



Russia | Regions

# Warehouse and Industrial Market

H1 2023



**Table 1**  
Key market indicators

Source: Nikoliers

	H1 2022	2022	H1 2023
Total supply, thousand sq m	10,885	11,188	11,436
Completions, thousand sq m	303	620	248
Total take-up, thousand sq m	271	773	829
Vacancy rate, %	2.7%	2.9%	2.0%
Rental rate, RUB/sq m/year*	4,670	4,420	5,140

\*Excluding VAT (20%) and OPEX.

## Supply

In the first half of 2023, the supply in the industrial real estate market of Russia’s regions reached 11,436 thou sq m, exceeding the last year’s figure by 248,000 sq m. The main contribution to the available supply was made by BTS and self-storage facilities, together accounting for 77% of the market. It is projected that by the end of the year their share may reach 85%.

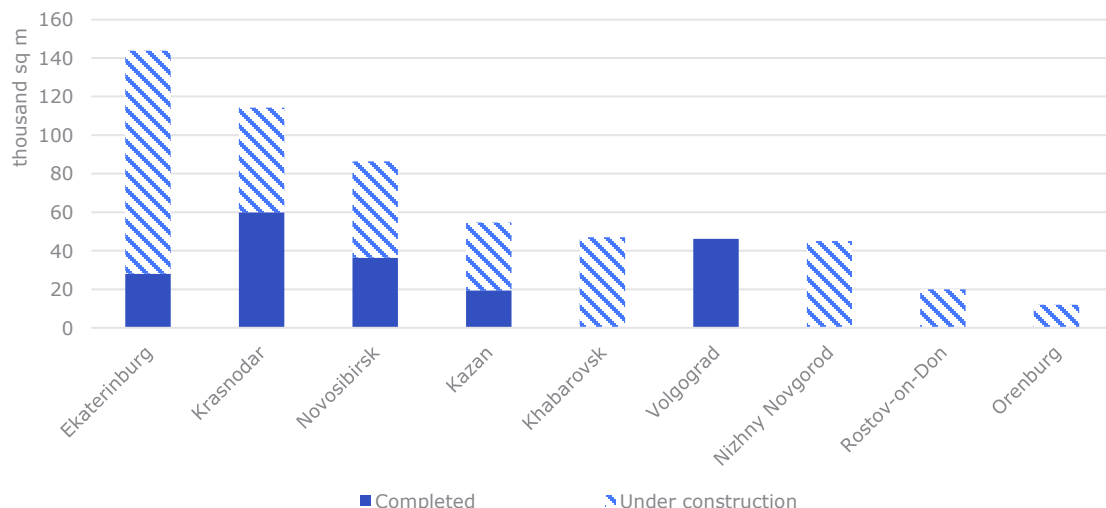
Standing out among the cities in terms of commissioned space are: Krasnodar (60,000 sq m), Volgograd (46,000 sq m) and Novosibirsk (36,000 sq m). Completion of all construction projects will lead to a significant increase of new space in Ekaterinburg, where more than 115,000 sq m of storage space must hit the market, including in projects such as: DC

for Fix Price in PNK Park Sibirsky Trakt (61,000 sq. m), as well as the former AliExpress distribution center in A2 Koltsovo (55,000 sq m).

Overall, 650-700 thou sq m of new storage space is expected to be built during 2023, which is slightly higher than last year. However, given the expansion plans of e-commerce and retail companies in the regions, new construction in the regional market is expected to gather even faster pace in the near term.

**Chart 1**  
New construction in regions of Russia

Source: Nikoliers



## Take-up

There was a record-high demand on the regional industrial real estate market in the first half of the year, reaching 829,000 sq m. This figure exceeds the annual demand figures for the previous years, being second only to the final result for 2021, when demand amounted to 1,193 thousand sq m.

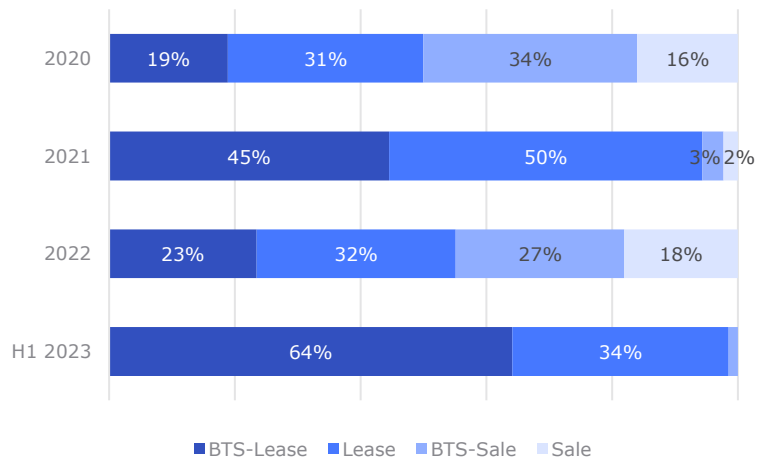
Given the high transaction conclusion activity, especially as regards BTS deals, it is expected that the final result for this year will outpace the result for 2021. This can be explained by the fact that the main drivers of the regional market are stepping up their activity, particularly online-retail players and regular retailers, which take the lead in terms of demand (69% and 19% respectively).

A rising trend is the focus of tenant companies not only on million-plus cities, but also on smaller cities. Thus, judging by the results of the first half-year, the most attractive directions for regional development were Omsk (130,000 sq m) and Orenburg (129,000 sq m). Transaction activity was also notable in the city of Saratov, where business activity totaled to 117,000 sq m.

### Chart 2

Distribution of deals by type of transactions volume in regions of Russia

Source: Nikoliers



### Table 2

Key deals in regions of Russia, H1 2023

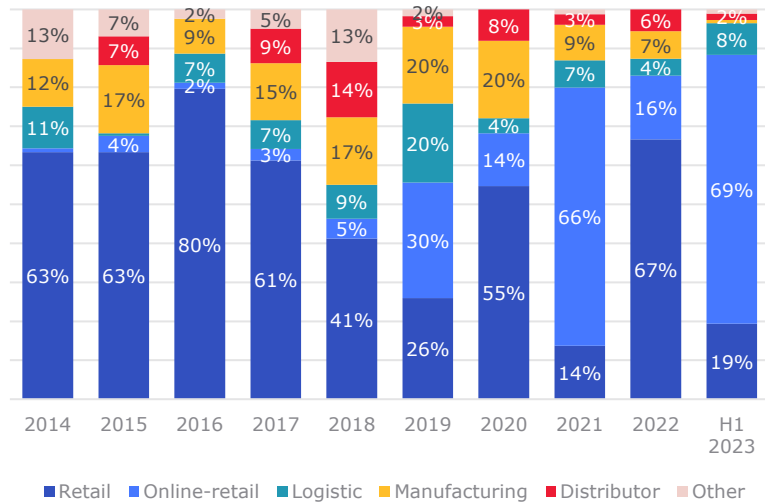
Source: Nikoliers

Company	Sector	Format	Size, sq m	Property
Ozon	Online-retail	BTS-lease	117,451	PFO Omsk Logistics Park
Ozon	Online-retail	BTS-lease	117,451	PFO Orenburg LP
X5 Retail Group	Retail	BTS-lease	55,018	PFO Perm LP
Bristol	Retail	Lease	19,260	A2 Oktyabrsky WC

**Chart 3**

Distribution of take-up by business sector in regions of Russia, % of take up volume

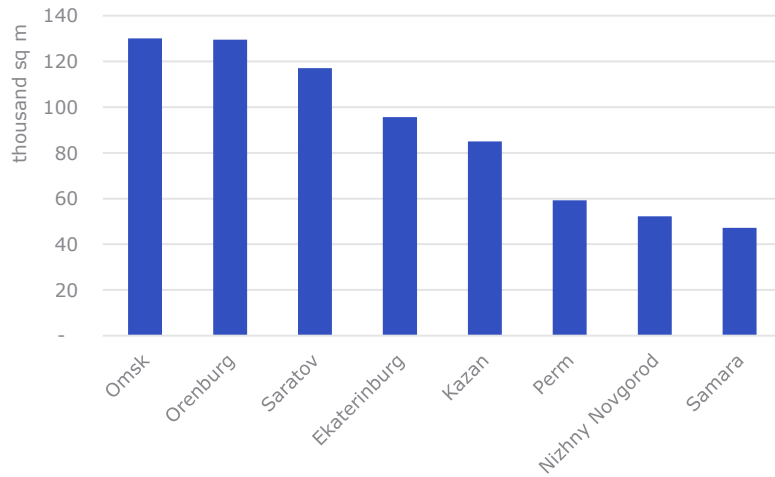
Source: Nikoliers



**Chart 4**

Geographic distribution of take-up by regions

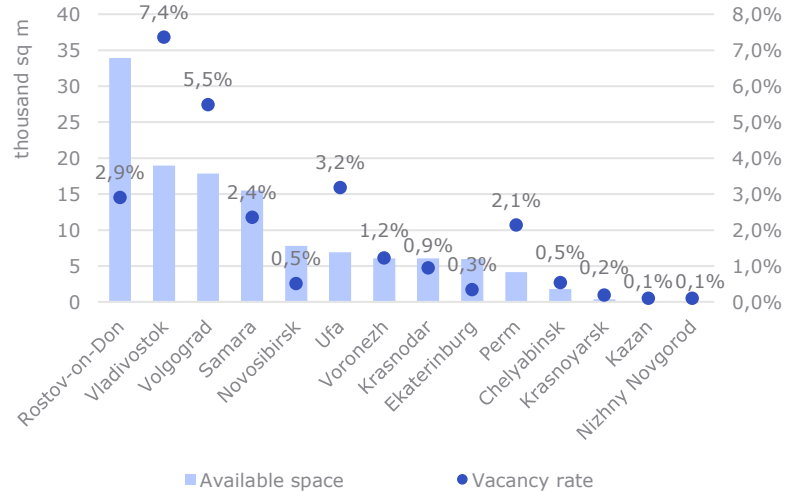
Source: Nikoliers



**Chart 5**

Distribution of available space and vacancy rate in regions of Russia

Source: Nikoliers



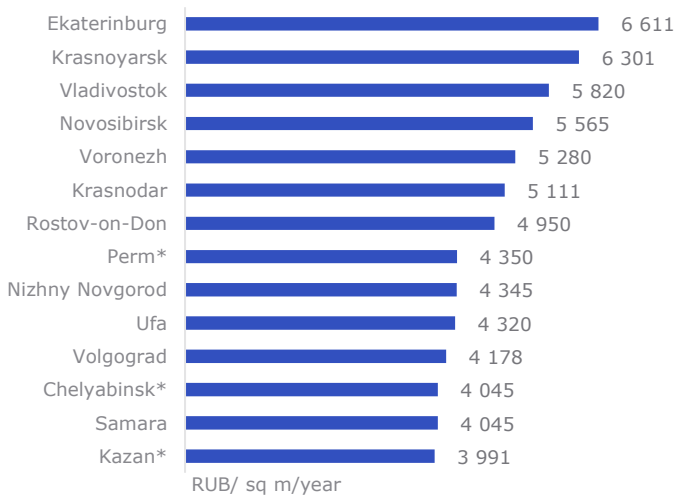
## Vacancy and rental rates

In Russia's regional warehouse market, the first half of 2023 was characterized by a sharp decline in the vacancy rate, which dropped by 0.9 p.p. to 2.0%. Kazan and Nizhny Novgorod became the regions with the lowest vacancy rates and virtually no vacant supply in existing high-quality speculative facilities.

The weighted average triple net rental rate for quality warehousing space is stood at 5,140 RUB /sq m/year in H1 2023, reflecting a 16% growth compared to the end of 2022. High rental rates were recorded in Ekaterinburg (6,611 RUB/sq m/year), Krasnoyarsk (6,301 RUB/sq m/year) and Vladivostok (5,820 RUB/sq m/year). Given the sinking vacancy rate in the regions, further growth of the rental rate can be expected.

**Chart 6**  
Average rental rates in the regions of Russia, H1 2023

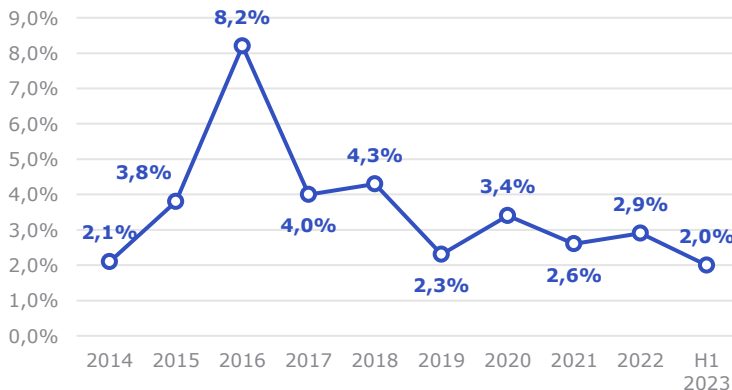
Source: Nikoliers



\*the rental rate is relevant at the end of 2022, there are no open speculative offers in the market at present

**Chart 7**  
Vacancy rate, %

Source: Nikoliers





## Trends for forecasts

- Redistribution of transportation flows

Considering the changes in supply chains that could be seen last year, market players are getting gradually adapted to the new realities by building up and redistributing their existing storage space. Not only are they keener on key logistics hubs in million-plus cities; the demand is also generated for storage space in the cities with a population of up to 500,000 residents on key national transportation routes.

- Expansion of e-com players

The expansion of e-commerce companies into regional markets is leading to a significant increase in the demand for storage facilities. Owing to the urgent need of coming up with efficient logistics solutions for the storage and delivery of goods, their demand for warehouses remains high. Online-retailers are expected to remain active in the market and dominate in terms of demand, given their current quest for warehousing space.

- Growing scarcity of vacant premises

The rapid absorption of large vacant units that are key to the main consumers on the market results in limited supply. The given trend spurs BTS transactions, that is the development of customized facilities meeting the needs of a specific tenant. This allows companies to satisfy their requirements and to get an optimal logistics solution. The conclusion of “turnkey” transactions is now preferable, given the shortage of vacant premises and the imperative of prompt satisfaction of the market requirements.

## Contacts

### Warehouse & Industrial Department

**Victor Afanasenko**  
Regional Director  
+7 495 258 5151  
[Victor.Afanasenko@nikoliers.ru](mailto:Victor.Afanasenko@nikoliers.ru)

### Research

**Veronika Lezhneva**  
Director, Head of department  
+7 495 258 5151  
[Veronika.Lezhneva@nikoliers.ru](mailto:Veronika.Lezhneva@nikoliers.ru)

**Kirill Orishchenko**  
Analyst  
+7 495 258 5151  
[Kirill.Orishchenko@nikoliers.ru](mailto:Kirill.Orishchenko@nikoliers.ru)

### Marketing & PR

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

Copyright © 2023 Nikoliers

This report is a general study of the real estate market and is based on materials provided to us or owned by us, which we believe to be reliable. In compiling this report, our main principles were the accuracy and completeness of the information, however, we do not provide any guarantees that there will be no factual errors. We will be grateful if you inform us about such errors for prompt editing of information. Nikoliers does not accept any responsibility for damage or loss arising from inaccuracies or inaccuracies in the information contained in this report.



 **Nikoliers**

123112 Moscow  
10 Presnenskaya Embankment  
BC Naberezhnaya Tower  
Block C, 52 floor