



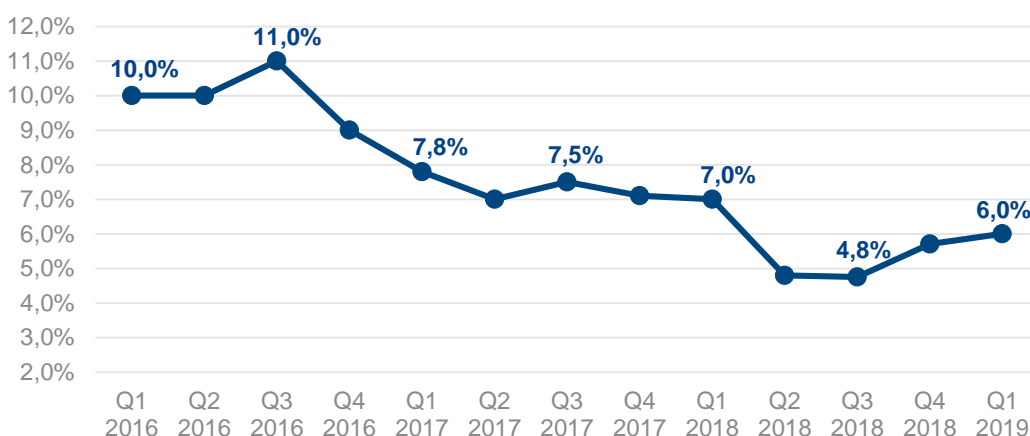
## Key Market Indicators

	Q1 2017	Q1 2018	Q1 2019
Total stock of street retail space on central corridors, thousand sq m	541.2	560.1	562.5
Amount of retail space, number of units	3,123	3,125	3,110
Average size of leased units over the period, sq m	154	140	180
Vacancy rate, %	7.8	7.0	6.0

\* Based on the analysis of Moscow's 90 streets

### Supply

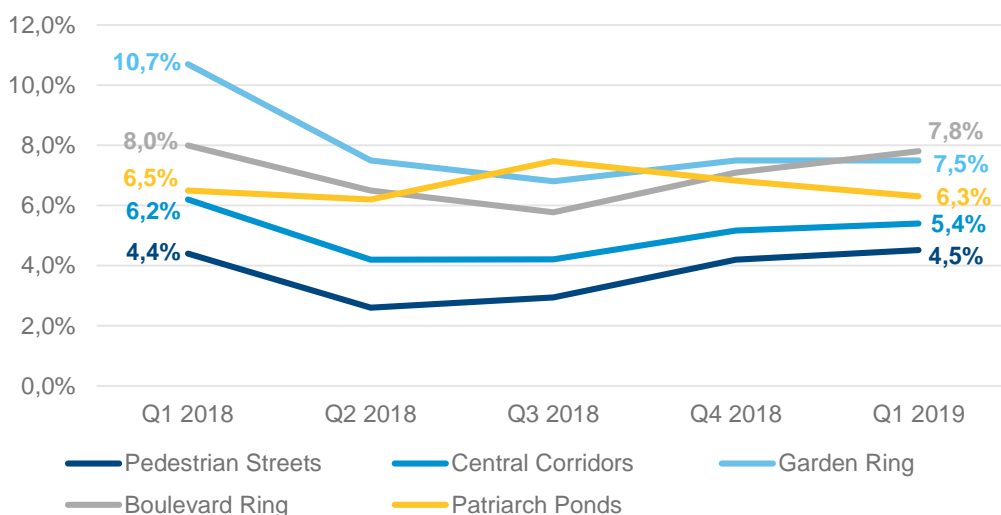
In Q1 2019, the vacancy rate on central corridors in Moscow remained stable at 6.0% versus 5.7% in Q4 2018, the balance of the market street retail remains due to the active demand.



\*Pedestrian streets, central corridors, Garden Ring, Boulevard Ring, Patriarch Ponds

According to Colliers International, a high vacancy rate was recorded on the Boulevard Ring (7.8%), while premises located on central shopping corridors and pedestrian streets were filled the most rapidly during Q1 2019; here the vacancy rate was 5.4% and 4.5%, respectively.

At the beginning of 2019, there was a decrease in the share of free space on Stoleshnikov lane (5.5% against 9.2% in 2018). Quite a large increase in vacancy was registered on Arbat (3.4 p.p.) and Nikolskaya (6.0 p.p.). Changes occurred due to the closure on Nikolskaya and Arbat of a number of stores – Glenfield and FLO&JO, Intimissimi, Alenka and food outlets including Ugly Coyote, Cofix, Kroschka Kartoshka and Prime café.



Vacancy rates by type of trade corridors, %

Source: Colliers International

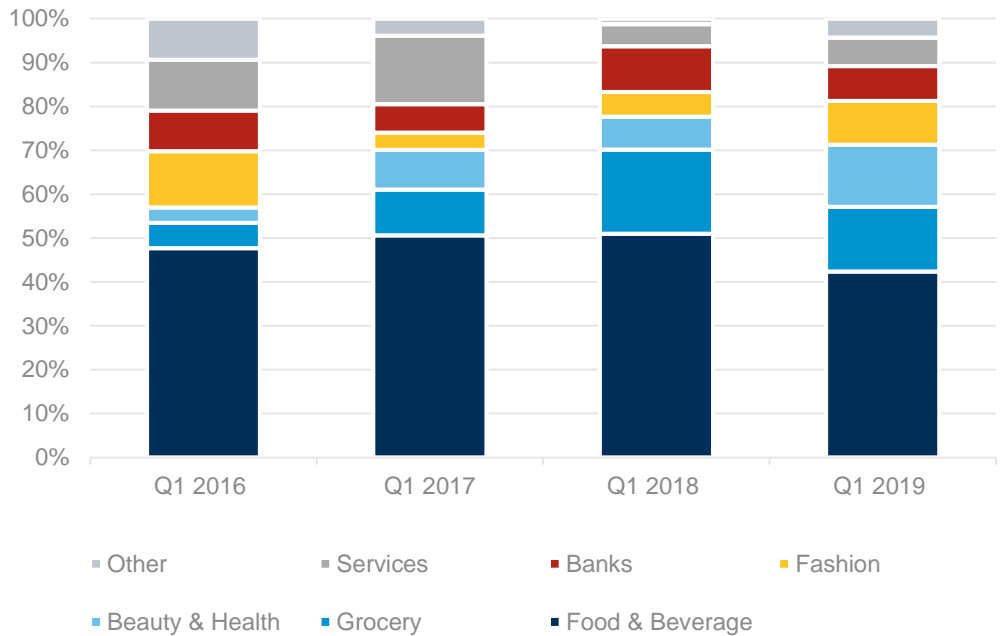
## Demand

With the rotation of tenants on central shopping streets, a significant proportion is occupied by catering establishments – 42% of the total supply. The second active segment in terms of the absorption of leased space after catering were grocery stores (15%). There was a contrast to the previous year in the share of premises occupied by beauty salons (14% against 7% in Q1 2018) and clothing and footwear stores (10% against 6% in Q1 2018).



Demand distribution in the rental market by profile of retailer, %

Source: Colliers International



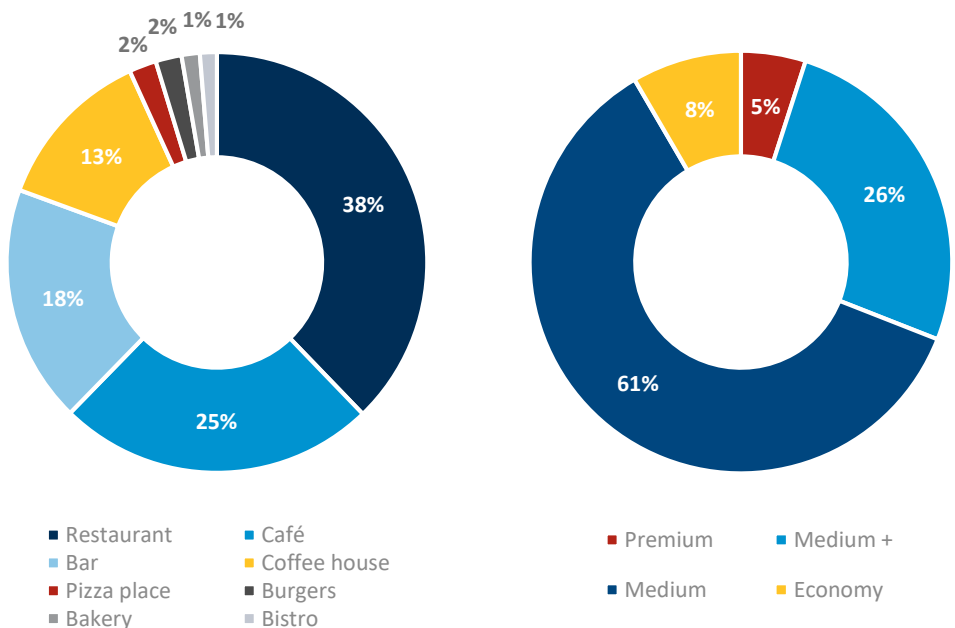
According to the results of Q1 2019, more than half of catering tenants operate in the restaurant and cafe format, accounting for 63% of the total. The list of popular formats also includes bars (18%) and coffee shops (13%). Of the total number of premises rented for catering on main corridors, more than 90% belong to the medium and medium plus price segments (61% and 26% of the total number of institutions).

Moscow street retail market, as previously, is filled by new food branch operators. For example the restaurant Inostrantsi on Tverskoy Boulevard, Burger Remy Burger on Bolshaya Dmitrovka Street and Starbucks Reserve Bar on Neglinnaya Street. It is the first and unique project of the premium Starbucks chain, where visitors can try rare and unusual varieties of own-roast coffee, innovative espresso-based drinks and alternative methods of brewing coffee.



Structure of F&B in Q1 2019, by type and price segment, %

Source: Colliers International



## Openings

In Q1 2019, a landmark event was the opening of the Depot, Russia's largest food court with an area of 11,000 sq m on the site of the former Miussky tram depot. The rapid development of the restaurant business in the city has stimulated large holdings and new startups to adapt and create new catering formats, continuing the trend that began in the second half of 2018. Among such innovations are projects such as Kitayskaya Zabegalovka from Novikov Group, Hello people! from the owners of Coffeemia, the first premium project of the restaurant chain Teremok under the brand Pripek and a new joint project of Emin Agalarov and Grigory Leps – Lesnoy. Due to the high popularity and traffic on the main markets of Moscow, more and more restaurant chains will open new places in the future.

It is also worth noting the low level of activity among fashion-operators. Bolshaya Dmitrovka Street received the first flagship store Tumi on the first floor of a mansion, while on Pokrovka street an offline outlet of the online vintage clothing store Total Vintage has opened as well as a showroom of monobrand Chloe on Tretyakovsky Passage.

NAME	ADDRESS	CATEGORY
Depo	20 bld 3 Lesnaya St	F&B
Starbucks Reserve Bar	15 Neglinnaya St	F&B
Inostrantsi	24 Tverskoy Blvd	F&B
Vermutiya	5 B. Putinovsky Ln	F&B
Remy Burger	12 B. Dmitrovka St	F&B
Tumi	13 B. Dmitrovka St	Fashion
Chloe	1 Tretyakovsky Passage	Fashion
Total Vintage	1 Pokrovka St	Fashion
Crocus Fitness	41 bld 1 Zemlyanoy Val	Fitness
ARENA by Soho Family	36 bld 11 Kutuzovsky Pr-t	Nightclub



Key openings in Q1 2019  
on the Central streets of Moscow

Source: Colliers International

## Rental Rates

In general, rental rates on central streets in Q1 2019 did not undergo significant changes. Due to the lack of quality space up to 200 sq m, there was an increase by an average of 15% in rates on Arbat and Kuznetsky Most. A decrease in rental rates was observed in Stoleshnikov Lane (by 20%), Bolshaya Nikitskaya (by 12%) and Tverskaya (by 5%) due to changes in the composition of premises.

STREET	Q4 2018		Q1 2019	
	RENT MIN	RENT MAX	RENT MIN	RENT MAX
Stoleshnikov Ln	180,000	300,000	180,000	240,000
Tverskaya St	78,000	148,000	60,000	140,000
Kuznetsky Most St	100,000	200,000	87,000	220,000
Petrovka St	77,000	180,000	59,000	130,000
Myasnitskaya St	70,000	152,000	86,000	152,000
Arbat St	80,000	170,000	64,000	204,000
Novy Arbat St	88,000	130,000	65,000	130,000
Rozhdestvenka St	125,000	136,000	122,000	136,000
Pyatnitskaya St	61,000	180,000	58,000	180,000
B. Nikitskaya St	70,000	130,000	70,000	114,000



Rental rates range on main retail  
corridors RUB/sq m/year

Source: Colliers International

## FOR MORE INFORMATION

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