

# STREET RETAIL MARKET. MOSCOW

H1 2024

NF Group specialists identify three categories of location of street retail premises:

- > on pedestrian streets with heavy traffic;
- > on central shopping corridors with transport and pedestrian traffic;
- > on the main streets.

Further, the report examines in detail the situation in each sub-market.



## Main conclusions:

- > According to the results of H1 2024, the total street retail space on the central and main streets of Moscow amounted to 682 thousand sq m, the average size of the premises was 163.5 sq m.
- > The vacancy rate reached 7.9%, decreasing by 6.3 pp over the year and by 2.1 pp over six months. In absolute terms, the vacancy rate is 54 thousand sq m.
- > A decrease in the vacancy rate relative to the final indicators of H1 2023 was noted on all types of streets: large main streets: -6.6 pp, transport and pedestrian streets: -5.7 pp, pedestrian streets: -9.9 pp.
- > There is a high demand for premises from local brands that continue to actively occupy central locations in Moscow.
- > In H1 2024, over 40 Russian retailers of the fashion segment, beauty segment and home goods sector opened new street retail stores on the streets of Moscow, which is three times more than in H1 2023.



**Irina Kozina**  
Street Retail Director  
NF Group

"The positive dynamics in terms of vacancy rates in the central shopping corridors of Moscow continues to persist, however, in turn, this leads to a decrease in the pace of opening of many projects due to the lack of supply in the locations attractive to tenants. Representatives of the catering and fashion industry remain the leaders of demand in the street retail market."

## Supply

According to the results of H1 2024, the total street retail space on the central and main streets of Moscow amounted to 682 thousand sq m:

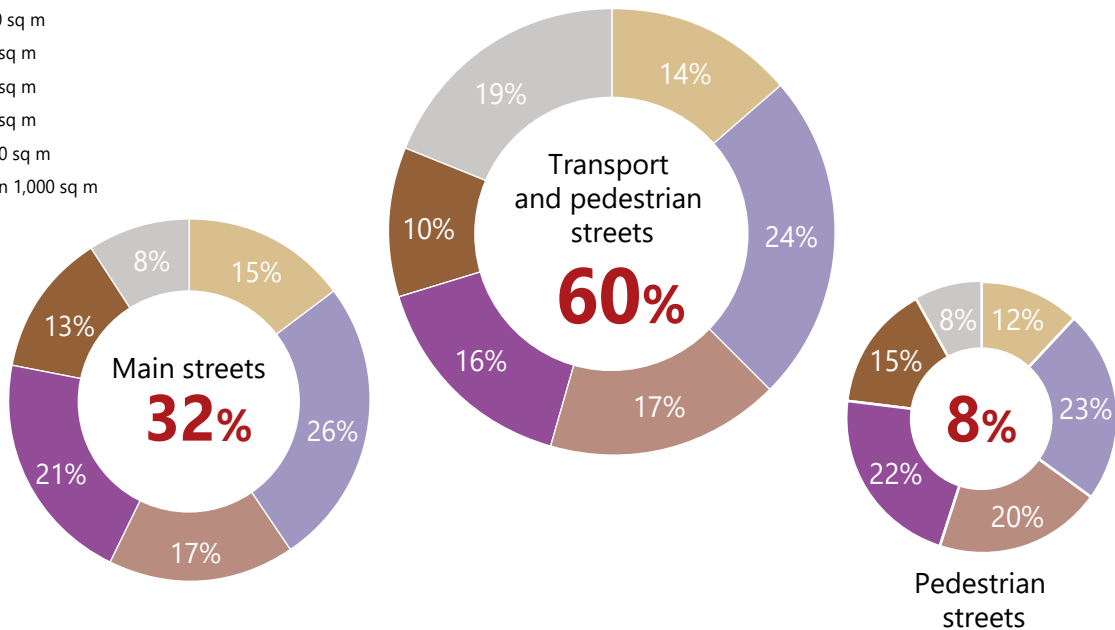
- > on central pedestrian streets – 57.2 thousand sq m (8% of the total stock);
- > on central transport and pedestrian streets - 404.1 thousand sq m (60% of the total stock);
- > on main shopping corridors of the city – 220.7 thousand sq m (32% of the total stock).

In the structure of the street retail market, along all shopping corridors, the bulk of the offer is represented by premises with an area of 100 to 200 sq m, which are the most in demand among tenants. The share of such facilities on pedestrian streets is 23%, on transport and pedestrian streets – 24%, on main streets – 26%.

In terms of occupied space, the catering sector traditionally remains the leader in the transport and pedestrian corridors with a share of 37,4%. The top 3 leaders also include clothing and footwear stores (12.3%) and grocery stores (8.6%). Leisure concepts account for 8.5% of the area.

### Structure of supply by the area of street retail premises

- up to 100 sq m
- 100–200 sq m
- 200–300 sq m
- 300–500 sq m
- 500–1 000 sq m
- more than 1,000 sq m



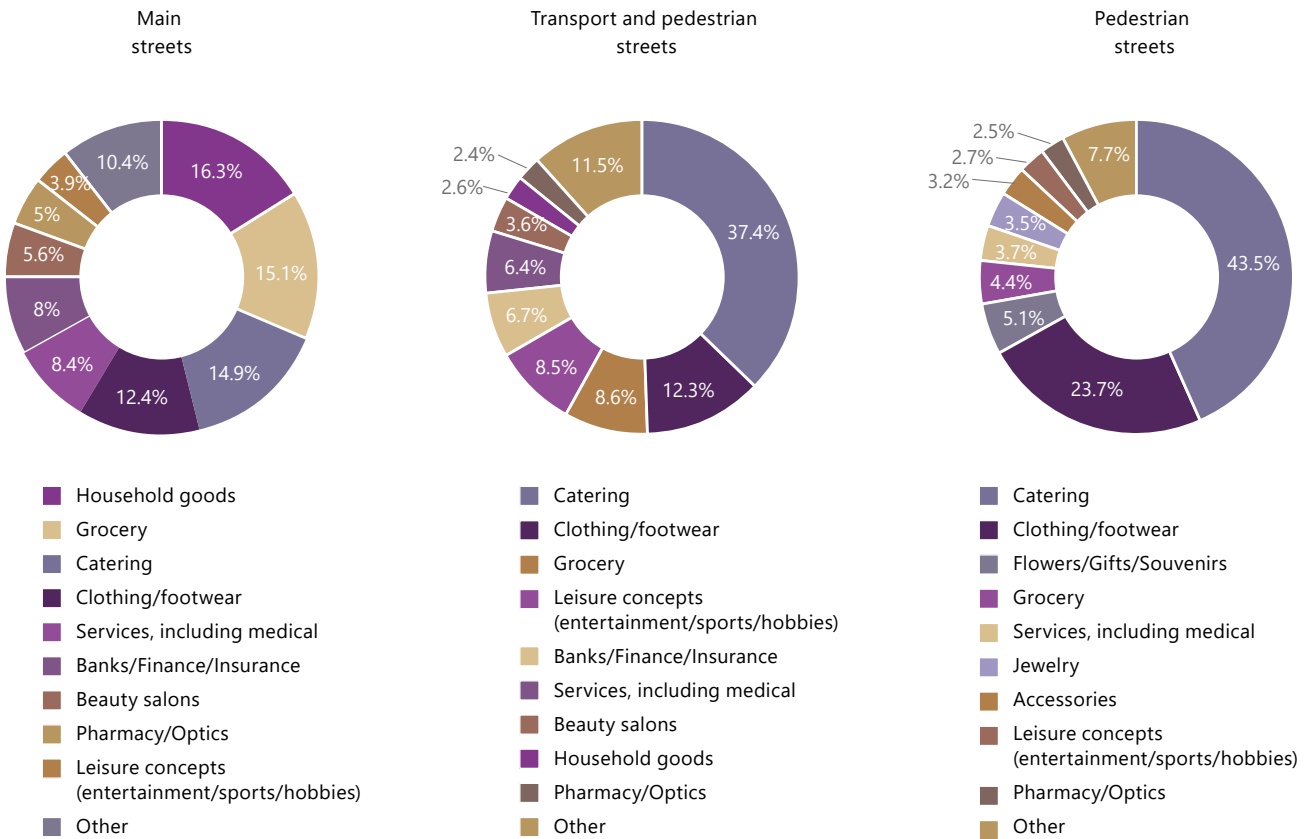
Source: NF Group Research, 2024

On pedestrian streets, most of the leased space is also occupied by catering operators, which account for 43.5%. The second major tenant profile is clothing and footwear stores (23.7%). Flower, gift and souvenir stores close the top three, accounting for 5.1% of the area on pedestrian streets.

The structure of tenants of main Moscow streets by activity profile is very diverse. Here, the leading position in terms of retail space is occupied by household goods stores with a share of 16.3%, followed by grocery retailers (15.1%) and catering establishments (14.9%). The share of clothing and footwear stores in H1 2024 is 12.4%. Service operators, including medical ones, occupy 8.4% of the total area on main streets.



Structure of tenants by activity profile (Top 10)



Source: NF Group Research, 2024

# Vacancy

According to the results of H1 2024, the share of vacant space on the central and main shopping corridors of Moscow decreased by 6.4 pp over the year, amounting to 7.9%, which is lower even than the pre-pandemic level (9.6%). The decrease in vacancy is due to

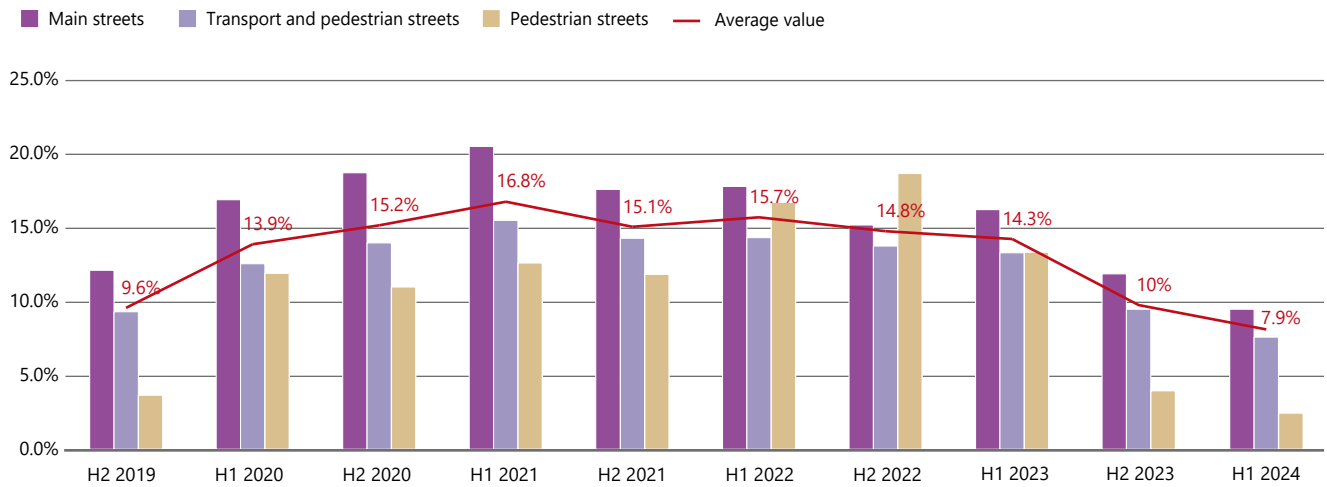
increased activity on the part of local fashion retailers and the catering market on the streets of Moscow.

The most noticeable decrease in the share of vacant street retail premises is recorded on the pedestrian streets of Moscow. In

H1 2024, the vacancy rate of the central pedestrian shopping corridors decreased by 9.9 pp, amounting to 3.5%.

Among the shopping corridors in this category, the largest reduction in vacant space is noted on

## Vacancy dynamics on the main shopping corridors of Moscow



Source: NF Group Research, 2024



Kuznetsky Most (-16.5 pp YoY). Five new tenants occupied premises here, which is 2.5 times more than the number of openings in the same period in 2023. Arbat also demonstrates a low vacancy rate of 1.1% (-4.4 pp YoY). Zero vacancy was recorded in Kamergersky Lane (-19.6 pp YoY) due to the active development of the restaurant business in this location.

A different dynamics among Moscow's pedestrian streets is recorded in Stoleshnikov Lane. At the end of H1 2024, there was an increase in vacant space in this location by 2.7 pp YoY (vacancy rate of 7.2%). A similar change occurred due to the leaving of the Piaget international brand. At the same time, local fashion brands continue to open their stores here.

According to the results of H1 2024, vacancy on transport and pedestrian streets amounted to 7.6%, having decreased by 5.7 pp over the year. A significant decrease in the share of vacant space is observed on Tverskaya Street (-9.6 pp YoY), Novy Arbat (-8.5 pp YoY), as well as on Pokrovka (-7.2 pp YoY) and Maroseika (-8.1 pp YoY).

Among the transport and pedestrian shopping streets of Moscow, there is a decrease in the vacancy rate on the Sadovoye Ring (-2.4 pp YoY), on the central shopping corridors (-5.9 pp YoY) and on the Bulvarnoye Ring (-11.8 pp YoY).

Zero vacancy among transport and pedestrian shopping streets was recorded on Malaya Bronnaya and Petrovka. On Malaya Bronnaya, this indicator has been maintained for over a year due to the demand for this location among catering establishments and fashion brands. On Petrovka, the share of vacant space decreased by 14 pp over the year due to the opening of new jewelry stores.

### Share of vacant space on the main shopping streets of Moscow

Indicator	Share of vacant space, %		Dynamics
	H1 2023	H1 2024	
Main streets	16.2%	9.6%	-6.6 pp
Transport and pedestrian streets	13.3%	7.6%	-5.7 pp
Pedestrian streets	13.4%	3.5%	-9.9 pp
<b>Main transport and pedestrian corridors</b>			
Bulvarnoye Ring	18.0%	6.2%	-11.8 pp
Sadovoye Ring	12.1%	9.7%	-2.4 pp
Central shopping corridors	12.9%	7.0%	-5.9 pp
<b>Main central shopping corridors</b>			
Bolshaya Dmitrovka Str.	11.9%	11.6%	-0.3 pp
Bolshaya Lubyanka Str.	30.5%	21.4%	-9.1 pp
Bolshaya Nikitskaya Str.	5.9%	4.1%	-1.8 pp
Bolshaya Ordynka Str.	13.9%	2.3%	-11.6 pp
Bolshaya Yakimanka Str.	6.9%	3.4%	-3.5 pp
Krasnaya Presnya Str.	10.4%	3.7%	-6.7 pp
Malaya Bronnaya Str.	0.0%	0.0%	0.0 pp
Maroseyka Str.	13.2%	5.1%	-8.1 pp
Myasnitskaya Str.	8.9%	3.0%	-5.9 pp
Neglinnaya Str.	6.9%	8.6%	1.7 pp
Novokuznetskaya Str.	6.6%	1.6%	-5.0 pp
Novy Arbat Str.	10.9%	2.4%	-8.5 pp
Ostozhenka Str.	19.1%	1.7%	-17.4 pp
Petrovka Str.	14.0%	0.0%	-14.0 pp
Pokrovka Str.	10.9%	3.7%	-7.2 pp
Pyatnitskaya Str.	5.7%	1.2%	-4.5 pp
Tverskaya Str.	13.7%	4.1%	-9.6 pp
Tverskaya-Yamskaya Str.	18.5%	20.8%	-2.3 pp
<b>Main pedestrian shopping corridors</b>			
Arbat Str.	5.5%	1.1%	-4.4 pp
Kamergersky Lane	19.6%	0.0%	-19.6 pp
Klimentovsky Lane	2.1%	0.0%	-2.1 pp
Kuznetsky Most Str.	20.9%	4.4%	-16.5 pp
Nikolskaya Str.	17.8%	5.7%	-12.1 pp
Pyatnitsky Lane	0.0%	0.0%	0.0 pp
Rozhdestvenka Str.	9.8%	10.1%	-0.3 pp
Stoleshnikov Lane	4.5%	7.2%	-2.7 pp
<b>Main streets</b>			
Kutuzovsky Avenue	25.5%	12.1%	-13.4 pp
Leninsky Avenue	14.5%	9.4%	-5.1 pp
Mira Avenue	10.8%	10.7%	-0.1 pp
Leningradsky Avenue	16.1%	8.4%	-7.7 pp
Komsomolsky Avenue	15.1%	5.6%	-9.5 pp

Source: NF Group Research, 2024

## Brands

Over 40 new stores of Russian retailers of the fashion segment, beauty segment and household goods in the street retail format have opened on the studied streets of Moscow, which is 3 times higher than the value of H1 2023. Of them:

- > 58% is accounted for by clothing and footwear stores;
- > 20% - household goods stores;
- > 12% - jewelry and accessories stores;
- > 10% - cosmetics and perfume stores.

Local brands continue to actively open new street retail stores in the premises previously occupied by international brands. For example, over the past six months, the Belle You flagship store has already been opened in Stoleshnikov Lane on the site of the Dior men's store (9b1 Stoleshnikov Lane), and the Bork store is expected to open instead of the

Fendi boutique (11 Stoleshnikov Lane). In Petrovka, in H1 2024, Shiphra jewelry stores opened on the site of Paneria and Parure instead of the IWC watch store (5 Petrovka str.), Kohlenoire1 (7 Petrovka str.).

Russian fashion retailers are becoming popular among consumers who appreciate the originality and quality of goods. They offer a wide range of products, from clothes and footwear to accessories and household goods.

## Catering



Catering establishments remain the leaders in terms of occupied areas. According to data for H1 2024, their share in all types of shopping corridors is 30.8%. Among the catering establishments on the studied streets of the capital, the major share accounts for cafes and restaurants (67.2%

of the area), while bakeries and pastry stores (3.7%) are the most rare.


According to the results of H1 2024, Bolshaya Nikitskaya Street remains the leader in the share of public catering street retail establishments with 76% (+13 pp YoY). This location remains one of the main gastronomic streets of Moscow. Over the past six months, the Luwo Greek restaurant and two Italian restaurants have been opened on Bolshaya Nikitskaya Street: Il ristorante, Brera.

Malaya Bronnaya remains second in terms of the share of space occupied by catering operators with 61% (+13 pp YoY). In H1 2024, the Coffee Kiss coffee shop with an elegant interior was opened on the main gastronomic street of Patriarch's Ponds, along with the Oshi Izakaya restaurant. The Glen Ballis project opened on the site of the Uni Japanese restaurant of Alba Group.

### Examples of street retail openings of Russian retailers in H1 2024

№	Name	Address	Profile
1	Porcelain House	9 Bolshaya Nikitskaya Str.	Household goods
2	Belle you	9b1 Stoleshnikov Lane	Clothing/footwear
3	Bork	9 Bolshaya Nikitskaya Str.	Household goods
4	Bork*	11 Stoleshnikov Lane	Household goods
5	Bruno Altro	3 Kuznetsky Most Str.	Clothing/footwear
6	Ex bags	21/13b1 Malaya Bronnaya Str.	Clothing/footwear
7	Haier* 	2 Tsvetnoy Boulevard	Household goods
8	Kohlenoire* 	7 Petrovka Str.	Jewelry
9	Lamoda sport	7 Kuznetsky Most Str.	Clothing/footwear
10	Level44	24b3 Malaya Bronnaya Str.	Clothing/footwear
11	Natura Siberica* 	1 Arbat Str.	Cosmetics and perfume
12	Nude story*	6/3b3 Kuznetsky Most Str.	Clothing/footwear
13	Oskelly	7 Kuznetsky Most Str.	Clothing/footwear
14	Parure*	5 Petrovka Str.	Jewelry
15	Shiphra	5 Petrovka Str.	Jewelry

\* Opening soon

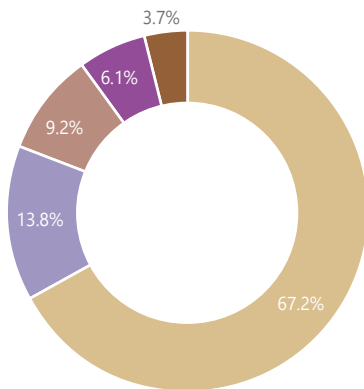
 - NF Group deals

Source: NF Group Research, 2024

It is worth noting that restaurateurs are increasingly opening catering establishments in alleys near popular locations due to the fact that such an arrangement allows them to install a veranda in the summer season and ensures the centrality of the establishment, on the one hand, and also provides a reduced level of urban noise on the other. For example, Anchovy's club (3/2 Kolokolnikov Lane) between Tsvetnoy Boulevard and Sretenka Street. Restaurateurs are also considering new buildings to open their new projects. For example, Glen Ballis opened a new Mediterranean restaurant Claudia in the Prime Park residential complex on Leningradsky Avenue.

**Share of catering establishments by segment**

- Cafe, restaurant
- Bar, pub
- Snack bar
- Coffee house
- Bakery, pastry store



Source: NF Group Research, 2024

**Examples of restaurant openings on the central streets of Moscow in H1 2024**

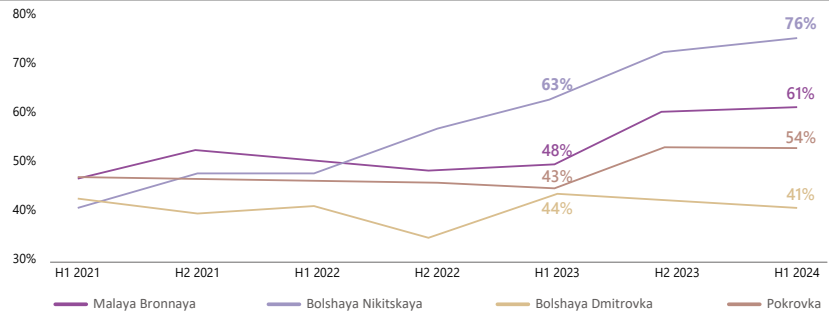
Name	Address	Price segment
Athena	2/6 Bolshaya Bronnaya Str.	Mid-range+
Coffeemia*	7 Akademika Sakharova	Mid-range+
Anchovy's club	2b1 Kolokolnikov Lane	Mid-range+
Ayu	2b1 Romanov Lane	Prime
Brera	24/1 Bolshaya Nikitskaya Str.	Mid-range+
Il ristorante	9 Bolshaya Nikitskaya	Prime
Lui	16c9 Bersenevskaya Emb.	Prime
Luwo	15b1 Bolshaya Nikitskaya Str.	Mid-range+
Miss you	12 Petrovka Str.	Mid-range+
Nothing Fancy*	30/7 Petrovka Str.	Mid-range+
Oshi Izakaya	22b2 Malaya Bronnaya Str.	Mid-range+
Pandor	7b1 Strastnoy Boulevard	Prime
Phantom	24b1 Malaya Nikitskaya Str.	Mid-range+
Sansa	5 Prechistenskaya Emb.	Mid-range+
Uchiwa	2b1 Romanov Lane	Prime

\* Opening soon

- NF Group deals

Source: NF Group Research, 2024

**Dynamics of the share of public catering street retail establishments on the central streets of Moscow**



Source: NF Group Research, 2024



## Rental rates for street retail premises on the central streets of Moscow

Street or shopping area	Rental rate ('000 rubles/sq m/year), excl. VAT					
	H1 2023		H1 2024		Change	
	min	max	min	max	in the lower limit over the year	in the upper limit over the year
Arbat Str.	37	156	25	129	-32%	-17%
Nikolskaya Str.	50	266	-*	-*	-	-
Tverskaya Str. (on the site from the Okhotny Ryad metro station to Pushkinskaya metro station)	29	236	53	273	83%	16%
Pyatnitskaya Str.	22	200	29	168	32%	-16%
Sadovoye Ring	17	95	23	120	35%	26%
Mira Avenue	12	144	22	136	83%	-6%
Patriarch's Ponds	50	282	59	275	18%	-2%
Kuznetsky Most	32	258	59	300	84%	16%
Novy Arbat Str.	26	121	36	78	38%	-36%
Stoleshnikov Lane	70	197	143	190	104%	-4%
Myasnitskaya Str.	35	180	42	110	20%	-39%
Kamergersky Lane	25	167	-*	-*	-	-
Petrovka Str.	27	200	-*	-*	-	-
Kutuzovsky Avenue	24	70	29	88	21%	26%

\* No supply

Source: NF Group Research, 2024

## Rental rates

According to the results of H1 2024, the highest requested rental rates are those for premises\* located in Stoleshnikov Lane and Tverskaya Street, as well as in the vicinity of Patriarch's Ponds.

The minimum amount of the requested rates in 2024 increased from 12 to 22 thousand rubles per sq m YoY (Mira Avenue).

A significant increase in the lower limit of the requested range of rental rates is noted on Tverskaya, Kuznetsky Most and Stoleshnikov Lane due to limited quality supply and consistently high demand for premises in these locations.

A decrease in the upper limit of the rental rate within 40% was noted in seven locations under study.

The change in rental rates depends primarily on the premises location and its quality characteristics. Also, an important role is played by external factors that affect the tourist flow on historical and cultural streets and generate demand from potential tenants.

## Forecast

By the end of 2024, it is expected that the vacancy rate of street retail space will be fixed at 7-9% in the central shopping

streets of Moscow. This indicator is quite low and is characterized by high demand for commercial real estate.

A large number of new fashion brand stores and catering establishments are expected to open in the near future. Local retailers will continue to occupy premises previously occupied by international brands, strengthening their positions in the capital market.

The average requested rental rates will increase point-by-point due to the small volume of free liquid supply and consistently high demand for retail space.

\* The study focuses primarily on premises located on the ground floors (first line), with an area of 100 sq m to 350 sq m.



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#### CONSULTING & RESEARCH

**Olga Shirokova**  
Partner, Regional director  
[OS@nfgroup.ru](mailto:OS@nfgroup.ru)

#### REAL ESTATE VALUATION

**Olga Reshetnyakova**  
Director  
[OR@nfgroup.ru](mailto:OR@nfgroup.ru)

#### STREET RETAIL

**Irina Kozina**  
Head of Street Retail  
[IK@nfgroup.ru](mailto:IK@nfgroup.ru)

