



ST. PETERSBURG

Cushman & Wakefield

Global Cities Retail Guide

St. Petersburg is the second-largest city in Russia and the most important Russian port on the Baltic Sea. The city centre is registered as a UNESCO World Heritage site, protecting its valuable architecture together with its network of canals and waterways. It is the main tourist destination in Russia.

The consumer market is large, and this is added to by the significant number of tourists that visit the city. The market is polycentric - consumers prefer to work, go shopping and find entertainment close to their homes. Central retail locations are more targeted to tourists.

The development of modern retail real estate in St. Petersburg only started in 2006 and has resulted in the completion of many shopping centres, varying in quality. Given its large local population and relatively high salary levels, the city is a target for expansion of international and national Russian retail operators.

The retail market in St. Petersburg is close to supply-demand balance. In 2017-2018 no new noticeable retail schemes were delivered to the market and no new significant completions are expected in 2019-2020.

Developers' activity is now concentrated more on the redevelopment of existing properties than new schemes. Some of the key shopping centres are now in the process of tenant mix and layout renovation.



ST. PETERSBURG OVERVIEW

ST. PETERSBURG

KEY RETAIL STREETS & AREAS

CITY CENTRE

The historical centre of the city represents the main retail area in St. Petersburg. The unique location of the shopping area, adjacent to Moscow Railway Station makes it popular among both retailers and consumers. The main attraction points in the area are Nevsky Prospect and shopping centres such as Galeria and Nevsky Center. Nevsky Center has been developed as a mid-scale shopping centre with a flagship Stockmann department store. Galeria is a unique retail scheme - a large-scale shopping centre (GLA around 100,000 sqm) developed in the very centre of the city. Galeria shopping centre established a new standard of quality in the St. Petersburg retail market.

Nevsky Prospect is the focus of the city's retail, entertainment and night life and the main street in the city. The main tourist attraction routes pass through or close to the street. It includes not only Nevsky Prospect itself, but also the adjacent smaller streets and lanes in the area close to it (Malaya and Bolshaya Konyushennaya st., Mikhailovskaya st., etc.), which are popular locations for shops, restaurants and coffee shops.

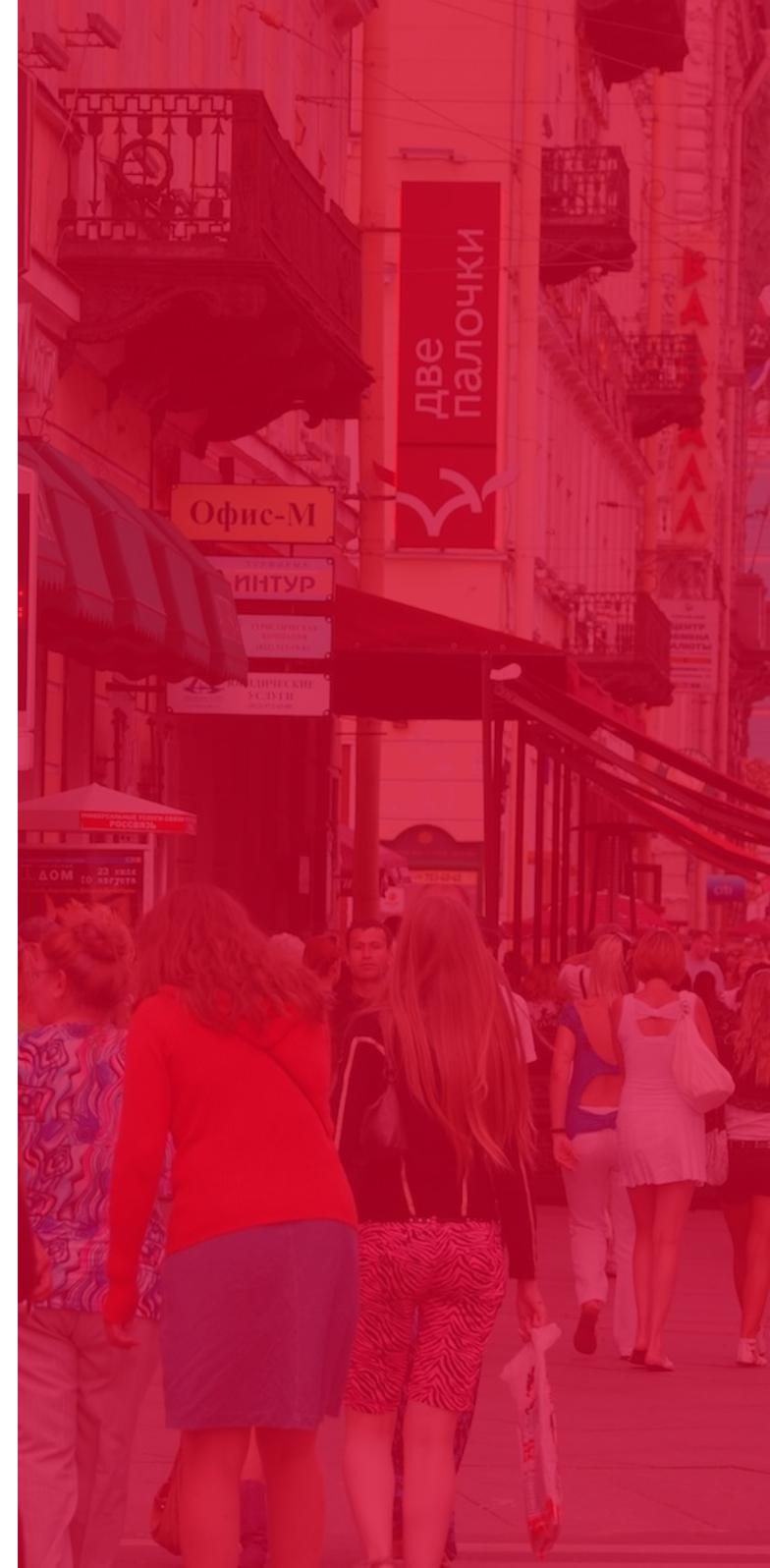
Luxury brands are mixed with mass-market retailers. The highest concentration of luxury brands is at the beginning of Nevsky Prospect (Bosco Di Cilliegi, Etro, Max Mara, Cartier, Marina Rinaldi, etc.) and Bolshaya Koyushennaya street (DLT/TSUM, Mont Blanc, Ulysse Nardin, Christian Dior, Kiton and others). The rest of the street is a mixture of mass-market brands and F&B locations. A newly forming luxury location is Stary Nevsky Prospect (Georgio Armani, Chanel, Fendi, Louis Vuitton).

RUBINSHTEINA STREET

Rubinshteina Street is a 'restaurant street' with a great variety of cafés, pubs, night clubs, theatres and restaurants for every taste and price range. Among the surroundings there is Vladimirsky Prospect, populated by local fashion designers and a many shoe shops (Hogl, Thomas Munz, ECCO, etc.).

BOLSHOY PROSPECT AND MOSKOVSKY PROSPECT

Among other retail areas in the city there are two more that should be highlighted: Bolshoy Prospect and Moskovsky Prospect. These are strong retail areas with high car traffic and pedestrian flows. Retailers on these streets include McDonald's, Levi's, Villeroy & Boch, Paul & Shark, BGN, Fabi, Bogner, Yves Rocher, Versace Collection, Moschino, Carnaby, TJ Collection, Bosco Di Cilliegi, Karen Millen, Patrizia Pepe, Geox, Hugo Boss, Fabi, Baldinini, MaxMara and others.



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MARKET OVERVIEW

KEY AREAS/ STREETS/ SHOPPING CENTRES	CONSUMER PROFILE	MAJOR RETAILERS PRESENT	TYPICAL RENT FOR 100-200 SQM UNIT (RUB/ SQM/ YEAR)	RANGE OF UNIT SIZES (SQM)
Galeria Shopping Centre	Upper middle and middle income level	H&M, ZARA, Pull&Bear, Bershka, Stradivarius, OYSHO, Massimo Dutti, re:Store, Samsung, Mothercare, Adidas, Armani Exchange, Calvin Klein Jeans, Calzedonia, Converse, crocs, DNKY, Furla, Helly Hanson, Hilfiger Denim, Hugo Boss, Lacoste, Levi's, Mango	60,000-85,000 RUB	50 - 1,000
Grand Canyon	Middle income level	ZARA, Calvin Klein, Colin's, Levi's, GANT, adidas, Tommy Hilfiger, cropp, The Body Shop, Mohito, Adidas, New Balance, mothercare, Guess, Quiksilver, Calzedonia, Pandora	40,000-50,000 RUB	20 - 1,000
Nevsky Center	Upper middle and middle income level	Next, Tommy Hilfiger, Finn Flare, O'stin, Lady Collection, Body Shop, Pandora, GANT, Mothercare, Hamleys, Glenfield, Baldinini, next, Quiksilver, Lacoste	60,000-85,000 RUB	20 - 500
MEGA Dybenko	Mass brands	IKEA, OBI, Auchan, ZARA, Pull&Bear, Bershka, Stradivarius, Massimo Dutti, H&M, Samsung, Sony, Accessorize, Marks & Spencer, Mothercare, L'Occitane, Lefties, Mango, Mohito	40,000-45,000 RUB	50 - 1,500
MEGA Parnas	Mass brands	IKEA, OBI, Auchan, Pull&Bear, OYSHO, H&M, ZARA, Adidas, Guess, Lacoste, Mango, Marks & Spencer, New Yorker, Pandora, Quiksilver, Reserved	40,000-45,000 RUB	50 - 1,500
Leto	Mass brands	ZARA, Uniqlo, Mothercare, Starbucks, Next, H&M, Bershka, Pull&Bear, Lush, New Yorker, Stradivarius, Massimo Dutti, Marks & Spencer, Adidas, Mango, U.S. Polo Assn., Colin's	40,000-50,000 RUB	50 - 1,000
Nevsky Prospect	Middle income level (inc. citizens and tourists)	Marina Rinaldi, Max Mara, Cartier, ZARA, Calzedonia, Lush, Falconeri, Dior, Fendi, Louis Vuitton, Valentino, Chanel	80,000-190,000 RUB	70 - 500
Bolshoy Prospect P.S.	Upper middle and high income level	Karl Lagerfeld, Emporio Armani, Lee, Armani Junior, Max Mara, Marina Rinaldi, La Perla, Escada, Paul&Shark, Versace	30,000-60,000 RUB	70 - 500
Moscovsky Prospect	Middle income level	Sportmaster, KFC, Dodo Pizza, Spar, Magnit, M.Video, Azbuka Vkuza, Snezhanaya Koroleva, Incity, Kashemir i Shelk	30,000 – 80,000 RUB	70 - 500



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SHOPPING CENTRES

GALERIA

Galeria is a unique retail scheme, one of the prime retail locations in the city. It is a large-scale shopping centre (GLA around 100,000 sqm) developed in the very centre of the city.

Galeria shopping centre established a new standard of quality in the St. Petersburg retail market. Adjacent to the Moscow railway station, it houses high street brands such as Levi's, Armani Jeans, Inditex brands, a supermarket, food court, movie theatre, and restaurants. Galeria shopping centre introduced several new retailers to the St. Petersburg market, such as Victoria's Secret, NEO Label, Bebe, Calliope, Converse, GAP, MAC, Reiss, Uterque and Warehouse.

NEVSKY CENTRE

Nevsky Centre has been developed as a mid-scale shopping centre with a flagship Stockmann department store in Russia. It is located at the core of Nevsky street, opposite to the Moscow Railway Station, which provides a high pedestrian flow. The Finnish-based company Stockmann which has been operating in St. Petersburg since 1993 opened in the Nevsky Centre in 2010, including not only the Stockmann department store but also a multi-level shopping mall of some 45,000 sqm GLA behind a historic facade from the early 19th century. The scheme includes restaurants, a fitness centre, spa and beauty centres. The 8th and the 9th floors are office premises. It is a home to brands such as Pandora, The Body Shop, H&M, Cacharel, Gant, Tommy Hilfiger, Vassa&Co, Hamleys, Quicksilver, M.Video, Obed Bufet, Moscow restaurant, Burger King and Starbucks.

MEGA (DYBENKO, PARNAS)

MEGA Dybenko and MEGA Parnas shopping centres are developments by IKEA, conceptual family shopping and entertainment centres, (GLA 85,000 and 84,000 sqm correspondingly), incorporating all popular formats of anchor tenants. Along with a retail gallery including the main mass market and mid market brands each MEGA mall includes an IKEA, Auchan hypermarket and other anchors. Many international mass market brands are also present.

OUTLET VILLAGE PULKOVO

The first and currently the only factory outlet village opened in the city in 2015. It is located in the immediate vicinity of Pulkovo Airport. The architecture of the village is inspired by classic European and Russian styles. It is an open-air shopping destination with picturesque squares and cosy streets, hosting 70 retail operators. Free car parking, outdoor and indoor kids playgrounds, restaurants and cafés are presented in the schemes.

The second phase of the project was opened in 2018. After completion of the second phase, GLA of the property totals some 17,000 sqm.

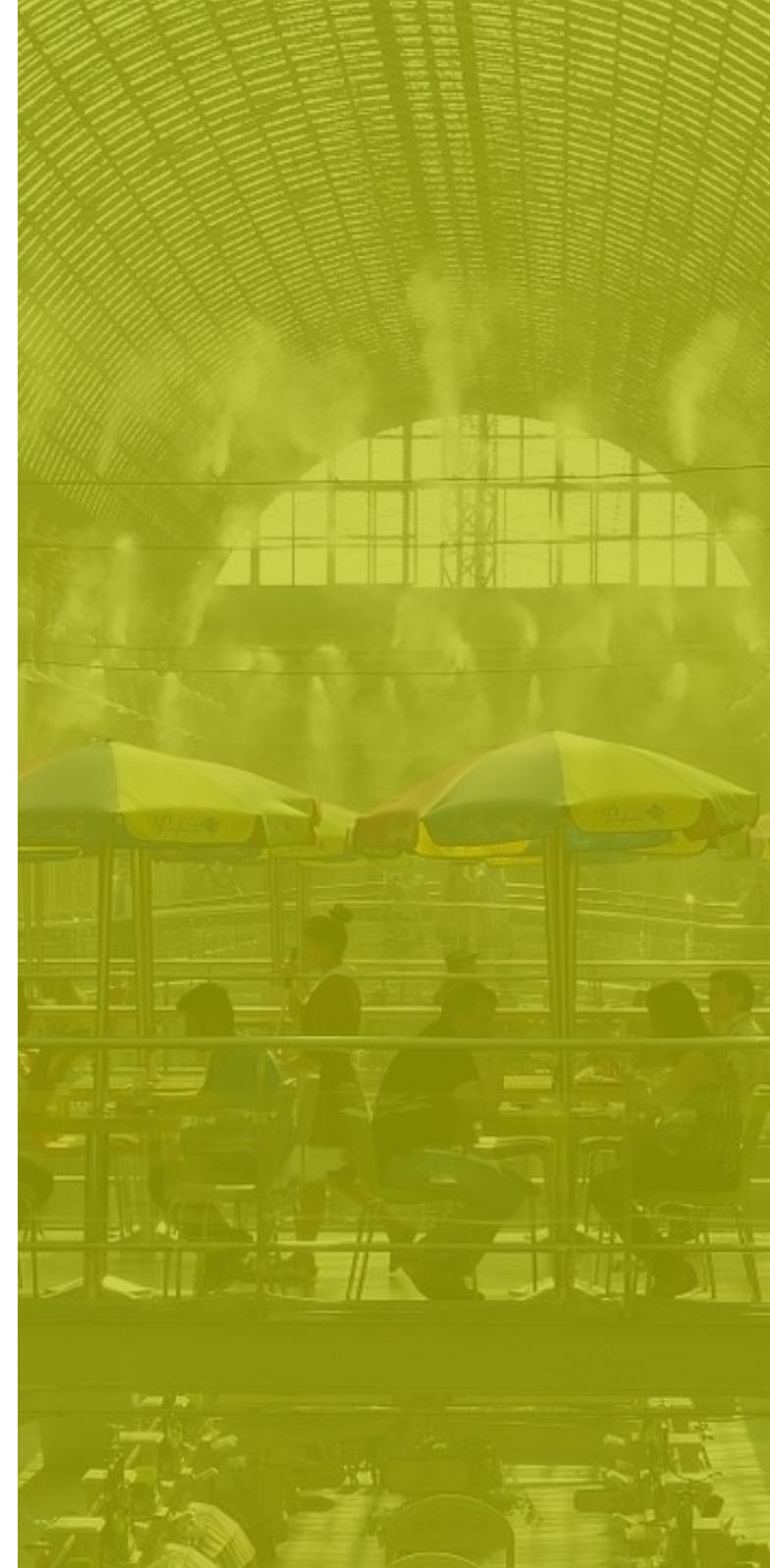
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FOOD & BEVERAGE

Development of the F&B segment in St. Petersburg is supported by the strong tourism industry. Significant market share, when compared to Moscow, is covered by private entrepreneurs. Some, which began as start-ups, have later grown as chains and expanded to various other cities and markets.

The main tendency on the market is the growth of popularity of fast food chains. Fast-casual and cafeteria formats are growing in numbers. Customers prefer to spend less, but to have new experiences and receive high quality products. Cafés and restaurants are the most actively developing street retail segments, covering about 40% of demand.

Confectionaries are still prolific in St. Petersburg - the format is widely represented in the city and popular among both citizens and tourists. Usually these are stores with a large variety of cakes, pies, desserts, biscuits accompanied by coffee and other drinks, and also with seating areas. The most well known and represented confectionary chains are Sever-Metropol, Sladkoezhka, Stolle, Pirogoviy Dvorik and Buche. The majority of confectionary retailers are locally based and located in places which are historically known for bakeries.



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FOOD & BEVERAGE MARKET OVERVIEW

KEY AREAS	CONSUMER PROFILE	FOOD & BEVERAGE OPERATORS	RENT FOR 200-300 SQM UNIT (RUB/SQM/YEAR)
Nevsky Prospect	Historical city center with large number of restaurants and cafes of different quality.	Il Patio, Coffeeshop Company, Pizza Hut, McDonald's, Vasabi, Burger King, Dve Palochki, Teremok, Del Mar, Sever	80,000-190,000 RUB
Rubinshteina Street	"Restaurant" street, tourists form the large part of visitor flow.	Tres Amigos, Pedro & Gomez, O! Cuba, Waterloo, Schastie, The Sizzle	40,000-70,000 RUB
6-7 lanes of Vasilievskiy Ostrov	Pedestrian street.	Pryanosti & Radosti, Marketplace, Teremok, Ketch Up Burgers, Brasserie Kriek, Teremok, BBQ	30,000-60,000 RUB

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WHAT'S NEXT

REDEFINING THE LANGUAGE OF
RETAIL & LEISURE



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