

Russia's Real Estate 2013





General Overview



First half of 2013 became a record high for commercial real estate market.

Total investment **\$3,81 bln, 88%** of all investment are in Moscow region.

Primary volume of investment (1st half 2013) in retail and office segment – \$3,4 bln.



GENERAL OVERVIEW

BIGGEST DEALS 1ST HALF 2013 r.

Segment	Project	Volume \$ mln	Seller	Investor
Retail	«metropolis»	1,100-1,200	Capital Partners	MSREI
Office	«Four Winds»	360-380	Snegiri / AFID	Millhouse
Office	«Olimpiya Park»	340-360	O1 Properties	Casperskay Lab
Office	«Hermintage Plaza»	260-280	Forum Properties	N/
Retail	«Aura» (Novosibirsk)	220-250	Renaissance Construction	RosEuroDevelopment
Office	«Aquamarine» Phase III (50%)	220-240	Super Passion Ltd	AFI Development
Hotel	«Renaissance Moscow Olympic»	100-130	N/A	Azimut Hotels
Logistics	«Tomilino»	80-90	GHP	BIN Group

Capital rates

Cap rate (A class) - **8.5%** for office, **9.25%** for retail and 11.5% for logistics.

Higher 250-450 basis points than London and Paris.

Commercial risks are close to Europe's and far from BRICS.

Data: Cushman & Wakefield, Colliers International



RETAIL



General Info:

1st half 2013 – 520 000 sq. m. have been built

High attendance

Positive outlook

Retails and developers are positive



Trade operators*

*Segments «food», «everyday equipment», «clothing», «cinema»



OUTLOOK

In 2013 in Russia 103 Retail malls total volume 3 155 752 sq. m. in 58 cities.

Biggest markets are mosow and ekaterinburg (<1mln)

Novokuznetsk, tumyen, irkutsk(500 000 to 1 mln)



OFFICE

Lease reates are 5% up.

New 388 000 sq. m. in 1st half 2013

Plans for 2nd half 2013 r. 600 000 sq. m.

Data GVA Sawyer

TOTAL STOCK MOSCOW / 13,44 mn sq m
VACANCY RATE / 13.15%
AVERAGE RENTAL RATE, CLASS A / US\$ 870
H1 2013 DEMAND (TAKE-UP)/ 868,063 sq m
H1 2013 NEW CONSTRUCTION / 341,041 sq m



РЫНОК СКЛАДСКОЙ НЕДВИЖИМОСТИ

RETAIL

Supply (class A, B): moscow – 7,2 mln. sq. m; St.Petersburg – 2 mln. sq. m.; other cities 2,6 mln. sq. m .

Most projects in moscow region – 61% and St.Petersburg region – 18%*.



*По данным на конец 2012 г. Источник: Knight Frank Research, 2013





HOTEL*

*data Jones Lang LaSalle

Hotel rooms total 32 тыс. номеров (11 000 brands).

Next 3 years the steak of brand hotels will grow 40%.

Russia's hotel industry**

Capacity rate 45-49%.

Price for medium segment is 110 USD/night, higher segment – 160 USD.

Jones Lang LaSalle - in 2013 capacity will grow 7-10%.



RESIDENTIAL REAL ESTATE

Russia price chart per sq. m., 2nd half 2013

№	Регион	Secondary market		New	
		Thousand rubles./sq. m.	Growth, second half 2013, %	Thousand /sq. m.	Growth, 2 nd half 2013, %
1	moscow	188,8	0%	159,8	-3%
2	St.Petersburg	92	-1%	78,3	-1%
3	Moscow region	77,6	-1%	74	1%
4	Ekaterinburg	70,7	0%	60,3	-3%
5	N.Novgorod	62,7	0%	62,2	2%
6	Ufa	61,9	-1%	52	-3%
7	Novosibirsk	59,4	1%	50,3	-3%
8	Kazan	58,8	-2%	52,8	2%
9	Rostov ND	58,8	-3%	51	-2%
10	Krasnoyarsks	57,1	0%	55	0%
11	Samara	55,3	-1%	48	2%

Volume of new construction has grown 56%

New plans to start 20 new projects.

