS STYLES LVIV CENTER

ibis Styles Lviv Center is a hotel of the leading in Europe international hotel operator Accor and the first representative of the ibis Styles brand in Ukraine. A modern 7-storey building is located in the center of Lviv, at 3, Shukhevycha Street, on the territory included in the UNESCO World Heritage List.



ibis Styles Lviv Center is a bright, modern, and stylish hotel with perfect combination of Ukrainian national touch in small details and functional comfort. The hotel started operating in August 2015 that made it the second representative of the Accor group in Ukraine and first – in Lviv.

The room capacity of the hotel provides 77 rooms on 7 floors and includes Standard and Premium categories. ibis Styles Lviv Center is ideally equipped to exceed expectations of individual leisure travelers and business tourists, as well as groups. On the ground floor of the building, there is a spacious lobby with comfortable sitting area, a business corner, a kids play corner, and an Italian cuisine restaurant of the famous Ukrainian chain.

The room rate includes all-you-can-eat buffet breakfast and unlimited Wi-Fi. Bedding quality is proved by world-known brand "Sweet bed" by ibis Styles designed exclusively for the brand and guarantees comfort and high sleep quality. Additional services are available for the comfort of guests such as transfer, organization of excursion tours, flight tickets booking, courier services, etc. Also the ironing room is at the disposal of guests.



A free ALL – Accor Live Limitless – lifestyle loyalty programme that goes beyond hotels and offers is available for loyal travelers. The Program Members are welcome to take advantage of exclusive promotions and discounts, as well as special services including free early check-in and late check-out, special offers for accommodation and services, earning reward points and using these points as payment for stay and services in more than 3,960 properties of the chain, and many other pleasant bonuses.

ibis Styles Lviv Center is your stylish hotel in the heart of Lviv.



**3, Shukhevycha Str.
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H9709@accor.com
all.accor.com
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LUWR

LUWR is a state-of-the-art A-class business center in Kyiv. Due to architectural, technical, and design concepts, it inspires to a high wave of creativity and achievements. The building materialized in glass and stone stands out as a work of art and evokes a sensation of comfort and prestige.



An advantageous location of the business center (BC) LUWR in the downtown area of the Ukrainian capital, in the immediate vicinity of the main traffic arteries of the city and the underground station of Lukianivska, is emphasized with almost all-glass façade that produces breathtaking all-round views of Kyiv. That way the business center inspires and gives a creative drive to work efficiently.

The building consists of a 6-story main section and a 16-story tower, and also contains a state-of-the-art underground car-park that can accommodate 80 cars. In addition to this, there is an outside car-park for visitors of the BC for 65 parking slots. Both car-parks are guarded 24/7 and equipped with EV chargers. Each of the sections has a separate entrance space with its own front-desk and security. To maintain confidentiality and clients' privacy, there are additional isolated entrances and exits from the business center, as well as a separate lift from the car-park to section A.

All the premises are rented out shell & core that makes it possible for the lessees to decide what their office will look like. Open plans of internal spaces and well-developed infrastructure together with other advantages make working here really comfortable.

The complex is managed with advanced engineering systems that make the office spaces comfortable. Energy-saving façades of the building are thermo-insulated and ventilated, while windows do not let the warmth out. This maintains comfort temperature in the premises any time of the year with no extra charge for heating. The in-house boiler station of the business center designed for 2.48 MW is fitted with cost-effective boilers Buderus located on the roof of the building, which are switched on when needed. As a result, in any season of the year, the set-point temperature is maintained in the offices. At the same time, air-shafts with an embedded filtering system provide each room with conditioned fresh air. While chiller/fan coils units condition and warm up the air to make the microclimate in offices comfortable.

The prestige value of LUWR BC results from a whole range of deliberate engineering solutions. To name a few, 8 high-speed lifts ThyssenKrupp with a loading capacity up to 1,000 kg provide for a high rate of transportation – two seconds per each story, while the traffic distribution system cuts their waiting time. A high level of comfort is ensured by the maximum safety and security of the building: the BC is equipped with in-house

servers, a structured cabling system, and an access control system to store data of essential services of the building. All the premises have fire detection, alarm and suppression systems, and smoke detection systems installed; steel structures and passages of utility services are fire protected. Best efforts are applied to prevent combustion occurrence and fire spreading.

Besides, the BC is equipped with a passage control system, as well as an access control system, fire prevention security systems, and CCTVs. Professionals from a security company ensure security inside the building and within its territory.

The unique location, cutting-edge architectural and technical solutions, as well as comfort and aesthetics in office premises – all these make LUWR BC an iconic project not only for Kyiv but for the entire office space market as well.



2/10, Yuriia Illienka Str.
Kyiv 02000, Ukraine
+380 (68) 490 90 16
luwr.com.ua

M8 BUSINESS CENTER

M8 Business Center is a flagship business center that is a part of the commercial real estate portfolio of one of the largest developers in Ukraine, Intergal-Bud.



This class A office building was designed and implemented taking into account the technical requirements and needs of modern business. M8 Business Center has already been put into operation. Thanks to the advantageous location in the central business district, it is considered one of the most prestigious and comfortable new projects in Kyiv. Arsenalna metro station is just 5 minutes to walk, the distance to Klovska and Pecherska stations is about 1.5 km. The address of the project is 8B, Moskovska Street. From here, there is quick car access to the city's main highways in any direction, as well as to the government quarter.

The best restaurants of the city, sports clubs, some of them with a swimming pool, premium beauty salons, bank branches, notaries, and other service facilities are the closest neighbours of the business center. Moreover, the creative public space on the territory of the former Arsenal plant with restaurants and a park is just a 3-5-minute walk away.

The total area of the project is 18,000 m². There are five floors in the building and 10,000 m² for rent. Also,

M8 Business Center has an inner area, an underground parking and an outdoor parking for 145 cars, which means one parking lot per 67 m² in the Pecherskyi district of Kyiv.

The company which plans to open an office in M8 Business Center will receive a flexible and multifunctional business space that provides the right distribution of human flows, modern engineering, and four spacious premium elevators.

Flexible planning solutions of 135 m² allow one to use the usable floor area in the new office as efficiently as possible and at the same time provide social distance between people. The area of a typical floor is 2,280 m², and the properly planned division of offices is suitable for any format of space organization.

Offices in M8 Business Center are organized so that employees can work comfortably, arrange pleasant lunch breaks, and hold business meetings. The project also includes a restaurant, a cafe, a bank, a flower boutique, and there are charging points for electric cars in the parking. The business center is equipped with the latest access control and video surveillance systems.



**8B, Moskovska Str.
Kyiv 01010, Ukraine
+380 (67) 230 13 78**

SPACE4

The development company RENOME Comfort, which is a part of the group RENOME, builds an innovation business center with a sports complex in Rivne. It will be put into operation in the autumn of 2021. Lease applications are being collected.



Space4 is the first business center in Rivne to be certified according to the international BREEAM standard and the only project in the city to offer Grade A offices.

Location. Space4 is the new face of Rivne, as it is located at the entrance to the city, at the intersection of Lionokombinativska and Gagarina streets. The business center is located in the most densely populated area, the project is part of a comprehensive 5.5-hectare development that will include residential buildings. This, on one side, will provide traffic of visitors to its commercial spaces, and on the other, it is close to the place of living of potential employees for tenant companies. Space4 takes several routes through the center of Rivne and bypass roads free of traffic jams, thus, it will take only 10 minutes to get to the business center by car from any part of the city.

Architecture. The project is designed by one of Kyiv's best architectural bureaus, Archimatika. The aspirational architecture of Space4, which features open terraces, stands out among the office buildings, and its glass surfaces reflect the panorama of the city.

Offices. For tenants, the developer RENOME Comfort offers flex space in which everyone will find their place. The

office area of the business center offers 5,000 m². It provides open space offices up to 1,848 m², designed for IT companies, and head offices up to 120 m². Also, 'wet zones' are provided for the arrangement of kitchens and washrooms in each of the offices.

Infrastructure. The presentational area will be arranged in the glass atrium of the business center; the fitness club Sport Life (VIP-format) with a SPA area and three swimming pools, a food court, and retail spaces will work in Space4; recreation areas, car and bicycle parkings will be also provided. At the tenants' disposal, there will be a 24-hour concierge service.

Technical solutions and services. Among the technical solutions that ensure environmental friendliness, energy efficiency, and ergonomics of the building are: automated operation of engineering systems and automated building management system; centralized ventilation system and mixed radiator/air heating with heat recuperation; energy-saving aluminum windows Aluprof; access control and video surveillance system, fire alarm and fire control systems; four high-speed elevators and inclusive common areas; electric charging station. When the business center starts its operations, it will be managed by its own management company, Spectrum Service.



comfort@renome.ua
space4.renome.ua

TORONTO-KYIV

The Toronto-Kyiv Complex is strategically located in the heart of the historical and business district of the capital and consists of class A office premises, retail and event spaces, restaurant and boutique areas and the hotel with the brand Holiday Inn Kyiv managed by the InterContinental Hotels Group.



PJSC Toronto-Kyiv is the developer and co-owner of the Toronto-Kyiv Complex. The company specializes in: leasing and maintenance of premises, development, property and facility management, event management, strategic real estate advisory and hotel development. The Complex is operated by the management company – TK Property Management LTD.

The Complex has become home for numerous reputable International corporations and Ukrainian companies. Moreover, Toronto-Kyiv has one of the most beautiful courtyards in Kyiv with an incredible view to the St. Nicolas Catholic Cathedral. In 2019, the St. Nicholas Cathedral received the necessary night illumination thanks to four patron companies MacPaw, Ring Ukraine, SD Capital and Toronto-Kyiv. Modern lighting system was developed and implemented by Ukrainian lighting design company – Expolight. The St. Nicolas Cathedral's illumination project received the prestigious award of one of the top professional lighting design contests LIT Lighting Design Awards 2019 in Los Angeles, USA.

The Holiday Inn Kyiv hotel is a part of the Toronto-Kyiv Complex and, in general, is the first Holiday Inn in Ukraine. The hotel offers 208 rooms. Holiday Inn

Kyiv is a part of the IHG Green Engage system – a special program, which was initiated by the InterContinental Hotels Group to reduce the negative environmental impact of hotels and is based on the world-class LEED-principles.

The Toronto-Kyiv Complex has already become the place for various prestigious events and happenings, such as: ELLE Style Awards or fashion shows during the Ukrainian Fashion Week, presentations of a new auto model by Lexus or Rolls Royce, the brand show and street culture festival don't Take Fake, the International Exhibition of Modern Art Kyiv Art Fair or diplomatic receptions like the Canada Day Celebration.

The company permanently maintains relations with the foreign partners by welcoming and accompanying the diplomatic missions of Canada on working visits to Ukraine, where the key issue is the bilateral Political and Social partnership between the two countries.

The Toronto-Kyiv Complex together with CUCC and WNISEF were copartners in organization the reception of the Canadian delegation and the visit of Canadian Prime Minister Justin Trudeau to Kyiv in July 2016, during which was signed the Canada – Ukraine Free Trade Agreement and a number of additional business projects.

For the Canada Ukraine Business Forum, which was held in Toronto in 2016, the Toronto-Kyiv Complex was chosen by the Canadian Government one of eight (8) companies, as reputable examples of the successful trade and economic cooperation between two countries.

For two years running the Toronto-Kyiv Complex with its Team received from Vitali Klitschko, the Mayor of Kyiv, Kyiv Friends Awards – the special award for supporting City's development and investment attractiveness on the global stage. The award was presented during the main and largest international real estate event – MIPIM 2018 and MIPIM 2019.



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