OFFICE MARKET REPORT. MOSCOW

H1 2025

Stone Towers (Tower A)

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Director of Office Agency
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«Due to the decrease in commissioning and limited availability of high-quality office space against the sustained business activity, the market continues to be under pressure. This primarily affects the premium segment, where demand remains consistently high and vacancy rates are minimal. Although rental rates are growing in all segments, the dynamics of average values are driven largely by structural changes within the supply. More affordable properties are gradually leaving the market, meaning the sample mainly consists of more expensive offices, which raises the overall level of average rates. The most noticeable growth is in locations such as the Paveletsky Business District and the MIBC Moscow-City. These areas remain overheated. In other areas, growth in rates is more moderate and is usually associated with renovating office properties to improve their quality».

Key indicators. Dynamics*

		2024	H1 2025
Total supply of high-quality space, ‘000 sq m		18,775	18,797
including:	Class A	6,062	6,062
	Class B	12,713	12,735
Commissioned since the beginning of the year, ‘000 sq m		569.2	22.1
including:	Class A	511.3	0
	Class B	57.9	22.1
Vacancy rate, %	Class A	7.2	6.9
	Class B	5.2	5.0
Average weighted asking rental rates, roubles/sq m/year**	Class A***	27,400	31,272
	Class B	21,095	22,766
Average weighted asking rental rates within MKAD, roubles/sq m/year**	Class A	35,126	39,423
	Class B	20,284	24,693
Average weighted OPEX rates, roubles/sq m/year****	Class A***	8,100	8,700
	Class B	5,600	6,000

* Compared to Q4 2024. Class A indicators include Class A and Prime properties
** Excluding operating expenses and VAT (20%).
*** Class A includes the prime category of properties. These are top-quality buildings with efficient layouts and high-tech features, located in Moscow’s most developed and significant business clusters (the Central Business District, the Belorussky Business District and the Moscow International Business Centre). The base weighted average rental rate is 71,707 roubles/sq m/year.
**** The analytical review uses operating cost information provided by property owners as a single indicator for calculations. In a standard case, the OPEX indicator includes costs for technical maintenance, cleaning of the building’s common facilities and the surrounding territory, security, compensation for commercial management costs, property tax compensation, land lease costs, and insurance. All operating expense indicators in the report are given excluding VAT.

Source: NF Group Research, 2025

Key Findings

> Since the beginning of the year, the vacancy rates have decreased in both classes: by 0.3 ppt to 6.9% in Class A, and by 0.2 ppt to 5.0% in Class B.

> In H1 2025, three Class B+ properties with a total leasable area of 22,100 sq m were commissioned. These are the Goncharnaya Street business centre, the Yuport business centre, and the Ferrum business centre.

> The average weighted rental rates in both classes have continued to increase. Since the beginning of the year, the indicator has grown by 14.1% in Class A to 31,272 roubles/sq m/year (excluding operating expenses and VAT) and by 6.5% in Class B to 22,766 roubles/sq m/year (excluding operating expenses and VAT).

Supply

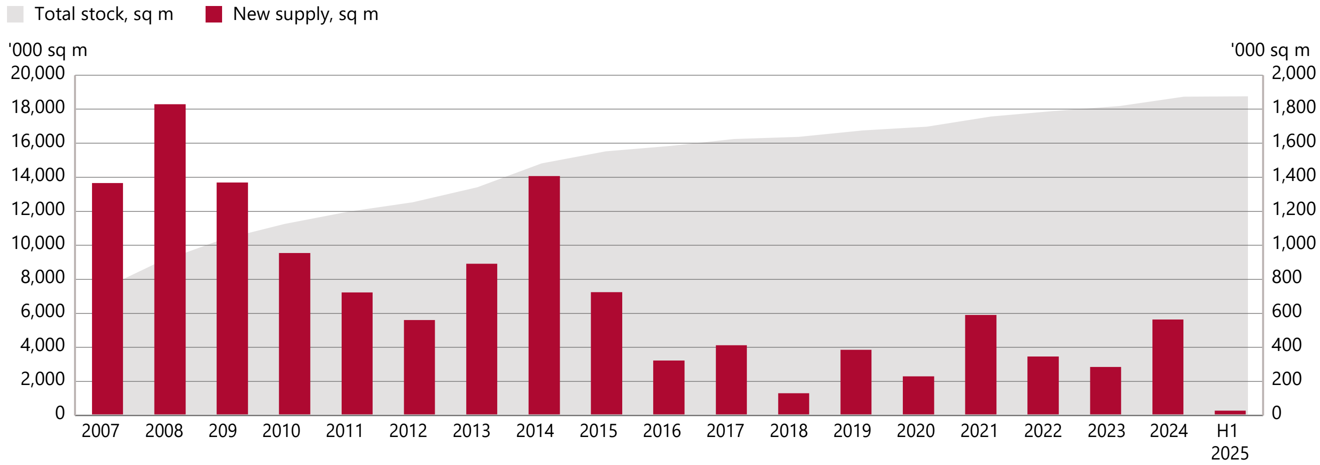
By the end of Q2 2025, the total supply of office properties in Moscow has reached 18.8 m sq m. Of this total, 6 m sq m were classified as Class A and Prime, while 12.8 m sq m belonged to Class B.

In H1 2025, three properties with a total leasable area of 22,100 sq m were granted commissioning permits. This figure is 15 times lower than that for the same period last year. All of the new facilities belong to Class B+. These are the Yuport business centre (8,200 sq m), the renovated Ferrum business centre (9,400 sq m), and the business centre built for its own use at 20/1 Goncharnaya Street (4,400 sq m). A total of 900,000 sq m of space is expected to be commissioned in 2025. Since Q1 2025, the forecast has decreased by a quarter. However, the actual commissioning figure at the end of the year may be even lower. Of the new supply, 75% will be offered for sale, while 17% for lease and 8% of the estimated amount will be BTS projects.

Vacancy

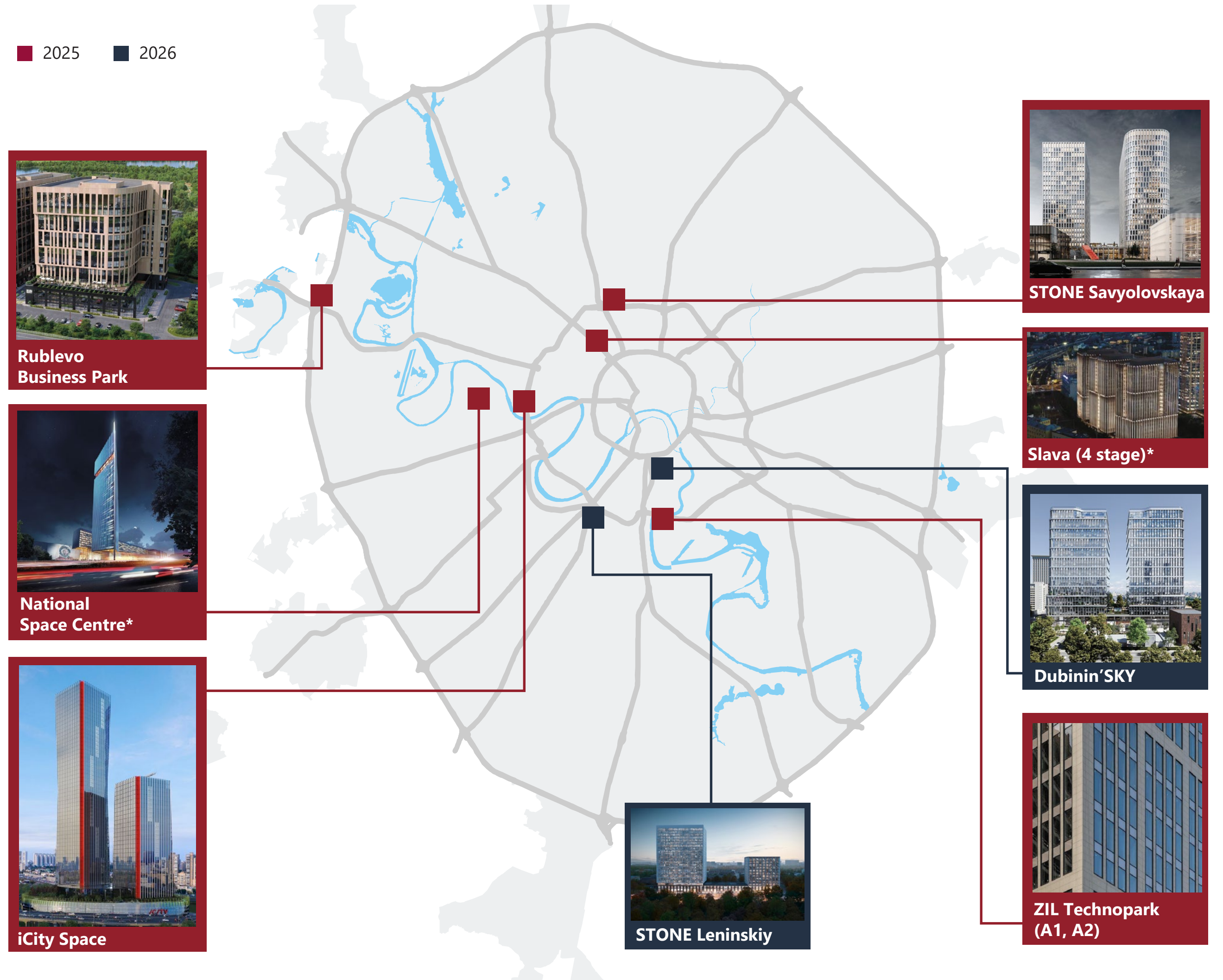
As a result of the low supply of new space and high demand for purchase/lease of office real estate, the vacancy rate continues to decline. In Class A, the indicator has decreased by 0.3 ppt (to 6.9%) since the beginning of the year, and by 0.2 ppt (to 5%) in Class B. The overall vacancy rate for office premises has reduced to 5.6%, approaching the historic low of available space in 2007. There is currently approximately 417,000 sq m of vacant Class A office space developed and about 636,000 sq m of Class B on the market. Overall, the downward trend in vacancy rates is expected to continue until the end of 2025.

Dynamics of office real estate supply in Moscow



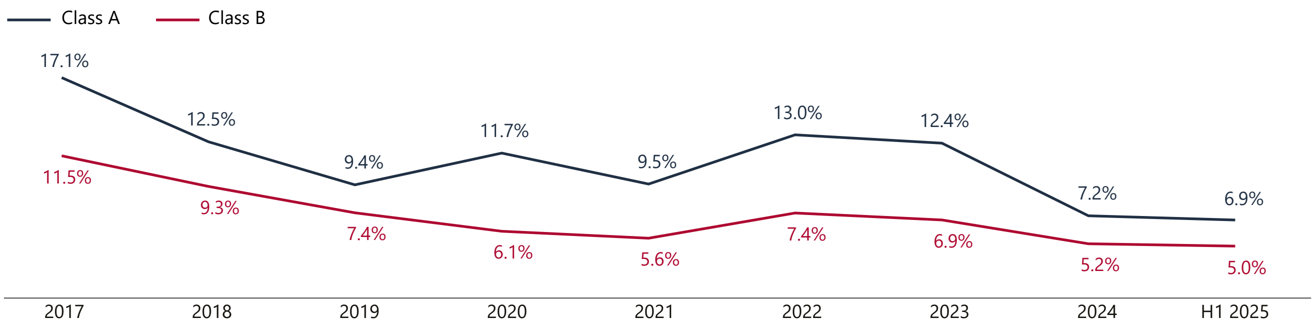
Source: NF GROUP Research, 2025

Map of key projects for 2025–2026



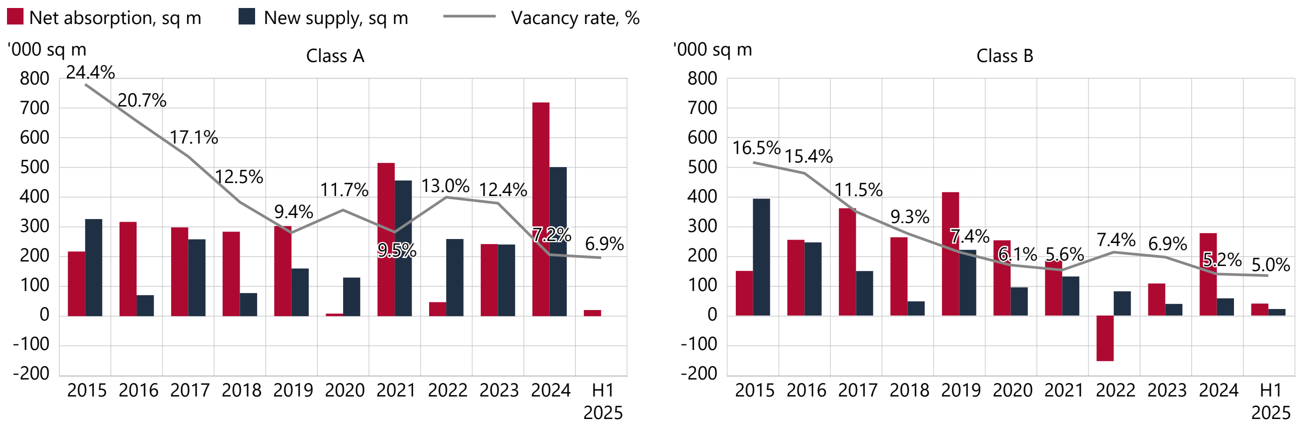
* The project is not on the market.
Source: NF GROUP Research, 2025

Dynamics of office vacancy by class. Moscow



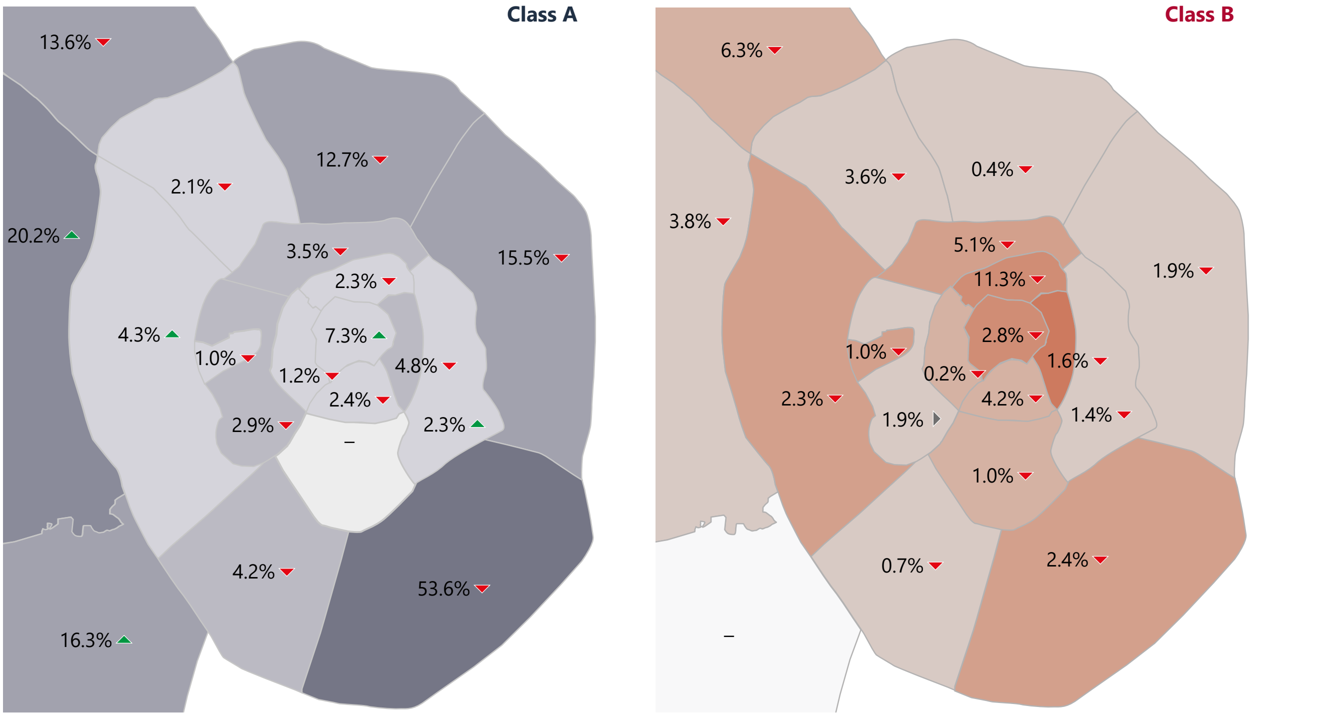
Source: NF GROUP Research, 2025

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 net absorption, which is the difference in occupied space at the beginning and end of the reporting period, was 66,400 sq m for H1 2025, compared to 604,800 sq m for the same period in 2024. In line with recent trends, sales transactions accounted for 77% of the total demand for office space, while lease transactions accounted for 18%. During this period, the average lease transaction size was 1,559 sq m, which is 355 sq m higher than in Q4 2024.

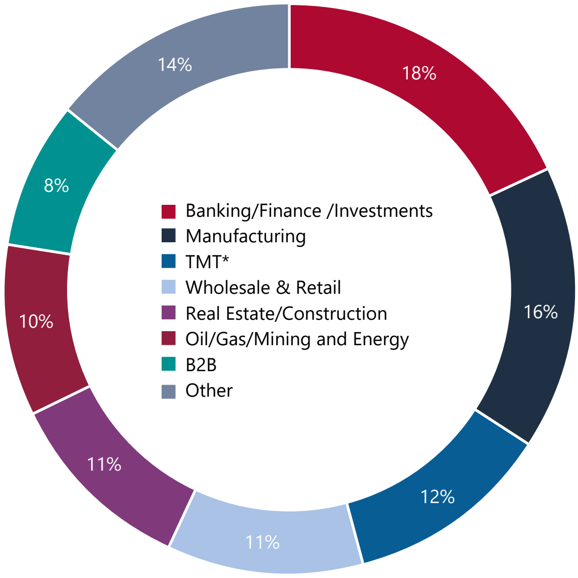
In H1 2025, the sectors with the highest demand for office space were banking / finance / investment (18%), manufacturing (16%), and TMT* (12%) in third place.

Flexible offices

At the beginning of 2025, the total area of open flex offices in Moscow was 383,300 sq m, providing a total of 55,900 workstations. Five flexible spaces opened in Moscow in H1 2025, the largest of which were Aspace Ostankino and Flexhub in the Factoria business centre. The flex office operator Sol also has expanded its presence at the Ryabovskaya Manufactory Partnership business centre.

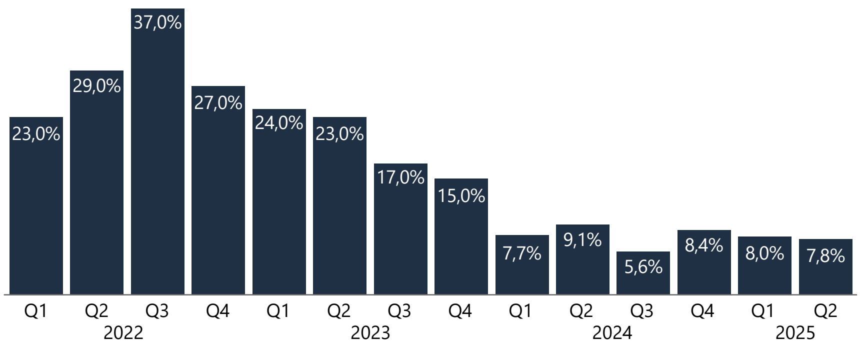
By the end of June 2025, the vacancy rate for flexible spaces had declined to 7.8%, which is a decrease of 0.6 ppt since the end of 2024, driven by growing demand for this format. The number of vacant workstations at the end of H1 2025 was 3,863. The average rental rate for a workstation increased by 21.1% over six months, amounting to 56,836 roubles/ workstation/month (including VAT, if applicable).

Take-up structure by business sector



* Technology/Media/Telecommunications.
Source: NF GROUP Research, 2025

Flexible offices vacancy rate dynamics



* Based on workstations offered at the end of Q2, excluding BTS (build-to-suit) formats and properties that are still under construction, as well as leased space.

Source: NF GROUP Research, 2025

Key lease and sale deals in Moscow office market, H1 2025

Office building	Transaction office space, sq m	Company	Type of transaction
AFI2B	37,883*	Lukoil	Sale
Central Telegraph	28,785*	T-Bank	Sale
Arcus IV	17,975*	Group of companies Efko	Sale
STONE Kurskaya	12,400*	Private investor	Sale
Orbion	11,757	M.Video	Lease

* Office space transactions are listed, as business centres are sold out completely

Source: NF GROUP Research, 2025

Commercial terms

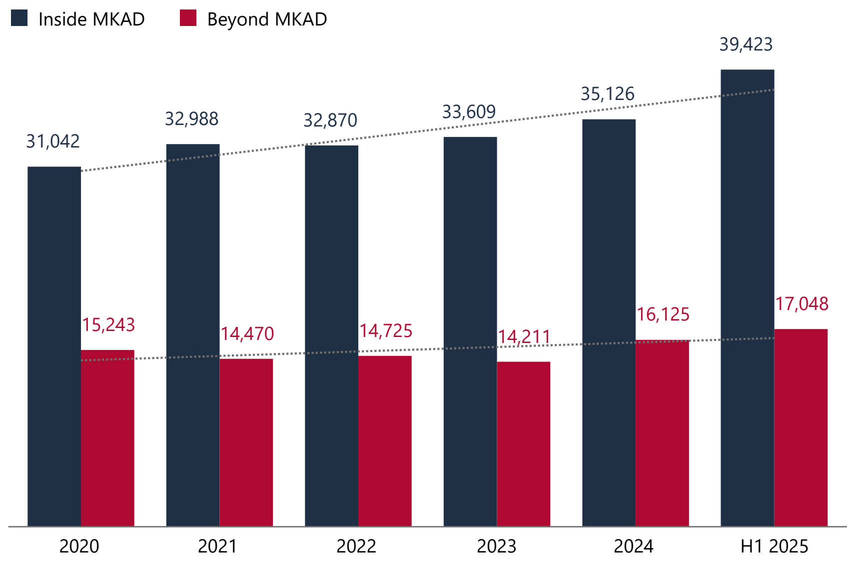
Since the beginning of the year, the average weighted asking rental rates in both classes have increased: by 14.1% to 31,272 roubles/sq m/year in Class A (excluding operating costs and VAT) and by 6.5% to 22,766 roubles/sq m/year in Class B (excluding operating costs and VAT)**. The reason for the increase in rates remains the same: active demand for office real estate, the disappearance of more affordable options and an increase in rates in certain office projects and business districts.

The trend of growth in the weighted average asking rent rate continues in premium offices. In H1 2025, this rate was 71,707 roubles/sq m/year (excluding operating costs and VAT). In H1 2025, the average weighted asking rent was 71,707 rroubles/sq m/year (excluding operating costs and VAT), which is an increase of 15.7% from the end of 2024. During H1 2025, the vacancy rate in Prime properties has decreased by almost half to 3.3%. The shortage of high-quality vacant premises, as well as the limited amount of space under construction available to lease, could lead to further increases in asking rental rates in 2025.

Existing market practices remain essentially unchanged. The average term of an office lease agreement is 3 years, with the option to terminate prematurely. In most agreements, rent indexation is linked to the consumer price index or set at 10%.

The size of the leased office space is the main factor influencing the difference between the achievable and asking rates.

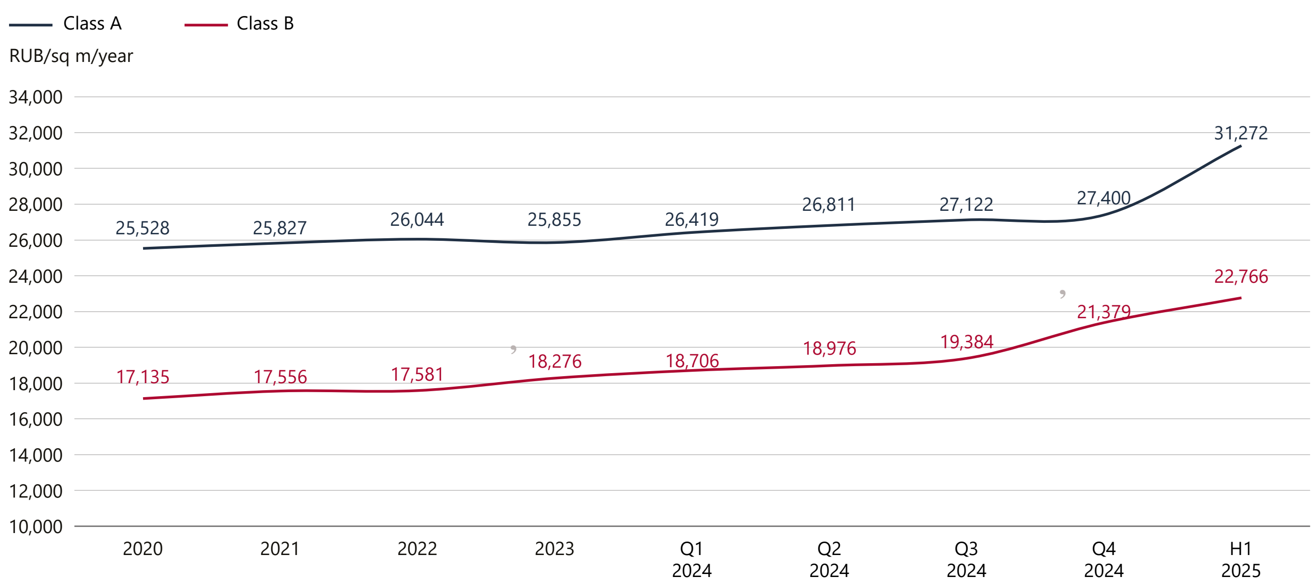
Class A average weighted asking rents dynamics within the Moscow Ring Road and outside Moscow



Source: NF GROUP Research, 2025

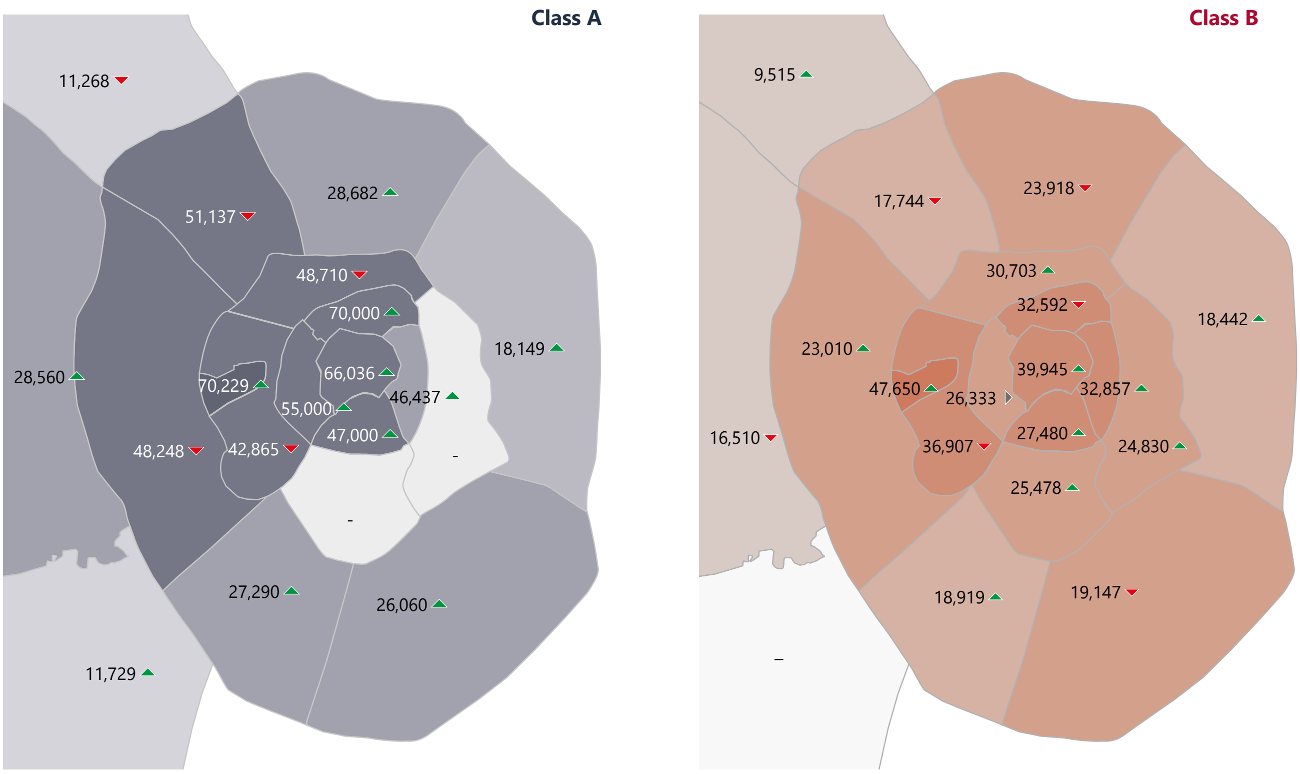
** The report shows asking rental rates; the achievable rates may differ.

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

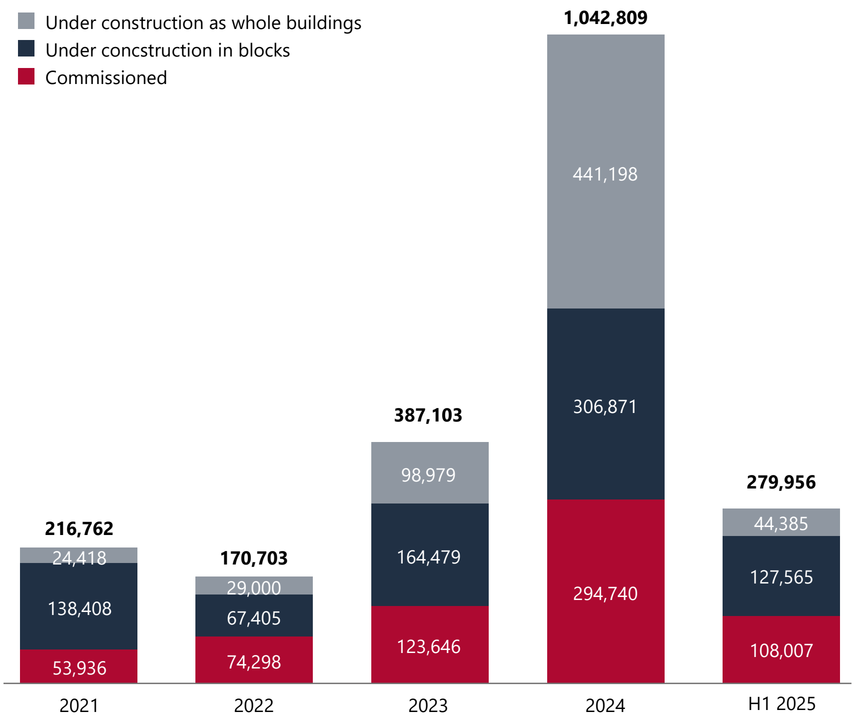
Office sales market

From 2019 to 2021, the Moscow office market saw the emergence of a new trend: the sale of offices in blocks, floors or buildings. Growing activity in the Moscow market is generating demand for such offices from small investors and end users, including large corporations planning to establish their headquarters there.

The total projected office space in properties that are under construction or have recently been commissioned, for which sales have already started, increased by 5.8% compared to the previous quarter, reaching 2.3 m sq m.

The total office space available for sale at the end of June was 714,000 sq m. The total supply has increased by 60% in annual terms and is almost triple compared to 2021. This indicator growth is primarily due to eight new projects being launched between March and June, mainly in the decentralized areas of the capital.

Sales volume dynamics by type of offices sold



Source: NF GROUP Research, 2025

These projects accounted for over a quarter of the total supply at the end of June 2025. The weighted average sale price of new projects was 427,737 roubles/sq m (including VAT where applicable).

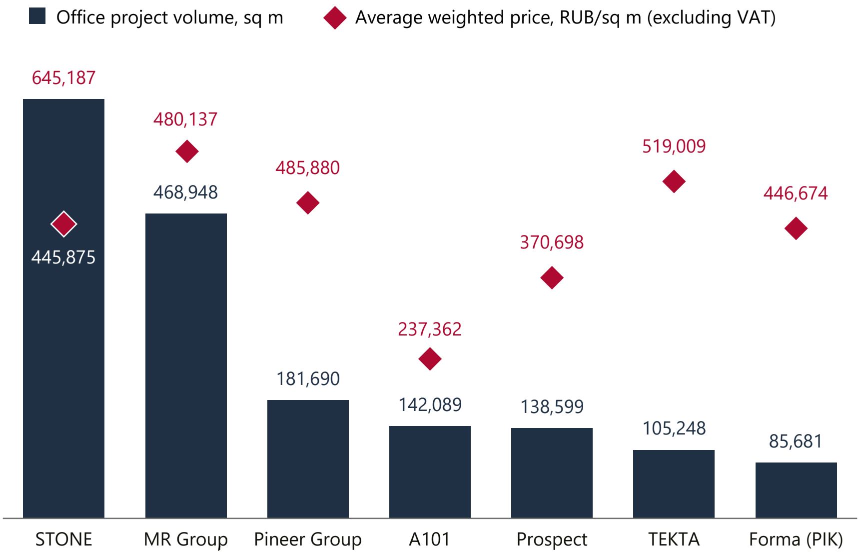
At the end of June 2025, the average asking price per sq m for offices in the two classes was 442,800 roubles (including VAT where applicable), which is 2% higher than at the beginning of the year. These low growth rates are mainly due to new properties appeared in the supply, being announced by developers at low starting prices in decentralized areas of the capital.

As in 2024, the main demand in terms of the number of block sales transactions was for small transactions of up to 100 sq m (47%), followed by transactions of 100 to 300 sq m (38%). In terms of transaction amount, the 100–300 sq m segment led the way (28%), followed by the 300–1,000 sq m segment (27%).

In terms of planned office space, STONE remains the leader with a portfolio of about 645,000 sq m (12 projects). The weighted average sale price in the developer's portfolio is 446,000 roubles/sq m**. MR Group is second in terms of space. Having launched the MR Office brand this quarter, the company has a total planned space of 469,000 sq m (6 projects), with an average asking price of 480,100 roubles/sq m**. Before the end of the year, MR Office plans to announce more projects, so the company could overtake the long-time leader STONE in terms of project space. Pioneer Group is the third largest in terms of project office space for sale. The developer's total project space is 181,700 sq m (4 projects) and the weighted average asking price is 486,000 roubles/sq m**.

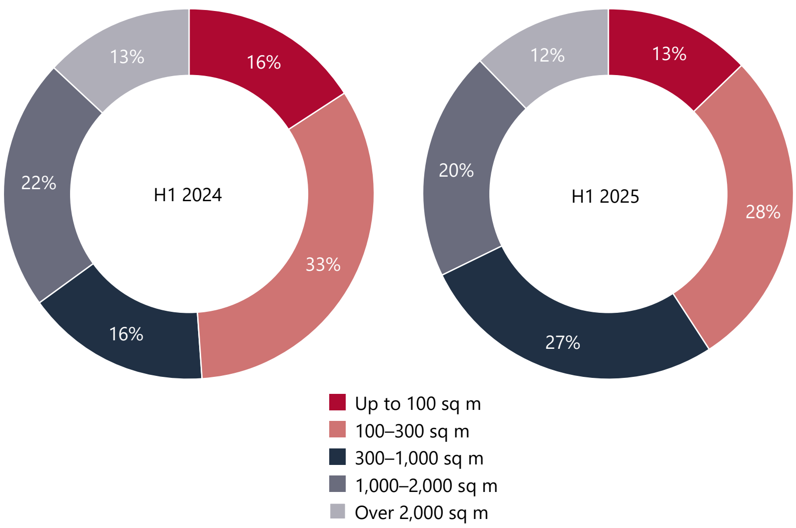
** Including VAT, if applicable.

Projected volume of offices and average weighted prices by developers*



**Data provided as of the end of June 2025.
Source: NF GROUP Research, 2025

Distribution of block sales transactions by lot size and area



Source: NF GROUP Research, 2025

Forecast

It is estimated that the commissioning of new facilities in 2025 may amount to around 500,000 sq m, rather than the 1.2 m sq m announced at the beginning of the year. Of this, 91% will be Class A projects, with most new projects located between the Third Ring Road and the Moscow Ring Road (59%). A significant proportion of new properties will be for sale (75%), with 17% of the new supply intended for lease. Built-to-suit projects have decreased from 29% to 8% due to the postponement of major project commissioning dates.

Asking rental rates will continue to rise across all classes of office real estate amid low supply and high demand for premises, especially in key business districts. The vacancy rate will remain low, close to its historic minimum.

Moscow submarket data. Key indicators

<table>
<tr><th colspan="2" rowspan="2">Submarket</th><th rowspan="2">Lease Area, ‘000 sq m</th><th colspan="4">Class A</th><th colspan="4">Class B</th></tr>
<tr><th colspan="2">Average rent, RUB/sq m/year*</th><th colspan="2">Vacancy rate, %</th><th colspan="2">Average rent, RUB/sq m/year*</th><th colspan="2">Vacancy rate, %</th></tr>
<tr><td>Boulevard Ring</td><td>Central business district</td><td>712</td><td colspan="2">66,036</td><td colspan="2">7.3%</td><td colspan="2">39,945</td><td colspan="2">2.8%</td></tr>
<tr><td rowspan="4">Garden Ring</td><td>South</td><td>1,017</td><td>47,000</td><td rowspan="4">50,154</td><td>2.3%</td><td rowspan="4">2.4%</td><td>27,480</td><td rowspan="4">31,045</td><td>4.2%</td><td rowspan="4">3.8%</td></tr>
<tr><td>West</td><td>577</td><td>55,000</td><td>1.2%</td><td>26,333</td><td>0.2%</td></tr>
<tr><td>North</td><td>673</td><td>70,000</td><td>2.3%</td><td>32,592</td><td>11.3%</td></tr>
<tr><td>East</td><td>410</td><td>46,437</td><td>4.8%</td><td>32,857</td><td>1.6%</td></tr>
<tr><td rowspan="5">Third Transport Ring</td><td>South</td><td>1,295</td><td></td><td rowspan="4">46,680</td><td></td><td rowspan="4">3.3%</td><td>25,478</td><td rowspan="4">30,103</td><td>1.0%</td><td rowspan="4">2.1%</td></tr>
<tr><td>West</td><td>846</td><td>42,865</td><td>2.9%</td><td>36,907</td><td>1.9%</td></tr>
<tr><td>North</td><td>1,191</td><td>48,710</td><td>3.5%</td><td>30,703</td><td>5.1%</td></tr>
<tr><td>East</td><td>1,159</td><td></td><td></td><td>24,830</td><td>1.4%</td></tr>
<tr><td>MIBC Moscow-City</td><td>1,541</td><td colspan="2">70,229</td><td colspan="2">1.0%</td><td colspan="2">47,650</td><td colspan="2">1.0%</td></tr>
<tr><td rowspan="6">TTR-MKAD</td><td>North</td><td>1,201</td><td>28,682</td><td rowspan="6">29,809</td><td>12.7%</td><td rowspan="6">6.8%</td><td>23,918</td><td rowspan="6">19,743</td><td>0.4%</td><td rowspan="6">1.9%</td></tr>
<tr><td>Northwest</td><td>1,099</td><td>51,137</td><td>2.1%</td><td>17,744</td><td>3.6%</td></tr>
<tr><td>West</td><td>2,248</td><td>48,248</td><td>1.3%</td><td>23,010</td><td>3.3%</td></tr>
<tr><td>South</td><td>1,720</td><td>26,060</td><td>53.6%</td><td>19,147</td><td>2.4%</td></tr>
<tr><td>Southwest</td><td>754</td><td>27,290</td><td>4.2%</td><td>18,919</td><td>0.7%</td></tr>
<tr><td>East</td><td>1,005</td><td>18,149</td><td>15.5%</td><td>18,443</td><td>1.9%</td></tr>
<tr><td rowspan="3">Beyond MKAD</td><td>Khimki</td><td>271</td><td>11,268</td><td rowspan="3">17,048</td><td>12.3%</td><td rowspan="3">16.1%</td><td>9,515</td><td rowspan="3">12,269</td><td>6.3%</td><td rowspan="3">5.0%</td></tr>
<tr><td>West</td><td>642</td><td>28,560</td><td>19.5%</td><td>16,510</td><td>3.8%</td></tr>
<tr><td>New Moscow</td><td>429</td><td>11,729</td><td>16.3%</td><td></td><td></td></tr>
<tr><td colspan="2">Total</td><td>18,791</td><td colspan="2">31,272</td><td colspan="2">6.9%</td><td colspan="2">22,766</td><td colspan="2">5.0%</td></tr>
</table>

* Excluding OPEX and VAT (20%)

Source: NF GROUP Research, 2025

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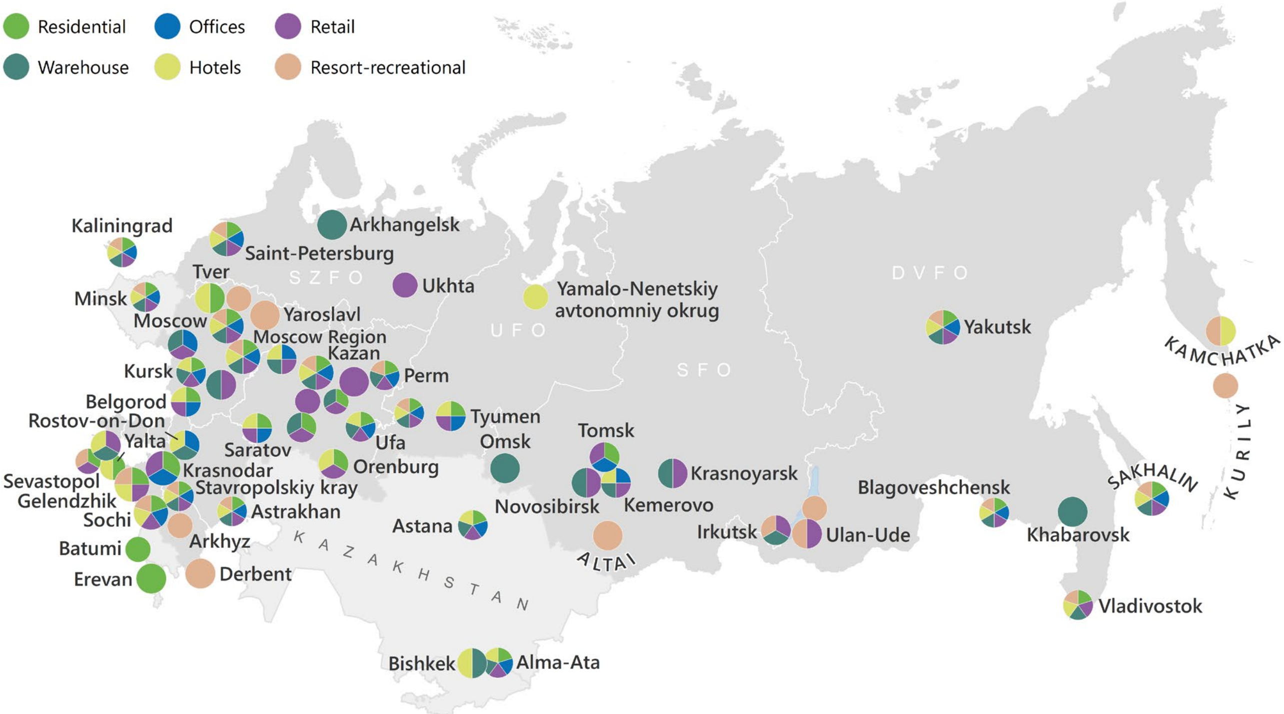

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