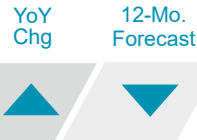


# MOSCOW

Retail Q4 2020



**232,000 sqm**  
New Construction



**9.5%**  
Prime Yield



**175,000 RUB\***  
Prime Rental Rate, PSM / year



## MOSCOW ECONOMIC INDICATORS Q4 2020

**12.7 Mn**  
Population



**4.25%**  
Key Rate



**95,950 RUB\*/month**



Average wage (Jan-Sent 2020)

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

\* Average annual exchange rate in Q4 2020:  
1 USD = 76.2 RUB

## ECONOMY: CONSUMER MARKET IS STRUGGLING

2020 was challenging for the consumer market, key indicators are in negative zone. According to the official forecast, we will see the outperforming recovery in 2021. However, it is more realistic that retail sales will be back to the pre-crisis level no earlier than in the mid-2022.

In 2020, the retail turnover is expected to drop by 4.2% compared to the same period of 2019. The real disposable income is expected to fall by 3%.

## SUPPLY: DEVELOPERS ARE FOCUSED ON SMALL SHOPPING CENTERS

Regional cities were more affected by the pandemic. 2020 was the first year in the market history (since 2005) when Moscow exceeded the share of the regions in the new inventory structure. However, next year the construction activity will move back to the regional cities.

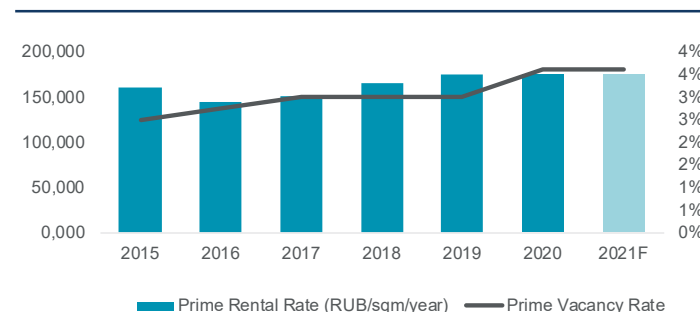
In 2020, 10 shopping centers were opened in Moscow with total GLA of 232,000 sq. m. New construction in 2020 exceeded the 3-year average due to the opening of 3 large properties with GLA >40,000 sq. m. Next year, retail schemes of small size will cover the bigger share of new construction.

## DEMAND: RETAILERS ARE LOOKING FOR OPPORTUNITIES

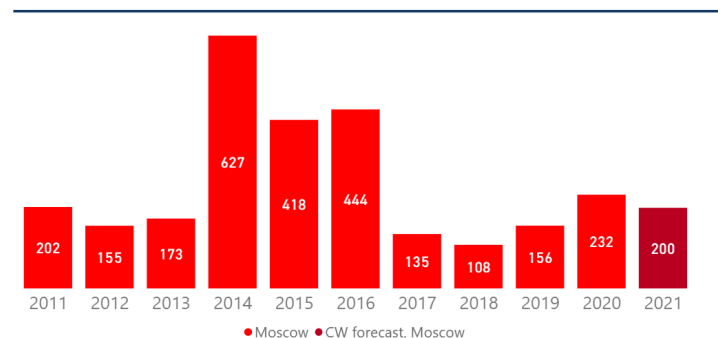
There were no tough restrictions for retail sector during the second wave of the pandemic. This allowed shopping centers to maintain relatively stable vacancy level in Moscow by the end of the year - 9% (+1.4 p.p. compared to December 2019). Vacancy rate is expected to grow moderately in the beginning of 2021.

During the year we didn't see massive closures and bankruptcies of operators. In 2020, 16 new international brands entered the Russian market, which is 30% lower than the last year. However, this is a positive indicator that the market is still active. There were few international retailers that left the market.

## PRIME RENT AND VACANCY RATE



## NEW CONSTRUCTION ('000 SQM)



## MARKET STATISTICS

SUBMARKET	SHOPPING CENTRE STOCK (SQM GLA)	SHOPPING CENTRE UNDER CNSTR (SQM GLA)
Central Business District	297,767	63,100
North Eastern	664,765	124,513
New Moscow	227,000	12,000
North Western	1,166,909	288,140
South Eastern	1,680,578	124,237
South Western	1,267,419	93,459
Third Ring	351,717	3,600
<b>MOSCOW TOTAL</b>	<b>5,656,155</b>	<b>713,864</b>

## KEY CONSTRUCTION COMPLETIONS IN 2020

PROPERTY	SUBMARKET	MAJOR TENANT	GLA (SQM)	OWNER / DEVELOPER
Kvartal West	South Western	Perekrestok (grocery)	44,000	Tashir Group
Ostrov Mechty	South Eastern	Fashion retailers	70,000	GK Regions
TPU Schelkovskaya	North Eastern	Perekrestok (grocery)	60,000	Kievskaya Square
The Outlet Moscow	South Western	Fashion retailers	17,000	Hines

## KEY SHOPPING CENTERS IN PIPELINE FOR 2021

PROPERTY	SUBMARKET	GLA (SQM)	OWNER / DEVELOPER
Paveletskaya Plaza	Central Business District	33,000	Mall Management
Sofia	North Eastern	35,000	ADG
Skazka	New Moscow	18,600	IBT
Gravitatsiya	South Eastern	18,500	N/A
Smolensky Passage (phase 2)	Central Business District	15,100	AND Corporation

## KEY INVESTMENT TRANSACTIONS 2020

PROPERTY	SUBMARKET	BUYER	GLA (SQM)	PRICE ESTIMATION (EUR)
Serdtshe Mitino	North Western	OOO SIS Story	68,000	102,721,571
Gorod Kosino	North Eastern	Gazprombank	72,750	95,981,480

Source: Real Capital Analytics

**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)

[cushmanwakefield.com](http://cushmanwakefield.com)

**A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION**

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 51,000 employees in 400 offices and 70 countries. In 2018, the firm had revenue of \$8.2 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services.

©2019 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.