

MARIS

MARKET OVERVIEW

Q3

2022 SAINT-PETERSBURG

KEY FINDINGS

Office market

As at the end of Q3 2022 total rentable area of Class A and B office centers in St Petersburg made up 3.954 mln m².

In Q3 2022 the level of vacancy rate increased relative to the total indicator of 2021 (+3.3 p.p.). As of the end of September 2022 about 356 ths. m² or 9.0% was vacant.

In Q1–Q3 2022 at least 196 ths. m² of class A and B office properties were rented out in the St Petersburg market (+7.7% to the indicator of Q1–Q3 2021). Companies of the oil, gas industry were the leaders in terms of demand.

Due to the high level of demand, an increase in speculative supply did not cause any appreciable impact on market price indicators in Q3 2022.

In Q1–Q3 2022 the supply of workplaces in flexible-office-space sector (coworkings) in St Petersburg increased by 30%. The growth rate of the flexible-office-space segment is gradually decreasing.

Warehouse market

As at the end of Q3 2022 the average vacancy rate in the warehouse market grew by +1.8 p.p. relative to the indicator of Q4 2021. At the end of September 2022 about 100 ths. m² or 2.6% of the premises were vacant (exclusive of premises offered for sublease).

In Q1–Q3 2022 at least 296 ths. m² of high-quality industrial properties were sold and rented out in the St Petersburg market. Compared to Q1–Q3 2021, demand has fallen by 49%. The principal demand was formed by logistics companies.

In Q3 increase in speculative supply along with vacancy ratio exerted insignificantly the asking rental rates on the market. Rates remain at the levels reached as at the end of 2021.

Retail market

In Q3 2022, the one shopping center was opened in St Petersburg. As of September 2022 at about 8.0% of space were vacant in shopping centers (exclusive of the stores that have temporarily suspended operations).

In Q3 2022 an increase in demand for retail spaces from almost all retail segments was observed.



Class	Stock (GLA), m ²	Vacancy, %	Vacancy, m ²	Completions (GLA), m ²	Average rental rates, p*
A	1,312,400	9.3%	122,600	43,900	2,030
B	2,641,200	8.8%	233,200	15,600	1,400
	3,953,600	9.0%	355,800	59,500	

* per m²/month, incl. VAT and OPEX

Stock

In Q1–Q3 2022 five Class B office centers were put in operation (OBWODNIY, Left&Right 2nd phase, Avior Tower, Ferrum II, PulSAR) of the total rentable area 59,500 m².

In Q4 2022, 123 ths. m² of speculative office spaces are expected to be commissioned (GLA). Presuming the economic situation remains stable, gross new speculative office space in 2022 is to be 1.6 times higher than in 2021.

Demand

Companies of the oil, gas industry were the leaders in terms of demand (34%).

Construction companies, service and retail sector enterprises were active in terms of office leasing as well.

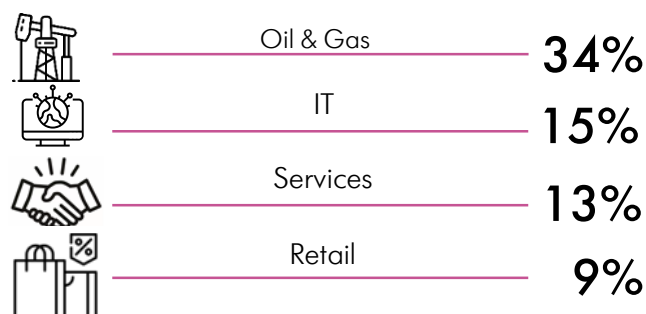
IT-sector reduced leasing of office spaces in Q1–Q3 2022 (in absolute terms demand fell by 39%).

The volume of lease transactions in Class A and B office centers in Q1–Q3 2022 went beyond 196 ths. m², that is +7.7% to the indicator of Q1–Q3 2021, and –25% Q3/Q2 2022.

SPECULATIVE OFFICE BUILDINGS PLANNED TO BE COMMISSIONED IN Q4 2022

Office center	Gross leasable area, m ²
Nevskaya Ratusha	53,400
Morskaya Stolica	32,000
TESLA	10,700
Akvilon Links	7,800

SECTORAL STRUCTURE OF DEMAND, Q1–Q3 2022



MAJOR LEASE DEALS, Q2 2022

Office center	Leased area, m ²
Graffiti *	5,200
Moscow	1,900
Atlantic City	1,800
Ponomarev Center Tipanova	1,700

*Deal broker – Maris

Source: Maris



Occupancy

As at the end of Q3 2022, the gross amount of vacant office space in the market increased by +25% in absolute terms to Q4 2021.

The average vacancy rate in Class A and B business centers grew by +3.3 p.p. and amounted to 9.0%. At the end of September 2022, 356 ths. m² were vacant in Class A and B office centers.

In Class A office centers the vacancy rate increased by +3.4 p.p. by Q2 2022, and made up 9.3%. 8.8% office space was vacant in Class B office centers (+0.8 p.p. to Q2 2022).

Rental rates

The average rental rates in Class A office buildings drop by 1.5% compared to Q2 2022 and amounted to 2,030 Rubles per m² per month, inclusive of VAT and operating expenses.

The average rental rates in Class B buildings amounted to 1,400 Rubles per m² per month, inclusive of VAT and operating expenses. In Q3 2022 asking rental rates in class B office centers decreased by 1.4% relative to the price indicator as at Q2 2022.

Maris' share

30,800 m² were transacted with the participation of Maris in Q1–Q3 2022.

Maris for 12 years retains the leading positions among consultants in terms of transacted office space volume.

VACANCY LEVEL DYNAMICS, Q3 2022

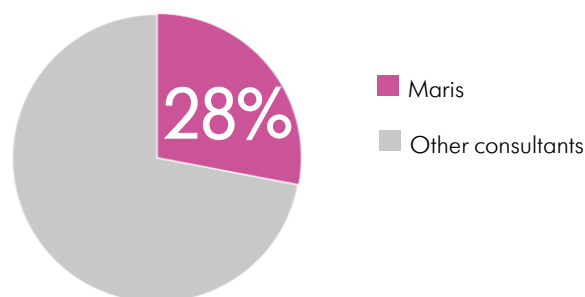
Class A	+ 3.4 p.p.	9.3%
Class B	+ 0.8 p.p.	8.8%

AVERAGE RENTAL RATE, Q3 2022

* per m²/month, incl. VAT and OPEX

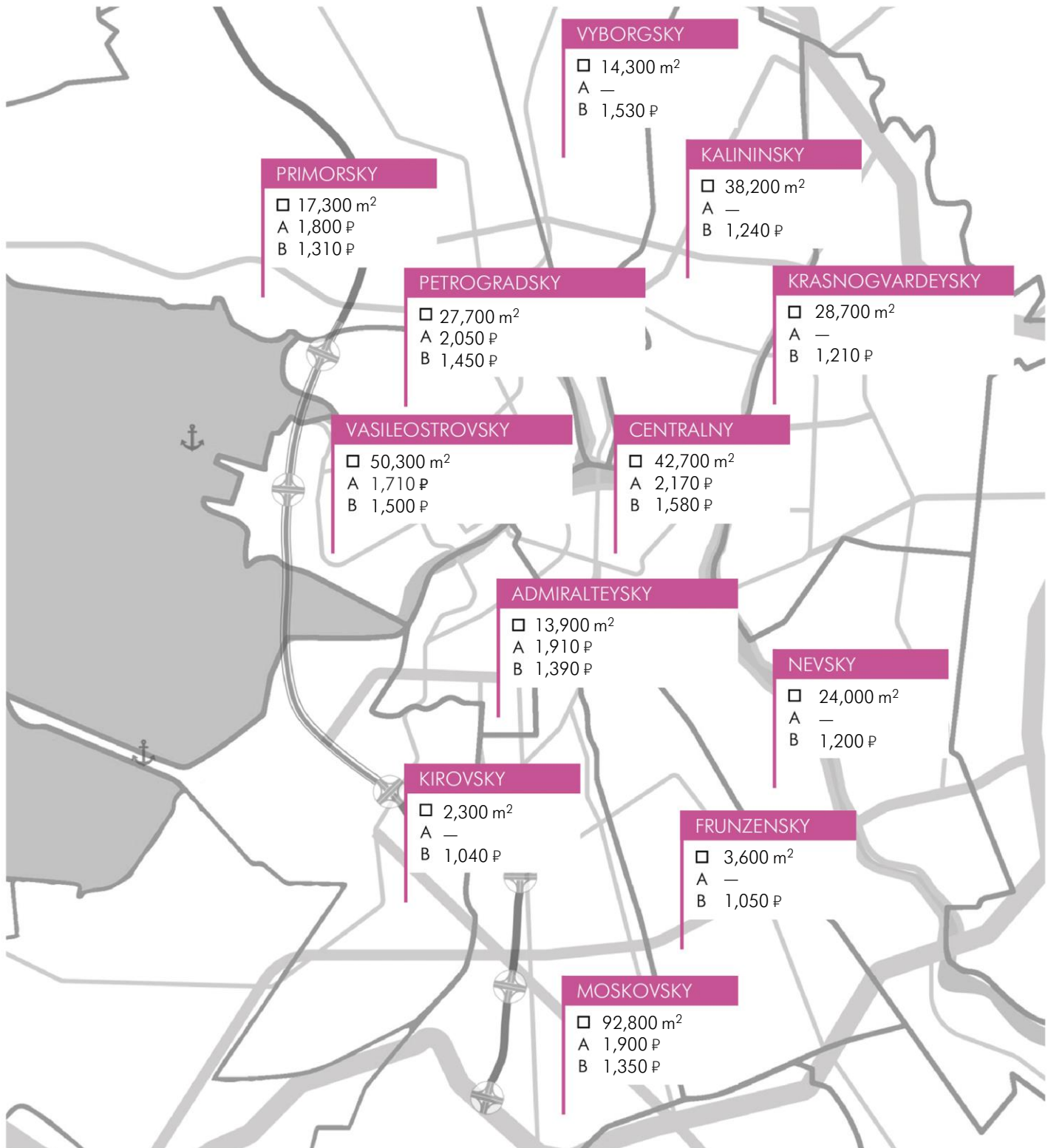
Class A	– 1.5%	2,030 ₺
Class B	– 1.4%	1,400 ₺

MARIS' SHARE, Q1–Q3 2022



VOLUME OF VACANT SPACES AND AVERAGE RENTAL RATES IN OFFICE CENTERS BY DISTRICTS OF ST PETERSBURG, AS AT THE END OF Q3 2022

* per m²/month, incl. VAT and OPEX





Class	Stock (GBA), m ²	Vacancy, %	Vacancy, m ²	Completions (GBA), m ²	Average rental rates, p*
A	2,811,300	3.1%	86,700	166,400	550 – 800
B	1,086,300	1.2%	13,600	5,000	
	3,897,600	2.6%	100,300	171,400	

* per m²/month, incl. VAT and OPEX

Stock

In Q1–Q3 2022, 7 warehouses totaling about 171.4 ths. m² were put into operation that was 26% lower than commissioned in Q1–Q3 2021. While 2021's increase was mainly due to built-to-suit projects, this year's new supply was predominantly by speculative properties.

About 186 ths. m² of warehouse facilities are to be put in operation in Q4 2022. 35% of the properties are related to speculative supply.

Demand

In Q1–Q3 2022 at about 296 ths. m² of high-quality industrial properties were sold and rented out in the St Petersburg market. The transacted volume in Q3 2022 reduced by 26% vs the same parameter of Q2 2022.

63% of the space was leased out. In absolute terms, the gross volume of lease transactions is 28% lower comparable to Q1–Q3 2021.

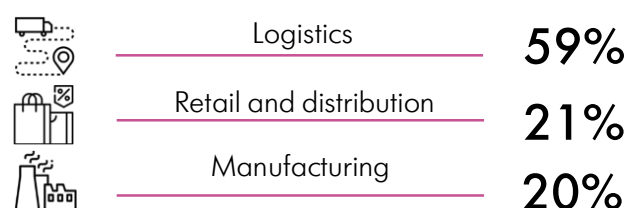
The principal demand was formed by the logistics companies (59%). In Q3, non-food retail and distribution companies were the leaders in terms of demand for warehouse facilities in the St Petersburg market.

Industrial enterprises rented –46% less of warehouse facilities then in Q1–Q3 2021.

LARGE SPECULATIVE WAREHOUSE COMPLEXES PLANNED TO BE COMMISSIONED IN Q4 2022

Name	GBA, m ²
Ahlers	23,000
Prombox	11,000
Octavian	7,900

SECTORAL STRUCTURE OF DEMAND, Q3 2022



MAJOR LEASE DEALS, Q3 2022

Warehouse complex	Leased area, m ²
AKM Logistics	17,000
Armada Park South	6,400
PACTUM holding	4,600
Mebelniy Technopark	3,500
Himikov 10	2,200



Occupancy

Growth in new speculative supply and the release of spaces on the secondary market, along with a reduction in demand in Q2–Q3, led to an increase in the average vacancy rate on the market for the first time since 2015.

As of the end of September, 3.1% (+1.5 p.p. in relation to the final indicator of Q2 2022), was vacant in Class A warehouse buildings. In Class B warehouse complexes 1.2% was vacant (–1.2 p.p. to Q2 2022).

In total, following the results of Q3 2022 at about 100 ths. m² were vacant (that is 2.6% of total stock).

Rental rates

Substantial increase in asking rental rates was observed on the market in 2021 (+ 17.6% YoY).

In Q3 increase in speculative supply along with vacancy ratio exerted insignificantly the asking rental rates on the market. Rates remain at the levels reached as at the end of 2021.

The average level of rental rates amounted to **550 – 800 Rubles** per m²/month, inclusive of VAT and operating expenses. Utility charges are paid on the basis of actual consumption.

VACANCY LEVEL DYNAMICS, Q3 2022

Class A	+ 1.5 p.p.	3.1%
Class B	– 1.2 p.p.	1.2%

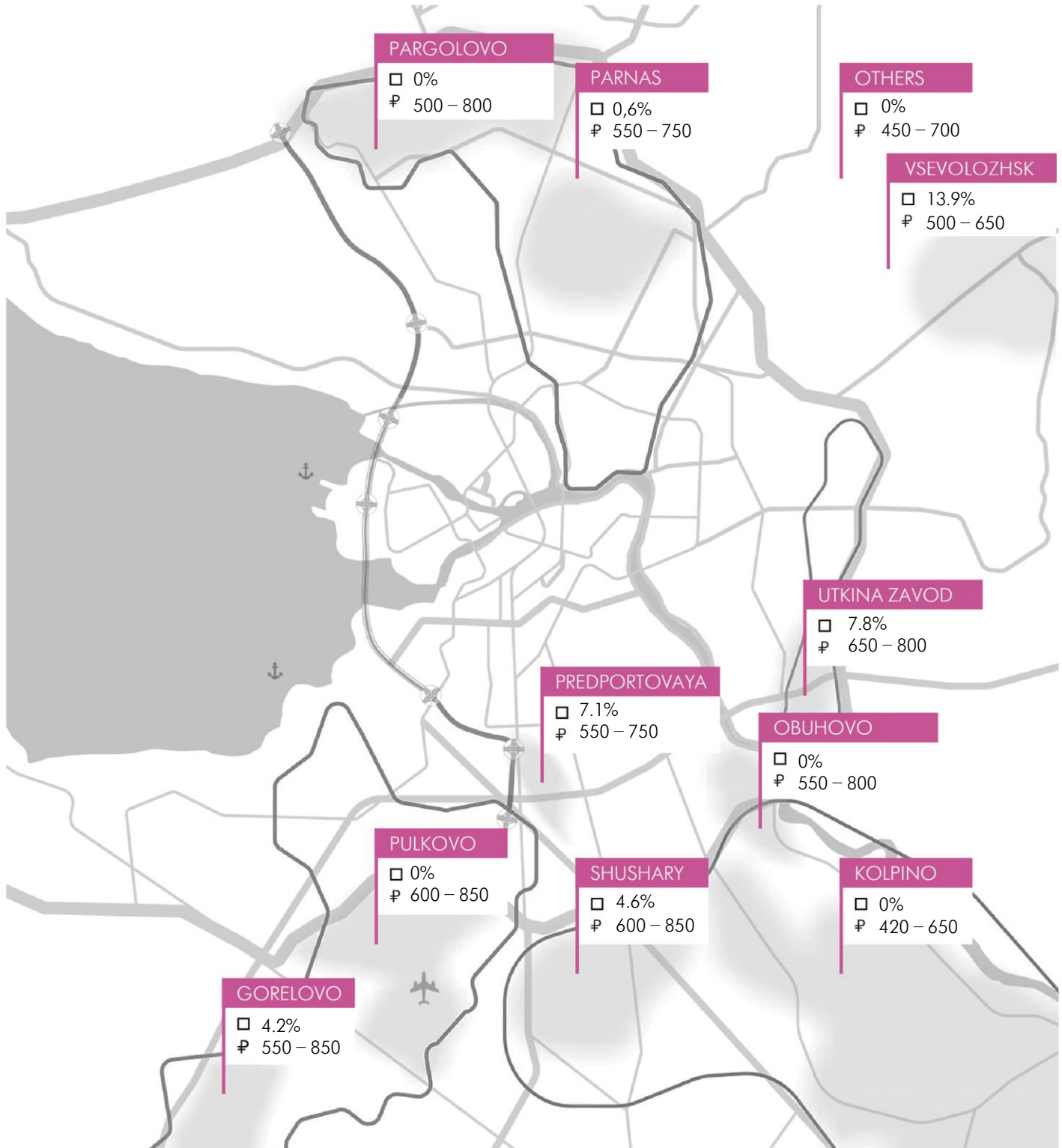
AVERAGE RENTAL RATE, Q3 2022

* per m²/month, incl. VAT and OPEX

550 – 800₽

VOLUME OF VACANT SPACE AND AVERAGE ASKING RENTAL RATES IN CLASS A AND B WAREHOUSES OF ST PETERSBURG AND LENINGRAD REGION, AS AT THE END OF Q3 2022

per m²/month, incl. VAT and OPEX
% – vacancy level at the end of September 2022





Stock (GLA), m ²	Vacancy	Completions (GLA), m ²
4,236,000	≈ 8.0%	12,600

Stock

In Q3 2022, the one shopping center was opened on the retail market of St Petersburg – “Prometheus” at 80/1, Prosvescheniya Pr.

Demand

In Q3 2022, a number of European and US brands resumed operating under "new labels" following the sale / transfer of businesses to Russian representatives or to companies from amiable countries: Reserved → RE, Cropp → CR, Mohito → M, House → XC, Sinsay → Син, Helly Hansen → Хансен, Levi's → JNS, L'Occitane → Л'Окситан, Samsonite → Чемодан про, McDonald's → Вкусно — и точка, Pizza Hut → ПиццаН, Lego → Мир кубиков, Lush → Relish.

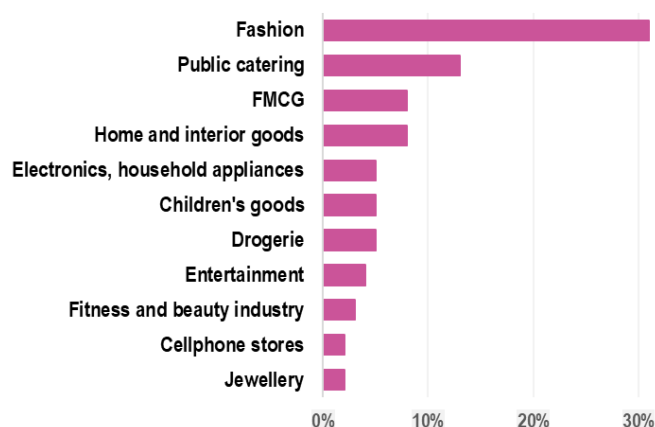
In Q3 2022, caterers were leaders in terms of demand for retail facilities. In Q1–Q3 2022, the volume of transactions was almost identical to the ones of Q1–Q3 2021.

Demand from fashion operators, children's goods, drogerie chains, home and interior goods shops has returned to Q3 2021 levels. For nine months of 2022, the volume of transactions in these segments has been 30% lower than in Q1–Q3 2021.

Demand from fitness and beauty industry and edutainment enterprises was higher than in 2021. Despite the negative impact of external non-economic factors, the consumer trend towards a "healthy lifestyle" persists in the market.

FMCG-operators leasing activity remains at a high level, shifting more towards the "hard economy" format. Major FMCG-operators are developing their own chains of the abovementioned format, including «Ценбери» by the Реалъ and “Моя Цена” by Magnit. New regional players are also entering the market («Доброцен»).

LEADERS IN THE NUMBER OF OPENINGS, Q1-Q3 2022



Gastronomic spaces are actively developing in St Petersburg. In Q3 2022, Moskovsky Market food hall and FoodPark in Nord SEC were opened.

New brands

In Q1–Q3 2022 twenty local brands and one from the Republic of Belarus entered St Petersburg retail market.



**Alyona Volobueva**Head of Research Department
ava@maris-spb.rumaris-spb.ru**Anastasia Sizova**Analyst
sizova.a@maris-spb.rumarisrussia

Maris

Maris – one of the leading companies in the commercial real estate sector that offers a full range of services: property and facility management, lease, sale, valuation and income property investment.

The company's rich experience combined with a deep understanding of the peculiarities of the Russian market allows us to carry out the most ambitious projects in a changing market.

Since 2011 Maris has been the absolute leader among consultants in terms of space transacted in St Petersburg office buildings. The Company is highly rated in the warehouses and industrial sector including built-to-suit projects.

Maris became the winner in the nomination Consultant of the Year in the field of commercial real estate in the federal CRE AWARDS in 2014 and 2021.

122,000 square meters of office premises are under Maris Facility management, 84% of which are ranked Class A. The company employs more than 120 people.

Maris is a member of Russian-German Chamber of Commerce and starting from 2021 entered St Petersburg International Business Association SPIBA.

Disclaimer 2022 Maris

Information herein has been obtained from sources believed to be reliable. While we do not doubt its accuracy, we have not verified it and make no guarantee, warranty or representation about it. It is your responsibility to independently confirm its accuracy and completeness. Any projections, opinions, assumptions or estimates used are for example only and do not represent the current or future performance of the market. This information is designed exclusively for use by Maris clients, and cannot be reproduced without prior written permission of Maris.