

# OFFICE MARKET REPORT. MOSCOW

2024



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"2024 became a milestone year for the Moscow office real estate market – demand for lease has continued to grow, and the volume of concluded deals has reached record levels. NF GROUP confirmed its leadership once again, providing the largest volume of lease deals among the largest consulting companies and increasing its market share up to 54%. In the context of limited new supply and rising lease rates, the company's experts are recording a decrease in vacancy rates, an increase in interest in Class A offices and a shift in the demand structure towards long-term contracts. In 2024, 16 facilities with a total leasable area of 569'000 sq m received a commissioning permit. The largest new facility is Moscow Towers (263,000 sq m)".

## Main conclusions

- > Since the beginning of the year, the vacancy rate decreased in both classes: in Class A by 4.6 ppt, to 7.8%, in Class B — by 1.8 ppt, to 5.1%.
- > In 2024, 16 facilities with a total leasable area of 569'000 sq m received a commissioning permit. The largest new facility is Moscow Towers (263,000 sq m).
- > The average weighted asking rental rates in both classes continued to grow: during the year in Class A, the indicator increased by 6.8% to 27,400 roubles/sq m/year (excluding OPEX and VAT), in Class B — by 15.4% to 21,095 roubles/sq m/year (excluding OPEX and VAT).

### Key indicators. Dynamics\*

		2023	2024
Total supply of high-quality space, '000 sq m		18,206	18,765
including:	Class A	5,550	6,052
	Class B	12,655	12,713
Commissioned since the beginning of the year, '000 sq m		279.8	569.3
including:	Class A	240.9	511.3
	Class B	38.9	57.9
Vacancy rate, %	Class A	12.4	7.8
	Class B	6.9	5.1
Average weighted asking rental rates*, roubles/ sq m/year**	Class A***	26,303	27,400
	Class B	18,276	21,095
Average weighted OPEX rates, roubles/ sq m/year****	Class A	7,900	8,100
		5,600	5,600

\* Compared to Q4 2023

\*\* Excluding OPEX and VAT (20%).

\*\*\* In Class, A there is a category of Prime class facilities, which represent the most high-quality, layout-efficient, high-tech buildings located in the most developed and significant business clusters of Moscow (Central Business District, Belarusian business district, "Moscow City"). The basic average weighted lease rate is 45,231 roubles/sq m/year.

\*\*\*\* The analytical review uses information on OPEX rates provided by the owners of premises as a single indicator for calculations. In a standard case, the OPEX indicator includes costs for maintenance, cleaning of common areas of the building and adjacent territory, security, compensation of costs for commercial management of the facility, compensation of property tax, costs for land lease and insurance. All operating expenses in the report are exclusive of VAT.

Source: NF GROUP Research. 2025

## Supply

The total supply volume of the Moscow office property market as of yearend 2024 was about 18.8 m sq m, of which 6.1 m is class A, and 12.7 m — class B.

In 2024, 16 facilities with a total leasable area of 569,000 sq m received a commissioning permit, which is twice as much as in the same period of the previous year. The largest new facilities are Moscow Towers (263'000 sq m), Park of Legends, B+ (45'200 sq m), as well as ICity, Time Tower (44'600 sq m). At the end of the year, only 13% of the total volume of new construction in 2024 entered the speculative supply: the majority of the free supply is part of the areas of the Skolkovo Park complex, ZIL technology park, and Oktyabrskoye Pole technology park.

Approximately 47% of the expected commissioning volume for the year had been commissioned by the beginning of 2025. The majority of the projected commissioning will be offered for sale (59%), 12% in the lease format, and 29% of the projected volume will be BTS projects.

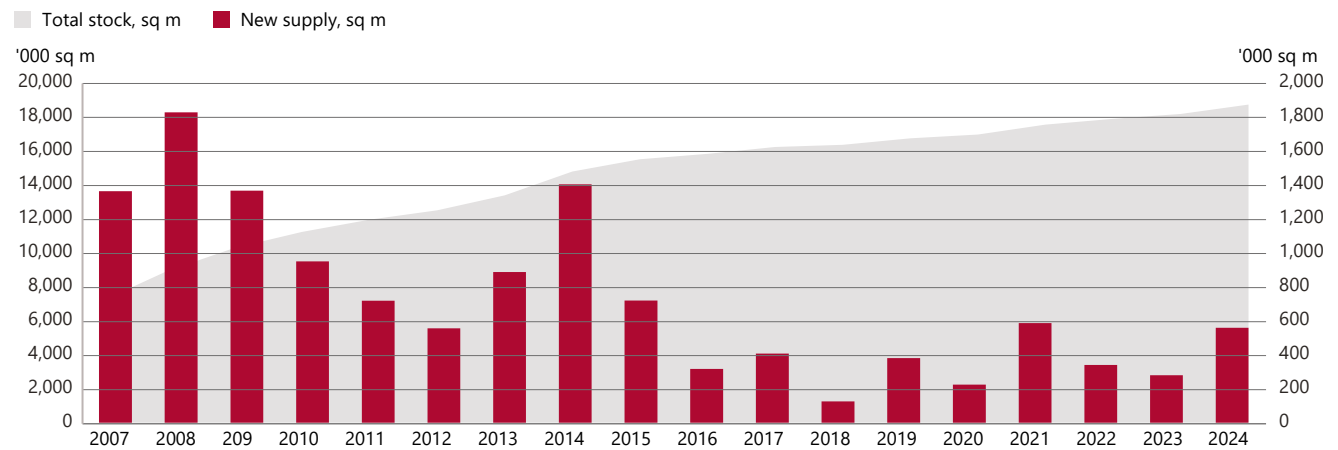
## Vacancy

The demand for purchase/lease of office space remained at a high level throughout 2024. Over the year, the vacancy rate indicator continued to decline: in Class A by 4.6 ppt, to 7.8%, in Class B — by 1.8 ppt, to 5.1%.

All indicators are close to a record low, the vacancy rate was lower only in 2007. About 474,000 sq m of class A office space and more than 650,000 sq m of class B office space remain vacant on the market.

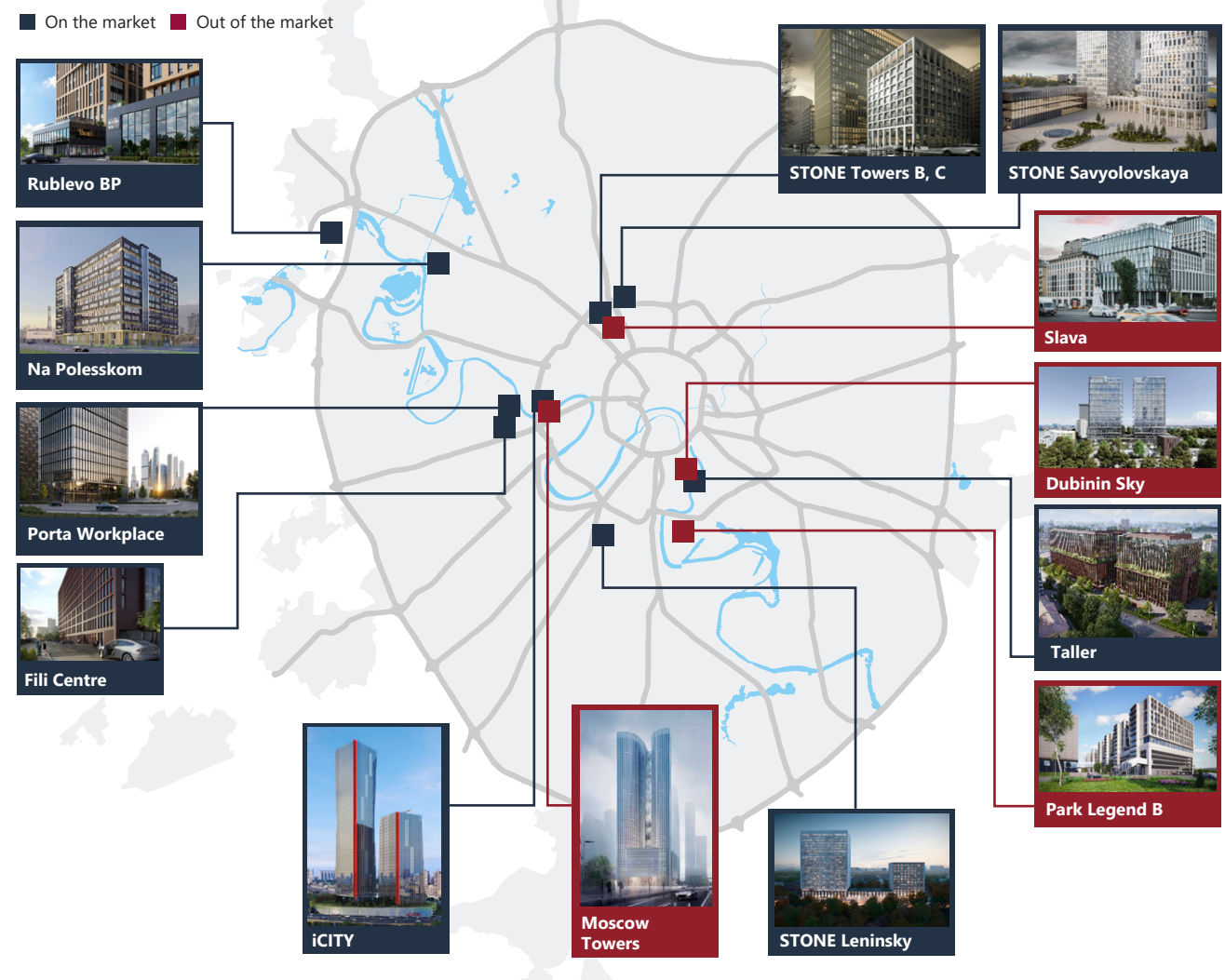


## Dynamics of office property supply volume, Moscow



Source: NF GROUP Research, 2025

## Map of key projects in 2024-2026\*

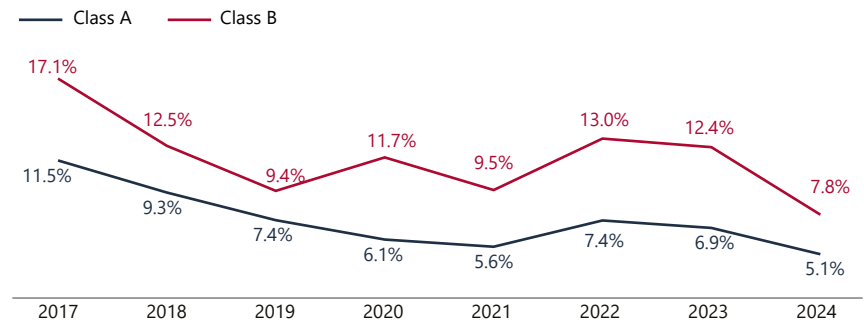


\* Office facilities where the commissioning certificate has been/will be received in 2024-2026.

Source: NF GROUP Research, 2025

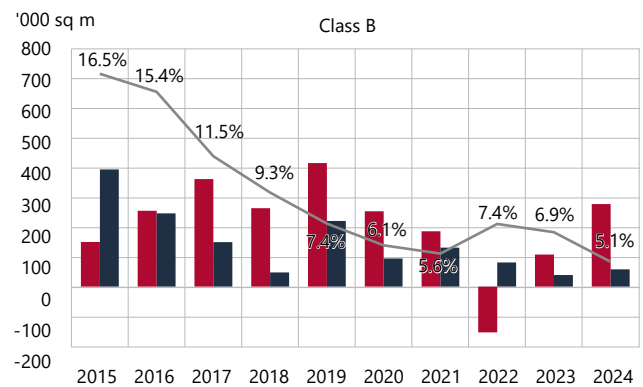
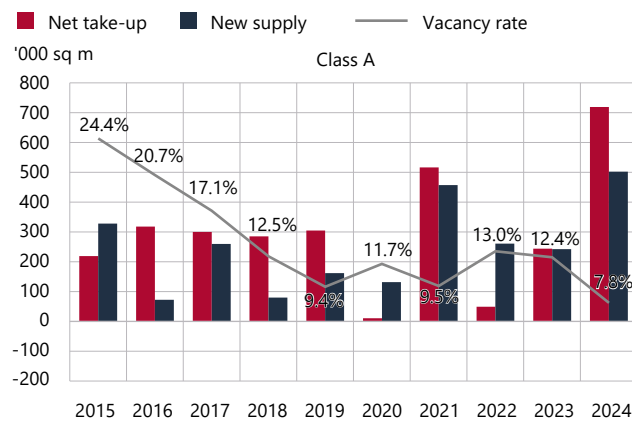
At the same time, in Class A about 46% of all offices available as of the end of 2024 are offered without finishing. Since the beginning of the year, this indicator has grown by 31 ppt. For comparison, in Class B only 12% of vacant offices are offered for sale in shell&core condition. The difference in the structure of supply is explained by the fact that mostly new office supply consists of class A facilities, which are commissioned in shell&core condition; besides, there is a greater demand for new offices with finishing by office users.

### Dynamics of office vacancy by class. Moscow



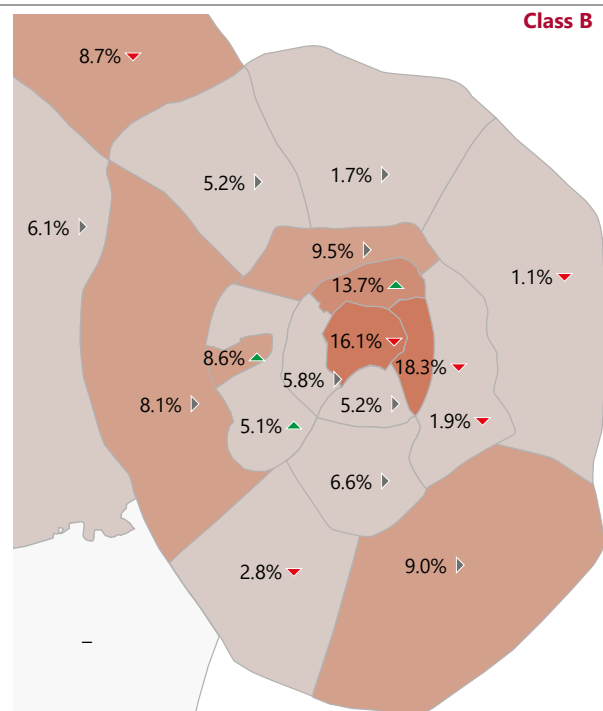
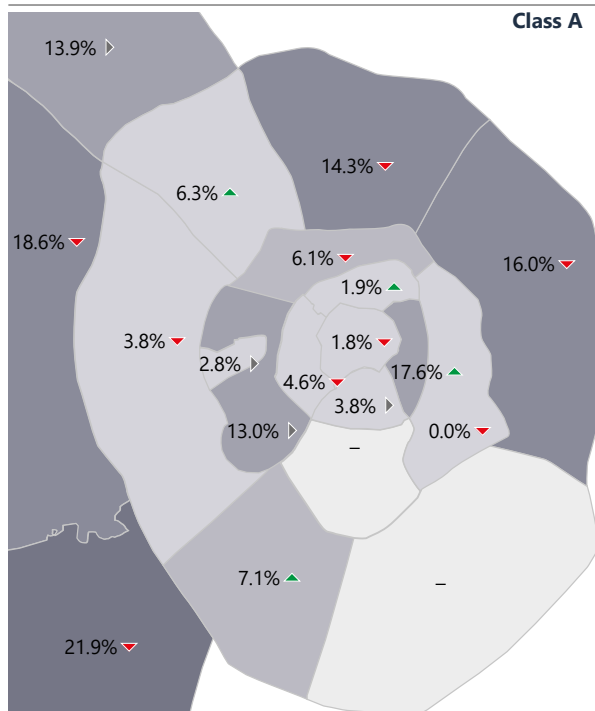
Source: NF GROUP Research, 2025

### Net absorption, new supply and vacancy rate dynamics



Source: NF GROUP Research, 2025

### Moscow business districts. Office vacancy rate



Source: NF GROUP Research, 2025

## Demand

The volume of net absorption (the indicator of the difference between the volume of occupied space at the end and at the beginning of the period under consideration) for 2024 amounted to more than 1,000,000 sq m as compared to the total annual indicator for 2023 of 350,000 sq m. The average lease transaction size in 2024 was 1,204 sq m, which is higher than the 2023 figure of 1,142 sq m.

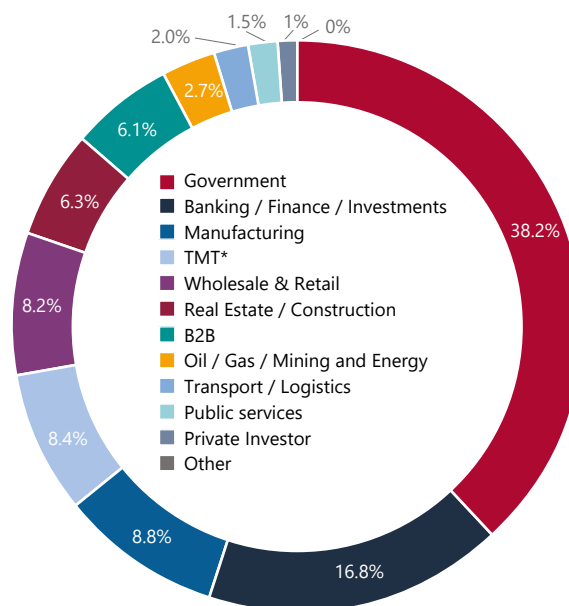
In 2024, a significant share of demand for office space was formed by companies with state capital participation (38.2%), followed by banking and financial companies (16.8%) and the manufacturing sector (8.8%). The leading segments are primarily determined by the large deals that were made during the year.

## Flexible offices

As of the end of 2024, the area of open flexible offices in Moscow amounted to 382,500 sq m, cumulatively providing 54,800 workplaces. For 12 months, 11 new flexible office sites with a total area of 28,400 sq m were opened, providing 4,100 workplaces.

As of January 2025, the vacancy rate\* of flexible offices was 8.4%, having decreased by 6.6 ppt from the end of 2023 due to high demand for flexible offices. The number of vacant workplaces amounted to 4,212. The average workplace lease rate is 46,920 roubles/workplace/month (including VAT, if applicable). (including VAT, if applicable), an increase of 23.2% YTD.

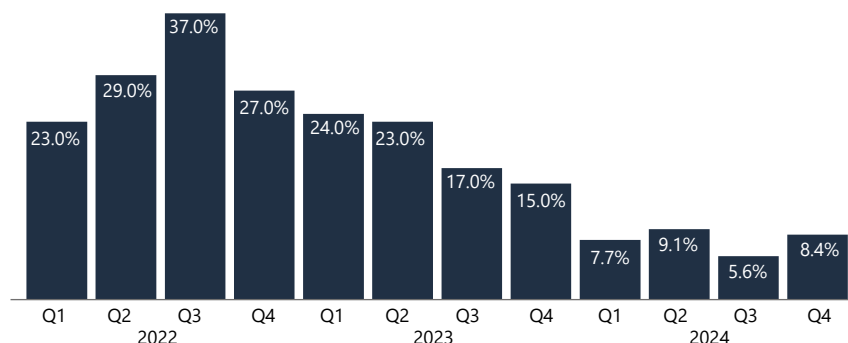
Take-up structure by business sector



\* Technology/Media/Telecommunications.

Source: NF GROUP Research, 2025

Flexible offices vacancy rate dynamics



\* The currently offered workspaces of network spaces are accounted for without taking into account the BTS format (build-to-suit) and facilities not yet completed, and without taking into account the amount of leased space.

Source: NF GROUP Research, 2025

Key lease and sale deals in Moscow office market, 2024

Office building	Deal volume, sq m	Company	Deal type
Moscow Towers	262,800	Russian Railways	Sell
Slava	143,898	Central Bank of the Russian Federation	Sell
Domnikov	77,687	Alfa-Bank	Sell
Dubinin'Sky <small>€NF GROUP</small>	46,019	Confidential	Lease
Stratos Business Center	39,500	Technopolis Moscow	Sell
Iskra-Park	24,598	T-Bank	Flexible office lease

€NF GROUP NF GROUP's deals

Source: NF GROUP Research, 2025

## Commercial terms and conditions

Since the beginning of the year, the average weighted average asking lease rates in both classes increased significantly: in Class A by 6% to 27,400 roubles/sq m/year (excluding OPEX and VAT), in Class B by 5.1% to 21,095 roubles/sq m/year (excluding OPEX and VAT). The growth in indicators is explained by both the growth in asking rates in the properties and the change in the supply structure – more budget-friendly blocks are being washed out of the supply faster in the context of active demand for offices and decreasing vacancy rates.

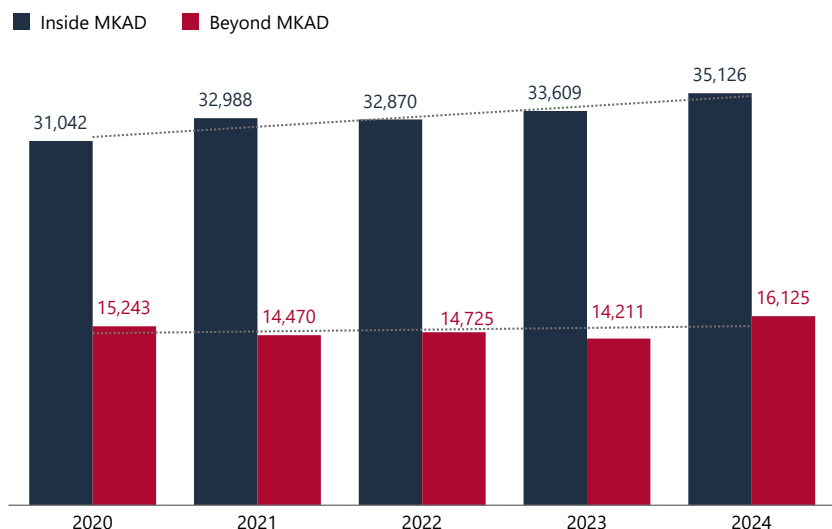
At the same time, the growth of asking rents for fit-out premises is more significant: in Class A since the beginning of the year, the indicator has increased by 32.5% for fit-out premises; for shell&core premises, there was a decrease in asking rents by 4%.

The average weighted asking rental rate in premium offices increased by 6.8% over the year and amounted to 45,231 roubles/ sq m/year (excluding OPEX and VAT). In 2025, the growth in asking rates for premium offices may continue due to historically low vacancy rates in established business districts, as well as within the Third Ring Road.

Existing market practices remain essentially unchanged. The average term of an office lease agreement is 3 years with an early termination option. The indexation of rents in most agreements is linked to the consumer price index, at the level of 8-10%.

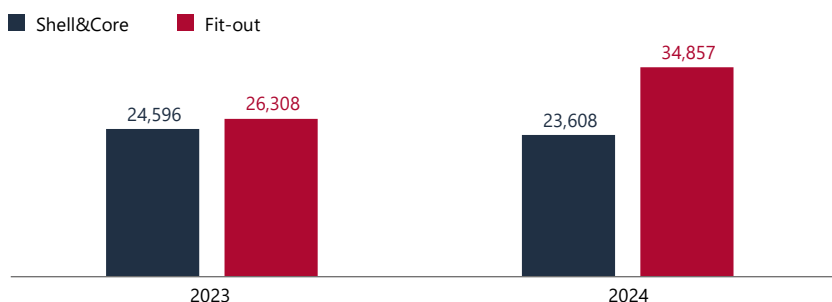
The size of the leased office unit is a major factor in the deviation of the achievable lease rate from the requested one: most developers often prefer to lease a building to several large tenants instead of mono-tenanting or splitting the space into small units. For them, it creates a stable rental income that is less dependent on rotation on the one hand and less complicated to administer on the other.

### Class A asking rents dynamics inside and outside the Moscow Ring Road



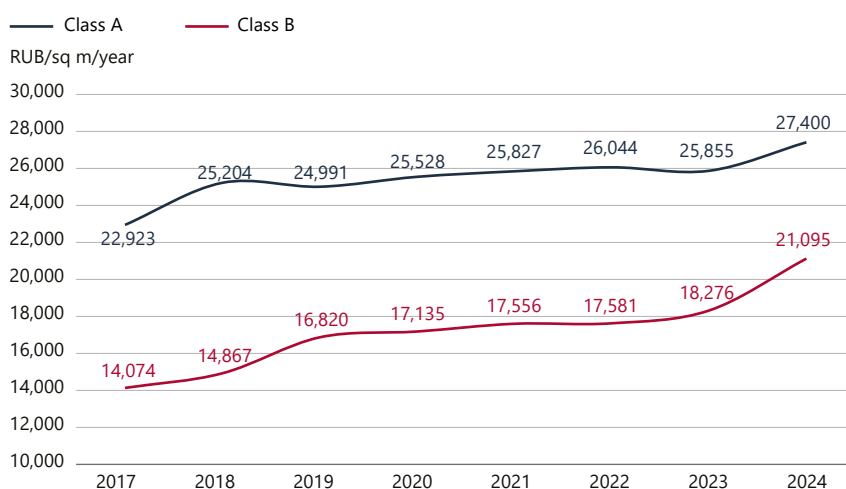
Source: NF GROUP Research, 2025

### Dynamics of asking rental rates for class A premises shell&core/fit-out



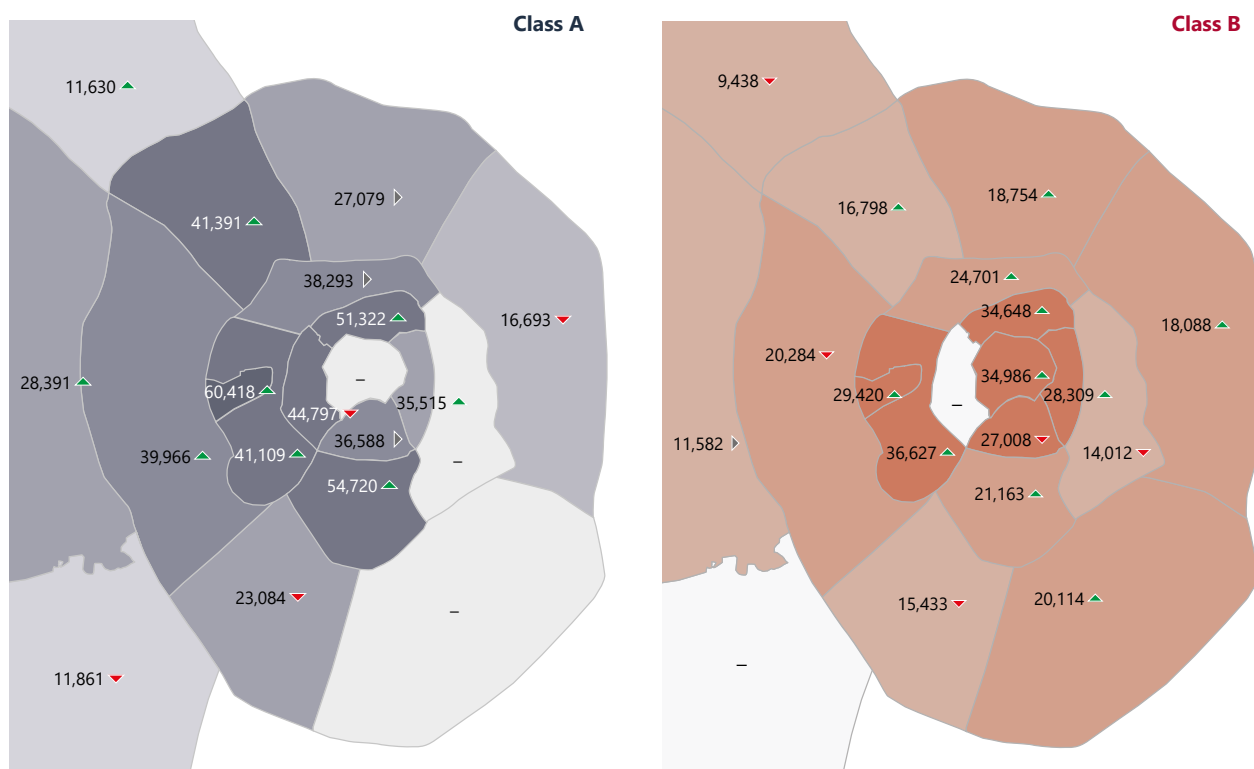
Source: NF GROUP Research, 2025

### Class A and B average weighted asking rents dynamics



Source: NF GROUP Research, 2025

## Moscow business districts. Weighted average rental rate, RUB/sq m/year



Source: NF GROUP Research, 2025

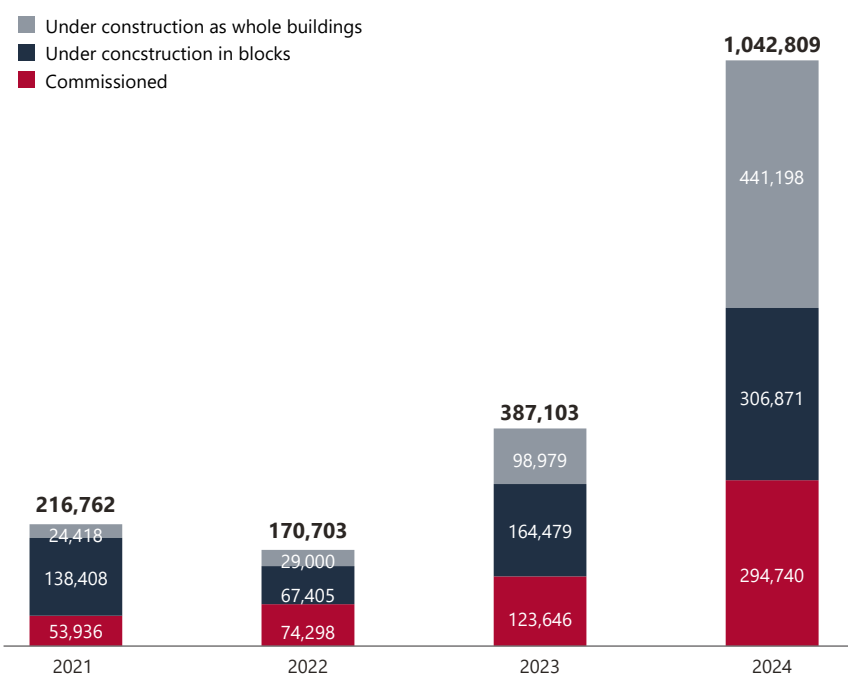
## Office sales market\*

In 2019-2021, the Moscow office market began to actively develop a product representing offices for sale in units, floors or buildings. The growing activity in the Moscow market is generating demand for such offices from both small investors and end users, represented among others by large corporations that are planning to locate in their own headquarters.

The total projected volume of offices in buildings under construction/recently commissioned, where sales have already started, is 2,200,000 sq m.

The total volume of offices for sale at the end of 2024 is 447,000 sq m. The average weighted asking sales price for offices in the two classes is 434,000 roubles/sq m (including VAT, if applicable), which is 16.2% higher than the indicator for 2023.

## Sales volume dynamics by type of offices sold



Source: NF GROUP Research, 2025

The indicator grows due to the increase in prices of properties, the decrease in more budget-friendly offers outside of classic business clusters, as well as the start of sales in projects with a high initial price.

During the year, 21 new projects were put on sale, where the areas are sold both in sections and as a whole. The average weighted selling price of new projects was 423,562 roubles/sq m (including VAT, if applicable).

In 2024, the sales volume was record-breaking – more than 1,000,000 sq m, with 750'000 sq m sold in offices under construction, both both in blocks and

as whole buildings. The largest share of demand is occupied by the deals of Russian Railways purchasing the Moscow Towers premises and the Central Bank acquiring the Slava Business Center under construction.

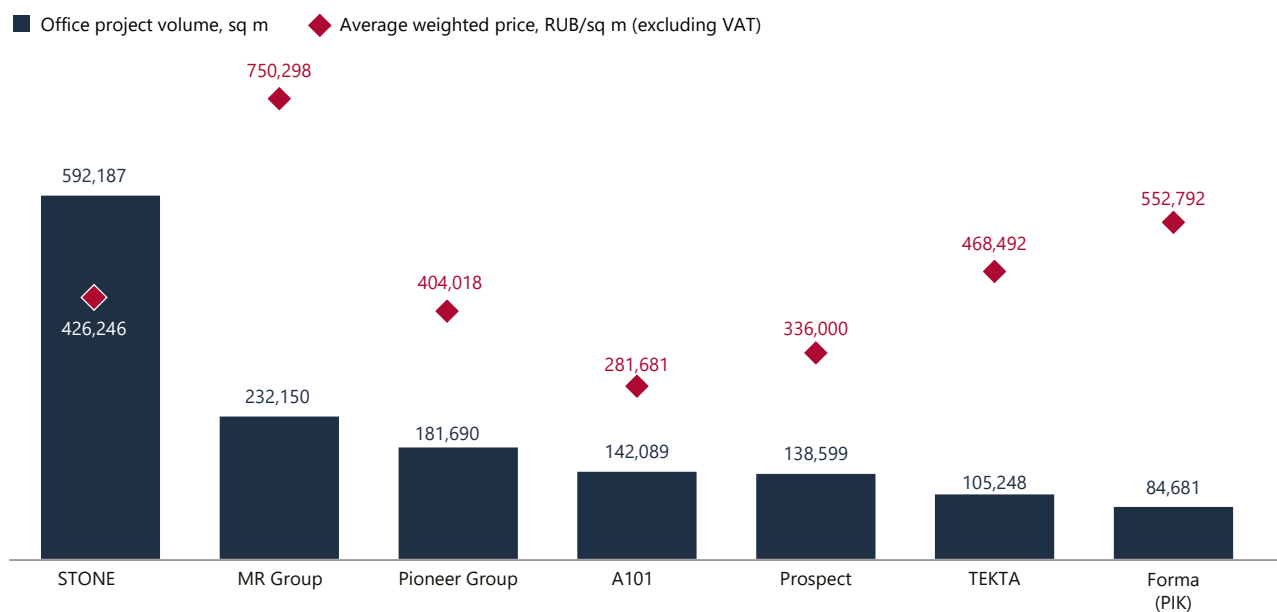
The main demand in terms of the number of block sales deals was for small deals up to 100 sq m (49.7%), followed by deals of 100 to 300 sq m (39%). In terms of deal volume, the segment of 100-300 sq m. of office space was the leader (28%), followed by the segment of 1,000-2,000 sq m. (16.6%).

In terms of the projected volume of office space, the leader is developer

Stone, whose portfolio includes about 600,000 sq m of offices (11 projects). The average weighted average selling price in the developer's portfolio is 426,300 roubles/sq m\*\*. The second in terms of volume is MR Group: its total projected volume is 232,100 sq m (2 projects), average weighted asking price – 750,300 roubles/sq m\*. Pioneer Group of Companies is the third in terms of projected volume of offices for sale: the developer's total projected volume is 181,700 sq m (4 projects), and the average weighted asking price is 404,000 roubles/sq m\*. The top three were unchanged from last quarter.

\* Including VAT, if applicable.

#### Projected volume of offices and average weighted prices by developers\*



\*Data presented as of January 2025

Source: NF GROUP Research, 2025

## Forecast

In 2025, the commissioning of new facilities may amount to more than 1,200,000 sq m, of which 90% will be Class A projects; new projects will primarily be located in the Third Transport Ring-Moscow Ring Road zone (68%). A significant share of new facilities will be built-to-suit projects

(29%) – the Roscosmos building, Yandex headquarters, 59% of new commissioning will be for sale, 12% – for lease.

By the end of 2025, the vacancy rate may decrease to 7% in class A and 4.5% in class B. At the same time, the average weighted asking rental rates in class A

offices within the Third Ring Road may increase and amount to about 37,000 roubles/sq m/year (excluding OPEX and VAT) and 24,100 roubles/sq m/year (excluding OPEX and VAT) in class B, within the Third Ring Road.



## Moscow submarket data. Key indicators

Submarket		Lease Area, '000 sq m	Class A				Class B			
			Average rent, RUB/sq m/year*		Vacancy rate, %		Average rent, RUB/sq m/year*		Vacancy rate, %	
Boulevard Ring	Central business district	712	-		1.8%		31,086		21.8%	
Garden Ring	South	1,017	36,588	38,779	3.8%	4.8%	27,008	29,244	5.2%	9.2%
	West	577	44,797		4.6%		34,648		5.8%	
	North	673	51,322		1.9%		-		13.7%	
	East	410	35,515		17.6%		28,309		18.3%	
Third Transport Ring	South	1,295	-	38,928	-	8.3%	21,163	21,179	6.6%	5.0%
	West	846	38,293		13.0%		36,627		5.1%	
	North	1,191	54,720		6.1%		24,701		9.5%	
	East	1,155	41,109		0.0%		14,012		1.9%	
		MIBC Moscow-City	1,541	60,418		2.8%		33,808		8.6%
TTR-MKAD	North	1,201	27,079	28,317	14.3%	8.1%	18,754	18,399	1.7%	5.6%
	Northwest	1,099	41,391		6.3%		16,798		5.2%	
	West	2,248	39,966		3.8%		20,284		8.1%	
	South	1,698	28,979		35.4%		20,114		9.0%	
	Southwest	754	23,084		7.1%		15,433		2.8%	
	East	1,005	16,693		16.0%		18,088		1.1%	
Beyond MKAD	Khimki	271	11,630	16,125	13.9%	20.8%	9,438	11,470	8.7%	7.1%
	West	642	28,391		18.6%		11,582		6.1%	
	New Moscow	429	11,861		21.9%		-		-	
Total		18,765	27,400		7.8%		21,095		5.1%	

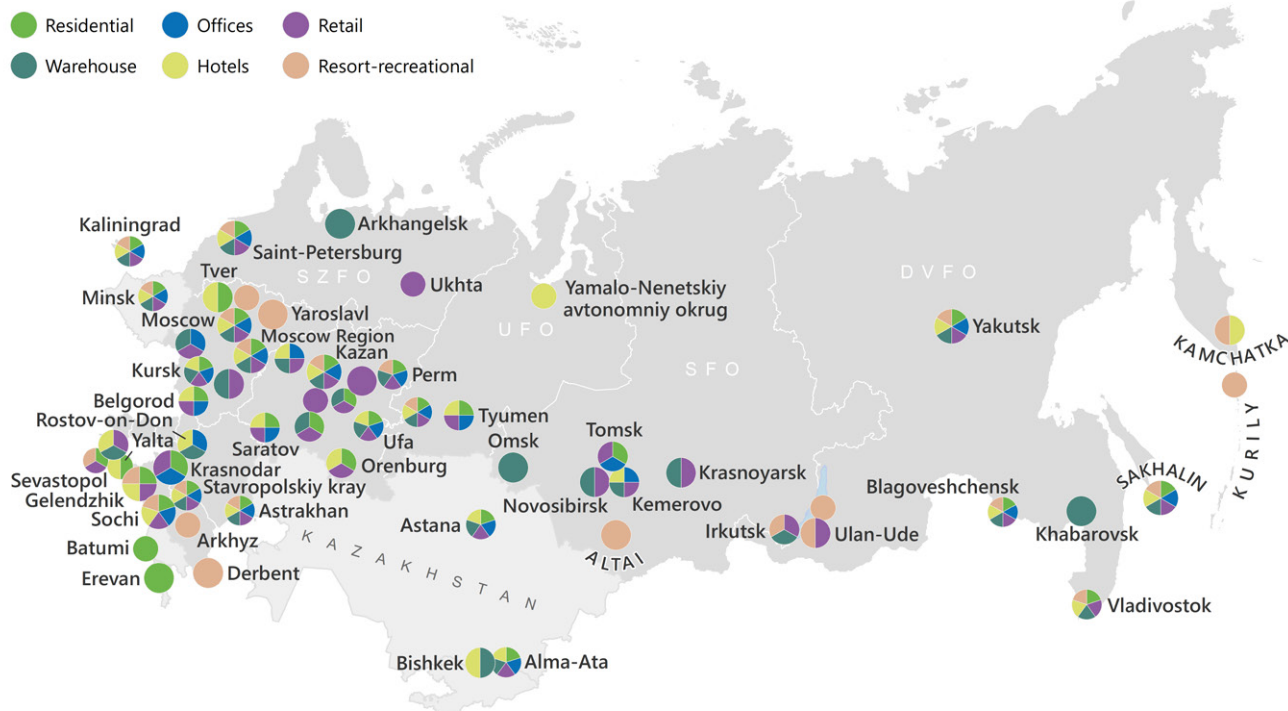
\* Excluding OPEX and VAT (20%)

Source: NF GROUP Research, 2025

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