

Q1 2024

Retail Market

Street Retail

Russia | St. Petersburg

Key market indicators

Source: Nikoliers

	2022	2023	I кв. 2024
Number of commercial premises on the central corridors*	843	848	872**
Vacancy rate, %	6.2	4.8	5.2**

*The number of retail outlets may change due to changes in our sample, division or consolidation of premises.
 **In Q1 2024, Bolshaya Morskaya Street was added to the stock.

Key result

At the end of March 2024, the vacancy rate stood at 5.2%. On six central retail corridors 45 premises remained vacant, of which 13 are accommodated at the basement level. On Bolshaya Konyushennaya Street, only premises in the basement are vacant, which indicates to a shortage of quality supply in this location, while new shops appear due to tenant rotation. For example, a boutique of Nikita Efremov brand opened in March 2024 as a replacement of Ameli shop.

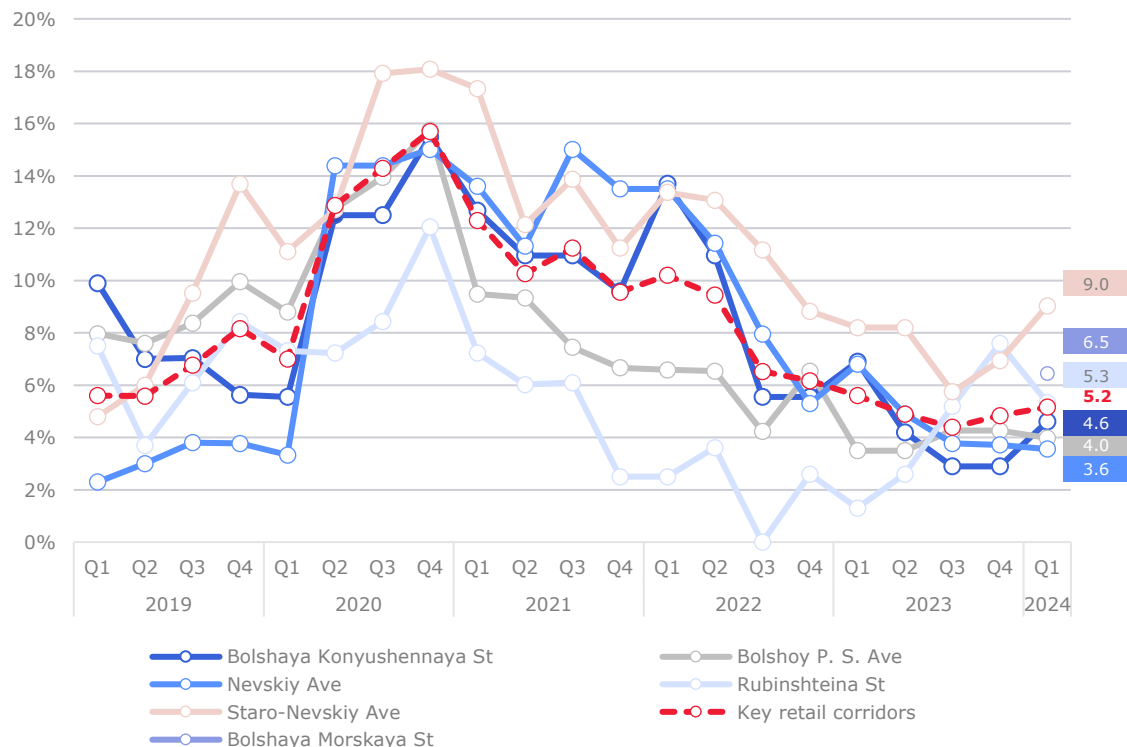
The activity of tenants in street retail remains at a high level. From January to March 2024, some 23 premises were occupied on six central corridors.

Over the past three months, two new fashion brands – Ketroy and Macrocosm – made their debut on the central shopping corridors of St. Petersburg. In addition, the first boutique of the Italian brand Eleventy, previously available only in the city’s multi-brand shops, was opened.

On Staro-Neveskiy Avenue, the House of Porcelain (Dom Farfora), a shop of interior decoration items not previously represented in the city, will soon open in place of Dior, while the first monobrand lingerie boutique Le Journal Intime will open in the Rolex premises.

Vacancy rates dynamics on central retail corridors, St. Petersburg

Source: Nikoliers



Demand and commercial terms

Based on the results for the three months of 2024, the rotation rate was only 2%. In Q1, 18 premises changed their signage, and more than 60% of the changes took place within one segment. The most vibrant tenant rotation took place on Nevskiy Avenue and Rubinshteina Street. For example, Norppa shop opened in place of Bootwood on Nevskiy Avenue, and Panasia restaurant on Rubinshteina Street was replaced by Yesenin.

The tenants' activity at the beginning of 2024 is comparable to that at the turn of last year — 23 openings versus 24 respectively. Most of the openings (about 50%) are new clothing and footwear shops. Bolshoy Avenue Petrograd side remains one of the most popular on the locations for fashion retailers. Shops of Russian brands Achers, Evening, Mazari

Tradition and MOOR MOOR opened in this location. It is worth noting that during the first three months of 2024 fashion retailers were leaders by the number of closures (11 out of 24), which is due to the vacating of premises by some retailers and the subsequent opening of new brands in their place. However, over the same period in 2023, catering outlets took the lead by the number of closures (9 out of 24). Most closures of catering outlets at the turn of last year were related to the relocation of establishments from Rubinshteina Street to other prime locations.

In the near future, at least five more catering outlets, three clothing and footwear shops, a confectionery shop, and a home and interior goods shop will open on the central retail corridors.

Planned openings on central retail corridors of St. Petersburg in 2024

Source: Nikoliers

Central retail corridors	Was	Tenant's profile	Will be	Tenant's profile
57, Bolshoy P. S. Ave	Imperial	Jewelry and watches	Scandale Maniere	Clothing and shoes
77, Nevskiy Ave	Renzoni	Clothing and shoes	Невские звезды	Confectionery
65, Nevskiy Ave	Pita's	Public catering	Мидийное место	Public catering
81, Nevskiy Ave	Cofix	Public catering	Cofix Bakery	Public catering
55, Nevskiy Ave	Manneken Pis	Public catering	The Бык	Public catering
59, Nevskiy Ave	Sberbank and bank VTB	Bank branch	SuperStep	Clothing and shoes
24, Rubinshteina St	Yesenin	Public catering	Ministry	Public catering
30, Rubinshteina St	Naples	Public catering	Tamar	Public catering
113, Staro-Nevskiy Ave	Dior	Clothing, shoes, jewelry and watches	Porcelain House	Housekeeping goods
150, Staro-Nevskiy Ave	Rolex	Jewelry and watches	Le Journal Intime	Clothing and shoes

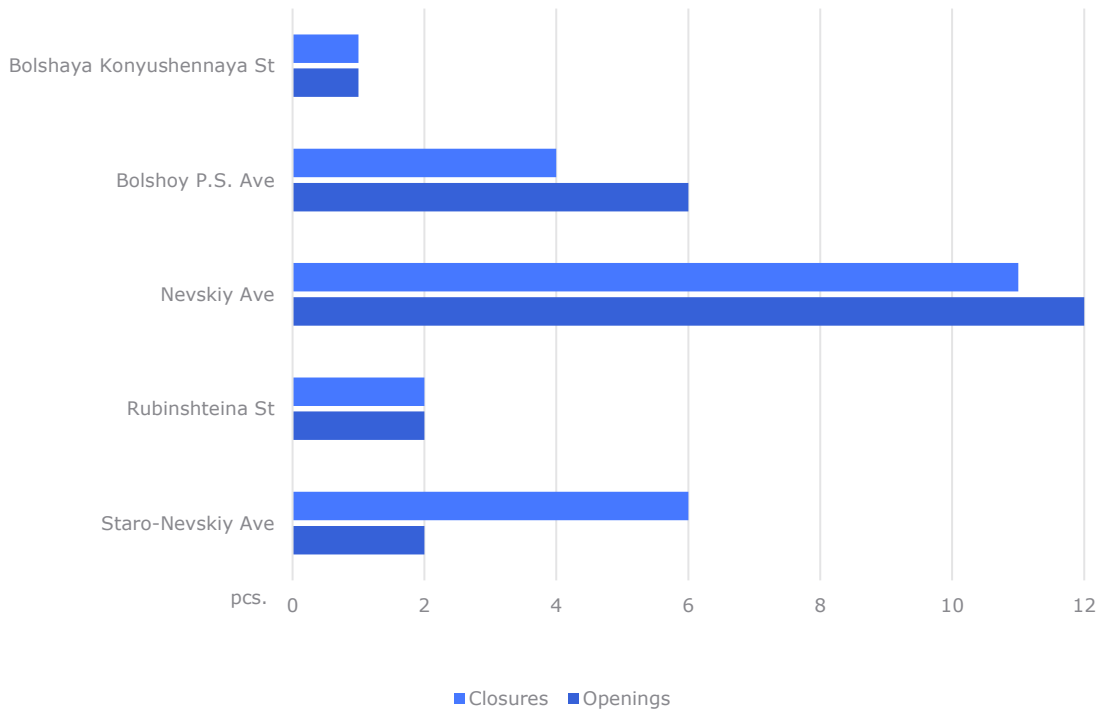
Retailers rotated most often on Nevskiy Avenue due to the high rental rates, a certain dependence on the season and its tourist flow.

Nikita Efremov shop opened on Bolshaya Konyushennaya Street at the beginning of the year. However, the rotation in this location during the initial three months turned out to be zero due to the fact that the lease agreement for the premises was signed at the end of last year.

At Bolshaya Morskaya Street, the rotation was also zero, which is due to the absence of openings and closures from January to March 2024.

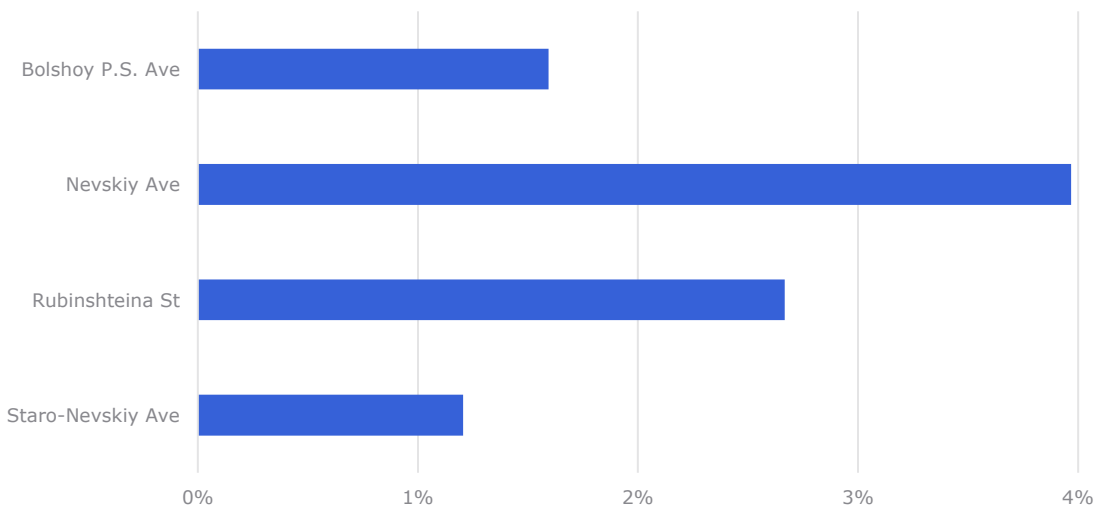
Number of opened and closed premises on central retail corridors of St. Petersburg, Q1 2024

Source: Nikoliers



Rotation level on central retail corridors of St. Petersburg, Q1 2024

Source: Nikoliers



Due to the fact that Nevskiy Avenue saw the most closures, many retailers took the opportunity to open their shops in the given location.

Key openings on central retail corridors of St. Petersburg, Q1 2024

Source: Nikoliers

Central retail corridors	Tenant's name	Tenant's profile
12, Bolshaya Konyushennaya St	Nikita Efremov	Clothing and shoes
65, Bolshoy P. S. Ave	Gresso	Optics
11, Nevskiy Ave	Eleventy	Clothing and shoes
23, Nevskiy Ave	Vsesmart	Electronics
31, Nevskiy Ave	Norppa	Clothing and shoes
31, Nevskiy Ave	Borsetta	Bags and accessories
31, Nevskiy Ave	Footbox	Clothing and shoes
77, Nevskiy Ave	Ralf Ringer	Clothing and shoes
13, Rubinshteina St	Yesenin	Public catering
150, Staro-Nesvkiy Ave	Ketroy	Clothing and shoes

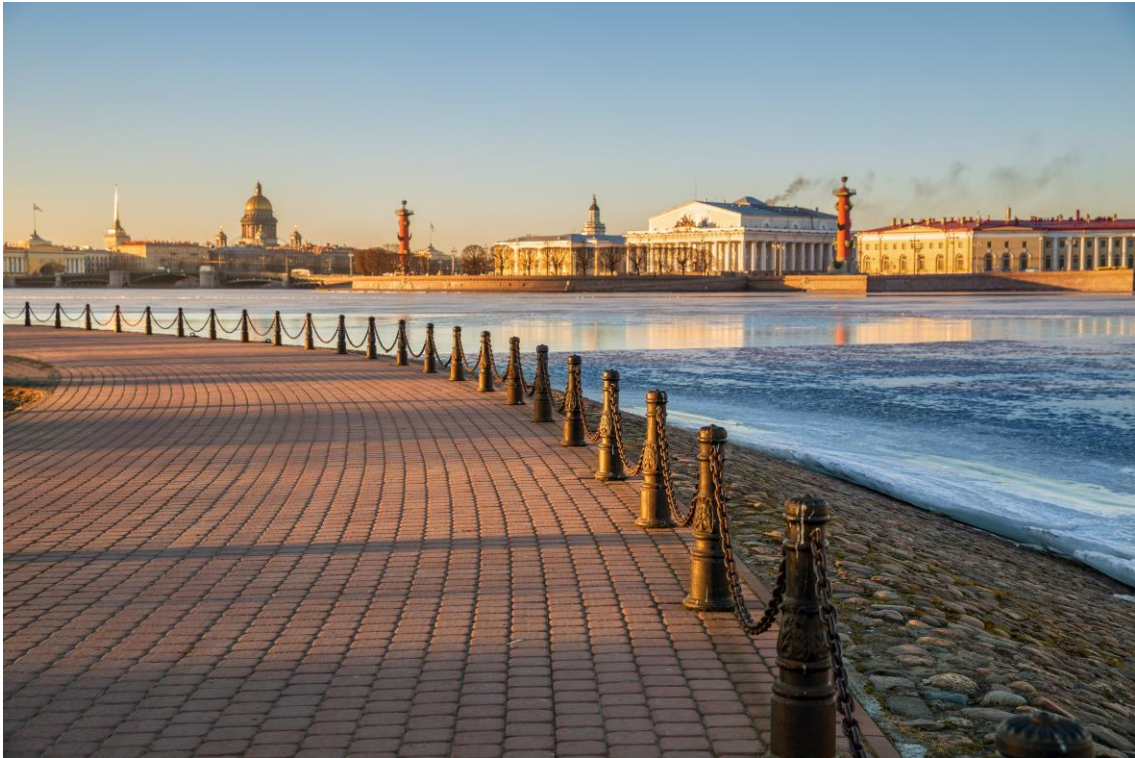
Average ranges of rental rates for spaces sized 100-300 sq m, open for lease, rub/sq m/month, excl. VAT, Q1 2024

Source: Nikoliers

Central retail corridors	Average	Min.	Max.
Bolshaya Morskaya St	n/d	2,670	n/d
Bolshoy P. S. Ave	2,900	1,850	4,400
Nevskiy Ave	9,200	7,500	10,800
Staro-Nesvkiy Ave	6,100	3,350	8,800

The increase or decrease in average asking rates for commercial premises on the central thoroughfares depends on the current market offers, including the location of a property, its visibility and footfall, the size and quality of shop windows, as well as the area and technical characteristics.

Bolshaya Konyushennaya Street and Rubinshteina Street have no quality premises for rent at the end of the first quarter.



Trends and forecasts

The number of vacant premises in the city's central shopping routes keeps contracting due to high tenant activity.

The trend of international brands being replaced by Russian players continues.

For example, the Dior space will soon be occupied by Dom Farfora (House of Porcelain), an interior décor shop, and the first monobrand lingerie boutique Le Journal Intime will open in the Rolex space.

The trend of splitting large premises into several units continues. This is probably due to the rent appreciation in the prime locations,

as well as the owners' desire to avoid loss of income in case of tenant rotation or tenant vacating the premises. Thus, two new tenants — Footbox and Borsetta — appeared in place of New Balance shop.

Amid the swelling tourist flow and popularity of gastronomic tourism, **many catering companies seek to open their establishments on the central streets**, despite high rental rates in such locations. In the near future, at least three more new catering establishments will spring up on Nevskiy Avenue.

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Experts

Nikolay Kazanskiy FRICS, CCIM
Managing Partner
nikolay.kazanskiy@nikoliers.ru

Vladimir Sergunin PhD, MSF
Partner
vladimir.sergunin@nikoliers.ru

Anna Nikandrova
Partner
anna.nikandrova@nikoliers.ru

Igor Temnyshev
Partner
igor.temnyshev@nikoliers.ru

Dmitry Romanov
Partner | Regional Director
Valuation Department
dmitry.romanov@nikoliers.ru

Andrey Kosarev
Partner, UAE
andrey.kosarev@nikoliers.com

Olga Bakulina MCIM
Business Support Head
Marketing, PR & Research Department
olga.bakulina@nikoliers.ru

Irina Pesotskaya
Regional operating Director
irina.pesotskaya@nikoliers.ru

Ekaterina Aridova
Managing Director | St. Petersburg
ekaterina.aridova@nikoliers.ru

Victor Afanasenko
Regional Director
Warehouse&Industrial Department
victor.afanasenko@nikoliers.ru

Kirill Golyshv
Regional Director
Residential and land development Department
kirill.golyshv@nikoliers.ru

Tatiana Divina
Regional Director | Analytical Department
tatiana.divina@nikoliers.ru

Vladislav Nikolaev
Regional Director
Strategic consulting Department
vladislav.nikolaev@nikoliers.ru

Denis Platov
Director | Capital Markets
denis.platov@nikoliers.ru

Irina Tsarkova
Director | Retail Department
irina.tsarkova@nikoliers.ru

Victoriya Goryacheva
Associate Director | Office Department
victoriya.goryacheva@nikoliers.ru

Contacts

Retail department property management department

Anna Nikandrova
Partner
Tel. +7 495 258 5151
Anna.Nikandrova@nikoliers.ru

Irina Tsarkova
Director, St. Petersburg
Tel. +7 812 718 3618
Irina.Tsarkova@nikoliers.ru

Business Support Block

Olga Bakulina, MCIM
Business Support Head
Tel. +7 495 258 5151
Olga.Bakulina@nikoliers.ru

Anna Sabinina
Director, St. Petersburg
Tel. +7 812 718 3618
Anna.Sabinina@nikoliers.ru

Research department

Tatiana Divina
Regional Director
+7 495 258 5151
Tatiana.Divina@nikoliers.ru

Julia Bykova
Analyst
Tel. +7 812 718 3618
Julia.Bykova@nikoliers.ru

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 **Nikoliers**

191186 St. Petersburg
3A, Volynsky Lane
BC Severnaya Stolitsa

Tel. +7 812 718 36 18
www.nikoliers.ru