



Office Q4 2020

11.8%
Vacancy Rate

YoY Chg



12-Mo. Forecast



432,457
Take-Up, sqm



\$600

Prime Asking Rent, PSM / year



(Overall, All Property Classes)

MOSCOW ECONOMIC INDICATORS Q4 2020

12.7 Mn
Population

YoY Chg



12-Mo. Forecast



4.25%
Key Rate



95,950
RUB/month



Average wage (Jan-Sept 2020)

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

* Average annual exchange rate in Q4 2020:
1 USD = 76.20 RUB

DEMAND: TAKE-UP WILL BE STABLE IN 2021

In Q4 2020 take-up amounted to 432,457 sq. m. The annual take-up decreased by 24% compared to 2019 and amounted to 1.5 mn sq. m. The current economic situation, intend of the business to optimize costs and work-from-home will lead to demand stagnation. The take-up will keep the same level in 2021 – we expect around 1.5 mn sq. m.

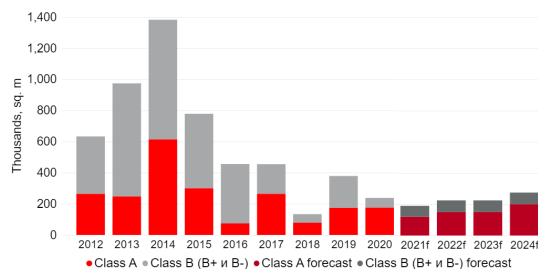
SUPPLY: DECREASE OF NEW CONSTRUCTION IS EXPECTED

Despite the fact that construction works were frozen for several weeks in 2020, the new inventory exceeded pessimistic mid-year forecast by 22% and amounted to 238,000 sq. m. Class A properties form up to 74% of annual new construction. These properties are added to the stock of the most demanded business districts – Leningradsky Corridor (VTB Arena Park), Moscow-City (Neva Towers) and Central Business District (Smolensky Passage II). The market will continue to slow down in 2021. As a result, new construction will decrease considerably (-20% from the result of 2020).

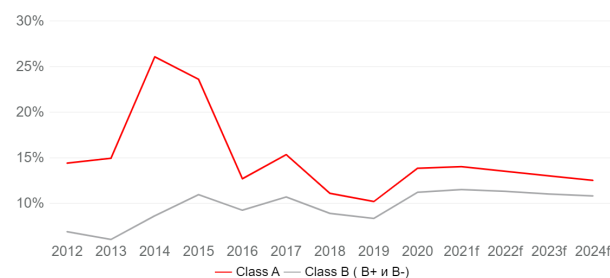
PRIME RENTAL RATES: NO CHANGES

Prime rental rates, as expected, did not show fluctuations and kept the level of the previous quarter in Q4 2020. The indicator is stable due to targeted deals in premium properties. We do not expect prime rental rate to adjust significantly in the short-term. In the mid-term we expect the indicator to show gradual growth, but it will not reach the pre-COVID level.

NEW CONSTRUCTION



VACANCY RATES



MARKET STATISTICS

LOCATION	INVENTORY (SQM)	AVAILABILITY (SQM)	OVERALL VACANCY RATE	CURRENT QTR TAKE-UP (SQM)	YTD OVERALL TAKE-UP (SQM)	UNDER CNSTR (SQM)
Downtown	4,040,063	379,190	9.4%	80,639	242,988	49,643
Central	6,294,335	766,408	12.2%	160,445	622,111	940,850
OTA	7,932,748	1,018,259	12.8%	191,373	695,654	992,006
TOTALS	18,267,146	2,163,857	11.8%	432,457	1,560,751	1,982,499

KEY LEASE TRANSACTIONS Q4 2020

PROPERTY	SUBMARKET	TENANT	RENTABLE AREA, SQM	TYPE
Empire	Central	Department Informatsionnikh Tekhnology	6,000	New deal
Iskra-park	OTA	Tsentr Khраниeniya Dannikh	5,900	New deal
Krasno proletarskaya 16	Downtown	UGS	5,196	New deal
Dmitrovsky	OTA	Komsomolskaya Pravda	3,534	New deal
Domnikov	Central	Transfin-M	3,357	New deal
Technopark Kalibr	OTA	ATOL	2,876	New deal
Empire	Central	Confidential	2,655	New deal
Neva Towers	Central	Confidential	2,475	New deal

KEY SALES TRANSACTIONS Q4 2020

PROPERTY	SUBMARKET	BUYER	SQM
Lobachevskogo st., 110/1	OTA	Confidential	2,805
iCity	Central	Confidential	1,771
Park Legend	OTA	Confidential	1,760

KEY CONSTRUCTION COMPLETIONS YTD 2020

PROPERTY	SUBMARKET	MAJOR TENANT	SQM	DEVELOPER
Neva Towers	Central	-	60,283	Metrika Investments
Alcon II	OTA	Citymobil	25,080	Alcon Development
Yakor	OTA	-	12,385	-

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