

MARIS

PART OF THE AFFILIATE NETWORK
CBRE

MARKET OVERVIEW

OUTLOOK
2021

SAINT PETERSBURG

KEY FINDINGS

Investment

In 2021, interest in income producing properties in St Petersburg was at an unprecedented high level. The volume of investments in the region increased by 50% and made up over 23% in the whole-Russia figure (₽91 bln). This result was reached mainly due to the fairly high demand for land plots for development, as well as industrial and warehouse real estate and office centers.

Office market

Key trends on the office market in 2021 were doubling of new speculative construction and high level of demand for office properties. The aforementioned factors had an impact on reducing the vacancy rates in the market, as well as stimulated the positive dynamics of rental rates.

The flexible-office-space sector (coworkings) continued its active development in 2021: the volume of supply has doubled, demand increased and growth of rental rates was observed in the segment.

Warehouse market

For the fourth straight year, unprecedented volume of demand ensured hundred per cent absorption of new speculative supply, and vacancy rates remained at record lows.

The e-commerce sector was the leader in terms of demand and accounted for 46% of all leased space in 2021. In the non-investment transactions the companies of the industrial sector led in acquiring assets on the secondary market.

Retail market

In 2021, four shopping centers and the largest in Europe furniture and interior center Cubatura were opened in St Petersburg. As of December 2021, about 5.5% of space was vacant in shopping centers. The average level of asking rental rates in shopping centers remained stable.

Hotel market

The hospitality industry has revealed recovering trend. The average daily room rate (ADR) in 2021 has surpassed the result of 'pre-COVID' 2019. The sector's key profitability indicators – occupancy and revenue per room (RevPAR) – are still 30% lower than the 'pre-COVID' values.



Class	Stock (GLA), m ²	Vacancy, %	Vacancy, m ²	Completions (GLA), m ²	Average rental rates, p [*]
A	1,268,400	4.7%	59,500	72,500	2,140
B	2,627,800	6.2%	163,500	84,800	1,390
	3,896,200	5.7%	223,000	157,300	

* per m²/month, incl. VAT and OPEX

Stock

In 2021 the increase in new supply amounted to 157.3 ths. m² of rental space, which is by 14% higher than the total amount of premises commissioned in 2020. Most of the newly built office centers are related to speculative properties (70%). The volume of new speculative construction was 108.5 ths. m² vs 55.4 ths. m² a year earlier. The overall increase in high-quality office market was 4%.

In 2022, 360 ths. m² of office spaces are expected to be commissioned (GLA). Speculative supply growth will amount to 276 ths. m² (2.5 times higher than in 2021) provided the construction deadlines are met.

Demand

The main demand has been formed by IT companies. The share of this sector accounted for 26% of the office space leased in 2021. The consulting and business services, consumer services and financial sectors of the economy were active in terms of office leasing as well.

In 2021, demand from the oil and gas sector made up 8% (+6% in absolute terms) , the same as a year earlier.

The volume of lease transactions in Class A and B office centers in 2021 went beyond 255 ths. m², that is +14.7% to the indicator of 2020.

SPECULATIVE OFFICE BUILDINGS COMMISSIONED IN 2021

Name	Gross leasable area, m ²
Maxidom	24,500
Sobranie, 2 nd phase	15,400
Elkus, , 2 nd phase	10,800
Atlas City, 1 st phase	8,600
Ferrum	7,200
Ponomarev Center	6,700

STRUCTURE OF TRANSACTIONS BY INDUSTRIES, 2021



Source: Maris | Part of the CBRE Affiliate Network



Occupancy

Moderate growth in new speculative supply along with a stable level of demand in the market provided reduce of vacant office space as at the end of 2021 (-20% vs indicator of Q4 2020).

The average vacancy rate in Class A and B business centers declined by -1.8 p.p. and amounted to 5.7%. At the end of December 2021, 223 ths. m² were vacant in Class A and B office centers.

In Class A office centers the vacancy rate increased by +0.5 p.p. by December 2020, and made up 4.7%. 6.2% office space was vacant in Class B office centers (-2.8 p.p. to December 2020).

Rental rates

The average rental rates in Class A office buildings increased by 11.5% compared to December 2020 and amounted to 2,140 Rubles per m² per month, inclusive of VAT and operating expenses.

The average rental rates in Class B buildings amounted to 1,390 Rubles per m² per month, inclusive of VAT and operating expenses. In 2021 asking rental rates in class B office center grew by 6.1% relative to the price indicator as at Q4 2020.

Maris' share

26,600 m² were transacted with the participation of Maris | Part of the CBRE Affiliate Network in 2021.

Maris for 12 years retains a leading position among international consultants in terms of transacted office space volume.

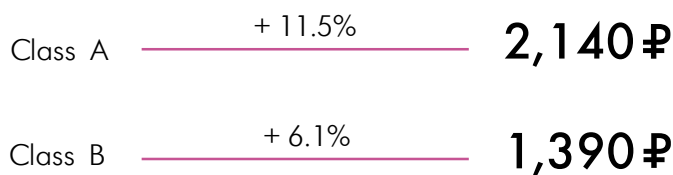
MAJOR LEASE DEALS, 2021

Tenant	Area, m ²	Office center	Class
Yandex	4,811	Ferrum	A
Gazprom Linde Engineering *	4,518	Tusar	B
Sovcombank Insurance	4,000	Senator	B
Gazprom subdivision *	3,437	Kellerman Center	B
IT-company*	3,129	Obvodny 28	B

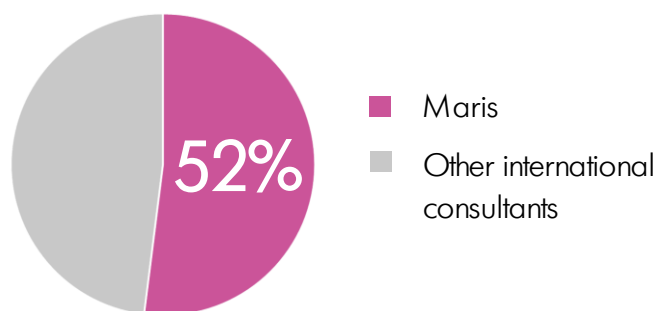
*Deal broker – Maris | Part of the CBRE Affiliate Network

AVERAGE RENTAL RATE DYNAMICS, 2021

* per m²/month, incl. VAT and OPEX, by the level of Q4 2020



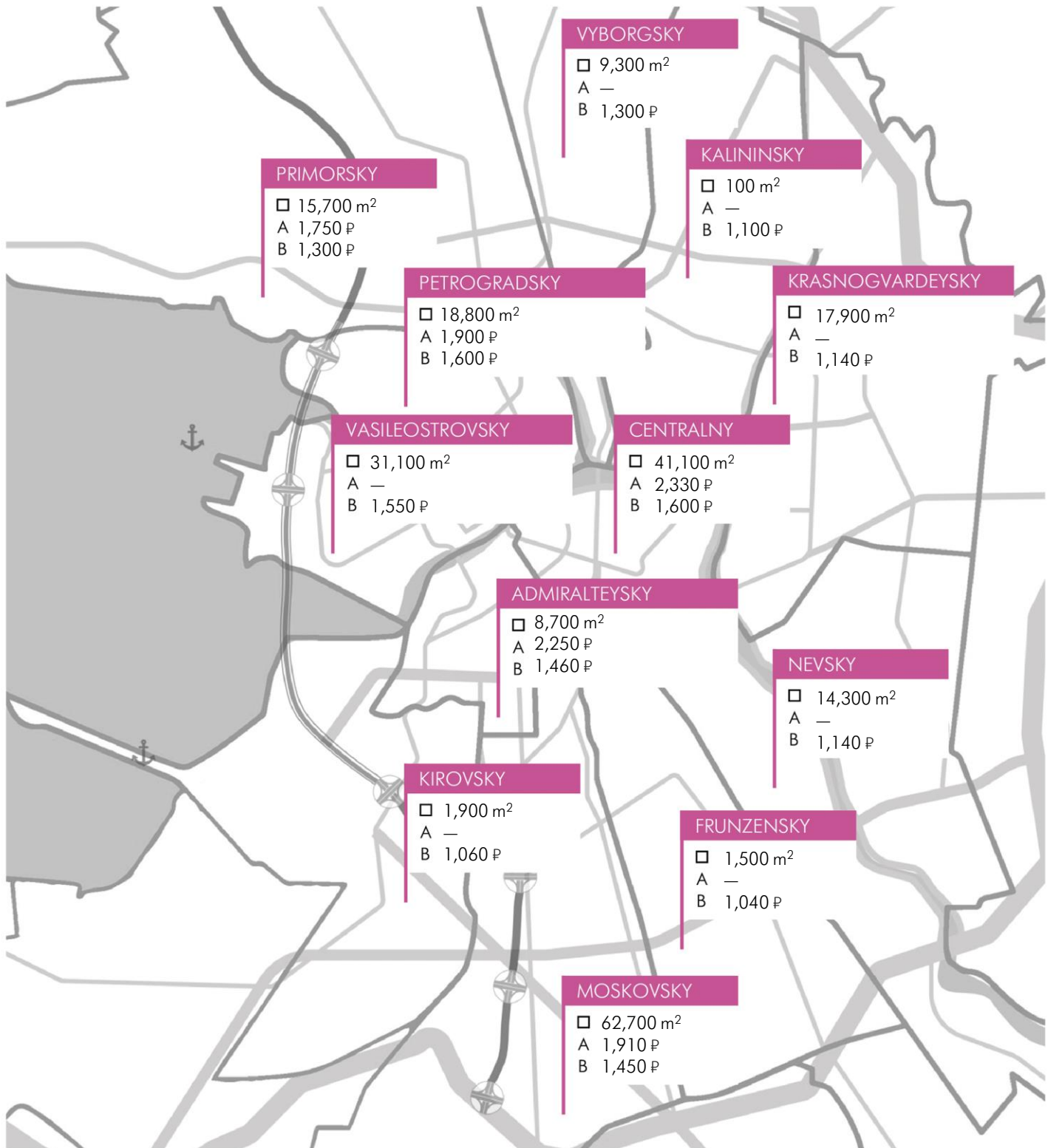
MARIS' SHARE, 2021



Source: Maris | Part of the CBRE Affiliate Network

VOLUME OF VACANT SPACES AND AVERAGE RENTAL RATES IN OFFICE CENTERS BY DISTRICTS OF ST PETERSBURG, AS AT THE END OF 2021

* per m²/month, incl. VAT and OPEX



Source: Maris | Part of the CBRE Affiliate Network



Class	Stock (GBA), m ²	Vacancy, %	Vacancy, m ²	Completions (GBA), m ²	Average rental rates, p*
A	2,645,000	0.1%	1,500	173,500	470 – 700
B	1,079,000	2.8%	30,000	76,000	
	3,724,000	0.8%	31,500	249,500	

* per m²/month, incl. VAT and OPEX

Stock

In 2021, 25 warehouses totaling about 249,5 ths. m² were put into operation that was 33% lower than spaces commissioned in 2020. 90.7 ths. m² of the commissioned warehouses are speculative (-33% vs 2020). The others were built-to-suit and owner occupied projects.

About 368 ths. m² of warehouse facilities are to be put in operation in 2022. 63% of the properties are related to speculative supply. The total speculative supply growth would be 2.6 times higher than the final 2021 figure as long as the commissioning deadlines are met.

Demand

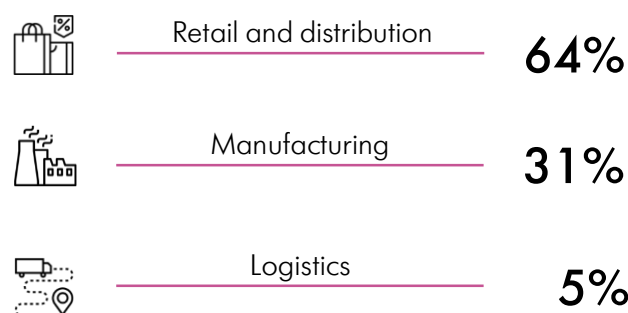
For the second straight year the warehouse real estate market breaks the records. Total volume of transactions amounted to more than 830 ths. m², that was 51% higher than the record for 2020. 47% of the space was leased out. There were three transactions made under built-to-suit scheme on the St Petersburg market in 2021 (27% of total transacted warehouse facilities).

The principal demand was formed by the companies of trade and distribution sector (64%). E-commerce segment led the market with 46% of gross demand (vs 12% in 2020).

LARGE SPECULATIVE WAREHOUSE COMPLEXES COMMISSIONED IN 2021

Name	GBA, m ²
Armada Park North	50,000
Octavian, block 5	16,000
WC SVM-Terminal	9,000
WC Keen-Mark	8,000

STRUCTURE OF TRANSACTIONS BY INDUSTRIES, 2021



Source: Maris | Part of the CBRE Affiliate Network



Occupancy

Low volumes of new speculative supply and high level of demand support an acute shortage of quality space on St Petersburg warehouse market.

As of the end of December, 0.1% (-1.2 p.p. in relation to the final indicator of 2020), was vacant in Class A warehouse buildings. In Class B warehouse complexes, 2.8% was vacant (-1.9 p.p. to December 2020).

In total, following the results of 2021 at about 31.5 ths. m² were vacant (that is 0.8% of total stock).

Rental rates

Substantial increase in asking rental rates was observed on the market in H2 2021. The YoY growth in asking rental rates made up +17.6% as at the end of 2021.

The average level of rental rates amounted to **470 – 700 Rubles** per m²/month, inclusive of VAT and operating expenses. Utility charges are paid on the basis of actual consumption.

Maris' share

41,300 m² were transacted with the participation of Maris | Part of the CBRE Affiliate Network in 2021.

MAJOR LEASE DEALS, 2021

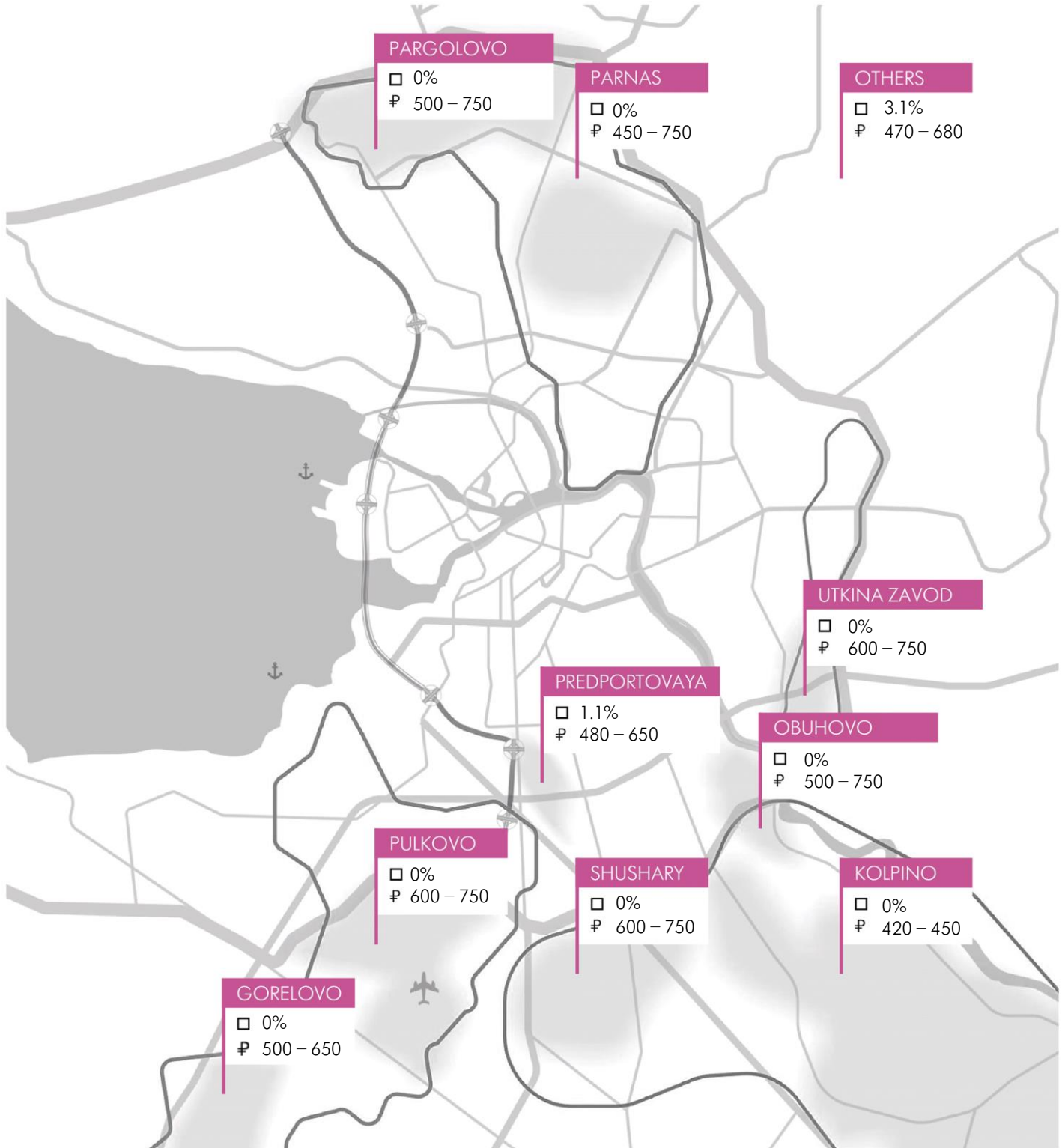
Tenant	Area, m ²	Warehouse complex
OZON	60,000	PNK-Park Shushary 3
Askona	12,000	Armada Park North
OZON	10,000	Osinovaya roshcha
OZON	10,000	Logopark Troitsky
TARA.RU	9,800	Valecorp Limited

DEALS MADE UNDER BUILT-TO-SUIT SCHEME, 2021

Company	Area, m ²	Warehouse complex
OZON	135,000	Promstroy Bugry
DNS	60,000	IP Greenstate
Estel	25,700	PNK-Park Shushary 3

VOLUME OF VACANT SPACE AND ASKING RENTAL RATES IN CLASS A AND B WAREHOUSES OF ST PETERSBURG AND LENINGRAD REGION, AS AT THE END OF 2021

per m²/month, incl. VAT and OPEX
% – vacancy level at the end of December 2021



Source: Maris | Part of the CBRE Affiliate Network



Stock (GLA), m ²	Vacancy	Completions (GLA), m ²
4,224,000	5.5%	157,900

* per m²/month, incl. VAT and OPEX

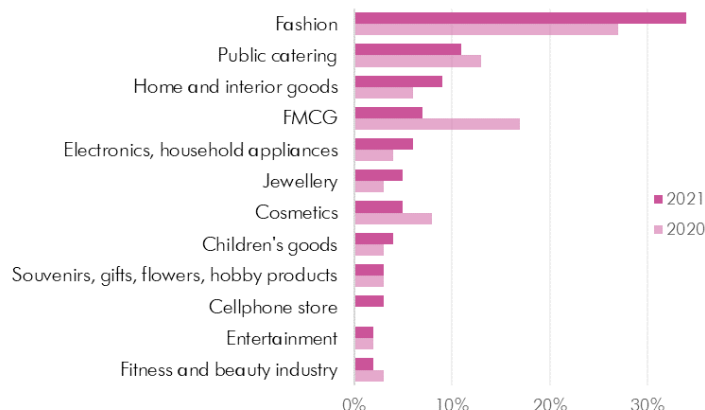
Stock

In 2021 four shopping centers and furniture and interior center Cubatura were opened on the market of St Petersburg. The 1st phase of MEGA Dybenko renovation was completed in 2021 as well, resulting in an increase of leasable area by 5.5 ths. m².

NEW RETAIL PROPERTIES OPENED IN 2021

Name	Area, m ²	Type
Cubatura	110,000	FIC
Pribaltiysky	12,400	SC
Sputnik	11,000	SC
Forum	11,000	SC
Solnechniy City	8,000	SC

LEADERS IN THE NUMBER OF OPENINGS, 2021



New brands

In 2021 twelve foreign* and twenty five local brands entered St Petersburg retail market.

HAVE REST CALLIOPE **Études**

KYLIESKIN
BY KYLIE JENNER

MACKAGE

PITBULL
WEST COAST

williams & oliver
правильные вещи для кухни

EuroSCHIRM
EBERHARD GÖBEL GMBH+CO

APPARIS

CLOSED

**FRATELLI
ROSSETTI**

MAYWEATHER
BOXING+FITNESS

*The logos of the new foreign brands

In 2022, the market will add 40 ths. m² of retail space (GLA).

Demand

In 2021 fashion-retailers were the leaders in terms of volume of deals (34%). The share of fashion segment in total demand increased by 7 p.p.

Catering companies as well as FMCG-retailers have reduced their take-up of retail space in format retail facilities in 2021, refocusing demand on street-retail spaces.

The DIY, home and interior goods segment remained active in terms of retail facilities lease in 2021 (+3 p.p. over 2020).

Source: Maris | Part of the CBRE Affiliate Network



5*	4*	3*
26 hotels 3,506 rooms	87 hotels 13,486 rooms	115 hotels 7,561 rooms

The main trends of the travel season 2021

- Tourist flow made up 6.1 mln people, according to the Committee on Tourism data (-42% vs 2019; +109% vs 2020)
- Pulkovo Airport passenger traffic increased and made up 18.1 mln people (-8% vs 2019; +65% vs 2020).

Stock

According to the results of 2021, there were 228 hotels with 24,553 rooms in St Petersburg. 36% of the total room stock was operated by international hotel operators.

5 new local operated hotels with 351 rooms were opened in 2021.

HOTELS OPENED IN 2021

Class	Room capacity	Number of properties
5*	79	1
4*	272	4

ACCOMODATION FACILITIES PLANNED TO BE OPENED IN 2022

Class	Room capacity	Number of properties
4*	939	4
3*	30	1

Source: Maris | Part of the CBRE Affiliate Network

St Petersburg Awards, World Travel Awards 2021

- World's Leading City Destination 2021
- World's Leading Cultural City Destination 2021
- World's Leading Marketing Campaign 2021
- World's Leading Collaborative Promotion of Domestic Tourism 2021

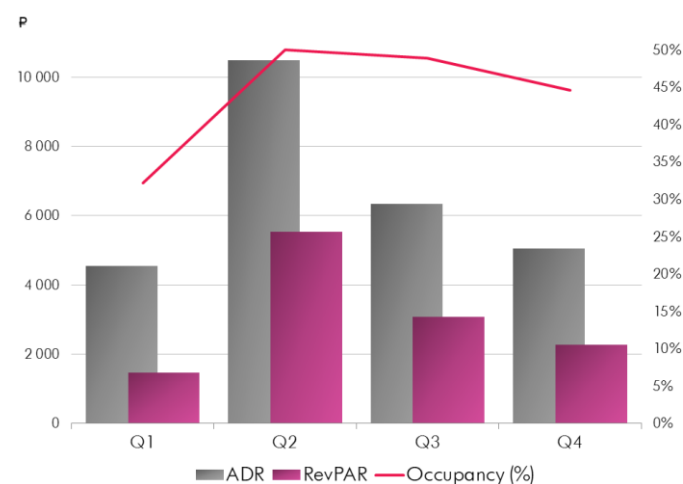
HOTELS AVERAGE INDICATORS, 2021

*exclusive of breakfast and VAT

Parameter	Average*	Change, y/y
ADR	7,000 ₺	+51,8%
Occupancy	44,1%	+55%
RevPAR	3,100 ₺	+135,7%

DYNAMICS OF HOTELS AVERAGE INDICATORS, 2021

*exclusive of breakfast and VAT



Source: Maris | Part of the CBRE Affiliate Network, on grounds of STR data

**Alyona Volobueva**

Head of Research Department
ava@maris-spb.ru



[maris_spb.ru](https://maris-spb.ru)



[maris.cbre](https://www.facebook.com/maris.cbre)

**Anastasia Sizova**

Analyst
sizova.a@maris-spb.ru



[maris_cbre](https://www.instagram.com/maris.cbre)

Maris | Part of the CBRE Affiliate Network

Maris | Part of the CBRE Affiliate Network — one of the leading companies in the commercial real estate sector, offering a full range of services: property and facility management, lease, sale and commercial property valuation.

Maris Properties was founded in St Petersburg in 2004 and in 2006 the company has announced an affiliation agreement with the international real estate market leader CBRE. With over 110,000 employees, CBRE serves real estate owners, investors and occupiers through more than 550 offices worldwide. Maris represents CBRE in St Petersburg.

Since 2011 Maris retains a leading position in terms of office deals in St Petersburg and is actively transacting on industrial and warehouse market. In 2014 and 2020 Maris was honored with highest award among real estate service providers in the nomination Consultant of the Year, CRE AWARDS.

122,000 square meters of office premises are under Maris Facility management, 84% of which are ranked Class A.

Maris | Part of the CBRE Affiliate Network is a member of Russian-German Chamber of Commerce and starting from 2020 entered St Petersburg International Business Association SPIBA.

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