

# MOSCOW REGION

## Industrial Q2 2020

**3.2%**

Vacancy Rate

YoY Chg



12-Mo. Forecast



**270,185**

Take-Up, sq.m



**3,950 RUB\***

Prime Rent, PSM / year



(Only A Class Properties)

### MOSCOW REGION ECONOMIC INDICATORS Q2 2020

**7.7M**

Population

YoY Chg



12-Mo. Forecast



**4.50%**

Key rate



**49.3k**

RUB\*/ month

Avg wage (April 2020)



Source: Rosstat <https://www.gks.ru/>

\* Average annual exchange rate in Q2 2020:  
1 USD = 72.05 RUB

### SUPPLY: Negative Effect Of Lockdown Is Noticeable In Q2 2020

Due to the lockdown in Q2 2020 construction activity in the Moscow region slowed down. Only 39,636 sq. m of new warehouse space was delivered to the market. However, we expect new construction activity to recover in Q3-Q4 2020. According to our forecast additionally about 430,000 sq. m will be delivered to the market by the end of the year. Despite the economic uncertainty we expect that about 52% of all new projects of 2020 will be speculative. Lack of quality space in Moscow region is still noticeable even in the period of the economic recession.

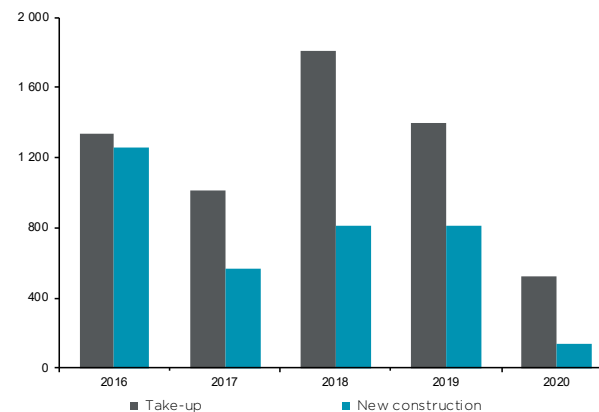
### DEMAND: Buying And Leasing Activity Is Recovering

In Q2 2020, total take-up in the Moscow region is 368,239 sq. m which is 2.41 times more than in Q1 2020. About 56% of deals are BTS projects. Demand from online and food retailers is driving demand in the warehouse sector.

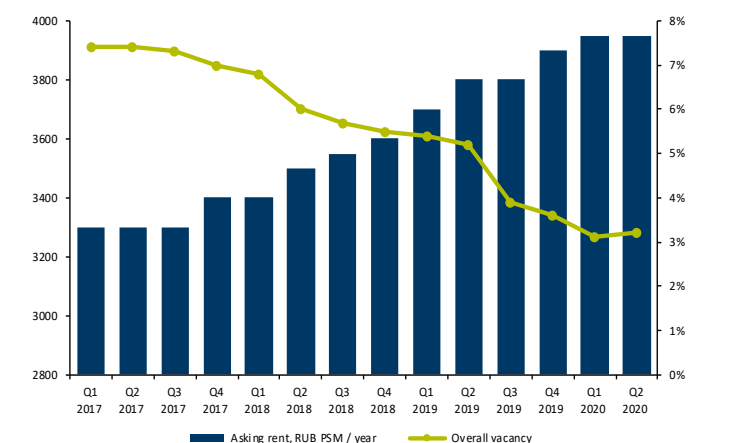
### PRICING: Class A Asking Rents Continue To Grow

The average rental rate for class A is 3,950 RUB\* PSM / year. Slowdown of new construction and increase of construction costs will drive continuing growth of asking rental rates in 2021. In 2020, asking rental rates will keep close to the current level.

### SPACE DEMAND & DELIVERIES IN Q1-2 2020 ('000 SQM)



### OVERALL VACANCY & ASKING RENT



## MARKET STATISTICS

TRANSPORT CORRIDOR	INVENTORY (SQM)	AVAILABILITY (SQM)	OVERALL VACANCY RATE	CURRENT QTR TAKE-UP (SQM)	YTD TAKE-UP (SQM)	UNDER CNSTR (SQM)	PRIME RENT*
North	2,352,378	94,095	4.00%	12,566	15,501	41,000	4,000
North-East	840,967	11,774	1.40%	0	5,967	97,000	4,100
East	2,381,799	145,290	6.10%	0	0	73,436	3,400
South-East	2,765,855	74,678	2.70%	8,897	12,172	9,039	3,500
South	5,492,539	120,836	2.20%	114,185	182,514	68,000	4,100
South-West	1,779,046	74,720	4.20%	10,586	52,292	54,388	4,300
West	1,328,524	82,369	6.20%	105,134	105,534	60,000	4,100
North-West	1,682,469	26,920	1.60%	43,800	43,800	25,000	4,100
<b>MOSCOW REGION TOTALS</b>	<b>18,623,577</b>	<b>630,682</b>	<b>3.20%</b>	<b>295,388**</b>	<b>417,600**</b>	<b>427,864</b>	<b>3,950</b>

\*Net asking rent, RUB PSM / year

\*\* We estimate additionally about 20% of direct deals which is a non-transparent market segment

## KEY LEASE TRANSACTIONS Q2 2020

PROPERTY	TRANSPORT CORRIDOR	TENANT	AREA (SQM)	TYPE*
South Gate Industrial Park (Radius)	South	Vse instrumenty	15,203	New Lease
Kaleva Park	West	Utkonos	14,985	New Lease
PLT Severnoye Sheremetyevo	North	Kuehne-Nagel	11,014	New Lease
O'Kay	West	LSP	10,728	New Lease

\*Renewals not included in leasing statistics

## KEY SALES TRANSACTIONS Q2 2020

PROPERTY	TRANSPORT CORRIDOR	SELLER / BUYER	TOTAL AREA (SQM)
DC X5 Retail Group Novorizhskiy	West	X5 Retail Group	88,152
Orientir Sever-4	North-West	X5 Retail Group	43,800
PNK Valischevo	South	Marvel logistics	40,578

**Denis Sokolov**

Partner, Head of Research & Insight

+7 (916) 901 03 77

[Denis.Sokolov@cushwake.com](mailto:Denis.Sokolov@cushwake.com)

**Tatyana Divina**

Associate Director, Deputy Head of Research & Insight

+7 (916) 973 89 60

[Tatyana.Divina@cushwake.com](mailto:Tatyana.Divina@cushwake.com)

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