



Q3 2024

Retail Shopping Centres

Moscow | Saint Petersburg

KEY MARKET TRENDS AND INDICATORS FOR Q1-Q3 2024



Vacancy rate
reduction



High activity of
retailers



Growing
number of SC
openings



Scarcity of
quality
premises



SC
transformation



Growing
number of new
brands

Moscow	Saint Petersburg
Existing space, thou sq m	
6 281	3 326
New supply, thou sq m	
85	36.4
Vacancy rate in SC, %	
6.9	3.4
Per capita retail space, sq m per 1,000 residents	
478	575

In 2024, the Moscow area has seen a robust growth in the commissioning of shopping centres. It is expected that by the end of the year the new supply will increase significantly, which will lead to a higher per capita retail space.

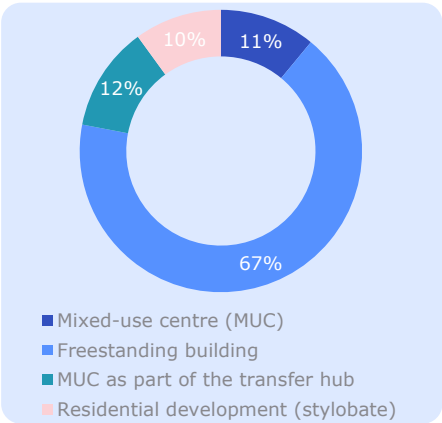
In St. Petersburg, the commissioning of a record retail space over the past four years has been expected this year; however, the opening of several facilities was postponed until 2025. The plan calls for the opening of two new neighborhood SCs in the St. Petersburg market. These facilities will not only become platforms for retail, but will also operate as community centres, enriching the market with gastronomic spaces, entertainment and sports operators, as well as social services. Both foreign and domestic brands continue to actively enter the Russian market, with Moscow remaining a priority region for the launching of new stores. The highest interest is shown by brands from China, Turkey and Italy. New Russian brands continue to expand, especially in categories such as clothing & footwear and sporting goods.

Changes in the tenant mix are taking place. There is growing interest in categories related to lifestyle - beauty and health, homewares, fitness, while in other segments the average area of stores is shrinking. Shopping centers are also actively transformed as areas for leisure and unique activities are being created to attract shoppers and turn SCs into multipurpose spaces. This trend highlights the importance of adapting shopping centres to changing consumer preferences, which allows them to retain relevance.

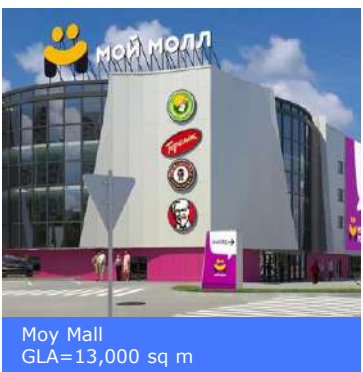
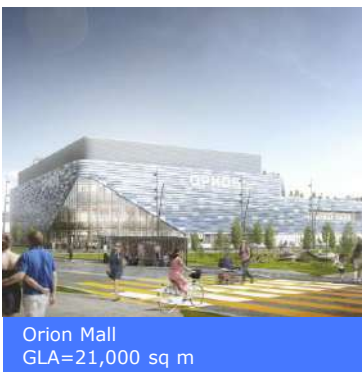
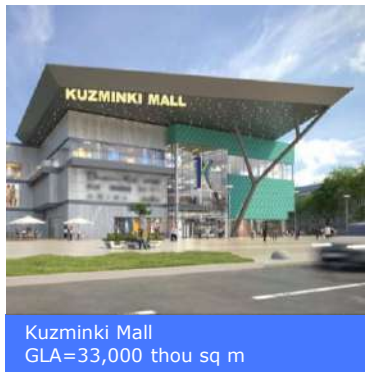
SUPPLY

Based on the results for nine months of 2024, the new supply in the Moscow area amounted to 114,000 sq m of leasable area, including six new shopping centers (85,000 sq m) opened in Moscow. According to developers' statements, 17 more facilities are expected to open in Moscow and its satellite cities by the end of the year - thus, new construction at the end of the year may amount to 338,000 sq m. As for the format, 33% of the areas are shopping galleries within residential projects (stylobate), mixed-use centres and transfer hubs. Among the largest facilities to open soon, Botanica Mall within the transfer hub Botanicheskaya (GLA=26,000 sq m), ZUM SC as part of Zilart residential development (23,000 sq m) and Letniy Sad SC (GLA=20,000 sq m) within the eponymous residential project clearly stand out. If all the announced plans are brought to fruition, by the end of 2024 per capita retail space may grow by 14 sq m per 1,000 people to 521 sq m per 1,000 residents. However, in our estimation, the commissioning at the end of the year will not exceed 185,000 sq m.

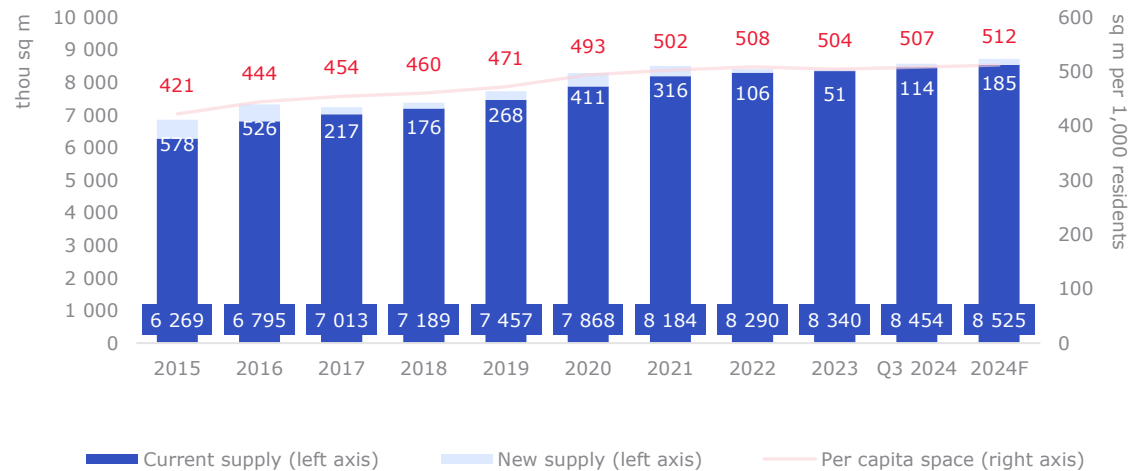
Breakdown of new retail facilities by their formats (leasable area)



Largest facilities opened since the turn of 2024



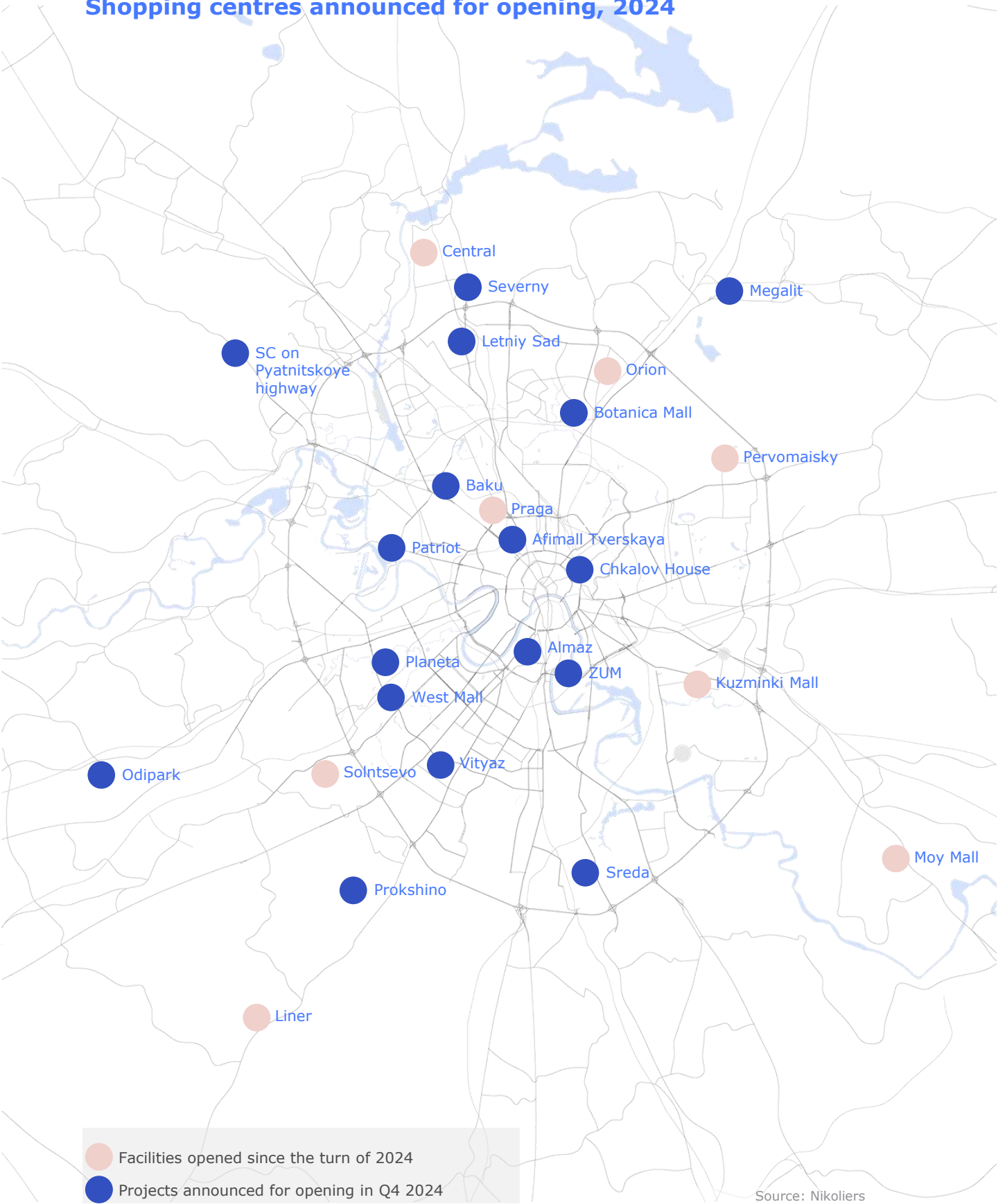
Dynamics of retail space commissioning in the Moscow area, 2014–2024F



*As estimated by Nikoliers.

Source: Nikoliers

Shopping centres announced for opening, 2024



SAINT PETERSBURG: SUPPLY

36.4
thou sq m

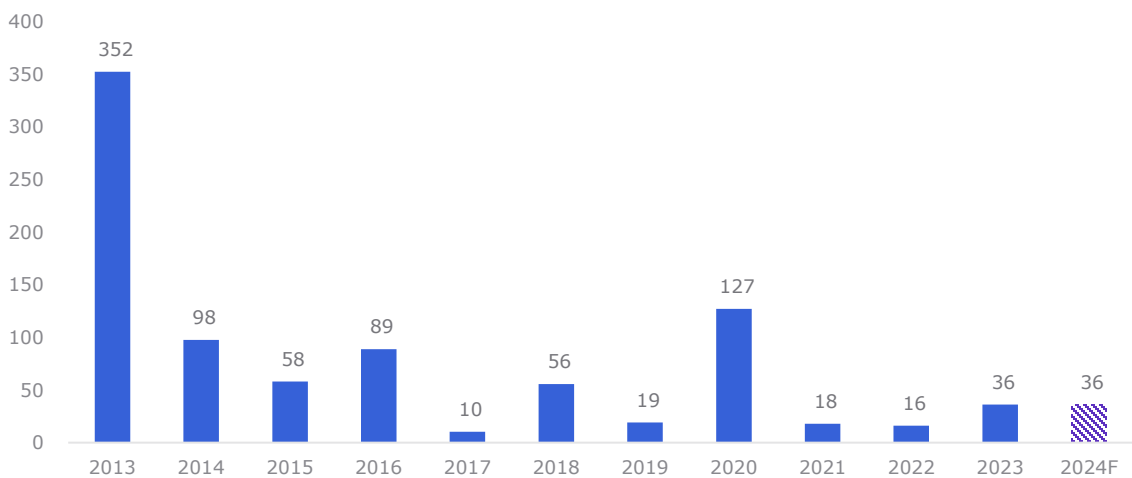
The retail space expected to be commissioned till the end of 2024

Based on the results for three quarters of 2024, not a single shopping centre was opened in St. Petersburg and its suburbs.

Earlier it was expected that this year more than 79,000 sq m of retail space will appear due to the opening of four new projects (Park Mall, Nebo Mall in Murino, Lunapark SC in Novogorelovo, SC in Kolpino) as well as the second phase of Ecopark Mall in Murino, which opened at the end of 2023.

However, due to the commissioning deadlines pushed back toward the year’s end, only two of the above-mentioned facilities will probably hit the market by the end of the year - Nebo Mall and Lunapark SC. If these openings take place, the commissioning of new space in shopping centers of St. Petersburg might be at the level of the previous year.

Dynamics of retail space commissioning in Saint Petersburg’s SCs, thou sq m



Source: Nikoliers

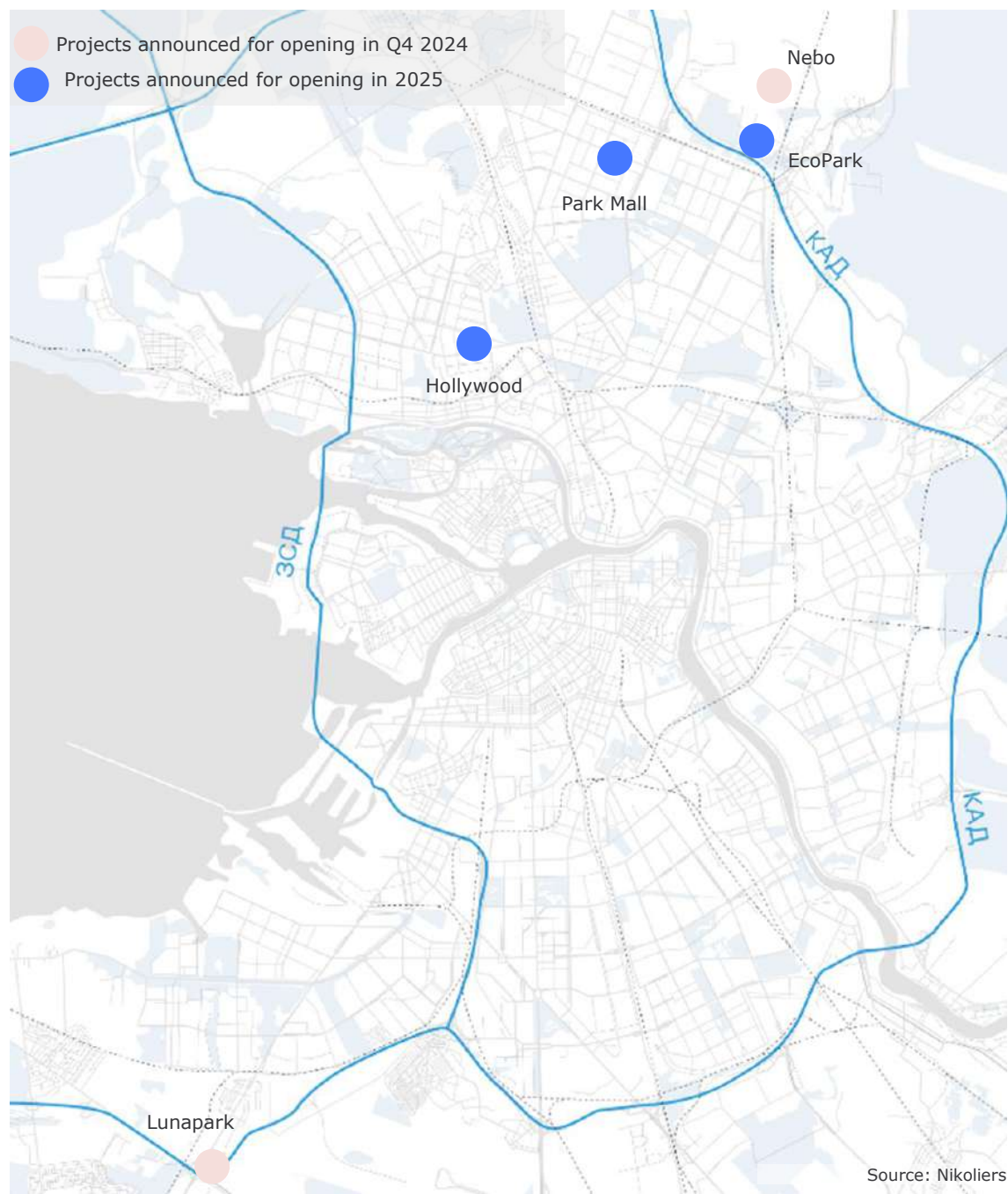
At the end of September, the first food hall in the area, named GastroPark, opened in the EcoPark SC. The gastro space is designed for 500 seats and houses 14 corners. Among the residents are: Japanese cuisine Tikhiy, Korean cuisine OMO, Spanish cuisine Don Tapa and Norwegian Vaffel (waffles), etc.






The second phase of EcoPark is expected to be commissioned in 2025 and should accommodate not just retail premises, but also the first cinema in Murino, as well as a multipurpose centre and a children's playground.



Gastropark, Ecopark Centre
1,700 sq m

Shopping centres announced for opening, Saint Petersburg



				
Nebo GLA=26,000 sq m	Lunapark GLA=11,000 sq m	Hollywood GLA=60,000 sq m	Park Mall GLA=35,000 sq m	Ecopark GLA=8,000 sq m

DEMAND

New brands entering the market

Since the beginning of 2024, some 44 new brands have made their debut in the Russian market*:

21

foreign ones

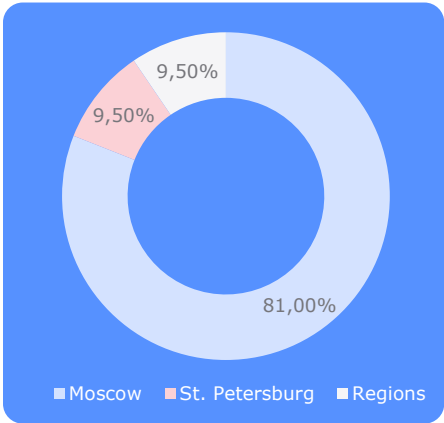
23

Russian ones

New foreign and Russian brands keep eagerly entering the Russian market (e.g. Ready! Steady! Go!, Face Code, Omolesso, Nikasport, Pulka and others). Moscow remains a priority destination for entry. According to the results of the first nine months of 2024, 81% of foreign brands started their entry into the Russian market from the capital city, whereas 9.5% entered it through St. Petersburg.

Another 9.5% of foreign brands chose regional cities, such as Kaliningrad, Perm and Sochi, for their first opening. The most active were brands from China (33% of total openings), Turkey and Italy (14% each). By the end of the year, 20 more foreign brands from South Korea, Germany, China, UAE, Mexico, France, Finland, Spain, Italy, Belarus, USA and Turkey are expected to open their outlets.

The debut of foreign brands that have entered the Russian market at the turn of 2024 (by location)



Key international brands that have entered Russia’s market since the beginning of 2024

Category	Brand name	Country of origin
Home appliances and electronics	Candy	Italy
	Casarte	China
	Dreame	China
	TECNO	China
Clothing and footwear	BAASPLOA	China
	Casa moda	Germany
	Daniel's Paris	Turkey
	Eleventy	Italy
	Ellassay	China
	Hazzys	South Korea
	JOSINY	South Korea
	Kardo	India
	Laurel	Germany
	Mai Collection	Turkey
	Rinascimento	Italy
	BIMBA & Co**	Spain
Perfumery & cosmetics	Happy Easy Anyway	China
Children’s goods	22/11 cosmetics	Armenia
Homewares	Balabala	China
Sporting goods	Chakra	Turkey
	7SABER	Uzbekistan

*The brand is considered to be new:
1. If it has opened its first shop in an SC or as part of street retail, even if this was not the first entry of this brand to the Russian market.
2. If it was earlier represented in online retail or as a corner (pop-up store) in a department store and then opened for the first time as a mono-brand boutique.

**Already closed.

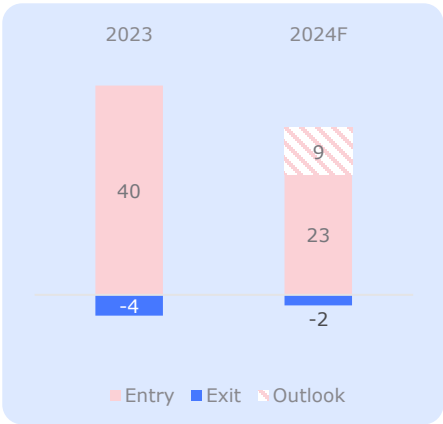
Russian brands

Russian brands remain active. In the first nine months of 2024, 23 new Russian brands hit the market. The leading categories are Clothing and Footwear (39% of openings) and Sporting Goods (17% of openings).

The boom of private labels and expansion of assortment matrices among major players is a notable trend. Thus, Sokolov entered the premium segment and opened several Sokolov Premium stores; fashion operator 12STOREEZ launched the Pet capsule collection of clothing and accessories for animals.

The summer of 2024 was also marked by major acquisitions and takeovers. For example, the clothing brand Noun became the property of the TilTech Capital fund owned by the founder of the VkusVill retail chain, while Stockmann acquired the Russian business of Hugo Boss in early August.

Dynamics of Russian brands entering and exiting the market

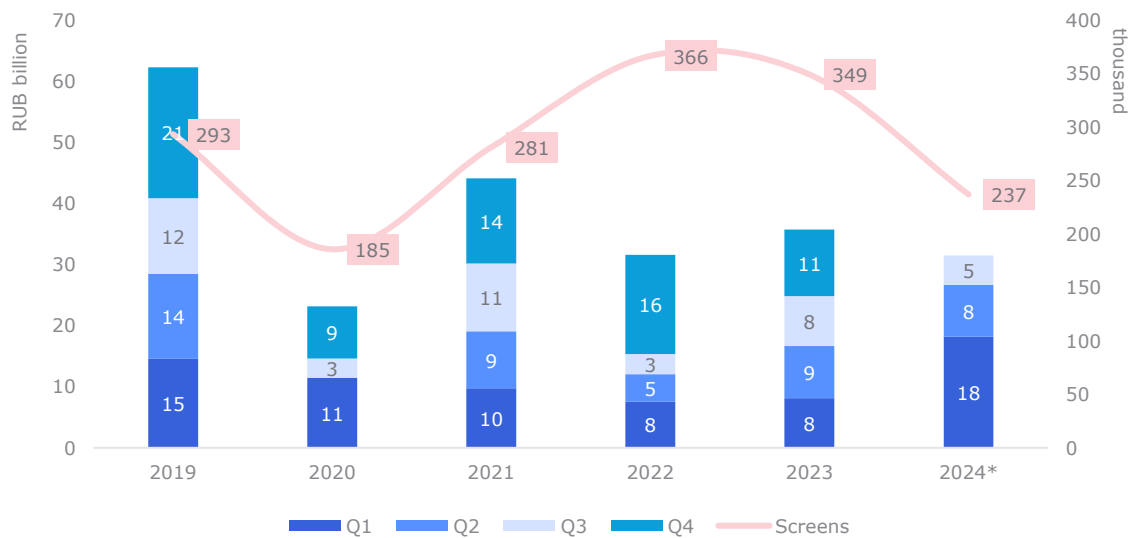


Cinemas: lights, camera, action!

According to the Film Distributor’s Bulletin, in the first eight months of 2024, box office receipts exceeded the figures for the same period in 2023 by 35%. Although Q1 saw significant growth - box office takings were almost 2.5 times higher than in the same period last year - total collections in Q2 amounted to around RUB 8 million, 1% less than a year earlier. It is predicted that at the end of the third quarter, the collection rate will equal the result of the same period in 2023.

The top-3 films by number of screens includes *Flying Ship*, *Serf 2* (also known as *Son of a Rich 2*) and *Ice-3*. *Serf 2*, *Bremen Musicians* and *Master and Margarita* are leading in terms of box office receipts. In the first eight months of 2024, the share of Russian film studios increased by 18.7 p.p. year-on-year, reaching 63.7% of total box office takings. This share is expected to remain at 60-65% at the end of the year.

Film distribution box office receipts in Russia



*In Q3 2024 the receipts for July and August of 2024 were taken into account.

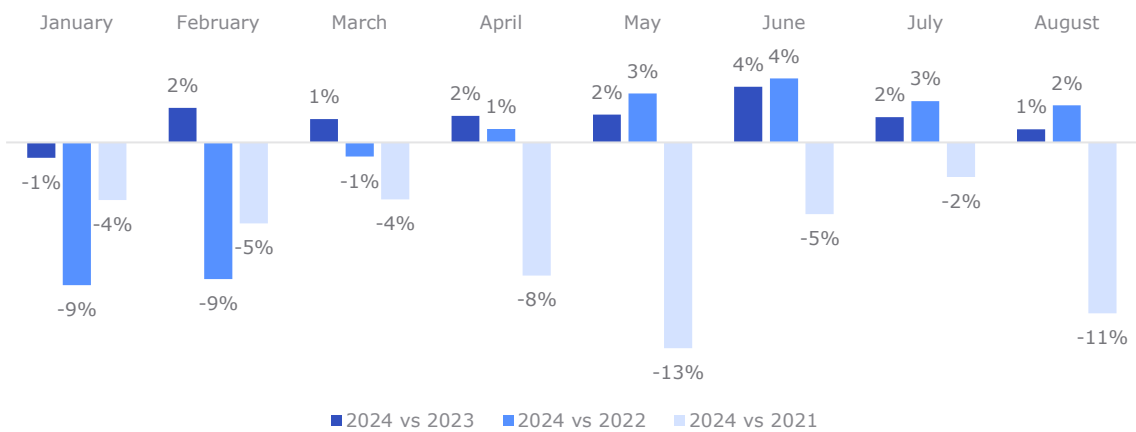
Source: Film Distributor’s Bulletin, Nikoliers

FOOTFALL

+1.5% The footfall at shopping centres in Moscow:
8 months of 2024 vs 8 months of 2023

Nevertheless, this year the footfall is below the level of 2022 by 0.9% for a similar period and by 6.9% below the level of 2021. In our estimation, by the year's end the attendance of Moscow shopping centres will stabilize at the level of +1-2% versus 2023.

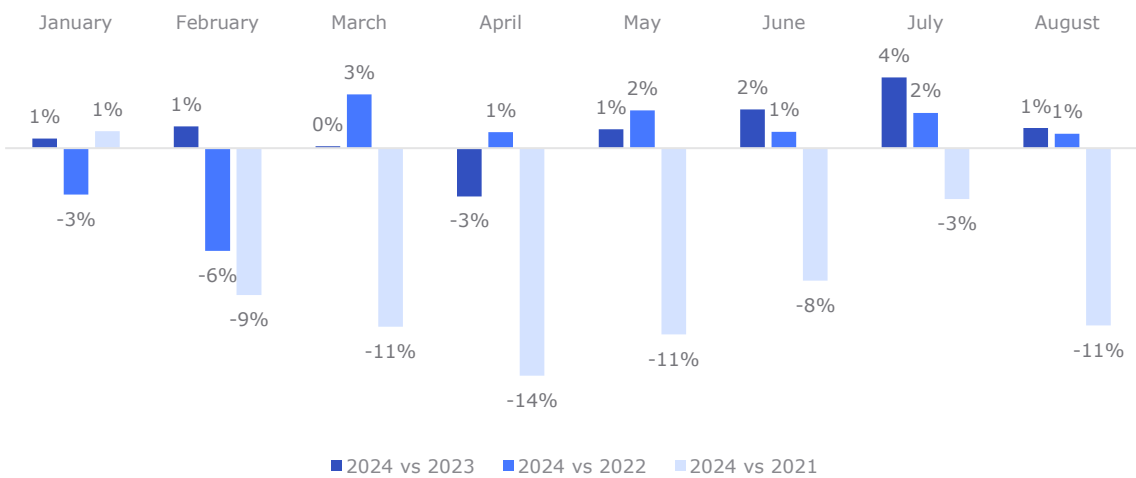
Mall Index for Moscow (1–35 week)



+1.0% The footfall at St. Petersburg's shopping centres: 8 months of
2024 vs 8 months of 2023

In Q3 we saw a slow but stable growth of the Mall Index (footfall) versus last year's index. For 8 months of this year the footfall has aligned with the level of 2022. We forecast that till the year's end the index will retain stable dynamics, exceeding the level of 2023 by 1%.

Mall Index for St. Petersburg (1–35 week)



VACANCY

6.9% Vacancy rate in Moscow’s shopping centres: Q3 2024

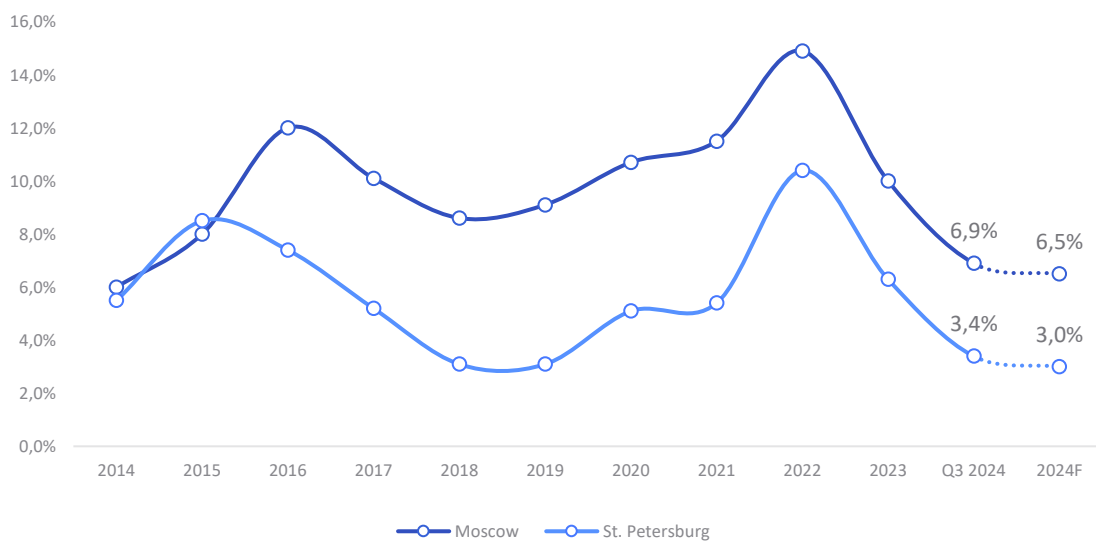
Based on the results for Q3 2024, the vacancy rate sank by 0.3 p.p. as compared to Q2 2024 reaching 6.9%. The highest vacancy rate was observed in neighborhood centres - 20.3%, in community centres - 9.4%, the lowest value was observed in regional and superregional centers: 3.9% and 3.4% respectively. The high vacancy rate in neighborhood centres is due to the fact that in recent years they accounted for the main bulk of commissioned space. In our estimation, the average vacancy rate may drop by another 0.4 p.p. to 6.5%.

3.4% Vacancy rate in St. Petersburg’s shopping centres: Q3 2024

The vacancy rate in St. Petersburg’s shopping malls remains stable and in Q3 it amounted to 3.4% - the index grew by 0.6 p.p. as compared to the indices for Q2 2024, which could be caused by the rotation of tenants in shopping malls. In the top-quality malls the index remained unchanged over the quarter - 2.1%.

The sharp drop in vacancy in the previous quarter was due to the lease of empty IKEA premises to Megamarket marketplace (more than 55,000 sq m). In the future, vacancy can be expected to stabilize at around 3.0%, given the restrained commissioning of new retail space. The planned openings of small-sized SCs in St. Petersburg by the end of 2024 will not have a significant impact on the index.

Retail space vacancy dynamics in shopping centres of Moscow and St. Petersburg



TRENDS AND FORECASTS

Indices for the market of the Moscow area

	2023	Q3 2024	2024F
The retail space in the Moscow area at the end of the period, thou sq m*	8 340	8 454	8 525
including in Moscow	6 196	6 281	6 329
New supply in the Moscow area, thou sq m	51	114	185
including in Moscow	51	85	133
Number of SC openings in the Moscow area	4	9	12
including in Moscow	4	6	8
Vacancy rate, Moscow, %	10.0	6.9	6.5
Per capita retail space in the Moscow area, sq m per 1,000 residents*	504	507	512
Per capita retail space in Moscow, sq m per 1,000 residents*	473	478	481

**Starting in Q1 2024, new methodology for calculating the existing space and per capita retail space has been in use (the population numbers have been corrected for the Moscow area). The Moscow area includes Moscow within the Moscow Ring Road and the Moscow region.*

Indices for the Saint Petersburg market

	2023	Q3 2024	2024F
Existing retail space at the end of the period in Saint Petersburg, thou sq m	3 247	3 219	3 285
New supply in Saint Petersburg, thou sq m	36.4	0	36.4
Number of SC openings in Saint Petersburg	2	0	2
Vacancy rate, Saint Petersburg, %	6.3	3.4	3.0
Per capita retail space in Saint Petersburg, sq m per 1,000 residents*	575	575	582

Source: Nikoliers





TRENDS AND FORECAST

Lifestyle centres: new focus of consumers

In recent years, shopping centres have been undergoing significant changes due to the transformation of consumer preferences. According to Nikoliers' research*, there has been a decline in average store space in traditional segments such as Fashion, Home Appliances & Electronics and Grocery, indicating a shift in consumer focus towards more specialized lifestyle-related goods and services. Lifestyle-oriented categories such as Beauty and Health, Homewares and Fitness are rapidly expanding, occupying more space in shopping centres. The number of lifestyle centers is expected to increase.

SC on high: invigoration of rooftops and unique activities

Modern shopping malls are quite active in transforming their rooftops and public spaces, creating unique spaces for leisure and entertainment. For example, the world's only vert ramp attracting skaters was installed on the roof of the Mozaika mall. The June mall in Mytishchi launched the Young Farmers project, where children learn to grow crops, while near the Kaluzhsky SC there are lounge chairs for outdoor recreation. Such initiatives will be gathering further momentum, turning shopping malls into places for full-fledged pastime and the attraction of new audience segments.

Fashion meets gastronomy: a new mode of leisure

Clothing brands and gastronomic establishments join forces, creating unique chill-out and socializing spaces. Collaborations such as the O'STIN summer zone in ABC Coffee Roasters or the Sweatshirt dessert from Monochrome and Coffeemia not only spark interest in these brands, but also offer a unique experience. Projects like these turn cafes and restaurants into stylish art spaces where one can not only enjoy delicious food, but also plunge into the atmosphere of creativity and fashion. Thus, new audiences are attracted and the loyalty of existing customers is strengthened.

Some Russian retailers, on the contrary, open cafes in their clothing stores. Thus, 2MOOD and Sela opened cafes in their flagship stores in the Metropolis mall.

*Nikoliers has analyzed key shopping malls of Moscow: Aviapark, Columbus, Metropolis, Afimall City, Paveletskaya Plaza, Kashirskaya Plaza, Vegas Kuntsevo, Vegas Crocus City, Riviera, Oceania. The research highlights major chain players occupying from 500 sq m of space or roughly 70% of all gross leasable area in the shopping malls.

Services



Offices



Industrial



Retail



Residential



Hotels



Land plots



Property management



Managing construction projects



Strategic consulting



Property and business valuation



Investment



Lease & sale



Representation of tenants



Research & analytics



Marketing

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 | Head of Professional Services
dmitry.romanov@nikoliers.ru

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

Ekaterina Aridova
Managing Director
ekaterina.aridova@nikoliers.ru

Olga Bakulina, MCIM
Head of Business Support
Marketing, PR and Analytics Department
olga.bakulina@nikoliers.ru

Victor Afanasenko
Regional Director
Industrial&Warehouse Real Estate and Land Department
victor.afanasenko@nikoliers.ru

Kirill Golyshev
Regional Director
Residential Real Estate and Land Department
kirill.golyshev@nikoliers.ru

Tatiana Divina
Regional Director
Research Department
tatiana.divina@nikoliers.ru

Denis Platov
Director, Capital Markets Department
denis.platov@nikoliers.ru

Irina Tsarkova
Director, Retail Estate Department
irina.tsarkova@nikoliers.ru

Ludmila Gerlits
Director, Research Department
ludmila.gerlits@nikoliers.ru

Victoriya Goryacheva
Deputy Director
Office Estate Department
victoriya.goryacheva@nikoliers.ru

Contacts

Retail

Anna Nikandrova

Partner

Tel. +7 495 258 5151

Anna.Nikandrova@nikoliers.ru

Irina Tsarkova

Director

Tel. +7 495 258 5151

Irina.Tsarkova@nikoliers.ru

Research

Tatiana Divina

Regional Director

Tel. +7 495 258 5151

Tatiana.Divina@nikoliers.ru

Evgeniya Maul

Analyst

Tel. +7 495 258 5151

Evgeniya.Maul@nikoliers.ru

Anita Kolombitseva

Specialist

Tel. +7 495 258 5151

Anita.Kolombintseva@nikoliers.ru

Business support

Olga Bakulina, MCIM

Head of Business Support

Tel. +7 495 258 5151

Olga.Bakulina@nikoliers.ru

Copyright © 2024 Nikoliers

Данный отчет является общим исследованием рынка недвижимости и основан на собственных или предоставленных нам материалах, которые мы принимаем как достоверные. Мы полагаемся на их точность, полноту и согласованность, и не проводим дополнительных исследований для подтверждения указанных данных, а также не принимаем на себя ответственность за любые неточности или ошибки. Мы будем признательны, если Вы сообщите нам о таких ошибках для оперативного редактирования информации. Nikoliers не несет никакой ответственности за ущерб или убытки, возникшие по причине неточностей или некорректности информации, содержащейся в данном отчете.



123112 Москва
Пресненская набережная, д. 10
БЦ «Башня на Набережной», блок С,
52 этаж
Тел. +7 495 258 51 51
www.nikoliers.ru