

MARKETBEAT MOSCOW



Office Q2 2021

10%
Vacancy Rate



537,844
Take-Up, sqm



\$590
Prime Asking Rent, PSM / year



(Overall, All Property Classes)

MOSCOW ECONOMIC INDICATORS Q2 2021

12.7 Mn
Population



6.5%
Key Rate



105,246
RUB/month
Average wage (May 2021)



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

* Average exchange rate in Q2 2021:
1 USD = 76.57 RUB

DEMAND: THE INDICATOR IS STABLE

H1 2021 take-up amounted to 961,000 sq. m, which is 28% higher than the same indicator last year. It is a result of the lockdown and restrained tenants' activity in the second quarter of the last year and large corporations' business activity in 2021. The market received an impetus due to high business activity of large corporations and delivery of BTS (built-to-suit) properties. When the impulse is offset, demand may become more restrained. We expect the annual indicator to be at the level of 2020 (1.55 mn sq. m).

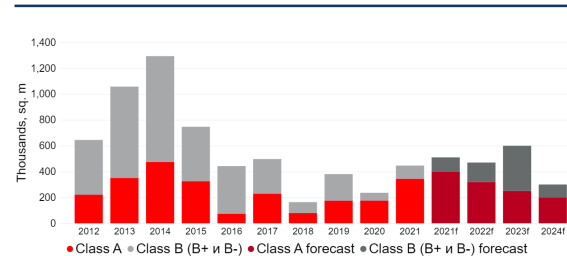
NEW SUPPLY: BUILT-TO-SUIT PROPERTIES FORMED 86% OF THE H1 2021 NEW INVENTORY

In Q2 2021 new construction is formed by two class A properties - Imperial Plaza BC (8,000 sq. m) and Sber-City towers (128,000 sq. m). Both buildings were delivered with 100% occupancy. Thus, the entry of new premises to the market did not fully satisfy the needs of tenants for the lease of large-scale offices. We expect that the annual new construction will be 510,000 sq. m in 2021, and in the second half of the year only speculative facilities will be delivered to the market. In the mid-term (2-3 years), we will see a few large BTS objects.

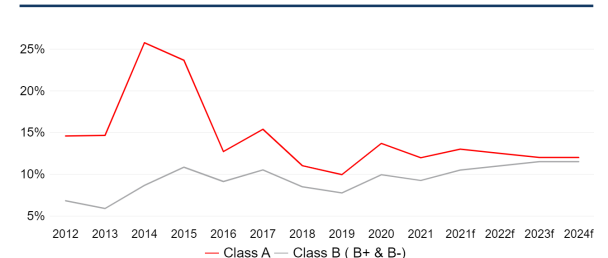
VACANCY: THE INDICATOR WILL RETURN TO 2020 LEVELS

Vacancy rate amounted to 10.1% by the end of July. The indicator decreased by 1.7 p.p. in class A and by 0.7 p.p. in class B compared to 2020. The current temporary decrease (compared to Q1 2021) is due to the completion of a large volume of BTS projects with 100% occupancy. By the end of the year, the indicator will return to the level of 2020 – 11%.

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	4,083,001	338,179	8.3%	84,088	164,902	45,703
Central	6,540,922	593,951	9.1%	256,145	439,212	809,818
OTA	8,158,322	934,547	11.5%	197,611	414,700	1,320,087
TOTALS	18,782,245	1,866,677	10%	537,844	1,043,814	2,175,608

KEY LEASE TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	TENANT	RENTABLE AREA, SQM	TYPE
Zemelny 1-y In, 7/2	Central	Sovcombank	9,049	New deal
Iskra-Park BC	Central	TheKey	5,911	New deal
Alcon II BC	OTA	BMW	3,848	New deal
Legion III BC	Central	3 Logic	3,271	New deal
Central Park Tower	Central	Redmadrobot	3,311	New deal
Karetniy B. In, 20	Downtown	Confidential	3,226	New deal
Raitsentr BC	OTA	TD BF	3,220	New deal

*Renewals are not included in leasing statistics

KEY SALES TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	BUYER	SQM
YE'S Technopark	OTA	Confidential	2,666
Federation	Central	Confidential	2,444
ICity	Central	Private investor	1,859

KEY CONSTRUCTION COMPLETIONS YTD 2021

PROPERTY	SUBMARKET	MAJOR TENANT	SQM
Sber - City	OTA	Sber	128,370
Imperial Plaza	Central	1520	8,470

Denis Sokolov

Partner, Head of Research & Insight

+7 (916) 901 03 77

Denis.Sokolov@cushwake.com

Tatyana Divina

Associate Director, Deputy Head of

Research & Insight

+7 (916) 973 89 60

Tatyana.Divina@cushwake.com

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.

©2021 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.