

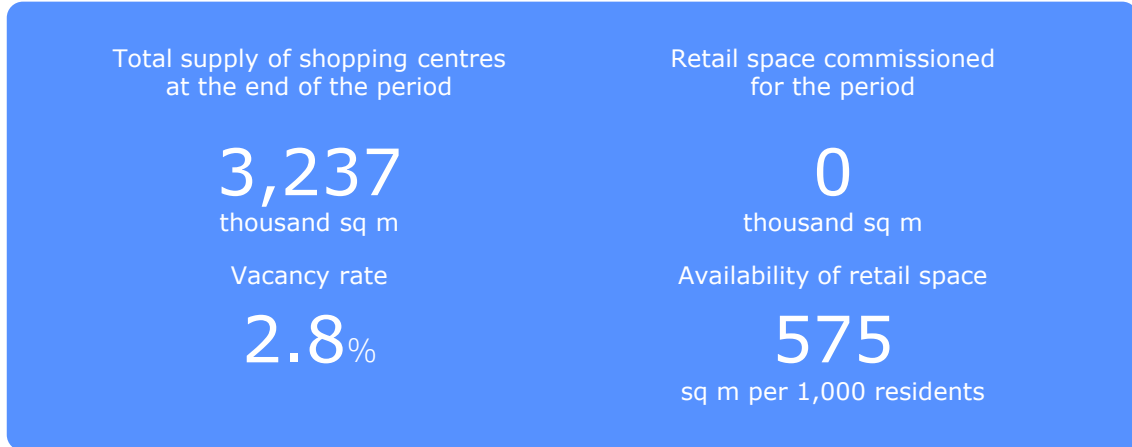
H1 2024

Retail

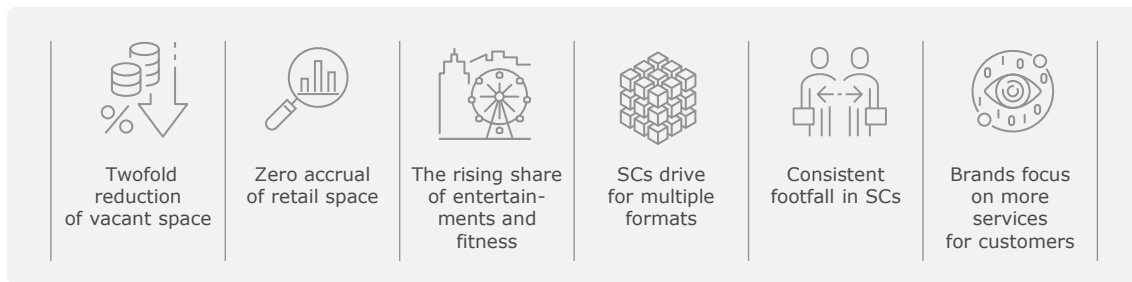
Shopping Centres

Russia | St. Petersburg

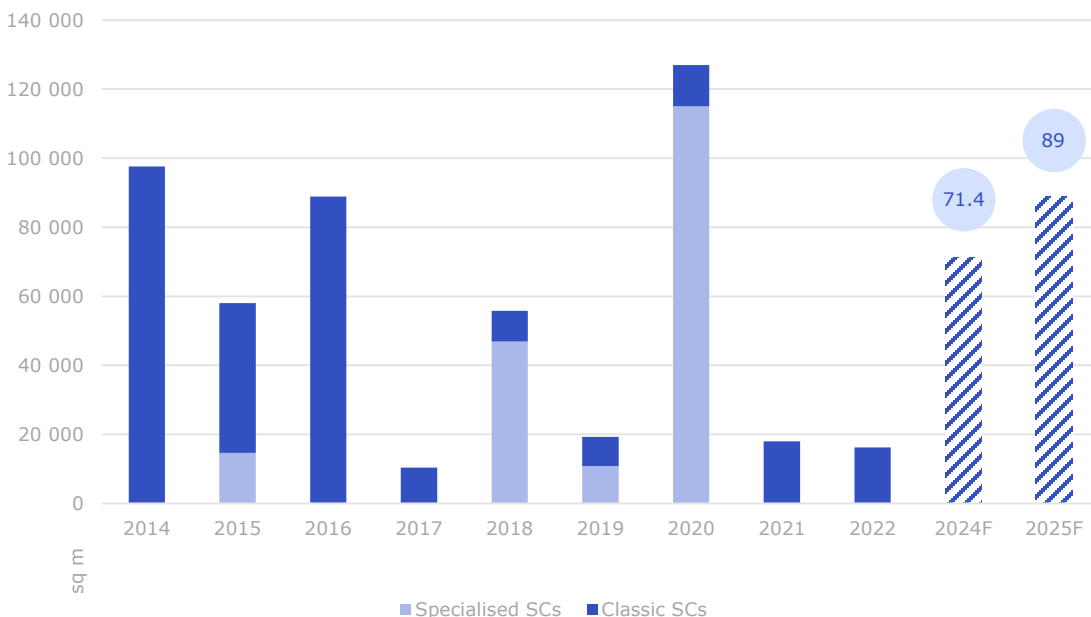
Key market indicators St. Petersburg, H1 2024



Key results



Dynamics of retail space growth in St. Petersburg by format, 2014–2025



Demand

In the first half of 2024, the number of new shop openings rose to 103, exceeding the previous year's result by 12%.

Traditionally, the fashion segment is the leader by the number of openings (45) and the amount of leased space (11,300 sq m). Despite the fact that the number of new stores decreased by 24% and the leased space has shrunk by 56% year-on-year, we can speak about stable activity of fashion operators, as last year one third of all openings (21 stores, or 16,500 sq m) was the relaunch of stores by the Lebanese group Daher (Maag, Dub, Vilet, Ecrú).

The second place by the number of new openings is claimed by catering outlets that surged as compared to the previous year — 16 vs 5 openings respectively, mainly due to the appearance of new outlets within food halls. Thus, Green Point, Every Day Bar, Ryumoch'naya and Chili have opened in Eat Market within SEC Galeria.

The segment of sporting goods (11 new points of sale, 6,750 sq m) completes the top three leaders in terms of openings. The appearance of brands such as Desport and Lamoda Sport on the market at the end of 2023, as well as their aggressive expansion in the city's shopping centres allowed this segment to claim 25% of the total occupied space in the first half of the year.

In addition, the share of fitness and entertainment spaces is growing. DDX Fitness will open its first clubs in SEC Galeria and Passage Trade House in Q3 2024, while Spirit Fitness has already launched its operations in SC Nevsky Centre. A new operator — Termoland thermal spa — will soon open in SEC Leto.

Non-standard players are also entering the tenant mix of shopping centres. Omoda and JAECOO car pre-sale showroom was opened in a part of the former H&M premises of SEC Leto. Previously, automobiles would be placed in the halls of the shopping centre as prizes, but today they occupy full-fledged retail space to demonstrate their products and to keep in touch with potential clients.



Total openings

103 pcs

Main SC* tenants by the number of openings

Fashion

44%

Catering

16%

Sporting goods

11%

Cumulative area of opened shops

27,000 sq m

Main SC* tenants in terms of space occupied

Fashion

42%

Sporting goods

25%

*The selection includes 13 SCs with GLA from 30,000 sq m and above.

Source: Nikoliers

Посещаемость and vacancy rate

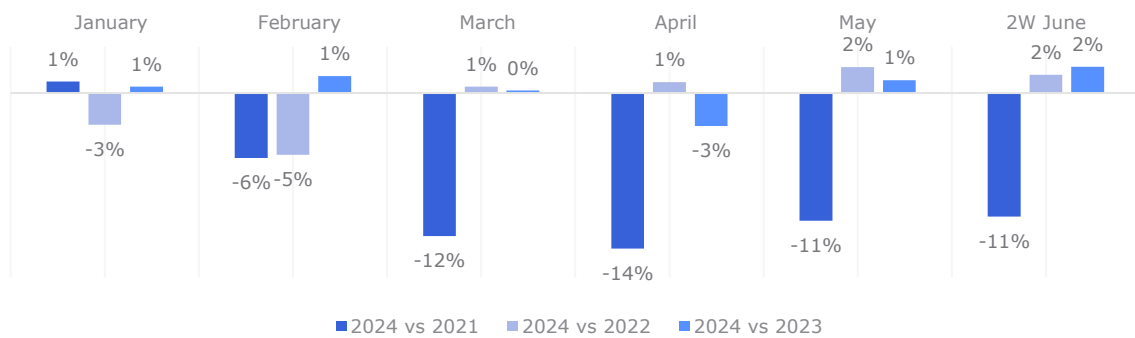
+0.4%

Footfall in St. Petersburg's shopping centres: 25 weeks of 2024 vs 25 weeks of 2023.

As reported by Focus Technologies, at the end of H1 2024 the attendance of St. Petersburg's SCs (Mall Index) remains at the level that was reached last year.

Dynamics of footfall in St. Petersburg's shopping centres

Source: Focus Technologies

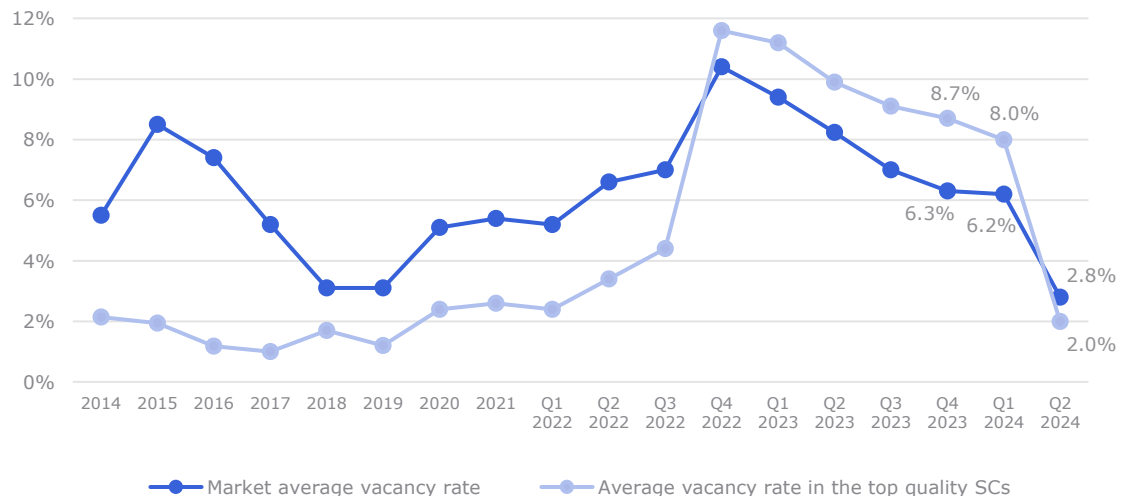


2.8%

Vacant space has shrunk more than twice in H1 2024.

After six months of 2024 the average vacancy rate in the city has dropped more than twice from 6.3% to 2.8%, which became possible due to the lease of vacant space in IKEA stores by Megamarket marketplace (more than 55,000 sq m).

Vacancy rate in traditional shopping centres



Source: Nikoliers

Trends and forecasts

Key market indicators St. Petersburg

	2022	2023	H1 2024	2024F
Total supply of shopping centres at the end of the period, thousand sq m*	3,211	3,247	3,237*	3,308
Retail space commissioned for the period, thousand sq m	16.2	36.4	0	71.4
The area of existing traditional SCs, thousand sq m	2,693	2,711	2,694*	2,766
Number of existing traditional and specialized SCs*	118	120	119*	122
Vacancy rate, %	10.4	6.3	2.8**	2–3
Availability of retail space, sq m per 1,000 residents	597	577	575	581

*The number and floor area of functional SCs were updated in Q2 2024.

**Taking into account the space of IKEA stores, let to Megamarket marketplace.

Source: Nikoliers



Retail space is in short supply

The shortage of premises will persist due to high tenant activity. New openings will mainly occur because of tenant rotation, whereas large vacant premises will be more rarely found.



The growing share of entertainments and fitness and more services for customers

Shopping centres are increasingly focused on multiple formats. As a result, the share of fitness and entertainment spaces in the tenant mix keeps growing, thus making visits to shopping centres more alluring. Brands are also expanding the range of services offered to customers, improving brand perception and increasing brand value in the eyes of shoppers. New in-store services such as cafes, game rooms, lounge areas, shopping customization and stylist services are becoming increasingly popular.



Trend for digitalization in retail

Retailers are increasingly often using virtual and augmented reality for interactive shopping and personalisation of offers. The Ready! Steady! Go! brand already uses online fitting rooms in its shops, and at Befree’s grand opening in SEC Galeria it was possible to try on items from the brand’s digital capsule via special screens. Digitalization in retail will continue to intensify, becoming more pervasive in the industry.

Services



Offices



Industrial



Retail



Residential




Hotels



Land plots



Property management




Managing construction projects




Strategic consulting



Property and business valuation




Investment




Lease & sale (agency)



Representation of tenants



Research and analytics



Marketing

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