


MARIS

MARKET OVERVIEW



Q3

2023 SAINT-PETERSBURG

KEY FINDINGS

Office market

As at the end of Q3 2023 total rentable area of Class A and B office centers in St Petersburg made up 4.162 mln m².

In Q1–Q3 2023 the level of vacancy rate decreased relative to the total indicator of 2022 (–1.8 p.p.). As of the end of September 2023 about 391 ths. m² or 9.4% was vacant.

The asking rental rates in the office centers revealed moderate positive dynamics in the analyzed period.

In Q1–Q3 2023 the supply of workplaces in flexible-office-space sector (coworkings) in St Petersburg increased by 7.1%.

Warehouse market

As at the end of Q3 2023 the average vacancy rate in the warehouse market decreased by 2.2 p.p. relative to the indicator of Q4 2022. At the end of September 2023 about 25 ths. m² or 0.6% of the total stock were vacant.

In Q1–Q3 2023 at least 713 ths. m² of high-quality industrial properties were sold and rented out in the St Petersburg market. Compared to 9M 2022, demand has risen by 88.5%. The principal demand was formed by retail and distribution sector.

Increase in demand for warehouse facilities along with low growth in new speculative supply have led to an increase in asking rental rates.



Retail market

In Q1–Q3 2023 no new shopping center has been opened on the market. At the end of Q3 2023 about 7.8% of premises in shopping centers were vacant.

The main driver of demand on the market for the third quarter in the row remains fashion retail.

The number of new domestic brands on the St Petersburg market is growing rapidly, as well as the interest of foreign retail operators is gradually increasing.

OFFICE MARKET



OFFICE WEATHER FORECAST

There are slight freezes of activity in the office market, and developers are in no hurry to offer new facilities.

In some places, large transactions take place. But more often there is cloud cover and precipitation in the form of small transactions as a result of the rotation of tenants in business centers.

Our analysts observed a decrease in the volume of vacant space in the office market despite the fact that last year a gusty wind blew away foreign companies and IT specialists. But the hurricane of discounts, which was expected, did not happen.

We are waiting for clear days and the frosty freshness of new projects!

Alena Berdigan

Head of Office Real Estate Department

Stock

In Q1–Q3 2023 the increase in new supply amounted to 117.3 ths. m² of rental space. Fourteen speculative office buildings were put into operation: Senator at 5 and 6, Millionnaya St., Senator at Medikov Pr. and Odoevskogo St., M22, Tesla, Sabirovsky, George Landrin, Boiler-House, OC at 7, Tavrichesky Lane, OC at 2, Afonskaya St., Obvodny Dvor, OC at 67, Kirochnaya St.). 95% of commissioned office spaces are related to speculative ones.

In Q4 2023, 50 ths. m² of office spaces are expected to be commissioned (GLA). Gross new speculative office space in 2023 is to be 152 ths. m² or 4.3% less than in 2022.

	Stock (GLA), m ²	Vacancy, %	Vacancy, m ²	Completions (GLA), m ²	Average rental rates, P*
A class	1,494,600	11.6%	164,600	57,100	2,140
B class	2,736,600	8.3%	226,600	60,200	1,440
	4,161,560	9.4%	391,200	117,300	

* per m²/month, incl. VAT and OPEX

Demand

The main demand has been formed by financial sector (23%).

In Q3 2023 there has been an increase in demand from the IT-companies. However, in Q1–Q3 2023 the demand from IT-sector has been still 11% lower relative to the values of 9M 2022 (in absolute terms). Demand from the oil and gas sector enterprises continued its decline in Q3 2023 (–59% 9M 2023/9M 2022).

The volume of lease transactions in Class A and B office centers in Q1–Q3 2023 went beyond 198 ths. m², that is +10.2% to the indicator of Q1–Q3 2022.

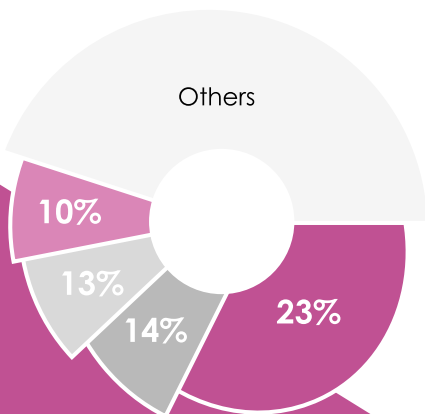
Speculative office buildings planned to be commissioned in Q4 2023

Office center	Gross leasable area, m ²
Kanatniy Tsekh	15,000
Chance	14,000
Avangarde	7,800

Major lease deals, Q3 2023

Business sector	Leased area, m ²
IT	6,000
IT	3,800
Manufacturing & Equipment	1,500
Manufacturing & Equipment*	1,370

Sectoral structure of demand, Q3 2023





THIRD QUARTER HARVEST

Fundamental changes in the office market have not occurred.

Despite the existing vacancy, it is not easy to find an office at the specific request of a tenant from 500 m². Offers with finished finishes are limited. At the same time, by the end of the year, the market will be replenished with new objects, which in the future will expand the selection of the tenant.

Nelli Aleynikova

Head of Global Corporate Services Department

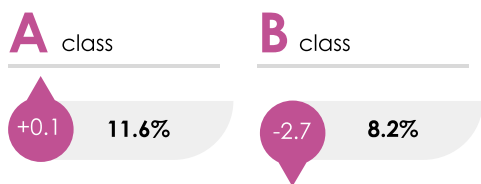
Occupancy

As at the end of Q3 2023, the gross vacancy rate in the market reduced due to an increase in demand for office facilities (in absolute terms –1.6% to Q4 2022).

The average vacancy rate in Class A and B business centers decreased by –1.8 p.p. and amounted to 9.4%. At the end of September 2023, 391 ths. m² were vacant in Class A and B office centers.

In Class A office centers the vacancy rate rose by +0.1 p.p. to December 2022, and made up 11.6%. 8.3% office space was vacant in Class B office centers (–2.7 p.p. to December 2022).

Vacancy level dynamics, Q3 2023



Average rental rate dynamics, Q3 2023



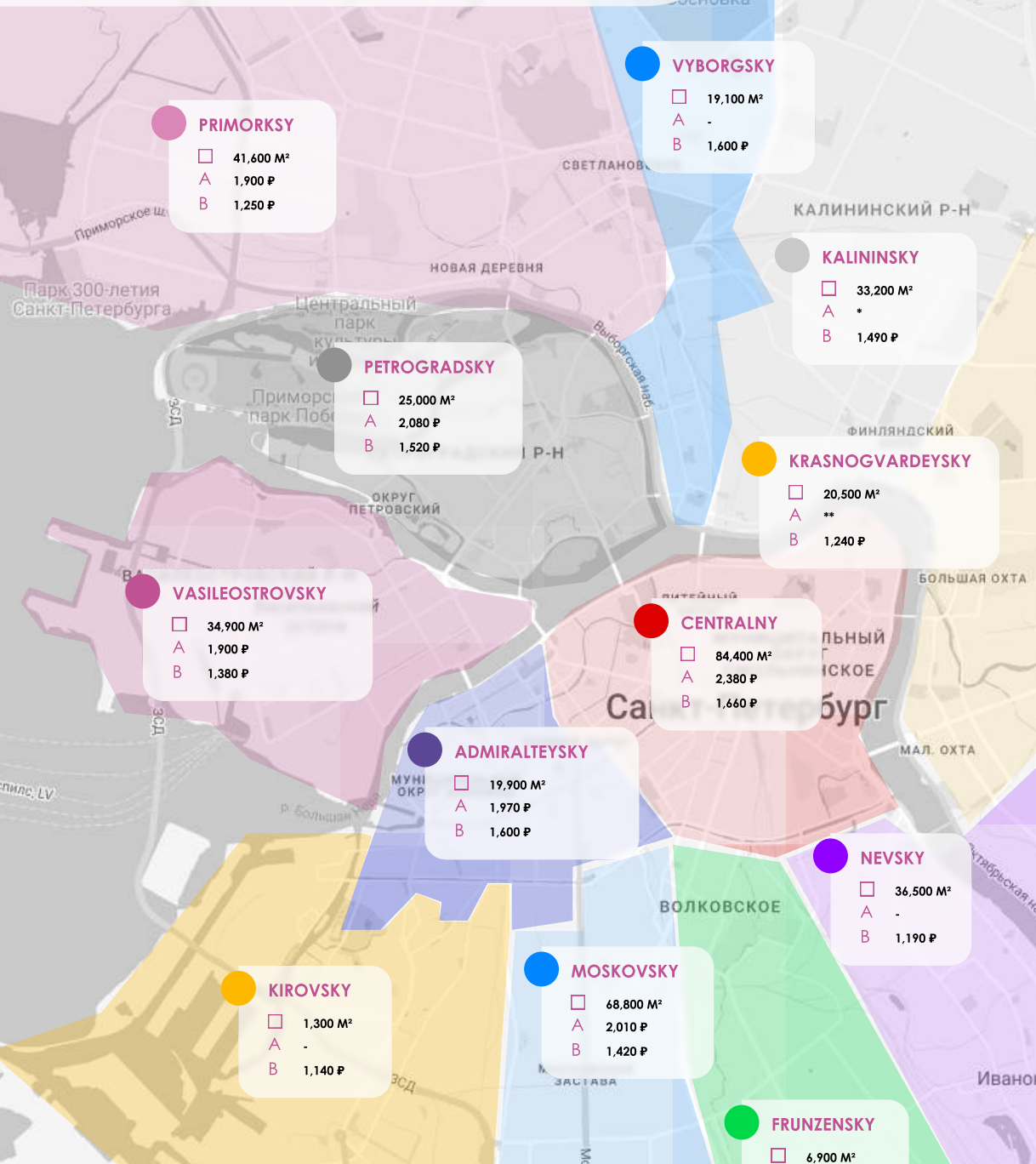
Rental rates

The average rental rates in Class A office buildings grew by 2.9% compared to December 2022 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 1,440 Rubles per m² per month, inclusive of VAT and operating expenses. In Q1–Q3 2023 the asking rental rates in class B office centers increased by 2.9% relative to the price indicator as at Q4 2022.

Volume of vacant spaces and average rental rates in office centers by districts of St Petersburg, as at the end of Q3 2023

per m²/month, incl. VAT and OPEX



* The supply in the segment of Class A office centers in the zone is represented by the only complex of MC Teorema, with asking rental rate of 2,200-2,400 Rubles/m²/month, incl. VAT and operating expense, as of the end of September 2023

** The supply in the segment of Class A office centers in the zone is represented by the only OC Saint-Petersburg Plaza, with asking rental rate of 2,100 Rubles/m²/month, incl. VAT and operating expense, as of the end of September 2023

WAREHOUSE MARKET



WHO MANAGED, HE DARED!

According to the results of three quarters, the warehouse market remains without significant changes. The number of requests increases, and the vacancy tends to zero. Those few developers who ventured to build into the market, sell their areas as quickly and profitably as possible.

After a long lull, the industrial real estate market has rushed forward: new projects are emerging, existing complexes are trying to adapt their areas to the demands of manufacturing companies. The segment attracts a lot of attention from market participants.

Ekaterina Orkina

Consultant of Industrial Real Estate Department

Stock

In Q1–Q3 2023, 12 warehouses totaling about 264.8 ths. m² were put into operation, that was double the rate of Q1–Q3 2022. 28% of the commissioned warehouses are speculative properties.

About 256 ths. m² of warehouse facilities are to be put in operation in Q4 2023. 51% of the properties are related to speculative supply.

The total speculative supply growth would be 8.8% lower than 2022 figure as long as the commissioning deadlines are met.

	Stock (GBA), m ²	Vacancy, %	Vacancy, m ²	Completions (GBA), m ²	Average rental rates, ₺ *
A class	3,332,100	0.6%	21,300	243,800	600 – 800
B class	1,107,300	0.4%	4,000	21,000	
	4,439,400	0.6%	25,300	264,800	

* per m²/month, incl. VAT and OPEX

Demand

In Q1–Q3 2023 at about 713 ths. m² of high-quality industrial properties were sold and rented out in the St Petersburg market (+88.5% vs Q1–Q3 2022).

33% of the space was leased out. In absolute terms, the gross volume of rental transactions increased by 28% compared to Q1–Q3 2022.

The principal demand was formed by retail and distribution sector (+72% 9M 2023/9M 2022). Industrial enterprises rented and acquired 89% more warehouse facilities than in Q1–Q3 2022 (18% in gross demand).

Major lease deals, Q3 2023

Warehouse complex **Leased area, m²**

Rusich Shushary

10,000

Shushary Logistic park*

7,700

3rd Badaevsky p.,
Shushary settl.

4,200

Mumminger

2,400

* Deal broker - Maris

Large warehouse complexes planned to be commissioned in Q4 2023

Name

Area, m²

Wildberries

105,900

Nart

34,300

Project 111

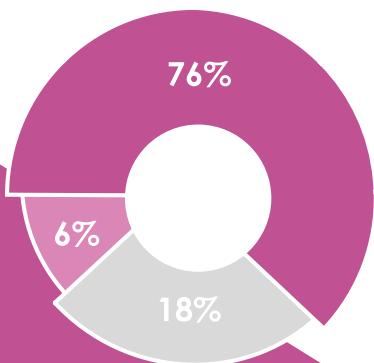
29,700

Ahlers

22,200

Novosel'e

17,400



Sectoral structure of demand, Q1-Q3 2023



Occupancy

Insignificant growth in new speculative supply and increase in demand led to rapid reduction in vacancy at the end of Q3 2023.

As of the end of September, 0.6% (-2.4 p.p. in relation to the final indicator of 2022) was vacant in Class A warehouse buildings. In Class B warehouse complexes 0.4% was vacant (-1.5 p.p. to December 2022).

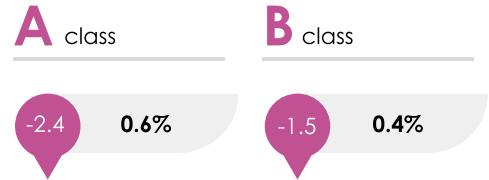
In total, following the results of Q3 2023 at about 25 ths. m² were vacant (that is 0.6% of total stock).

Average rental rate, Q3 2023



per m²/month, incl. VAT and OPEX

Vacancy level dynamics, Q3 2023



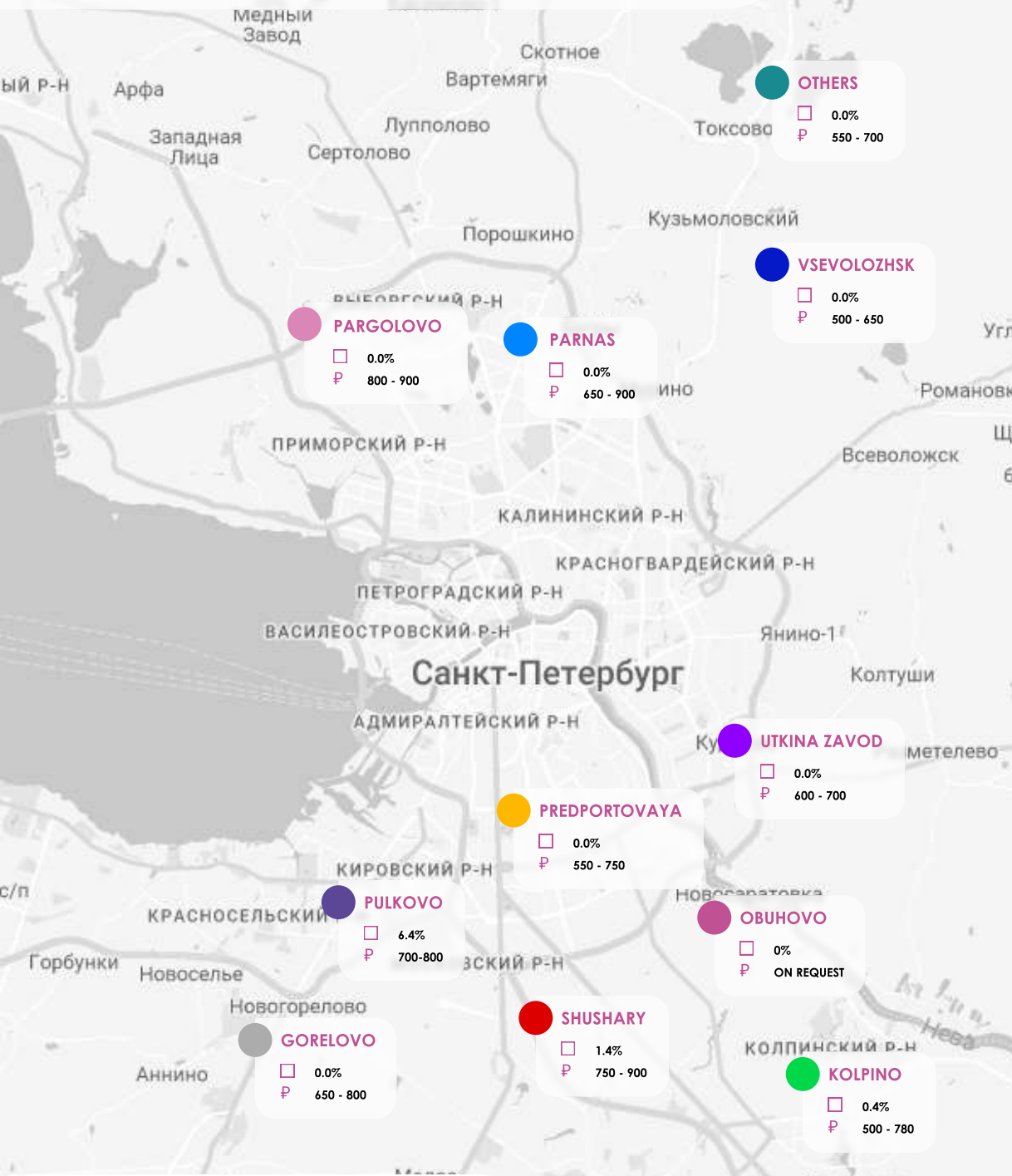
Rental rates

High level of demand for warehouse facilities in St Petersburg along with lack of vacant speculative supply provided the growth of price indicators in Q3 2023.

The average asking rental rates in Class A warehouse complexes increased by +3.1%, while the peak values in the most demanded locations reach 900 Rubles per m²/month.

The average level of rental rates as at the end of Q3 2023 amounted to **600 – 800 Rubles** per m²/month, inclusive of VAT and operating expenses. Utility charges are paid on the basis of actual consumption.

Volume of vacant space and average asking rental rates in warehouses of St Petersburg and Leningrad region, as at the end of Q3 2023



* per m²/month, incl. VAT and OPEX
 % – vacancy level at the end of September 2023

RETAIL MARKET

Stock

In Q1–Q3 2023 no new shopping center was opened on the retail market of St Petersburg.

NEW RETAIL PROPERTIES PLANNED TO BE OPENED IN Q4 2023

Name	Eco Park	MÖBELBURG
GLA, m²	19,000	17,200

By the end of the year the one shopping and entertainment center and the center of home and interior goods are announced to be opened. In Q4 2023, the market will add 32 ths. m² of retail space (GLA).

Demand

In the analyzed period the retail leasing activity in the St Petersburg market was 10% lower comparable to 9M 2022.

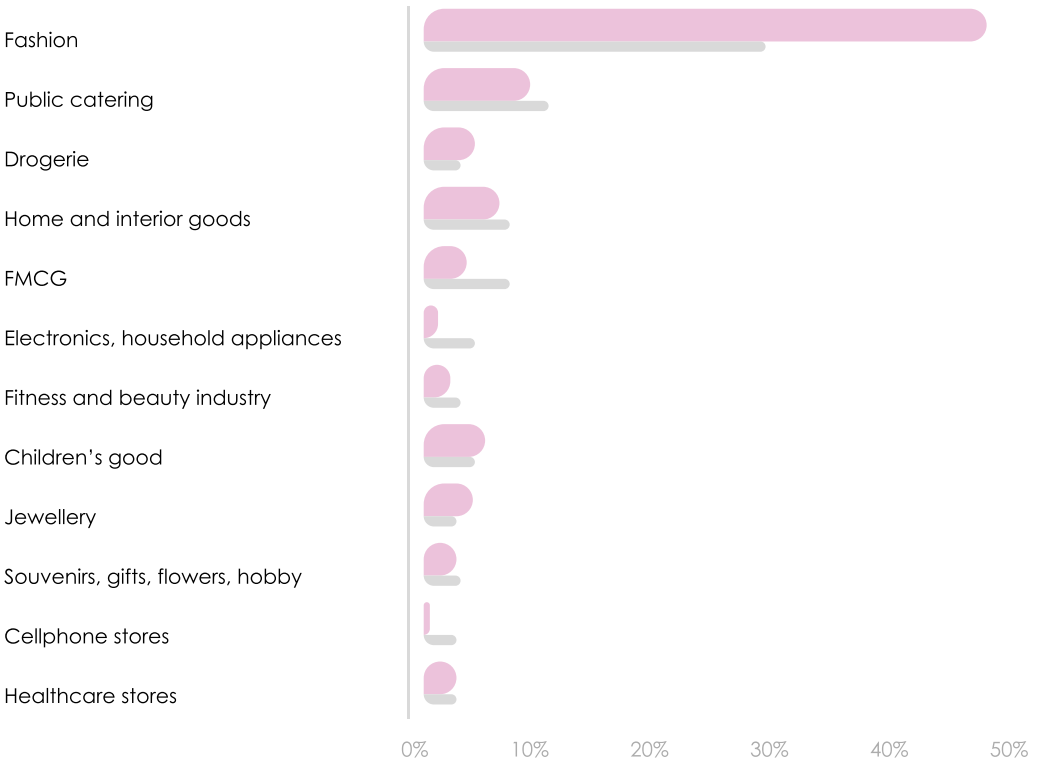
In Q3 2023 the trend of fashion operators' expansion in the St Petersburg market continued. Demand from the fashion industry increased by +31% relative to 9M 2022 and almost recovered to 2021 levels.

The jewellery retail chains demonstrated positive dynamics in terms of demand in Q3 2023 (+44%).

Demand from healthcare goods stores, drogerie and pet products segments retain stable relative Q1–Q3 2022 indicators.

Stock (GLA), m ²	Vacancy, %	Completions (GLA), m ²
4,253,000	7.8%	0

Leaders in the number of the openings, Q3 2023



Q1-Q3 2022

Q1-Q3 2023

New brands

In Q1–Q3 2023 twelve local and seven foreign brands (China, UAE, Turkey and Estonia) entered St Petersburg retail market.



ABOUT US



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ABOUT US

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.

In 2014 and 2020, Maris became the winner in the nomination "Consultant of the Year" in the field of commercial real estate at the federal CRE AWARDS. In 2023, the company received the golden brick CRE Moscow Awards in the nomination "Deal of the Year. Office real estate rental"

Maris is an active member of Saint-Petersburg international business association (SPIBA).

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