



Q3 2023

Retail

# Street Retail

Russia | St. Petersburg

**Table 1**  
Key market indicators

Source: Nikoliers

	Q3 2021	Q3 2022	Q3 2023
Number of commercial premises on the central corridors*	867	843	843
Vacancy rate, %	11.2	6.5	4.4

\*The number of retail outlets may change due to changes in our sample (some points of sale are merged by major tenants).

## Key results

In Q3 2023, the average vacancy rate at the key retail corridors of St. Petersburg kept sinking, amounting to 4.4% by the end of September, which is 0.5 p.p. lower than in the previous quarter.

Vacancy rates shrank at almost all main corridors: on Bolshaya Konyushennaya Street vacancies dropped to 2.9%, on Nevskiy Avenue – to 3.8%, on Staro-Nevskiy Avenue – to 5.7%.

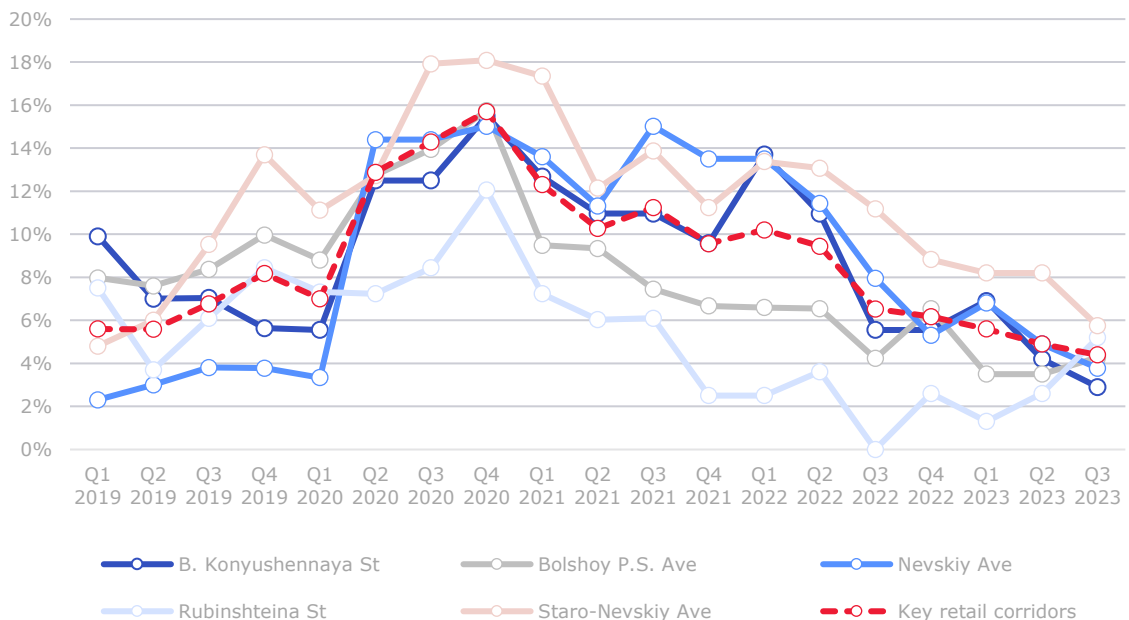
A slight increase in the vacancy rate (by 0.8 p.p.) was recorded on Bolshoy P.S. Avenue where it climbed to 4.3%. On Rubinsteina Street the indicator increased by 2.6 p.p. to 5.1%, which might be explained by the growing interest of catering operators in alternative city locations and by the fact that gastronomic spaces are getting increasingly popular.

The restaurant market of St. Petersburg as a whole continues its vigorous march forward, remaining one of the key segments generating the demand for quality built-in premises. Among the most notable developments is the opening of restaurants such as MamaRada and Bolshoy Gruzinskiy on Nevskiy Avenue.

Some tenants have moved to vacant premises not far from their previous locations (within the same retail corridor). For example, the Great People store is currently accommodated at 52 Bolshoy P.S. Avenue, having replaced 2Boots, whereas a branch of Vsesmart will soon open at 23 Nevskiy Avenue, where the IKEA design studio had previously rented the premises.

**Chart 1**  
Vacancy rates dynamics on key retail corridors, St. Petersburg

Source: Nikoliers



## Demand and commercial terms

The rotation level on the key retail corridors has stood at 10.2% since the beginning of the year but only at 2.4% in the past quarter, due to stabilization of the market situation.

A total of 71 openings occurred during the first nine months of 2023 compared to 100 a year before. In the meantime, 62 premises were closed between January and September of this year, while a year earlier this number was slightly higher at 77. Rubinsteina Street was the only corridor where the number of closed outlets exceeded the number of openings (13 vs. 12).

Catering accounted for more than 45% of new openings along the central corridors. While in Q2 2023, cafes and restaurants prevailed among the new public catering operators on the central corridors, Q3 saw the emergence of several coffee bars and coffee-to-go outlets, such as chain shops Etlon Coffee (4 Bolshoy P.S. Avenue), Baggins Coffee (10 Nevskiy Avenue), and the soon-to-open Shokoladnitsa (55 Nevskiy Avenue). Bubble tea bars with Asian drinks are also gaining ground, ChaPanda at 87 Staro-Nevskiy Avenue being just one example.

The tendency towards the opening of off-price catering outlets still holds sway. Meanwhile, many of the chain players are ramping up their presence on Nevskiy Avenue. For example, Stolovaya No. 1 has opened an additional outlet at 20 Nevskiy Avenue, VLAVASHE – at 10 Nevskiy Avenue, and in the near future new cafes will open at 27 and 63 Nevskiy Avenue.

The number of stores with confectionery products on offer also keeps growing. These crop up both as independent tenants and as chain coffee-shop outlets. For example, a new candy store Klad Marmelad has opened at 27 Nevskiy Avenue in a part of the premises previously occupied by VTB Bank, while Coffeeshop Company at 100 Nevskiy Avenue now shares the space with MARMELOD STORE.

Rental rates did not show any significant dynamics during the quarter. The main fluctuations in average rates were caused by changes in the exposition due to higher quality offers arising.

**Table 2**

Average ranges of rental rates for spaces sized 100-300 sq m, open for lease, Q3 2023, rub/sq m/month, excl. VAT

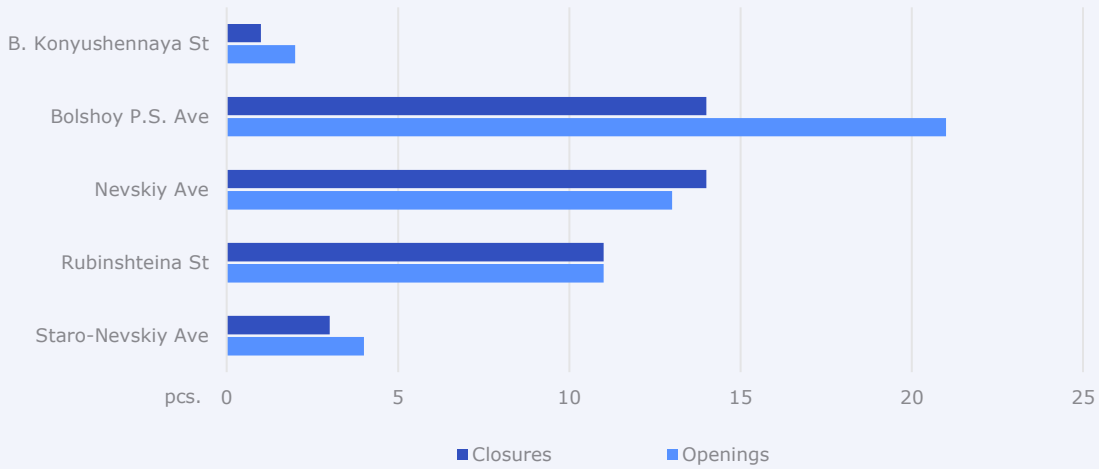
Source: Nikoliers

Central retail corridors	Rental rate average	Rental rate min	Rental rate max
B. Konyushennaya St	n/a	n/a	n/a
Bolshoy P.S. Ave	4,000	2,900	5,200
Nevskiy Ave	8,700	6,500	10,800
Rubinsteina St	5,600	5,000	6,200
Staro-Nevskiy Ave	6,400	5,000	8,800

**Chart 2**

Number of opened and closed premises on key retail corridors of St. Petersburg, Q1-Q3 2023

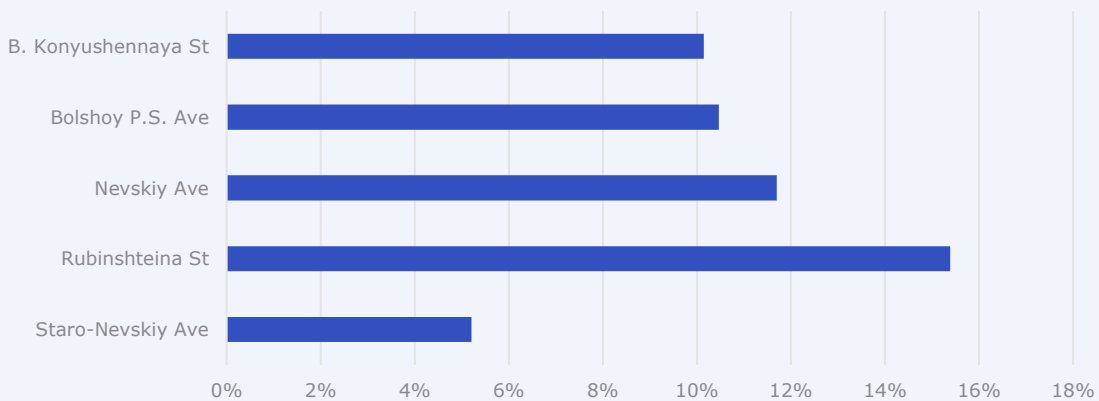
Source: Nikoliers



**Chart 3**

Rotation level on key retail corridors of St. Petersburg, Q1-Q3 2023

Source: Nikoliers



**Table 3**

Planned openings on key retail corridors of St. Petersburg in 2023

Source: Nikoliers

Key retail corridors	Was	Tenant profile	Will be	Tenant profile
29, Bolshaya Konyushennaya St	Wow	Children’s goods and toys	2MOOD	Clothing and footwear
69, Bolshoy P.S. Ave	T.Best	Jewelry and accessories	Refaced	Optics
23, Nevskiy Ave	IKEA	Design studio	Vsesmart	Electronics and Household appliances
55, Nevskiy Ave	Stars Coffee	Public catering	Shokoladnitsa	Public catering
164, Staro-Nevskiy Ave	Green Label	Clothing and footwear	Pop N’ Shop	Clothing and footwear



## Trends and forecasts

In Q3 2023, the share of vacant spaces on the key central retail corridors of St. Petersburg went on shrinking. Over the past nine months 29 previously vacant premises found their tenants. Most of the openings – 40% – occurred on Bolshoy P.S. Avenue.

The activity of domestic tourists during the summer season contributed to stable development of the street retail market in the past three months and, as a result, to a growing number of catering establishments, as well as souvenir and branded product stores.

In 2023, the number of fast food and fast casual eateries keeps multiplying. Thus, chain operators like Starik Khinkalych, MamaRada, Chaikhona have increased their presence in the market, each opening one more outlet.

The trend for increased presence of Russian brands in the city's central corridors persists. Clothing stores of national retailers, such as 2MOOD, Griol, Catarina Nova, NN2sisters, and others have opened their points of sale on Bolshoy P.S. Avenue.

## Contacts

### Retail department property management department

**Anna Nikandrova**  
Partner  
Tel. +7 495 258 5151  
[Anna.Nikandrova@nikoliers.ru](mailto:Anna.Nikandrova@nikoliers.ru)

**Irina Tsarkova**  
Director, St. Petersburg  
Tel. +7 812 718 3618  
[Irina.Tsarkova@nikoliers.ru](mailto:Irina.Tsarkova@nikoliers.ru)

### Research department

**Alina Bazaeva**  
Head of Research Department,  
St. Petersburg  
Tel. +7 812 718 3618  
[Alina.Bazaeva@nikoliers.ru](mailto:Alina.Bazaeva@nikoliers.ru)

**Julia Bykova**  
Analyst  
Tel. +7 812 718 3618  
[Julia.Bykova@nikoliers.ru](mailto:Julia.Bykova@nikoliers.ru)

### Marketing & PR

**Olga Bakulina, MCIM**  
Regional Director  
Tel. +7 495 258 5151  
[Olga.Bakulina@nikoliers.ru](mailto:Olga.Bakulina@nikoliers.ru)

**Anna Sabinina**  
Director, St. Petersburg  
Tel. +7 812 718 3618  
[Anna.Sabinina@nikoliers.ru](mailto:Anna.Sabinina@nikoliers.ru)

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 **Nikoliers**

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

+7 812 718 36 18  
[www.nikoliers.ru](http://www.nikoliers.ru)