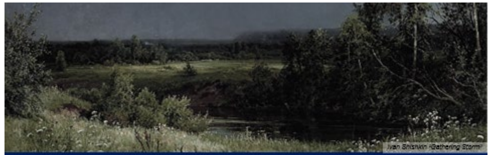
#MARKETBEAT

Q2 2022

JULY

COMMONWEALTH PARTNERSHIP

CONTENTS



MACROREVIEW

Prolonged recession instead of a sharp fall

The first wave of economic downturn was neutralized by July’22. The regulator managed to handle primary shock – inflation is stabilized, the key rate is decreased.

As a result, the base case scenarios were updated according to more positive view. However, the economy still faces serious challenges. More positive scenario for 2022 suggests more conservative view for 2023, meaning that the economic fall will be smoother but more prolonged. The Russian economy will loose about 10% by the end of 2023 (compared to 2021).

Compression of import is one of the key negative factors as foreign trade is one of the driver for commercial real estate sector. The base line and conservative scenarios from the Ministry of Economic Development forecast about 30% of fall in 2022 with no recovery until 2026.

8 %

Key Rate, July 2022

17 %

Expected Inflation, 2022

-7.5 -8.8 %

Expected GDP Fall, 2022

-26 -32 %

Expected Import Fall, 2022

RECESSION 2022-2023

There are no forecasts suggesting GDP growth in 2023. Two-year contraction of 7.3-11.7% is expected.

For the real estate market, we can assume four quarters of recession – recovery is unlikely to start until Q3 2023.

-6 – -8.8 %

Preliminary GDP Fall

In 2022

-5.3 %

GDP Fall

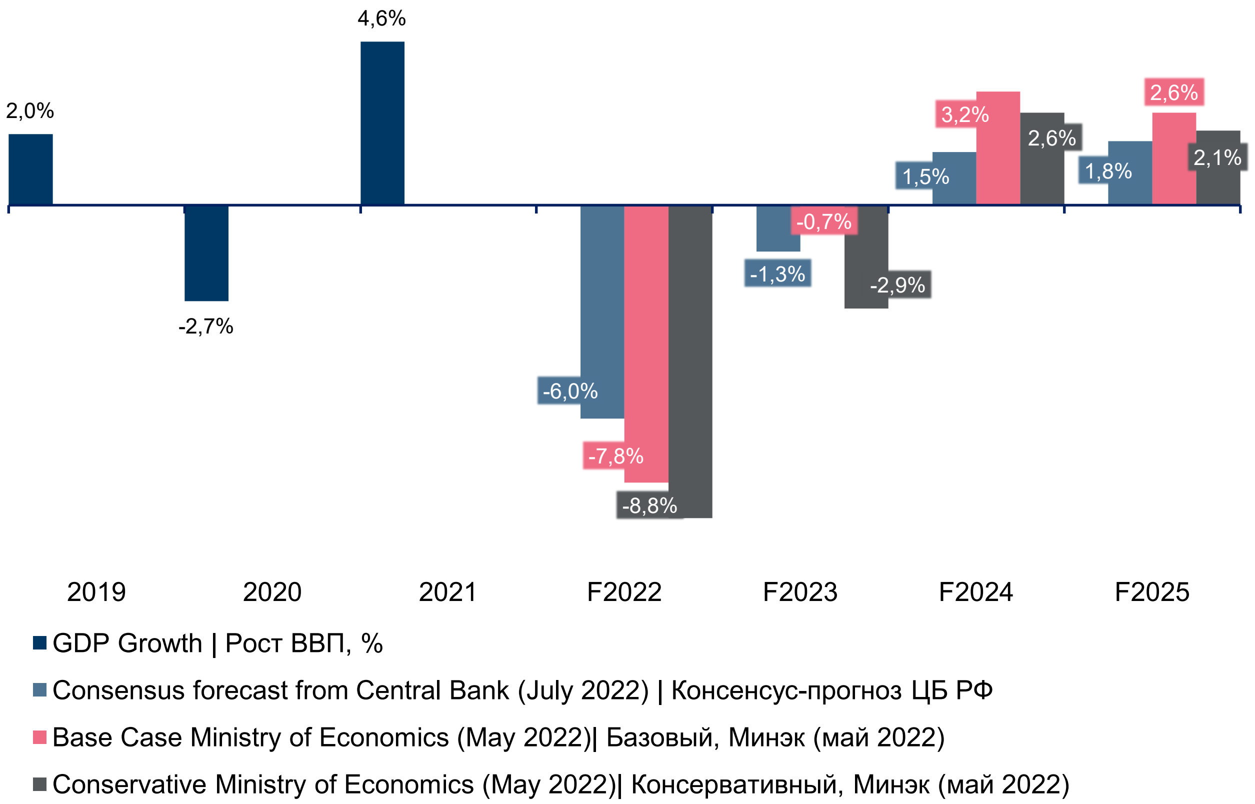
In 1998

-7.8 %

GDP Fall

In 2009

GDP Forecast



MACROREVIEW

INFLATIONARY PARADOX AND CONSUMER'S CHANGES

23%

Production Price Index in 2021

17+ %

Expected CPI in 2022

Source: Moody's

Outstripping growth of PPI in 2021 resulted in inflationary pressure on consumer prices. Exchange rate fluctuation during the spring, import compression and exit of many international retailers and producers from the local market triggered prices' increase in all sectors.

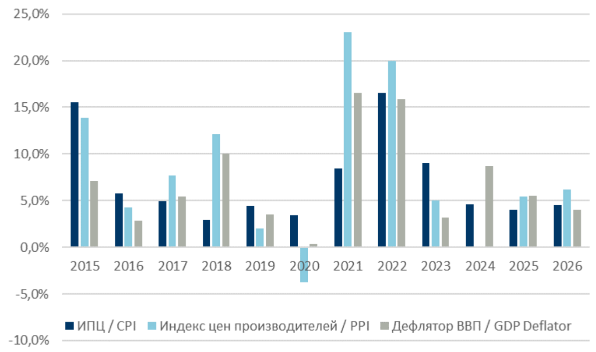
However, deflation factors (seasonal products, local currency strengthening, real disposable income decrease) effected in price decrease by 0.35% by summer.

As a result, inflation forecast was revised from 22% to 17%.

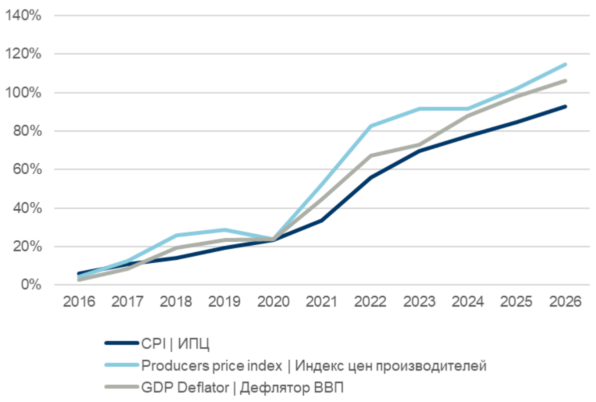
Structural transformation will involve not only production sector, but consumer market as well. Next year consumer basket will noticeably differ from the current one. This will be one of the key factors influencing the retail market.

Mortgage and auto credits were absorbing a large share of consumers' money during the previous years. In the current circumstances consumers may opt out of large purchases and long-term investments but spend more on food and everyday needs.

Annual Inflation



Aggregated Inflation



SCENARIOS 2022-2023 FOR THE COMMERCIAL REAL ESTATE MARKET: BASE LINE

Real estate market depends on macroeconomics, but it is much more sensitive to expectations. Moreover, each segment reacts to the changing circumstances differently. The basic scenario is aligned with the parameters of the basic macro forecast of the Ministry of Economic Development and assumes a slow economic decline until mid-2023 without signs of collapse.

Sector	Key words	Description
Background	• **Slowdown** • **Demodernization** • **State sponsorship**	The economic slowdown will continue until mid-2023 without a bank crises, waves of bankruptcies, non-payments. The state regulation of the economy will increase gradually, we will see assets' consolidation and formation of quasi-state monopolies that implement state initiatives. Parallel imports will provide non-replaceable needs. Economic industries will go though demodernization.
Office	• **Sublease** • **Flexible office** • **"Government rent"**	The space released by foreign companies will enter the market at the end of 2022. However, this supply will be compensated by the increase in the demand from state-owned companies in 2023. Substitution of imported IT systems will lead to an increase of specialists and will support demand for office. Rental rates will decrease slightly as new tenants will expect discounts.
Warehouse	• **Inventory** • **Demand**	Compression of commodity flows will lead to a gradual growth of vacancies, while disruption of logistic chains will force companies to form excessive stocks. Supply and demand in the main regions will be balanced, but for small regional markets compression of demand may lead to excessive levels of vacancies. Activity on the main markets will be relatively high, but rental rates will decline in real terms.
Retail	• **Dead malls** • **Urban logistics** • **Entertainment**	By the end of the year, vacancy in shopping centers will be up to 20-30% due to the exodus of chain operators. New formats will be less efficient in terms of use of areas. Redistribution of areas is possible – the share of storage may increase compared to retail part. In 2023, we may see first cases of dead malls.

SCENARIOS 2022-2023 FOR THE COMMERCIAL REAL ESTATE MARKET: CONSERVATIVE

The conservative scenario is based on the corresponding macro forecast of the Ministry of Economic Development and assumes local crises of non-payments, shortage of certain groups of goods and price imbalance.

Sector	Key words	Description
Background	• **Budget deficit** • **Manual control** • **Nationalization** • **Government contracts**	In autumn and winter, the rate of economic decline will increase, so that some sectors will be on the verge of collapse. The government will solve the problems of non-payments and local deficits manually, it will lead to a faster rate of nationalization of the economy. There is a possibility of a transition of vital industries (food retail, logistics, transport, distribution) under direct state administration. In 2023, the decline will slow down, but as a result, the government will face budget deficit.
Office	• **Stressful assets** • **State property** • **Prime**	The contraction of the economy will cause panic and repricing of assets. Creditors will have to take control over the buildings. As a result, offices in destressed assets will be offered on the market that either will not be leased at all, or will be leased for a short term. In such buildings, rental rates will be significantly reduced, in some cases down to the level of operating costs. The state will become a large portfolio owner of destressed assets. High-quality buildings will maintain a high level of service and high rental rates, becoming the only option for demanding tenants
Warehouse	• **Destocking** • **Government contracts** • **Reserves**	In 2022, there will be destocking (reduction of inventory). Companies will not have enough financing to form reserves, lending will be complicated. The rental rates will significantly decrease. In 2023, new players will enter the warehouse market – government contracts' operators. The government, under the risk of the deficit, will form sufficient reserves for various product groups. This will generate additional demand. As a result, rental rates on the small regional markets may increase significantly.
Retail	• **"Unformatting"** • **Small-scale retailing** • **"Gray imports"**	The consumer market is shrinking by 20-30%. Population spending is concentrated on basic goods, entertainment and other formats will fade into the background. However, the shortage of goods will stimulate parallel imports and "gray imports", as well as local small-scale production. There will be a “de-formatting" of retail. Successful quasi-market formats will appear.

CALM BEFORE…

WSJ estimates business losses of global companies from the Russian exodus as $59 bn. Significant part of this money are payments to employees and subcontractors including real estate owners.

Those payments softened a hit on the commercial sector. Despite of work suspension majority of tenants continued to pay rents.

It gives opportunity for the business to get ready for the next compression wave.

Technological deficit will lead to planned de-modernization. It means that Western technologies will be substituted by more primitive solutions but not alternatives.

This process will require changes in personnel policy and additional hires for substitution of technologies. More operations will be covered inhouse as subcontractors cannot guarantee results now.

This will lead to the growth of business costs. However, PPI of more than 20% is already included in forecasts.

Denis Sokolov
Partner, Head of Research & Insight

Viktor Vasnetsov "The Knight at the Crossroads"

URBAN DEVELOPMENT

THREE METROCOMMUNES* – THREE PATHS

In turbulent times helicopter view of urban processes can lead to misconceptions about development of a particular territory. Some functions of the territory may wear thin, and its performance may be affected under the crisis waves. Simultaneously, the strengths usually crystallize out in hard times revealing the potential to growth, which cannot be foreseen on the city scale.

To identify pros and cons of such territories we will stick to “matrix approach” to urban analysis. As part of this approach, we will examine three metrocommunes of Moscow, assess their current state and prospects of growth.

Nikita Dronov
Analyst,
Urban Development

*Metrocommunes - the smallest geographical division for real estate market analysis, non-overlapping proximity zones around each metro station.

PAVELETSKAYA

Business-type metrocommune. Being one of the first business districts in Moscow, it is now leaning towards more balanced development.

FORECAST:
Transformation from business to mixed

DRIVERS:
Residential construction, revitalization of industrial zones

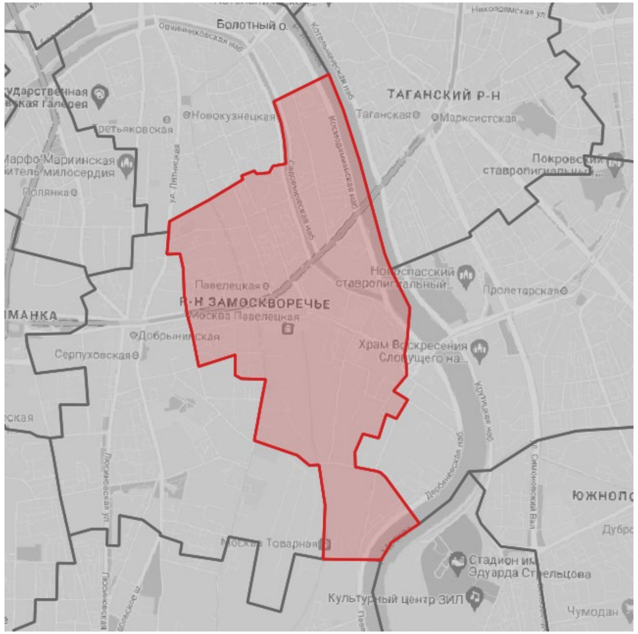
585.1 **‘000 sq. m**

Office stock, classes A & B

For comparison, office stock in Moscow-City is 1 308 000 sq. m

Source: Commonwealth Partnership

First downtown



Paveletskaya metrocommune incorporates the southern part of Zamoskvorechye historical district including Paveletsky railway terminal, and partially the former industrial zone Kozhevniki, which is undergoing revitalization since the end of the XX century.

The railway splits the metrocommune in two weakly connected parts. Construction activity emerges mainly along the railway and in the industrial zone.

In post-soviet period the development of the area was uneven with a focus on commercial real estate. As a result, today there are many business centers providing daytime office population outnumbering permanent residents of the metrocommune.

Business centers here are very different by quality—from prime segment to economy class. We estimate that demand for office space here will not be less than the average for the market. However, lower quality segments may tend to shrink in the medium term under the post-pandemic trends.

In recent years we see active residential construction in the area. Currently the market is represented by large projects of the major Moscow developers such as MR Group, Level Group, Pioneer and others. Projects vary greatly by class and price, because new housing is partially built in the former industrial zone beyond pedestrian access to metro. Yet, the central location in general gives premium to the whole district. Also, in 2021 the first large mall in the vicinity—Paveletskaya Plaza—was opened to meet the needs of the nearby office workers and future residents of the metrocommune.

Given the state support measures for the construction industry in Moscow, in the medium term we estimate further development of residential sector in the metrocommune and its transition to mixed or combined type of metrocommune with a more balanced residential-commercial space ratio.

PARK KULTURY

Metrocommune of a combined type, the new geographical center of Moscow in the borders of metrocommunes*.

FORECAST:

Stagnation

DRIVERS:

Premium location, key location of a large IT company

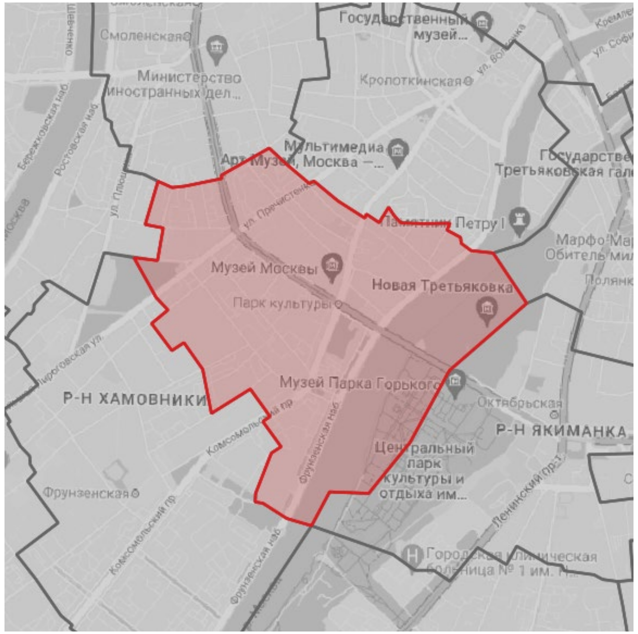
188.2 ‘000 sq. m

Office stock, classes A & B

Source: Commonwealth Partnership

** Learn more about the new geographical center of Moscow in MB Q1-2022, chapter«Urban development»*

Premium location



Metrocommune is located in one of the most prestigious districts of Moscow in its historical center. One can find Prechistenka and Ostozhenka streets there. Most of the territory has been built up and is performing efficiently.

Because of the growth of Moscow towards the South-East, Park Kultury district has recently appeared to be a geographical center of the city*. Theoretically, the metrocommune is equally distanced from all edges of Moscow by metro.

Metrocommune is occupied by premium offices and luxury housing. Even the old stock has a substantial premium for location.

Office stock of the metrocommune is mainly formed by “Krasnaya Roza” cluster. This is quality, well-demanded office space. However, office potential of the metrocommune after 2024 is largely dependent on its major tenant—Yandex company – due to expiry of the current lease agreement. In 2023 the company is planning to finish construction of the headquarters on Kosygina Street. In case IT-giant leaves Krasnaya Roza, overall rental rate premium in Park Kultury will likely drop.

However, overall quality and diversity of office space along with the location in the geographical center of the city give the office segment stability.

Demand for housing, especially luxury housing, will preserve in the medium term. As the number of new projects is unlikely to grow, the secondary market will continue to be demanded.

The number of investment deals with housing in Moscow is decreasing in 2022 wand the trend is likely to continue. This will bring more high-income dwellers to the metrocommune, which will give boost to service sector. High demands of Yandex employees is an important driver to service sector in the metrocommune today.

URBAN DEVELOPMENT

RIZHSKAYA

Conservative residential type of metrocommune, located one station away from the Circle Line of Moscow Metro, will face major changes in the future.

FORECAST:
Transformation from residential to mixed

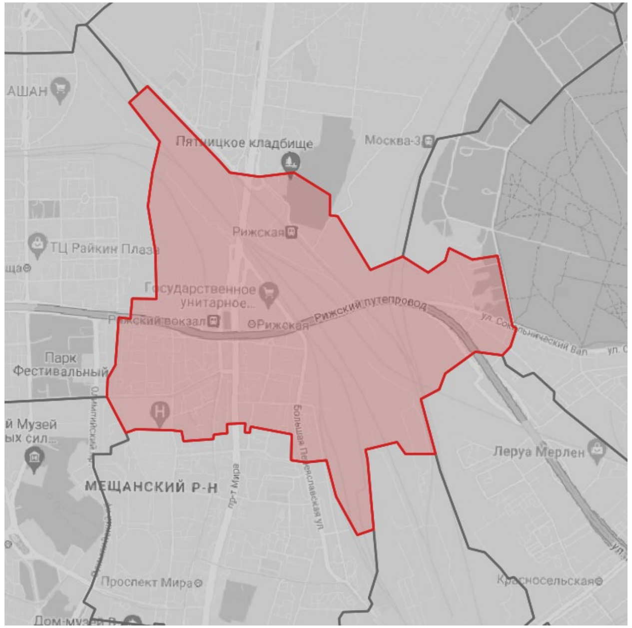
DRIVERS:
State-owned company, transport hub

46.5 **‘000 sq. m**

Office stock, classes A & B

Source: Commonwealth Partnership

Railway cluster



The most of the metrocommune is covered with the railroads and adjacent areas to Rizhskay station and Rizhsky rail terminal. Existing residential area occupies the South-Eastern part within the Third Transport Ring.

Rizhskaya metro station has interchange with the Big Circle Line. On top of that, Kol’tsevaya line is only one station away from Rizhskaya. The D2 line of the city-rail passes through the transport node and at least 2 more lines will be developed in the future.

A key feature of the metrocommune is a great amount of railway territories. Despite many directions passing through the metrocommune, the transport hub here has never been that important, which is clear considering low passenger traffic of Rizhskaya metro station.

Small share of inhabited, built-up territories and proximity to large-scale infrastructure routes have not allowed a business cluster to emerge in the metrocommune. The metrocommune has a conservative residential type, as permanent residents considerably outnumber office workers.

In the nearest future the Russian Railway corporation is planning to allocate some land for mixed-use development. In particular, the state company will build its new headquarters for 16 000 employees. This figure is equivalent to the total population of the metrocommune. Thus, Rizhskaya is guaranteed to transform into a mixed-use type metrocommune, combining both business and residential functions. In the current uncertainty, state companies will remain the drivers of growth and stability on the commercial real estate market.

Another driver for Rizhskaya is transport infrastructure. In the nearest prospective one of the biggest transport hubs will emerge here with city-rail—Moscow Central Diameters—as a primary mean of transport. Thus, railway infrastructure after far long being a depressive factor will finally cause a positive effect on the area.

Ivan Shishkin "Gathering Storm"

OFFICES

All indicators are **in the red zone.** The market **slowdown** is **smooth.**

Not all business districts show negative dynamics. That is why **analytics of smaller market segments** will provide the most comprehensive picture.

Against the background of economic **decline** in **2023,** take-up and new construction will reach minimum levels, and vacancy rate will amount to 15%.

Currently **class A** and **central properties** are the most **stable segments**. Though, it is probably an accumulation of downside potential than a trend.

Increased sublease supply does **not affect vacancy rate** significantly.

Moscow

H1 2022 (Classes A & B)

19 mn sq. m
Total Stock of Office Buildings

1.6 mn sq. m
Vacancy

38 ‘ 000 sq. m
New Construction

8.9 %
Vacancy Rate

816* ‘ 000 sq. m
Take-up

-193 ‘ 000 sq. m
Net Absorption

30,325 RUB / sq. m annum
Weighted Average Base Rental Rate

**The indicator is exclusive of deals executed in flexible workspaces*

SMOOTH SLOWDOWN WILL TURN INTO LULL

Office indicators entered the red zone quite smoothly, so the recovery will also be gradual. In the optimistic scenario, the market will start to show positive dynamics in 2024.

Polina Afanasieva
Senior Analyst
Offices

FORECAST

Previously, we expected the market to show a sharper slowdown and to bottom in early-mid 2023. However, the forecast was revised according to current market dynamics. Take-up decrease and vacancy rate growth will be smooth and restrained.

Key indicators, A & B classes	2021	2022 (Jan-Jul)	2022F	2023F
New Construction, sq. m	604,579	37,810	150,000	120,000
Take-up, sq. m	1,927,758	885,000	1,200,000	900,000
Rental Rates*, RUB / sq. m / annum	21,694	20,078	19,938	19,333
Vacancy Rate	8%	9.3%	12.8%	14.8%

** Average Weighted Rental Rates excl. VAT and Operating Expenses*

NEW CONSTRUCTION: ANTI-RECORD

New construction of H1 2022 is the lowest indicator of the last 5 years. The slowdown in construction activity will be more significant in 2023.

3 office buildings were delivered in H1 2022. Office rentable of 2 properties delivered in Q2 2022 amounted to 24,000 sq. m. The last time we recorded lower half-year new construction was in H1 2017.

Increased construction costs and demand shrinkage will lead to low construction activity. In 2022-23 we expect the delivery of properties at the final stage of construction. New construction will be at the level of 120,000 - 150,000 sq. m.

38,000 sq. m

New Construction, Classes A & B

H1 2022

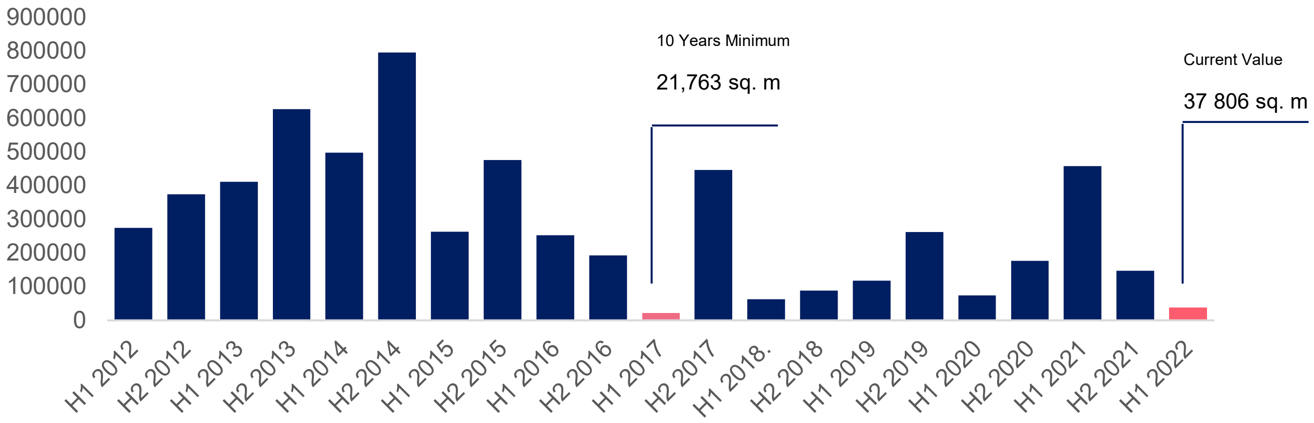
150,000 sq. m

New Construction, Classes A & B

2022F

Source: Commonwealth Partnership

New Construction in Half-Years, sq. m

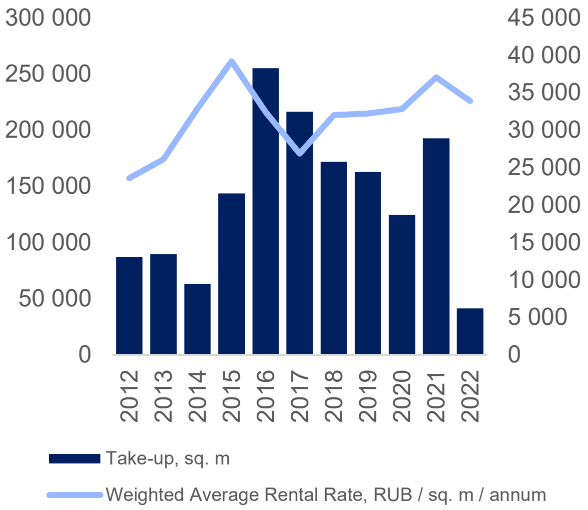


Source: Commonwealth Partnership

BUSINESS DISTRICTS INDICATORS

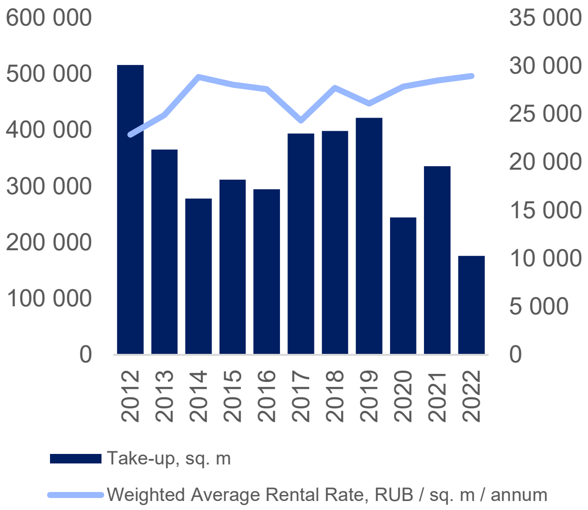
Traditionally, office properties located within the Garden Ring, were the most stable during crises. Current turbulent period is not an exception. Vacancy rate and rental rates are stable only in the Central Business District.

CENTRAL BUSINESS DISTRICT



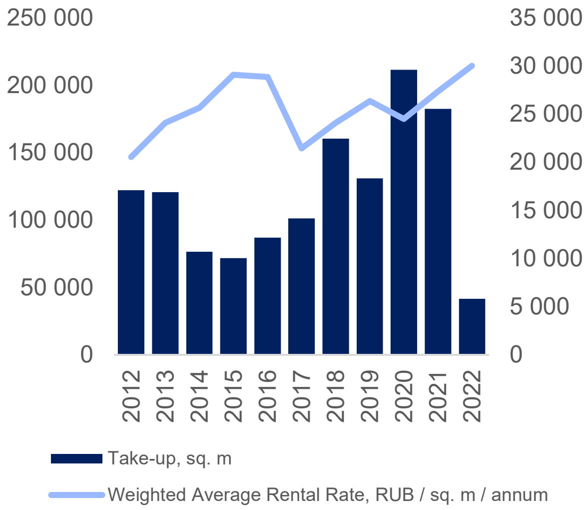
- Average rental rate is stable.
- H1 2022 take-up increased by 17% YoY.
- Vacancy rate has not changed – 8%.

MOSCOW-CITY



- Average rental rate decreased by 9% YoY.
- Take-up decreased by 55% YoY.
- Vacancy rate increased by 2.5 p.p. and amounted to 5.2%

LENINGRADSKIY CORRIDOR



- Average rental rate increased by 11%.
- 41% - drop in demand
- Vacancy rate is 11.8% (+3 p.p.)

OFFICES

CLASS A

Rental rates in class A decreased by 2% YoY. The dynamics is determined by office stock located outside TTR.

31,098 RUB / sq. m / annum

Ruble Equivalent (All Deals in Class A)

01.01.2022-25.07.2022

233,000 sq. m

Take-up (Class A)

01.01.2022-25.07.2022

** Average Weighted Rental Rates excl. VAT and Operating Expenses*

Source: Commonwealth Partnership

Diverging Dynamics

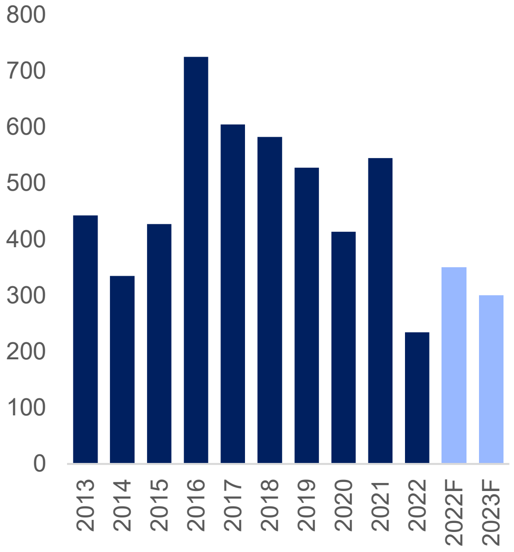
In Jan-Jul 2021 rental rates and take-up decreased by 2% and 5% YoY, respectively.

Despite the overall negative dynamics, geographic factor significantly affects indicators.

Rental rates in class A properties located within the Third Transport Ring even showed a slight increase. Meanwhile, the indicator outside that area decreased by 13%.

The take-up dynamics is opposite – demand is more active in decentralized districts where one can find cost-effective options.

Take-up, Class A, ‘000 sq. m



Indicator	Within TTR		Outside TTR	
Average Rental Rate, RUB / sq. m / annum	34,531	▲ +1.9%	21,362	▼ -13%
Take-up, sq. m	162,750	▼ -17%	71,140	▲ +36%

OFFICES

FLEXIBLE WORKSPACE

Relocation of potential clients and local business slowdown were the key drivers for flexible workspace operators to expand their portfolios abroad. 3 chain operators have already identified the UAE as the most attractive market for international expansion .

363,000 sq. m

Flexible Workspace Stock

Moscow, July 2022

1.9 %

Flexible Workspace in Moscow Office Stock

Moscow, July 2022

85 %

Chain Operators Share

Moscow, July 2022

Source: Commonwealth Partnership

In Jan-Jul 2022 the total area of new flexible workspace amounted to 81,000 sq. m. The indicator is already 25% higher than the annual result of 2021. However, that dynamics is a result of 2021 built-to-suit deals.

Some Russian chain operators have announced plans to expand abroad. In Q4 2021 GrowUp opened the first flexible workspace (500 sq. m) in Coliving You&Co in Dubai.

In 2022 Space 1 announced that they are ready to offer built-to-suit solutions for their clients in Dubai. There are already 4 properties (20,000 sq. m) in their international portfolio, including one building in Emaar Park Heights Complex (12,635 sq. m).

CODE Development is also interested in opening a new location in Dubai, but the suitable option has not been chosen yet.

Space 1, Dubai (UAE)

GrowUp & You&Co (UAE)

VACANCY

Business contraction along with exodus of international brands will determine vacancy rate growth.

9.3 %

Vacancy Rate (Classes A & B)

July 2022

12.8 %

Vacancy Rate (Classes A & B)

2022F

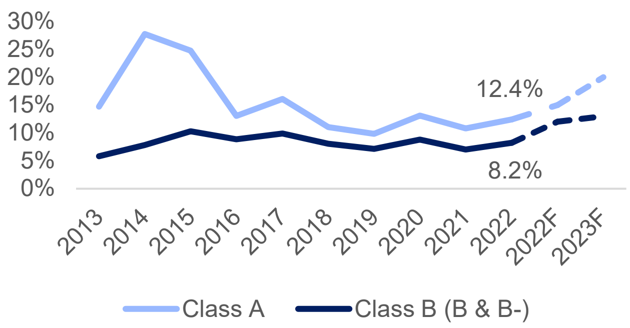
Source: Commonwealth Partnership

Some premises from tenants that decided to leave the market/reduce the occupied space /move to cost-effective option have already entered the market. Such companies prefer premium office buildings. As a result, vacancy rate growth is more rapid in class A, than in class B (+1.6 p.p. and + 1.1 p.p., respectively).

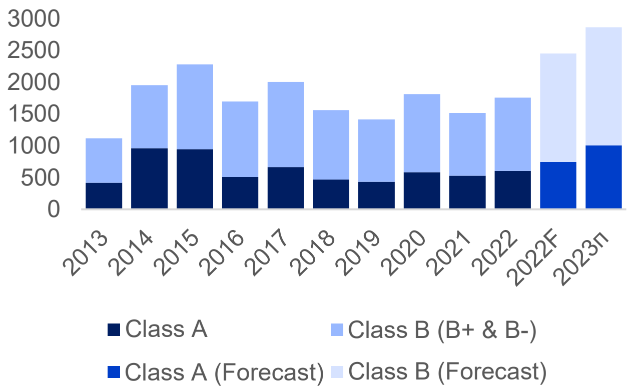
The increased sublease supply may also affect indicator. However, its share in the total vacancy is still insignificant – 3.2%.

We expect vacancy rate to be at the level of 13% by the end of 2022. The indicator will reach 15% in 2023.

Vacancy Rate, %



Vacant Premises, '000 sq. m



OFFICES

TAKE-UP & RENTAL RATES

Both indicators decline smoothly, and they will hit bottom in 2023.

885,000 sq. m

Take-up

Jan-Jul 2022, Classes A & B

20,078 RUB / sq. m / annum

Ruble Equivalent (All Deals)

Jan-Jul 2022, Classes A & B

** Average Weighted Rental Rates excl. VAT and Operating Expenses*

Source: Commonwealth Partnership

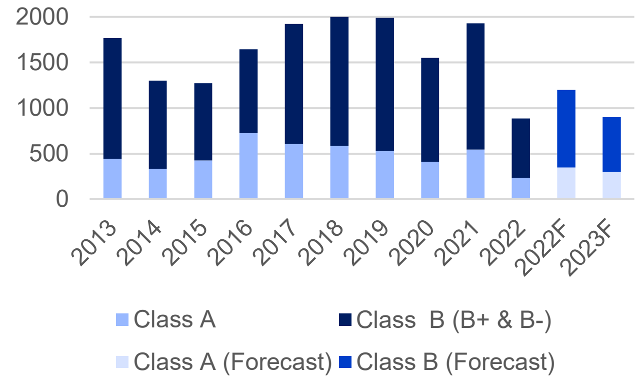
Average rental rate decreased by 5% compared to the same period last year. The drop is more noticeable in Class B, than in Class A (5% and 2%, respectively).

Take-up is also in the red zone, the indicator decreased by 14% in class B and by 5% in class A.

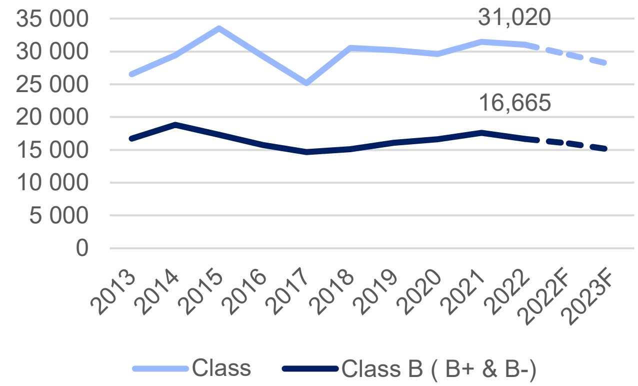
Rental rates will decrease by 8% in 2022. Most relocation cases will be a result of cost optimization processes.

We expect take-up to reach 1.2 mn sq. m in 2022 (-40% YoY). The drop will be even more noticeable in 2023 – 900,000 sq. m.

Take-up by Class, '000 sq. m



Weighted Average Rental Rates (Ruble Equivalent), RUB / sq. m / annum



MOSCOW METROCOMMUNES: ACTIVITY INDEX

Despite the increasing decentralization trend, combination of stable demand and high rental rates is still observed in the central areas.

TOP-5 Moscow Metrocommunes according to Activity Index

1. Vystavochnaya
2. Belorusskaya
3. Paveletskaya
4. Park Kul`tury
5. Dinamo

Metrocommune Activity Index= Lease Take-up (Jan-Jul 2022) Weighted Average Rental Rate*

Moscow Metrocommunes Map

We split Moscow territory into non-overlapping areas (**metrocommunes**). The attraction point of each metrocommune is the metro station.
In terms of restrained demand, it is especially important for market players to learn more about **locations with higher business activity**.

Vasiliy Vereschagin, “Lower bazaar in Nizhniy Novgorod”

RETAIL

Consumer optimism, rising in June after a wave of panic, has weak economic base, the ongoing economic downturn and shift to a protracted nature of the crisis will correct consumption patterns by the end of the year.

Retailers, while new consumer strategies are not formed, are tackling operational issues related to supply chain disruptions and import compression. According to NielsenIQ, the Russian market experienced a significant reduction of the assortment (-15%) in the period from the end of March to the beginning of May 2022. Private labels, which remain one of the most effective instruments of assortment control in terms of operational processes and logistics, helped to compensate the missing goods.

Landlords wait for the reopening of suspended stores against the backdrop of competition for large Russian tenants with strong brands, whose potential is also limited.

Moscow

H1 2022

6.0 mn sq. m
Total Quality Stock

37.1 ‘000 sq. m
New Construction (Retail Properties with GLA of more than 15,000 sq. m)

11.2 %
Vacancy Rate in Quality Shopping Centers

2022F

6.0 mn sq. m
Total Quality Stock

60 ‘000 sq. m
New Construction (Retail Properties with GLA of more than 15,000 sq. m)

30 %
Vacancy Rate in Quality Shopping Centers

CONSUMER HAS THE LAST WORD

New consumer strategies are not formed yet, external regulation of social sentiment maintains the level of consumer confidence after a significant drop in March-April. The weakening economy and the emerging crisis, the peak of which has not been reached, will inevitably affect the volumes and principles of consumption.

Tatyana Divina
Associate Director
Deputy Head of Research & Insight

RETAIL

CONSUMER MARKET

Consumer market compression in 2022 will neutralize last year's recovery. Base line scenario suggests return to 2019-level not earlier than by 2025.

-2.1 %

Total Retail Sales

Jan – May 2022

-8.7 %

Total Retail Sales

2022F

-6.8 %

Real Disposable Income

2022F

Source: Rosstat, Ministry of Economic Development, Central Bank, Commonwealth Partnership calculations

Unachievable 2019

In April, retail sales began to decline. As a result, Jan-May indicator is negative (-2.1% y-o-y). Decline falls on non-food products (-4.9%), while food products remain positive (+1.1%).

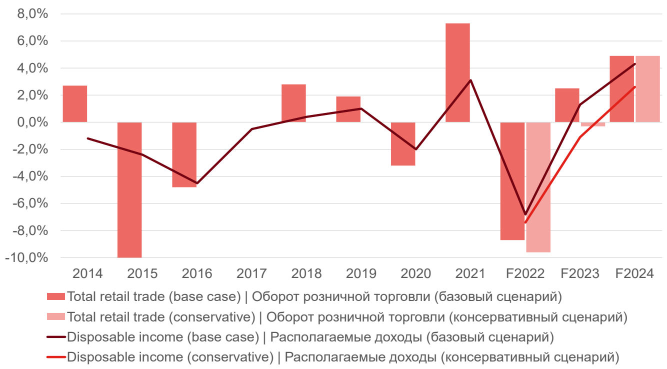
Public catering also showed decrease in April (-4.7%) and May (-5.2%). But due to the active return of visitors to cafes and restaurants at the beginning of the year, 5-months' result remains positive (+2.3% y-o-y).

According to the base line scenario of the Ministry of Economic Development, retail trade turnover will return to 2019-level only in 2024, while disposable income will still be lower pre-Covid levels. The conservative scenario assumes that even two years will not be enough to recover from a fall in 2022 and no growth in 2023.

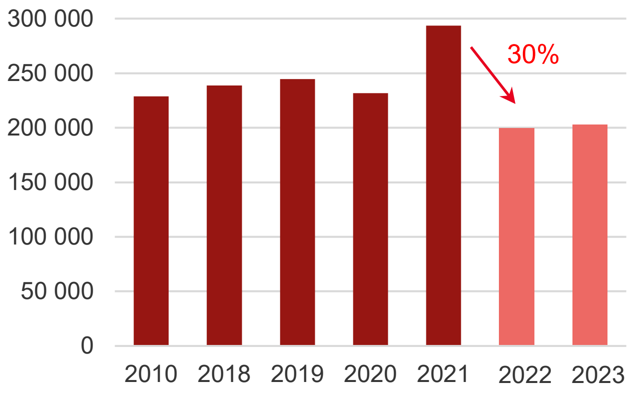
The negative effect will be exacerbated by the expected decline in imports (26-36% in 2022 for the economy in total). The share of imported goods in retail was previously about 35-40% (75% in non-food products).

The consumer market will be under pressure by two key factors - low demand and lack of stocks.

Total Retail Trade And Disposable Income in Russia



Import, mn USD



CONSUMERS TODAY: TRANSFORMATION IS AHEAD

The latest polls by the Central Bank, VTsIOM, FOM, Ipsos and Levada Center show similar results: expectations of the population are getting better. The proportion of people who expect worsening of their socio-economic situation has decreased, and more people has confidence that the situation is improving.

Main Trends Today

Rejection of Long-Term Planning

Polls show that about 30% of the population in Moscow and St. Petersburg has stopped planning due to the unstable situation in the country. At the same time, the share of those who expect worsening of the economic situation both in the short and long term decreased significantly. Consumers plan fewer large purchases, but if there is a need, they do not postpone them.

Patriotism And Support Of Domestic Producers

According to the VTsIOM poll, Russians mostly expect that local manufacturers will be able to replace foreign firms. Moreover, 56% of the population believe that the quality of domestic producers is higher. And in the case of choosing products of Russian or foreign production, if the price is equal, respondents are more likely to choose domestic products (67%). The situation is similar in the entertainment segment: 27% of the population say that they will visit cinema the same way as before or even more often due to the lack of American films (68% of the population do not go to cinema at all).

Source: Central Bank, VTsIOM, FOM, Ipsos, Levada Center (foreign agent), Kantar, Nielsen IQ, Romir

Consumers today experience **less stress** than in March-April, they are more confident and expect that the **current difficulties are temporary**, and therefore a saving consumption strategy is not widely implemented yet, only 30% are ready to change their usual choice towards a cheaper analogue. We are facing a contradiction: **high consumer confidence and waning consumer opportunities**.

Regulation of social sentiment helps to support consumer activity in the short term, but the protracted nature of the crisis implies that **transformation of consumer models is ahead**. By the end of the year, we will see a rise of unemployment and high inflation forcing consumers to change their shopping habits.

NEW RETAILERS ON THE MARKET

ZEBRA home

New retail chain selling household goods (Tashir Group).

ТЕЛЕГРАФ
УНИВЕРМАГ

Department store of Russian brands opens in Afimall City.

perspective

The first store of the European brand in Russia opened in Perm.

KILLER

maspar
designs for living

Four companies from India have signed preliminary agreements with partners from Russia. Only two have been named so far - Maspar (household goods), and Killer Jeans (clothes).

New Backbone of The Russian Retail

Shopping centers are changing concepts. Empty areas are being rebuilt into gyms, dance studios and fitness. The popularity of outlets and food discounters is growing, e.g., «Chizhik» (X5 Group) discounter currently has 150 stores, and more than 20 more will be opened by the end of July.

Summer becomes a period for decision-making for international operators. There are some options to leave the Russian market: selling theRussian part of business (e.g., LPP and Reebok), transferring it to the Russian management (L'occitane, McDonald's) or completely leaving the market (Starbucks, Nike).

Stores are reducing assortment, focusing on essential goods and run less promotions.

Some retailers continue planning to scale their business e.g., Lenta, X5 Group and Miratorg increase the number of stores, Concept Group expand representation of the department store format with its own brands, «Petrovich» develop in the regions, ADAMAS jewelry brand plans 30 new stores by the end of the year, L'etoile is expanding its product range and plans to open about 50 new stores.

«Chizhik» (X5 Group) is a hard discounter, rapidly developing format.

One of the 18 functioning multi-brand Concept Group stores, where three brands are combined (Acoola, Concept Club, Infinity Lingerie).

RUSSIAN RETAILERS

While international brands are leaving the market, more Russian entrepreneurs are opening stores with local manufacturers, most often in a multi-brand format.

Landlords, in some cases with the help of regional authorities, support local stores by providing lease preferences that allow new players to enter the market.

Russian retail aims to fill the niches vacated by international brands.

In the short term, Russian retail will not be able to completely replace the outgoing international brands, but new local manufacturers and rethinking of concepts in shopping malls (the emergence of unknown designer corners, new entertainment formats, sports concepts, etc.) support the retail market .

Russian designers' brands in a pop-up format in Kalina Mall shopping center in Vladivostok. All items which are sold there are created by Vladivostok designers. One of the corners, «Made in Vladivostok», sells clothing and accessories made by five local brands.

Showroom "SOYUZ" was opened in "Aquamall" in Ulyanovsk, which presents 18 Ulyanovsk brands. It replaced an Oysho store.

Brand ENSO from Chelyabinsk will be opened in Gorki shopping mall instead of Mango. The brand is on the market for 12 years; previously, it was presented only in large multi-brand stores.

VACANCY IN MOSCOW SHOPPING CENTERS

Results of the first half of 2022 show a slight increase in vacancy in Moscow shopping centers (+1.2%). However, the standard approach to assessing vacancies in the current circumstances requires some clarifications.

11.2%

Vacancy Rate

July 2022

30%

Vacancy Rate

2022F

Source: Commonwealth Partnership

The exodus of international brands is one of the key threats to the market. To date, additionally to vacancy (11.2%) the share of stores that have suspended their activities is 11.6% of the total stock (excluding such large tenants as LPP and OBI, which have resumed their work).

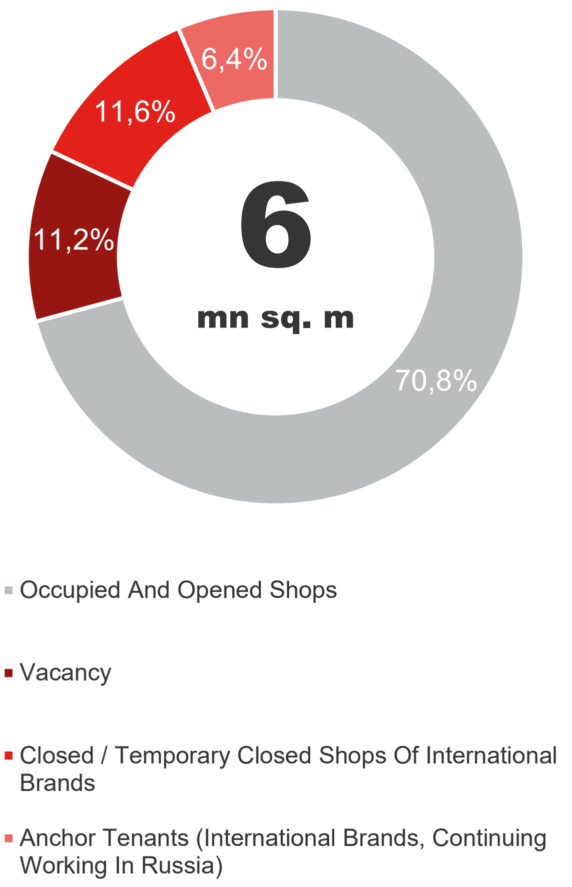
Another risk factor is represented by large international companies that have not announced their exit, but their stores act as anchor tenants in many shopping centers in Moscow and occupy a noticeable retail area (6.4%). However, we consider this risk factor as moderate, as those companies continue operations and announce their plans to stay on the local market.

Additionally, the negative macroeconomic environment and the weakening consumer market will also inevitably affect domestic operators.

Thus, the basic forecast for the vacancy is 20-30%. In the conservative scenario, taking into account all the above risks and macroeconomic forecast on slide 8, vacancy can reach 40-50%.

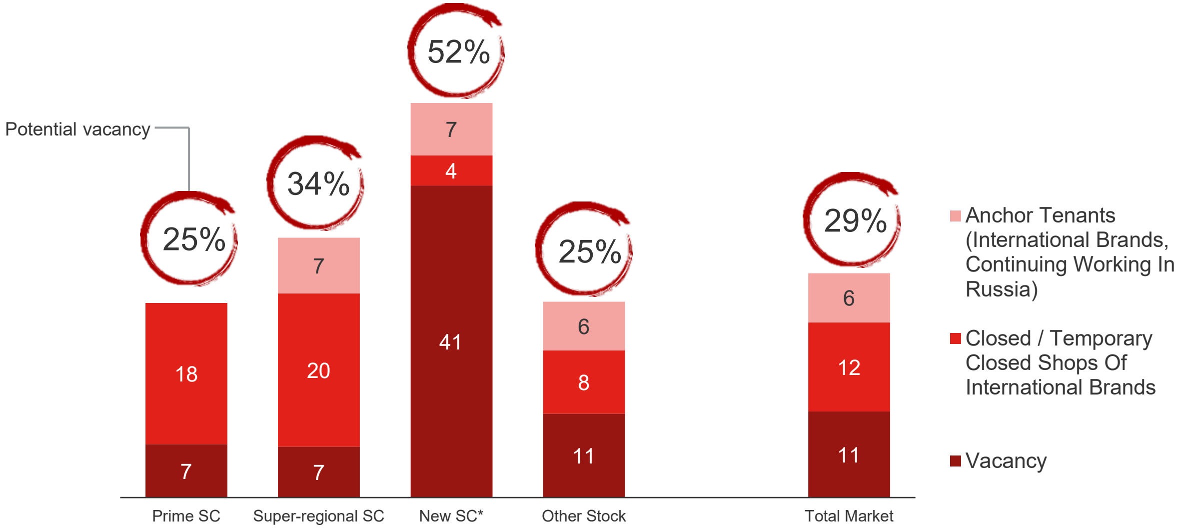
The market transformation will uneven: large shopping centers with a high share of international operators, new facilities commissioned in 2020-2022, as well as facilities with an unbalanced concept and a historically high share of vacant space will be mostly affected while smaller formats are expected to show more resilience.

Supply Structure, Moscow, %



VACANCY IN MOSCOW SHOPPING CENTERS: POTENTIAL RISKS

Vacancy growth is still insignificant, additionally suspended international brands cover 11.6% from the retail stock.



** Shopping centers with delivery date in 2020-2022*

Prime and super-regional shopping centers historically were the most stable categories, where the share of vacant space in all crises was kept at a minimum. But today, the key shopping centers in Moscow, which have a strong pool of the most stable tenants and a loyal audience, are at risk: about 20% of the space in these retail facilities is occupied, but unused and generates no footflow and profit.

New shopping centers (opened in 2020-2022) were mostly affected, their opening took place during the period of the pandemic and the following crisis. The current situation does not allow them to attract tenants. Vacancy in such retail schemes is usually higher than in other segments; but in the current situation, it beats anti-records and remains at the level of the crises of 2015 and 2021.

Neibourhood shopping centers, located in residential areas, are the least affected. The have stable footfall and strong tenant mix oriented on day-to-day purchases covering basic needs.

Vacancy forecasts in Moscow shopping centers include vacant space offered for rent, as well as the space of brands that have suspended work in Russia or have already announced their exit, but still occupying premises. Assessing potential vacancy in a turbulent situation, we also consider international companies that occupy significant areas in the shopping centers and perform as anchors but have not announced plans to leave the Russian market.

Source: Commonwealth Partnership

NEW CONSTRUCTION: SLOW DOWN AND POSTPONMENTS

The pace of new comissioning expectedly slowed down both in the capital and in the regions.

60 **'000 sq. m**

New Construction in Moscow

2022F

140 **'000 sq. m**

New Construction in Russia

2022F

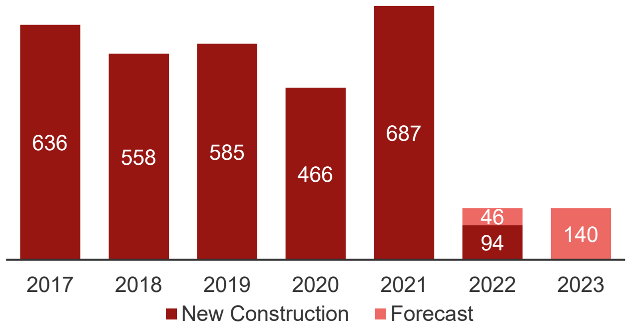
Source: Commonwealth Partnership

Increase in "potential" vacancies in existing shopping centers, competition for tenants, loss of key foreign retail operators, as well as rise of construction costs makes the commissioning of new shopping centers increasingly questionable in the short-term.

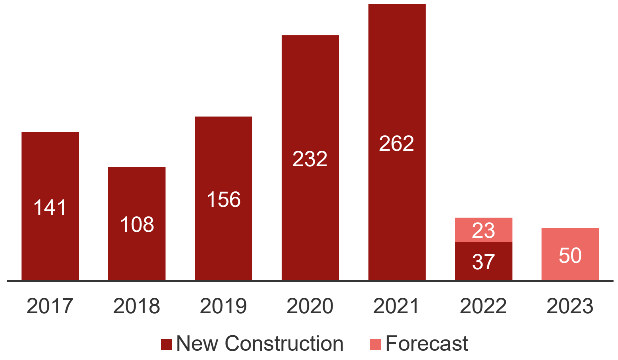
The other reason for high vacancy in new shopping centers is that new premises need fit-out, while existing schemes offer fitted-out premises. The rising cost of construction and furnishing materils is one of many obstacles for operators to enter newly launched shopping centers.

In H1 2022, vacancy rate reached 41% in new properties (commissioned in 2020-2022) while the market average is 11.2%.

New Construction in Russia (including Moscow), '000 sq. m



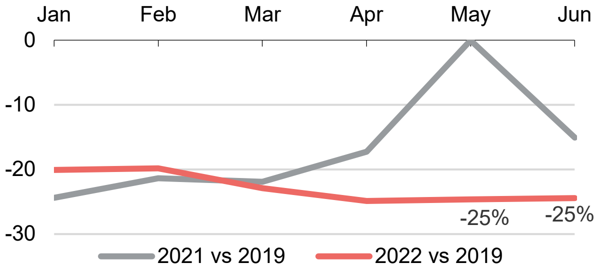
New Construction in Moscow, '000 sq. m



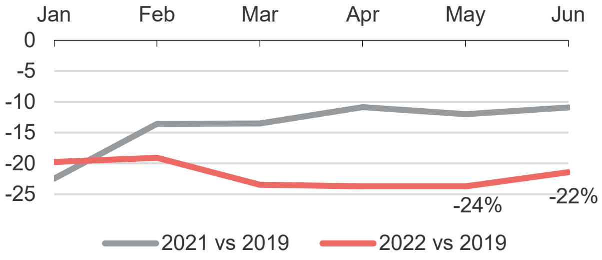
FOOTFALL DECREASE AND NEW TREND FOR FOOTFALL GENERATING EVENTS

Mall Index indicator, decreasing since February, has stabilized at the achieved in April levels. Shopping cernters work on traffic generation experimenting with new event formats.

Mall Index, Footfall in Moscow SCs, %



Mall Index, Footfall in St. Petersburg SCs, %



Source: Focus, Mall index

SC HAPPY MALL-2 IN SARATOV
Mobile employment centers have been launched in Saratov by the Ministry of Labor and Social Protection. One of these centers is located in SC Happy Mall-2.

SC FANTASY PARK IN MOSCOW
Marriage registration center is opened in SC Fantasy Park, as a part of new Public Services Center.

SC AKVAREL IN VOLGOGRAD
SWAP party
Fair of things: you can donate unnecessary clothes, shoes, accessories, books, dishes, children's goods and other things, and in return take something for free from other people or partners of the mall.

SC GOODZONE IN MOSCOW
A new exhibition area, GOOD ART CLUB, has been opened on the 3rd floor. The exhibition presents paintings, graphics of various genres and involves professional artists from different cities of Russia. The paintings were provided by creative associations ART Boulevard.

Ivan Aivazovsky, “Convoy in the Steppe”

WAREHOUSE & INDUSTRIAL

- Warehouse market dynamics is aligned with macroeconomic background: in H1 2022, we avoided the sharp fall, but see the beginning of a prolonged recession.
- New construction remains high due to strong demand of the last year.
- Vacancy rate continues to grow gradually.
- In Q2, take-up reflected the “freeze” of the market and performed the minimum value for the last 2 years.
- Rental rates show slow decline after a peak in March.

The Moscow Region
H1 2022

21.4 mn sq. m

Total Stock of Warehouses, Classes A & B

6,400 RUB / sq. m / year

Rental Rate*, Class A

529 ‘000 sq. m

New Construction, Classes A & B

5.1 %

Vacancy Rate, Class A

621 ‘000 sq. m

Take-up, Classes A & B

** Average weighted asking rental rate in existing dry properties excluding OPEX, utility and VAT.*

TIME FOR CHANGES

While tenants still work on new approaches to assortment and inventory management, the landlords are already preparing for the structural demand changes.

Ekaterina Nogai
Analyst
Warehouse & Industrial, Retail Research

FORECAST REVISION

In H1 2022, the market did not experience a significant drop, indicators show a gradual decline, but macroeconomic forecasts suppose a prolonged recession.

Key indicators	2021	2022 Forecast		Forecast change
		from Jan'22	from Jul'22	
New Construction, A and B classes, sq. m	1,399,236	1,400,000	**850,000**	- 39%
Take-up, A and B classes, sq. m	2,827,004	2,000,000	**1,000,000**	- 50%
Rental Rates*, A class, RUB / sq. m / annum	5,500	6,000	**5,900**	- 1.7%
Vacancy Rate, A class	1%	1%	**7%**	+ 6 p.p.

** Average weighted asking rental rate in existing dry properties excluding OPEX, utility and VAT.*

DEMAND IS UNDER PRESSURE

Tenants are changing business strategies amid continued disruptions in production and supply chains.

ASSORTMENT TRANSFORMATION

A reduction of assortment is one of the key problems that retailers faced due to supply chains disruptions and import restrictions.

According to Nielsen IQ, in March-May 2022, a reduction of retail assortment reached 15%. The decrease was uneven: home-care and self-care products suffered the most, number of SKU decreased by 23%, in grocery segment the indicator fell by 10%. Nevertheless, the problem with assortment management will challenge local retail operators in the nearest future.

Private labels of large retail chains helped to substitute some goods. Growing popularity of private labels is a new trend due to simplicity of operational processes and logistics for this type of goods.

E-COMMERCE

E-commerce market performed a peak of growth in March, slowdown in April and recovery in May. According to Data Insight and Nielsen IQ, there is no significant fall of e-commerce market today. The forecasts for the segment are positive: number of orders will increase, but much more slowly than in 2021.

Analysts highlight key trends:

- The dominance of large marketplaces will grow rapidly and become more noticeable (in all categories except e-grocery and e-pharma).
- Mass extinction of small pure online shops.
- Reduction of investments in logistics.

Source: Nielsen IQ, Data Insight

WHAT DOES IT MEAN FOR THE WAREHOUSE MARKET?

Small production companies for private labels of large retail chains and parallel import operators can become new demand drivers.

Marketplaces will turn to logistics costs saving due to the slowdown in number of orders.

In the nearest future, we expect a global revision of inventory policies of local retailers. The number of SKU will decrease, however, if the baseline forecast is realized (see slide 7), the vacancy will grow gradually, while a conservative scenario (see slide 8) can trigger more significant increase in the vacancy.

DEMAND: DIFFERENT WAYS OF E-COM OPERATORS' DEVELOPMENT

We observe emerging trends, but there are no global changes in the demand structure yet. Producers, distributors and retailers are rebuilding logistics systems and working with the assortment policies almost from scratch.

645 '000 sq. m

Take-up in The Moscow Region, Classes A & B

H1 2022

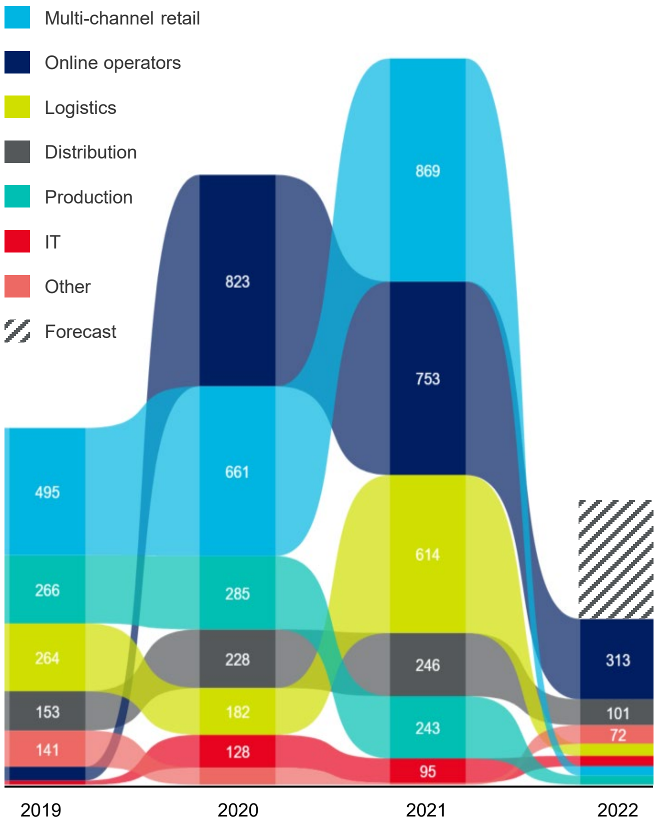
1 mn sq. m

Take-up in The Moscow Region, Classes A & B

2022F

Source: Commonwealth Partnership

Take-up, The Moscow Region, Classes A and B, '000 sq. m



In H1 2022, a share of pure online operators in the take-up amounted 50%. Over the past two years large marketplaces mainly represented this category. In the current crisis, we see how different their logistics systems are.

A significant part of these companies leased areas for further extension. Today, as the growth of number of orders slowed down, they experience difficulties and try to cut costs via sublease.

Meanwhile, there are examples of other strategies: some operators ensured the maximum load of their warehouses and only after that started to expand warehouse area. We see that today these operators continue construction of their new facilities and continue to lease new premises.

There are also unique strategies. New marketplaces entered current crisis in the process of forming their own logistics and moving away from logistics operators. We will see how successful this strategy is in the mid-term.

Despite optimistic forecasts for e-commerce market, cost saving on logistics and rational use of warehouses are the main strategies for all operators in the nearest future.

RENTAL RATES*

Rental rates start gradual decrease, despite high inflation.

6,400 RUB/sq. m/year

Rental rate* in The Moscow Region, Class A

July 2022

5,900 RUB/sq. m/year

Rental rate* in The Moscow Region, Class A

2022F

* Average weighted asking rental rate in existing dry properties excluding OPEX, utility and VAT.

Source: Commonwealth Partnership

The indicator reached 6,600 rub/sq. m/year in March and began a decline in May-June. In the begging of July, the average rental rate in the Moscow region amounted 6,400 rub/sq. m/year. Stable position of large portfolio owners and expensive sublease offers keep asking rental rates high. By year end, the indicator will drop to 5,900 rub/sq. m/year. The growth of vacancy in 2023 may contribute to a further decline of the indicator.

Warehouse Belts

Learn more about subaggomerations and "belts" in MARKETBEAT Q4–2021

Average Weighted Rental Rate*, Class A, RUB / sq. m / year

		Q1 2022 vs Q2 2022
0-1 Belt *(Urban Logistics)*	8,500	▼ - 8%
2-3 Belt *(CRR area)*	6,300	▼ -2%
4 Belt	5,200	▼ -10%

Learn more about market indicators by directions, highways or subagglomerations

GROWTH OF OPEX IS ALIGNED WITH HIGH INFLATION

Disruptions in production and supply chains have affected the cost of all components and services required to operate warehouse properties.

1,100 RUB/sq. m/year

Average OPEX*

The Moscow Region, Class A

2016

1,200 RUB/sq. m/year

Average OPEX*

The Moscow Region, Class A

2021

1,300 RUB/sq. m/year

Average OPEX*

The Moscow Region, Class A

July 2022

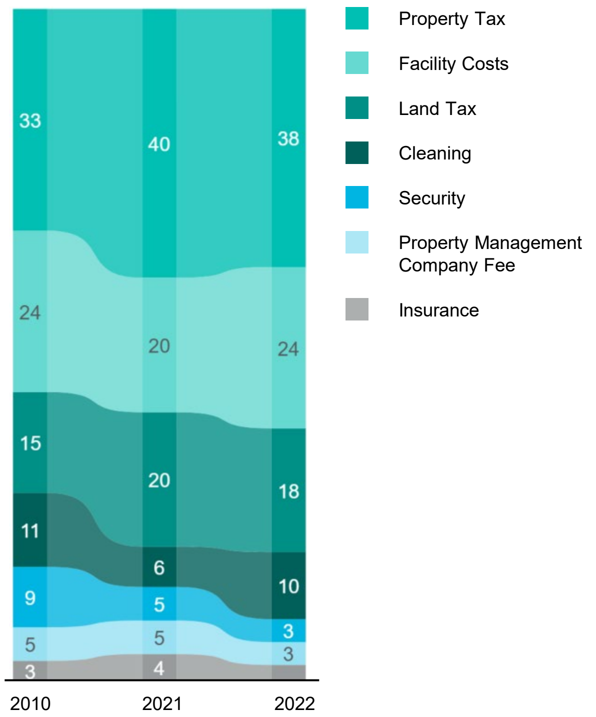
Source: Commonwealth Partnership

OPEX is the least volatile part of rental payments. Since the market turned to rental payments in RUB in 2016, the indicator was stable (1,100 rub/sq. m/year for dry warehouses of A class in the Moscow region). In 2021, the indicator reached 1,200 rub/sq. m/year. In Q2 2022, we recorded a rapid increase in OPEX, which is associated with the specifics of the current crisis.

Supply chain disruptions and the exodus of international producers led to the growth of prices for facility goods and services.

Growing inflation and production chains disruptions may contribute to further growth of OPEX.

OPEX* Structure, %



** Average weighted asking operational expenses in existing dry properties excluding VAT.*

NEW CONSTRUCTION

In 2-3 years, we expect a gradual decline in new construction. We faced similar dynamics in previous crises: high indicator in the crisis year followed by a significant decline over next 2-3 years.

529 '000 sq. m

New Construction in The Moscow Region, Classes A & B

H1 2022

850 '000 sq. m

New Construction in The Moscow Region, Classes A & B

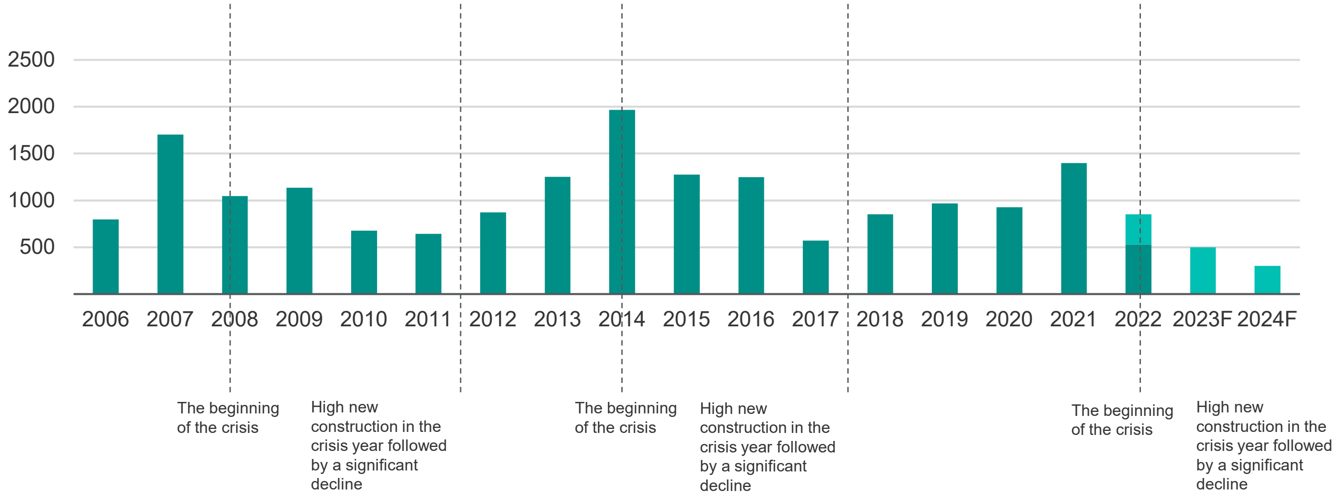
2022F.

Source: Commonwealth Partnership

In H1 2022, the new commissioning amounted 529,000 sq. m, which is 71% higher than H1 2021 indicator. New delivery is represented by both built-to-suit (68%) and speculative (32%) properties. High indicator is associated with last year's peak of demand and the specifics of warehouse development - short term of construction, moreover, freezing construction on final stages is not feaible.

Speculative properties under construction are under the highest risks due to the low demand and demand shift to the existing schemes. However, at this point we register only planned properties and schemes at the initial stage of development to be frozen.

New Construction in The Moscow Region, Classes A and B, '000 sq. m



VACANCY

Vacancy rate is growing gradually.

Lots of international companies, suspended their business in Russia, and domestic operators keep enough of stocks due to the unstable supply chains and inability to control delivery time frames. Long-term disruptions in all business processes, the consumer market shrinkage and new decisions about the exodus from the Russian market will lead to an accelerated growth of vacancy in H2 2022-2023. Therefore, the indicator will reach its maximum by the end of 2023.

5.1 %

Vacancy Rate in The Moscow Region, Class A
July 2022

7 %

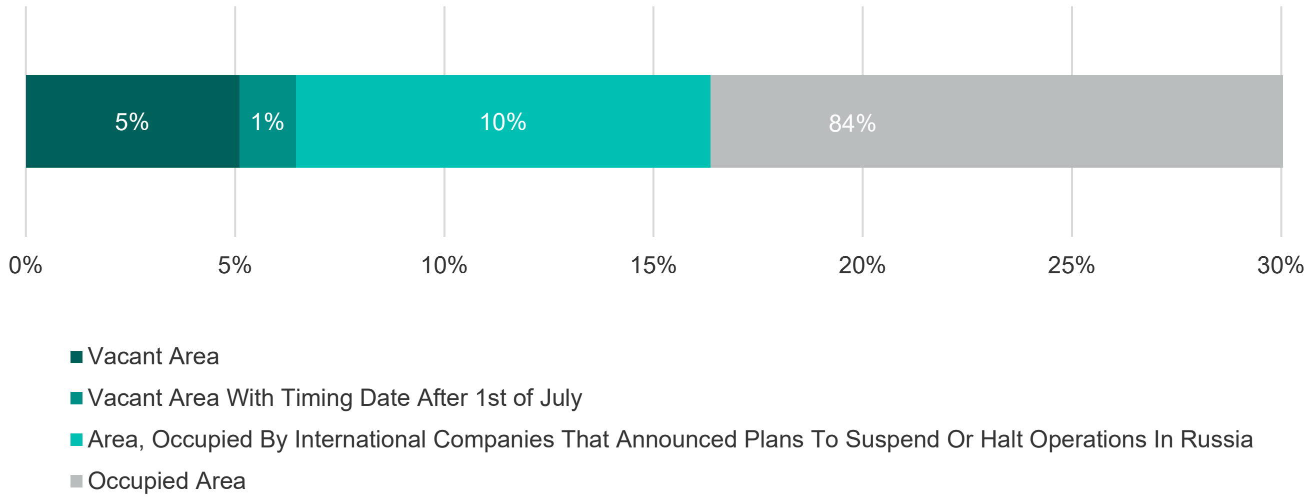
Vacancy Rate in The Moscow Region, Class A
2022F

10 %

Vacancy Rate in The Moscow Region, Class A
2023F

Source: Commonwealth Partnership

Supply Structure, The Moscow Region, Class A



Vincent van Gogh, “Café Terrace at Night”

HOSPITALITY

The operational results of the Moscow hotel market in H1 2022, briefly summarized in this section, are driven entirely by the paradigm shift in the country's economy started after February 24, 2022.

Like the rest of the Russian economy, the hotel business is undergoing a fundamental restructuring, changing not only externally (brands and hotel management companies) but also at its core (operational systems, booking channels, sales structure). This process reflects the grand unfolding of the established picture of the world - and its replacement by a new one that has yet to take a new shape and form.

In 'transition' periods like this, trading data accuracy (and its meaningful analysis) becomes an issue, as individual hotel properties gradually stop providing data to the established benchmarking databases.

20.5 **'000 rooms**

Modern standard room stock in H1 2022

6 **new hotel projects**

Expected to open in 2022

1,140 **rooms**

Expected to open in 6 new properties in 2022

NEW HOTELS TO COME UNFLAGGED

1,140

Projected rooms to open in 2022

Wider market

5.6%

Projected supply growth in 2022

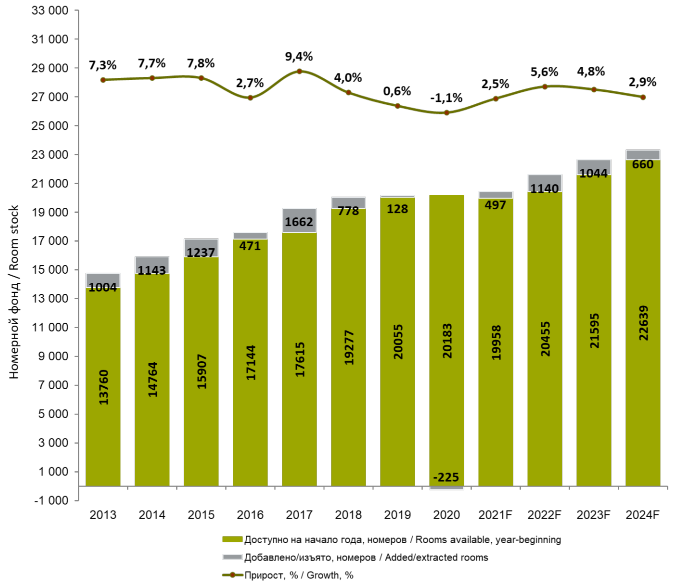
Wider market

Source: Commonwealth Partnership

New modern quality hotels to open in 2022

Project	Room count	Opening
Fairmont Moscow	142	Q3
Radisson Blu Leninsky Prospect	164	Q4
DoubleTree by Hilton Moscow	99	Q3
Crowne Plaza Park Huaming	340	Q3
Hilton Garden Inn Moscow Paveletsky	245	Q3
Novotel Comcity	150	Q4
TOTAL	**1,140**	

Modern quality room stock dynamics – actual and projected



All modern standard hotel projects announced for opening in 2022 are branded projects, but in view of the announced suspension of any investment activity in the Russian market by all major international hotel operators (several of them have actually started to wind down current operations in existing facilities), some new hotels will open under different "flags" - or as fully-independent properties. Since such drastic change of management companies/brands takes place at the final stages of construction, actual opening dates of some hotels earmarked for 2022 may shift to later dates.

Updated information on new names and dates of commissioning of the hotels to be opened in 2022 will be available in the second half of the year.

MOSCOW HOTEL OCCUPANCY HAS STABILIZED BY JUNE

56.5%

YTD June 2022 Occupancy

Modern quality hotel market

65.0%

YTD June 2022 Occupancy

Midscale segment

30.6%

YTD June 2022 Occupancy

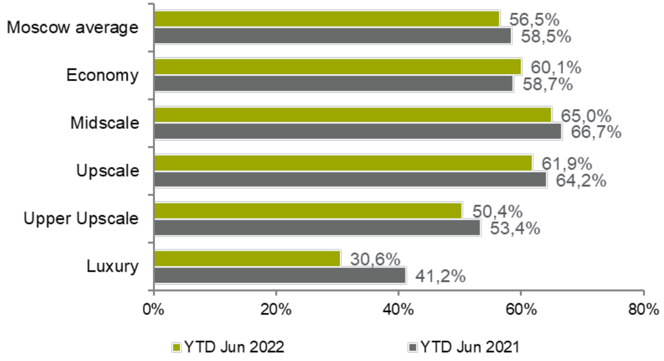
Luxury segment

Source: Commonwealth Partnership

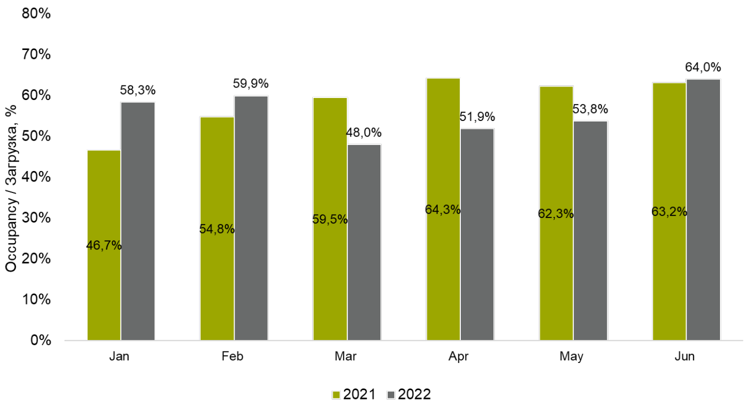
Demand for hotel services in Moscow gradually stabilized during Q2, so that in June the monthly average Occupancy rate for the Wider market returned to last year's levels of 63-64% (for reference, in the "pre-Covid" years, June Occupancies traditionally exceeded 80-85%).

Like in any crisis situation, the greatest business resilience is demonstrated by hotels in the Midscale (65.0%), Upscale (61.9%) and Economy (60.1%) categories. The biggest customer outflow was registered in the Luxury segment (30.6%).

Wider market Occupancy by segment: YTD June 2022 vs YTD June 2021



Monthly Occupancy dynamics: YTD June 2022 vs YTD June 2021



AVERAGE DAILY RATE SHOWS A DOWNWARD TREND

6,041 RUB

ADR, YTD June 2022

Wider market

3.0%

ADR, YoY change, YTD June 2022

Wider market

17.8%

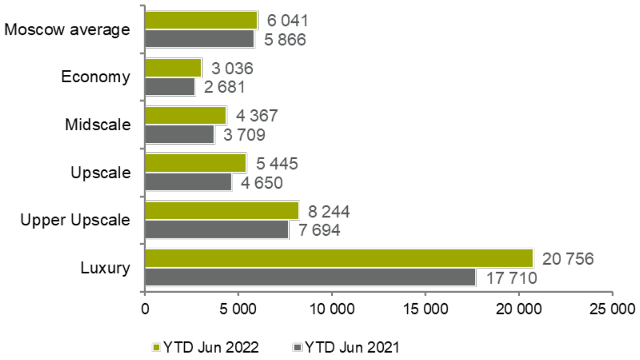
ADR, YoY change, YTD June 2022

Midscale segment

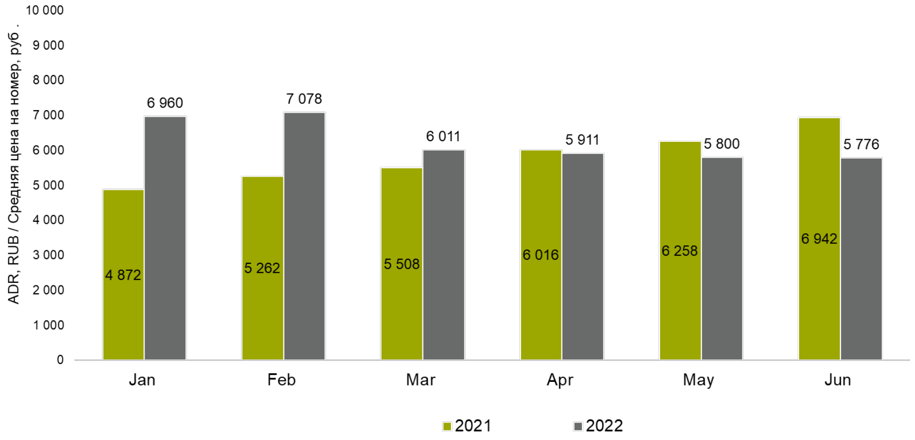
Source: Commonwealth Partnership

Although the YTD June ADR result for the Wider market showed a 3% increase on a year-on-year basis, the actual monthly ADR dynamics between March and June was negative, from a sharp contraction in March (-15.1%), to a less dramatic (0.5-1.9%) decrease in the following months.

Wider market ADR (RUB) by segment YTD June 2022 vs YTD June 2021



Monthly ADR (RUB) dynamics: YTD June 2022 vs YTD June 2021



REVPAR – THE REAL PICTURE OF THE MARKET WELL-BEING

3,411 RUB

RevPAR, YTD June 2022

Wider market

-0.6%

RevPAR, YoY change, YTD June 2022

Wider market

-13.0%

RevPAR, YoY change, YTD June 2022

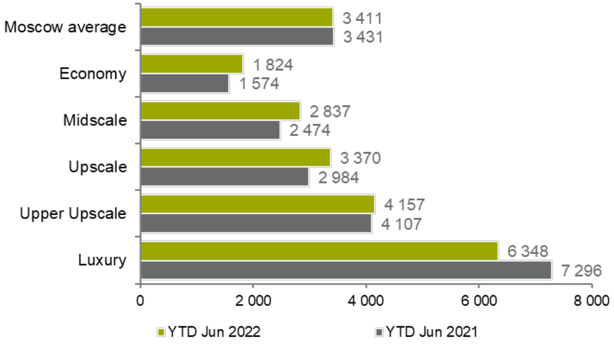
Luxury segment

Source: Commonwealth Partnership

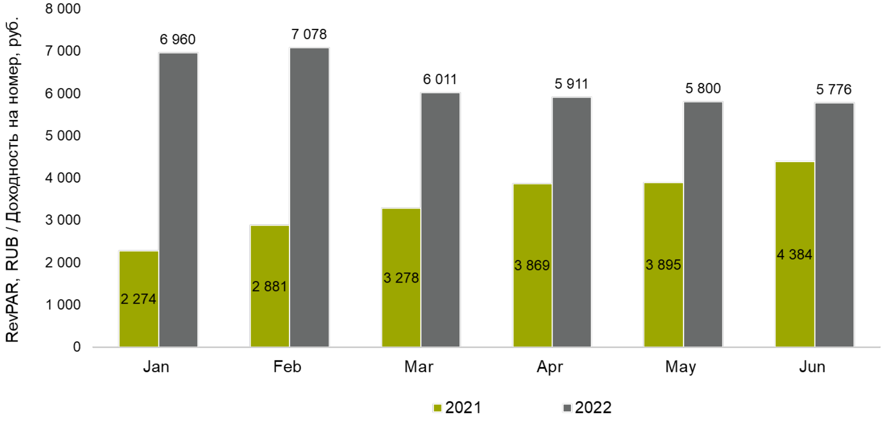
Higher-grade hotels (Luxury and Upper Upscale properties) showed the worst RevPAR results year-on-year, while Economy, Midscale and Upscale hotels fared rather well, with RevPAR gains ranging between 13.9-15.9%.

Having said that, the monthly RevPAR dynamics for the Wider market shows a declining trend.

Wider market RevPAR (RUB) by segment YTD June 2022 vs YTD June 2021



Monthly RevPAR (RUB) dynamics: YTD June 2022 vs YTD June 2021



KEY MARKET INDICATORS

Market	Region	Indicator	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Office Market	**Moscow Agglomeration** (Class A&B)	New Construction, ’000 sq. m	2 255	1 241	975	819	591	1 038	1 292	739	445	467	151	379	250	605
		Total Stock, ’000 sq. m	10 314	11 555	12 531	13 350	13 916	14 940	16 138	16 866	17 307	17 728	17 860	18 165	18 394	19 004
		Rental Rate, RUB per sq. m p.a.	—	—	—	—	—	—	—	21 967	19 840	17 464	19 351	19 985	20 159	21 702
		Vacancy Rate	8,6%	13,1%	10,7%	9,3%	8,1%	7,5%	12,1%	13,5%	9,8%	11,3%	8,7%	7,8%	9,8%	8,0%
		Take Up, ’000 sq. m	1 854	828	1 853	2 042	2 127	1 770	1 301	1 271	1 646	1 922	2 001	1 989	1 550	1 928
Retail Market	**Russia** (including Moscow)	New construction, ’000 sq. m	1 589	1 387	1 514	1 361	1 914	1 456	2 346	1 877	1 699	636	558	586	466	691
		Total Stock, ’000 sq. m	6 952	8 339	9 852	11 213	13 127	14 583	16 929	18 807	20 506	21 142	21 700	22 286	22 752	23 443
	Moscow Agglomeration	New construction, ’000 sq. m	431	497	362	202	155	173	627	418	444	135	108	156	232	258
		Total Stock, ’000 sq. m	2 143	2 640	3 002	3 204	3 359	3 532	4 159	4 578	5 022	5 157	5 265	5 420	5 653	5 915
		Prime Rental Rate, RUB per sq. m p.a.	99 480	87 368	88 102	105 804	114 959	121 258	127 380	162 032	145 000	150 000	165 000	175 000	175 000	175 000
Warehouse Market (Class A)	**Russia** (including Moscow)	New construction, ’000 sq. m	1 781	1 557	706	535	1 288	1 658	2 456	2 125	1 803	940	1 233	1 550	1 545	1 645
		Total Stock, ’000 sq. m	5 722	7 279	7 985	8 520	9 807	11 465	13 921	16 046	17 849	18 788	20 022	21 572	23 117	24 762
		Rental Rate, RUB per sq. m p.a.											3 500	3 750	3 950	5 200
		Vacancy Rate											4,9%	6,0%	5,7%	2,0%
	Moscow Agglomeration	New construction, ’000 sq. m	762	758	404	281	651	1 034	1 419	1 129	1 191	415	738	985	868	1 280
		Total Stock, ’000 sq. m	3 466	4 223	4 627	4 909	5 559	6 593	8 012	9 141	10 332	10 747	11 485	12 470	13 338	14 618
		Rental Rate, RUB per sq. m p.a.	3 480	3 330	3 340	3 800	4 200	4 300	4 500	4 150	3 650	3 300	3 600	3 900	4 100	5 500
		Vacancy Rate	2,0%	5,0%	3,9%	1,0%	1,0%	1,5%	6,5%	8,5%	8,3%	7,0%	5,5%	3,6%	3,5%	1,0%

More details in Excel format can be downloaded by the link

2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021

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