

# INVESTMENT MARKET

H1 2025





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NF GROUP Partner

«In 2025, the real estate investment market entered a phase of logical correction after a record-breaking 2024. The high cost of borrowed capital, the limited supply of quality assets, and market participants' adaptation to new economic realities are forming the current demand structure. Nevertheless, we continue to see interest in certain segments, especially properties with rental income growth potential, high liquidity, and strategic locations. Demand for development sites remains stable despite the general backdrop: investors view them as a point of entry into future value growth».

## Main conclusions:

- > According to the results for H1 2025, the total volume of real estate investments in the Russian Federation amounted to 352.9 billion roubles.
- > Investments in classic segments accounted for 70% of this total.
- > Office real estate is the leader in commercial real estate segments, with a share of 39%.

As of the end of June 2025, the Russian Central Bank's key rate had fallen to 20%. To curb rising inflation and with regard to the weakening rouble, the Central Bank of Russia has steadily increased the discount rate since 2022. At the end of the Q2 2025, inflation was 9.4% year-on-year. GDP growth for January to May 2025 is estimated at 1.5%. The consumer confidence index rose to -8% at the end of June.

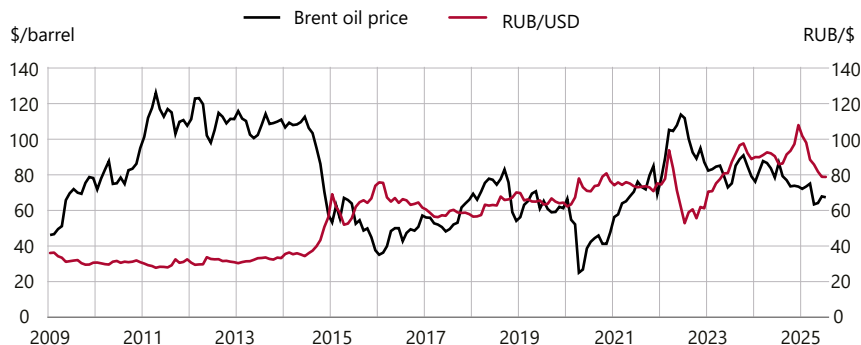
At the end of June, the US dollar exchange rate fell to 78.52 roubles/USD, and the price of Brent crude oil fell to \$67.11 per barrel.

Investor activity in Russia has been moderate since the beginning of 2025. In H1 2025, the amount of investments reached 352.9 billion roubles, which is 25% less than in the same period last year. Despite the discount rate being reduced by 1 percentage point, it remains

at a level that limits the availability of debt financing. Under these conditions, investors have become more cautious in their choice of assets, favouring properties with growth potential in terms of rental income and market value.

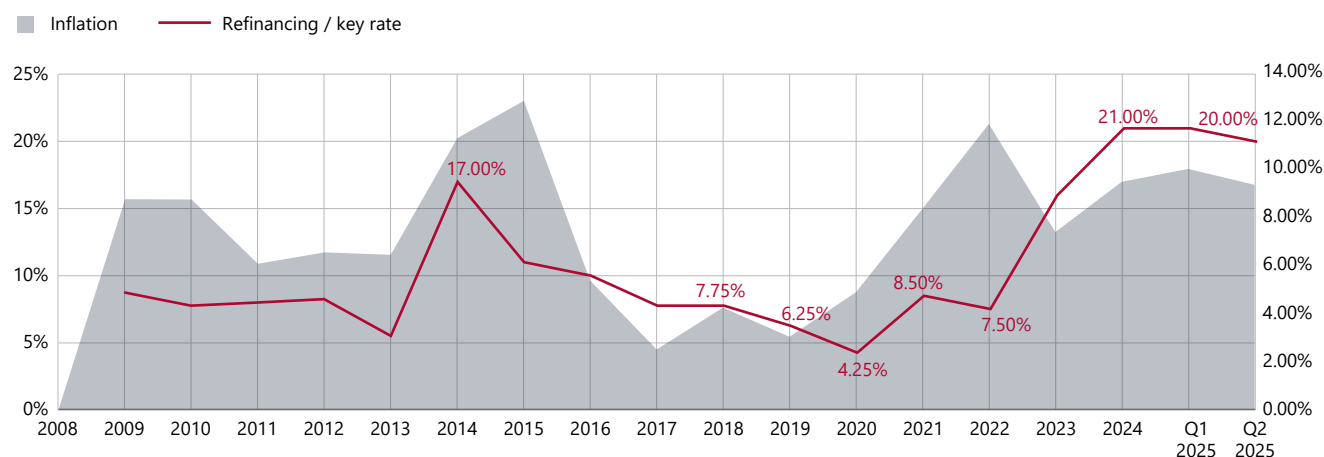
In H1 2025, foreign capital accounted for less than 1% of transactions. Only one of them was completed: the Turkish Ziraat Bank's purchase of the Kadashevskaya Sloboda business centre. Meanwhile, Russian investors purchased three foreign assets for a total of about 20 billion roubles, accounting for about 6% of the total investment amount. This trend is expected to continue over the next few years, with foreign companies and funds remaining cautious about entering Russian markets. As geopolitical tensions ease, the proportion of foreign capital in total real estate investment in Russia is expected to rise significantly.

### Dynamics of the USD Exchange Rate and Brent Crude Oil Price



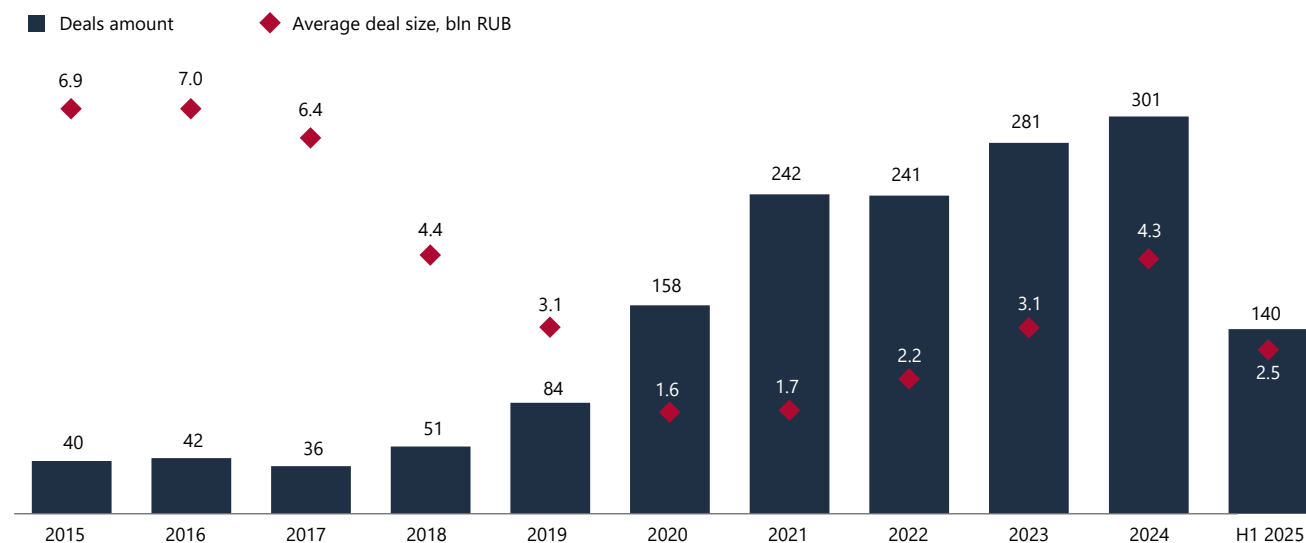
Source: Bank of Russia, 2025

### Inflation and Central Bank Key Rate Trends



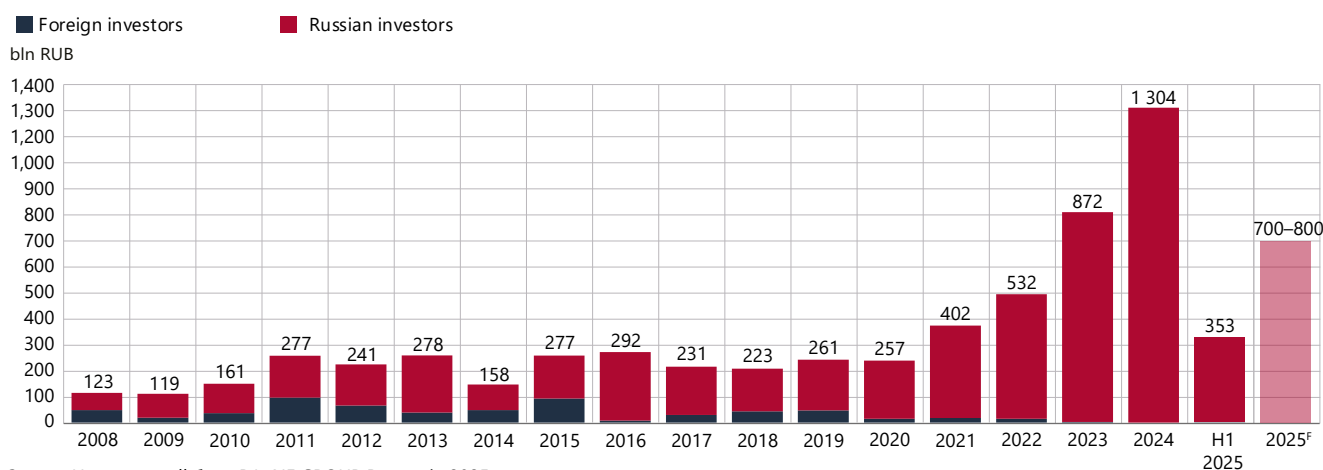
Source: Bank of Russia, 2025

## Average Deal Size and Number of Deals



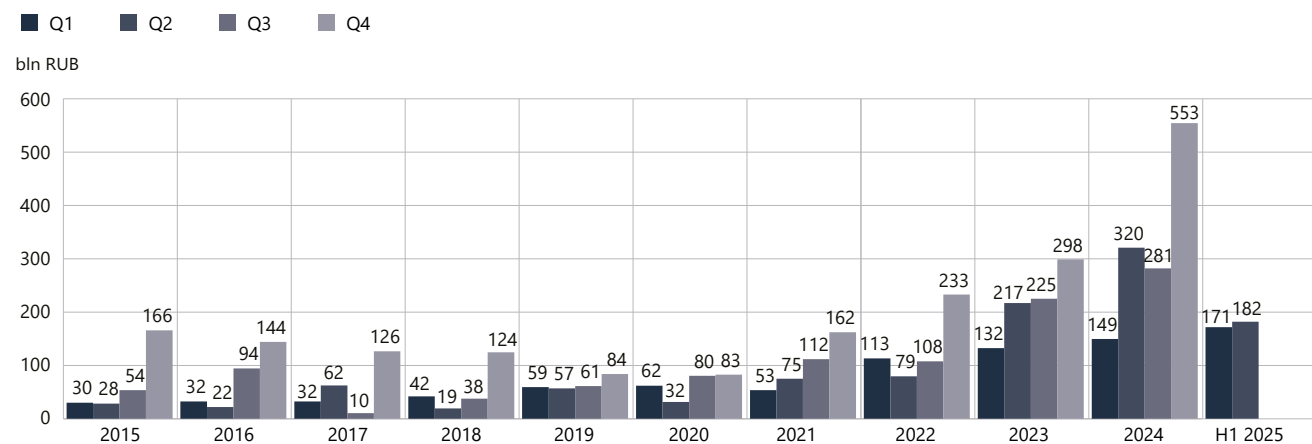
Source: NF GROUP Research, 2025

## Real Estate Investment Volume and Share of Foreign Capital



Source: Центральный банк РФ, NF GROUP Research, 2025

## Quarterly Investment Volume Trends



Source: NF GROUP Research, 2025

By the end of H1 2025, investments in traditional segments accounted for 70% of the total. There was a slight increase in investment in traditional segments in Q1 2025 compared to 2024, but the ratio returned to last year's levels in Q2 2025. Just over a third of all investments were in development sites.

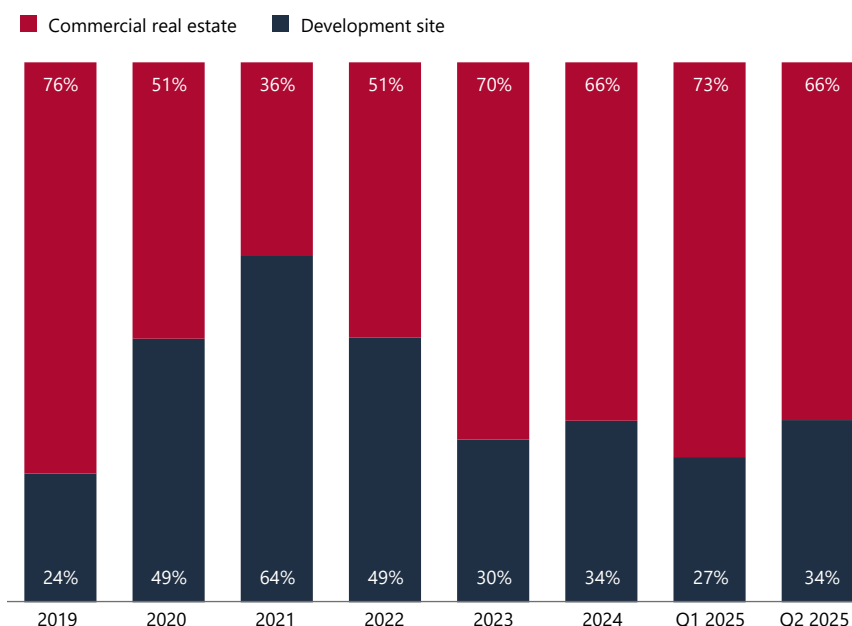
These accounted for 34% of the investment amount in Q2 2025, equating to 61 billion roubles, which is 29% less than in the same period of 2024. The largest transaction during this period was Vector's acquisition of the Novoye Pushkino and Beliy Grad residential complexes for 13–15 billion roubles. Second place went to the Injoy project on Voykovskaya Street, purchased by Talon for 10–12 billion roubles.

Of the planned construction segments in development site deals, residential real estate construction sites lead the way, accounting for 53% of all transactions. Second place goes to sites for the construction of mixed-use complexes with residential, public and business components.

Office real estate remained the top performing classic segment. In H1 2025, the total investment in this sector was 138 billion roubles, marking a 16% year-on-year decrease. Despite the high interest rate, demand for high-quality offices remains strong thanks to the limited supply of offices for own use on the market, the low vacancy rate and investor interest in real estate offering predictable rental income and potential for growth in value. The largest transactions in January–June 2025 were the acquisition of the Central Telegraph building by T Bank (35–42 billion roubles), the purchase of the AFI2B business centre by Lukoil (23–27 billion roubles), and the purchase of part of the Legion I business centre by Wildberries and Russ Group (13–17 billion roubles). Most of the investments in this segment were made by end customers.

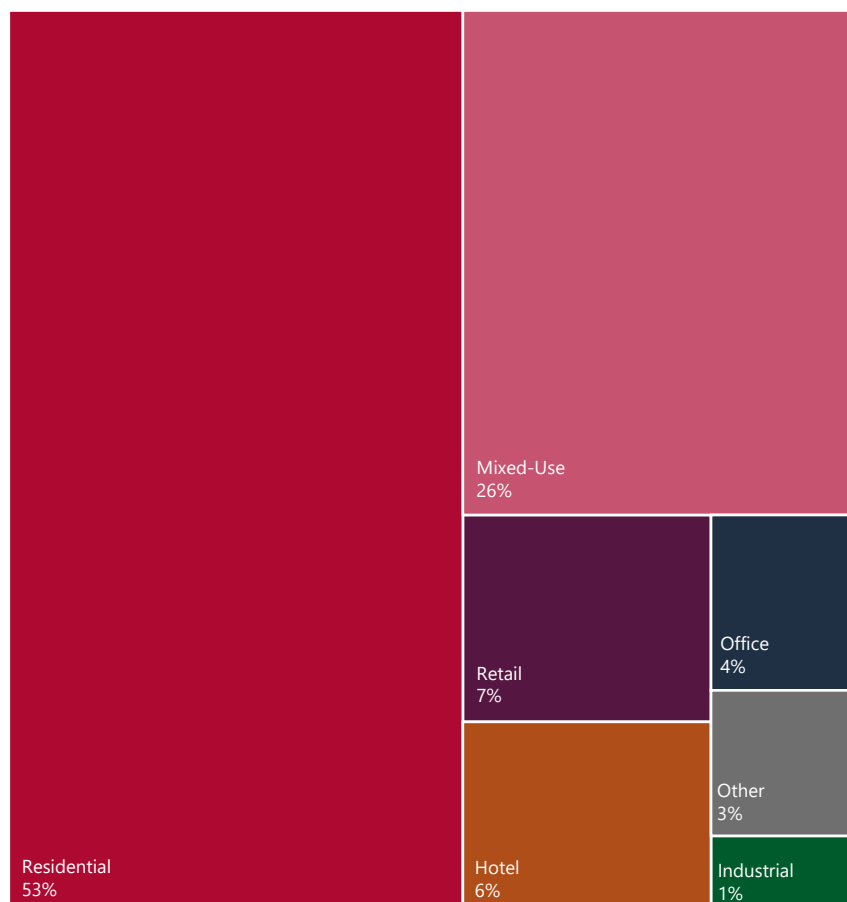
Warehouse and industrial real estate ranked second, with its share decreasing by 3.9 ppt compared to the same period last year. Total investment in the sector amounted to 49 b roubles, which is 42% lower than in the same period last year. This decline is due to the limited supply of high-quality properties that meet the requirements of large investors and provide a stable income. Additionally, in the context

### Investment Structure by Asset Type



Source: NF GROUP Research, 2025

### Investment Structure in Development Sites by Segment



Source: NF GROUP Research, 2025

## Examples of the Largest Investment Transactions in H1 2025

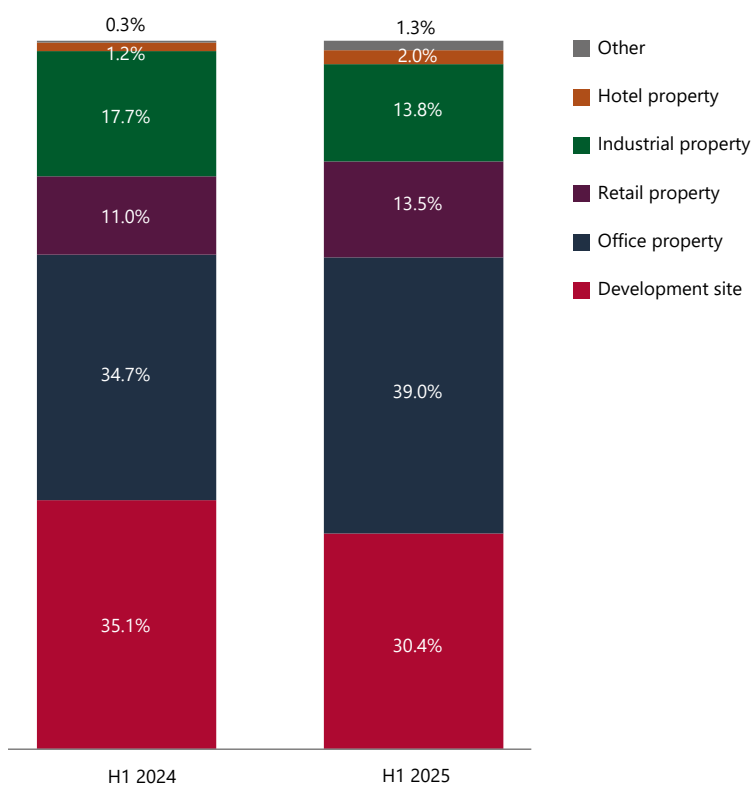
Facility	Segment	Region	Purchaser	Profile	Price, billion RUB
Central Telegraph building	Office	Moscow	T Bank	End users	35-42
AFI2B business centre	Office	Moscow	Lukoil	End users	24-26
Vremena Goda	Wholesale & retail	Moscow	Group of companies Kievskaya Ploshchad	Developers	14-18
Legion I business centre	Office	Moscow	Wildberries & group of companies Russ	End users	13-17
Arma business park	Office	Moscow	Stanislav Karabut	Investment companies / private investors	14-16
Novoye Pushkino & Belyi Grad	Development sites	Moscow	Vector	Developers	13-15
Injoy project	Development sites	Moscow	Talan	Developers	10-12

Source: NF GROUP Research, 2025

of high interest rates and tighter lending conditions, developers and investors have postponed several projects and deals in anticipation of a more favourable macro-financial environment. While the segment retains its long-term potential, it is currently characterised by a shortage of liquid offers and moderate buyer activity. The largest transaction in the sector during this period was Central Properties' purchase of a warehouse site in Dmitrov for one of its closed-end investment funds (5–7 billion roubles).

Investments in wholesale & retail real estate totalled 48 billion roubles, marking an 8% decrease from H1 2024. This reflects investors' continued conservative approach amid changes in consumer behaviour and the growth of online commerce. The largest transactions in Q2 2025 and H1 2025 were the Kievskaya Ploshchad group of companies' acquisition of the Vremena Goda shopping centre (14–18 billion roubles), and Kama Capital's acquisition of two outlets, Outlet Village Belaya Dacha and Outlet Village Pulkovo (9–22 billion roubles), which recently belonged to the American company Hines.

## Investment Structure in Russia's Commercial Real Estate by Segment



Source: NF GROUP Research, 2025

In terms of real estate investment by region, Moscow and the Moscow Oblast took the lead in H1 2025, accounting for 79% of investments, which was an increase of 2 ppt compared to the same period last year. Meanwhile, St. Petersburg accounted for 16%, up from 11% in the same period last year, while the share of other regions fell from 12% to 5%.

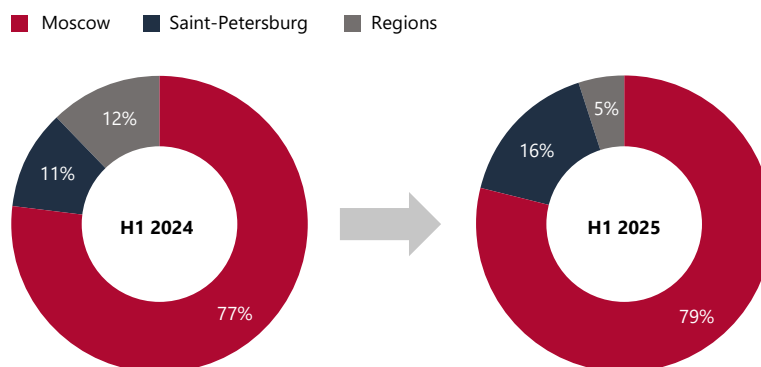
In terms of investor profile, end users took the leading position in real estate investment structures, increasing their share from 27% to 43% year-on-year. Investment companies and private investors accounted for 15%, down from 30% a year before. Developers accounted for 35%, down from 37% last year. Investments in closed-end real-estate unit investment funds increased from 4% to 7% in H1 2025.

During H1 2025, the total volume of investments in transactions involving closed-end real-estate unit investment funds reached 23.5 billion roubles. The largest volume of collective investments since 2020 was recorded in 2023, when the volume of transactions amounted to 142.5 billion roubles. Between 2022 and Q1 2025, warehouse real estate was the most popular segment, accounting for around half of all closed-end investment fund transactions, totalling 139 billion roubles.

The average capitalization rates for properties in the classic commercial real estate segments in the Moscow region in H1 2025 are as follows: office real estate 11–13%; warehouse real estate 11–13%; wholesale & retail real estate 11–13%.

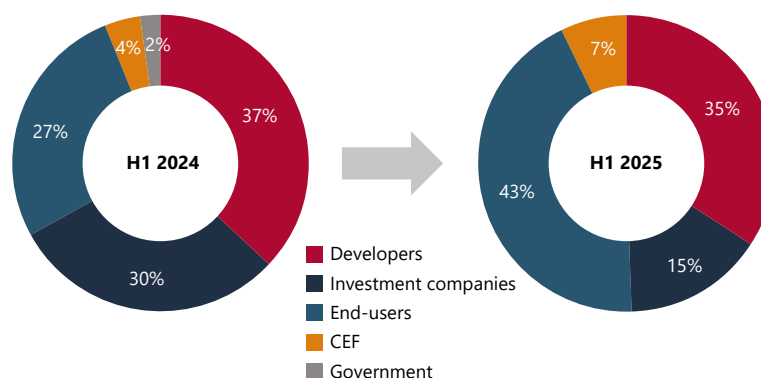
It is worth noting that the approach to reflecting the average capitalization rate range is a consequence of the desire to comply with general market trends. Nevertheless, in the current market, capitalization rates may differ significantly from the specified range, in either direction, particularly with regard to wholesale & retail and office assets, where the spread of financial indicators is wide.

#### Investment Structure in Russia's Commercial Real Estate by Region



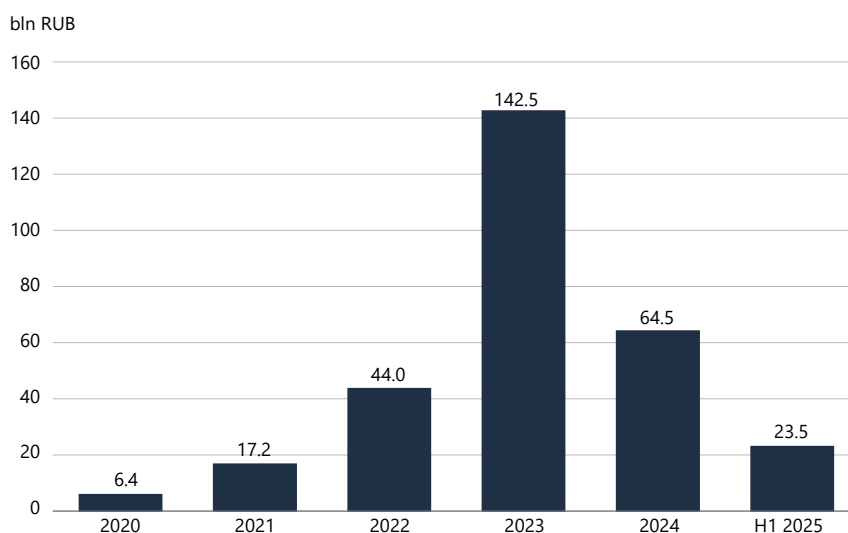
Source: NF GROUP Research, 2025

#### Investment Structure by Investor Type



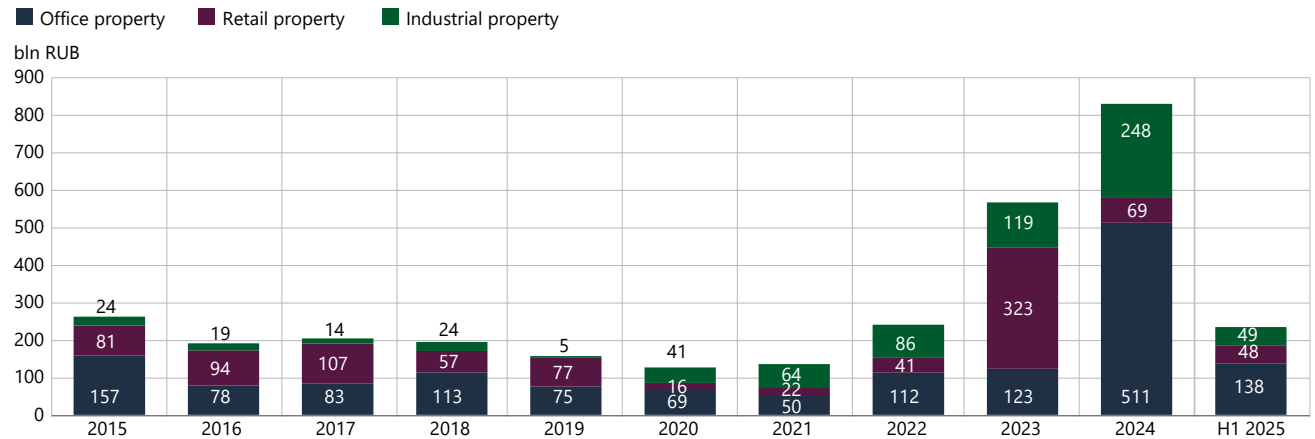
Source: NF GROUP Research, 2025

#### Investment Dynamics in Closed-End Mutual Funds (CEFs)



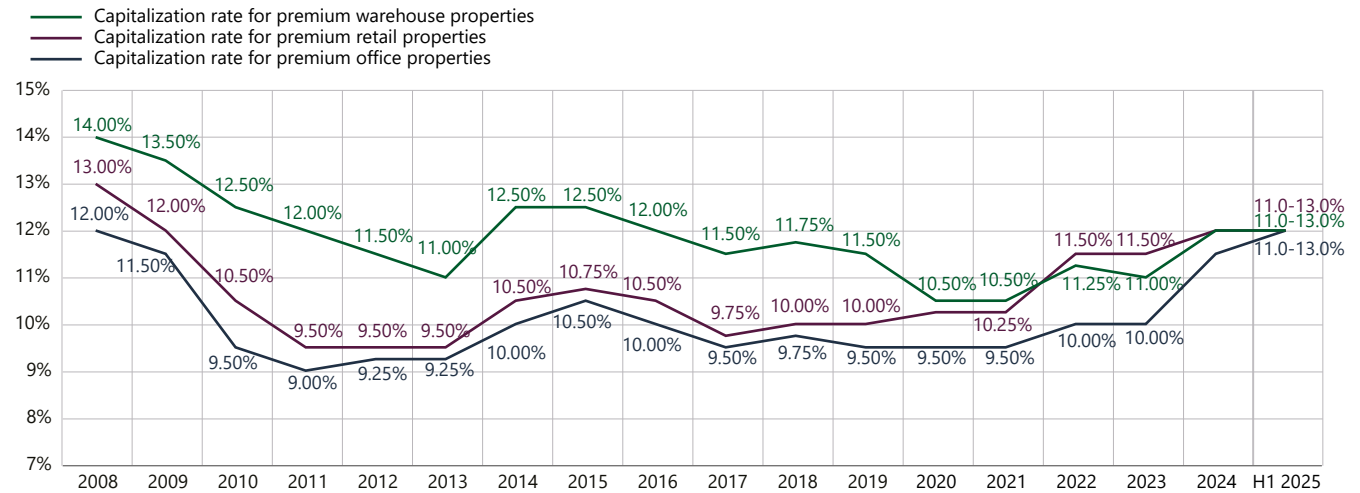
Source: NF GROUP Research, 2025

## Trends in Commercial Real Estate Investment Volume by Segment



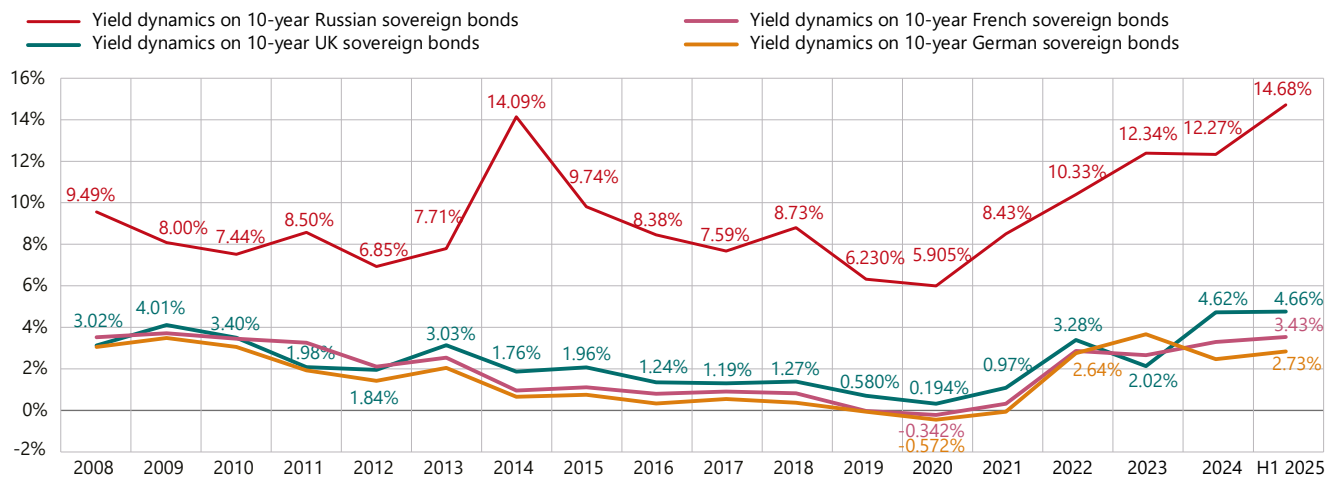
Source: NF GROUP Research, 2025

## Average Capitalization Rates for Commercial Real Estate in the Moscow Region



Source: NF GROUP Research, 2025

## Yield on 10-Year Bonds



The following figures depict the yields dynamics of 10-year government bonds of the UK, France, Germany and Russia in currency terms, as well as the cap rate movements for prime office, retail and warehouse property in rubles (considering the current market conditions).

Source: NF GROUP Research, Investing.com, 2025

KEY TRANSACTIONS IN THE RUSSIAN REAL ESTATE MARKET IN H1 2025:



**WAREHOUSE SEGMENT:**

Warehouse complex in Dmitrov,  
**5-7 billion roubles**



**OFFICE SEGMENT**

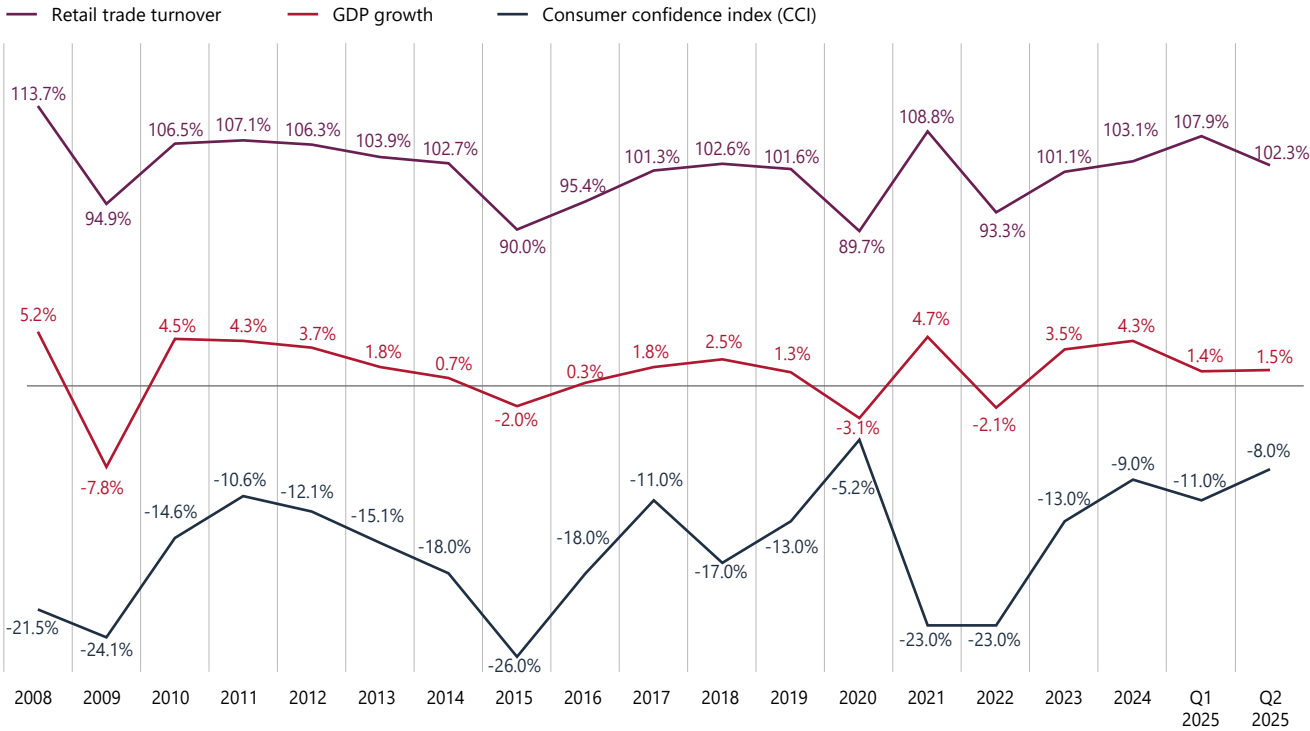
Central Telegraph,  
**35-42 billion roubles**



**WHOLESALE & RETAIL SEGMENT**

Vremena Goda shopping and  
entertainment complex,  
**14-18 billion roubles**

Trends in Key Macroeconomic Indicators



Source: Bank of Russia, Russian Ministry of Economic Development, 2025

**WAREHOUSE  
PROPERTY**

**48.6 billion roubles**

TOTAL INVESTMENT VOLUME

**1.9 billion roubles**

AVERAGE TRANSACTION SIZE

**11–13%**

AVERAGE CAPITALIZATION RATE

**OFFICE  
PROPERTY:**

**137.5 billion roubles**

TOTAL INVESTMENT VOLUME

**4.7 billion roubles**

AVERAGE TRANSACTION SIZE

**11–13%**

AVERAGE CAPITALIZATION RATE

**RETAIL  
PROPERTY:**

**47.8 billion roubles**

TOTAL INVESTMENT VOLUME

**3.2 billion roubles**

AVERAGE TRANSACTION SIZE

**11–13%**

AVERAGE CAPITALIZATION RATE



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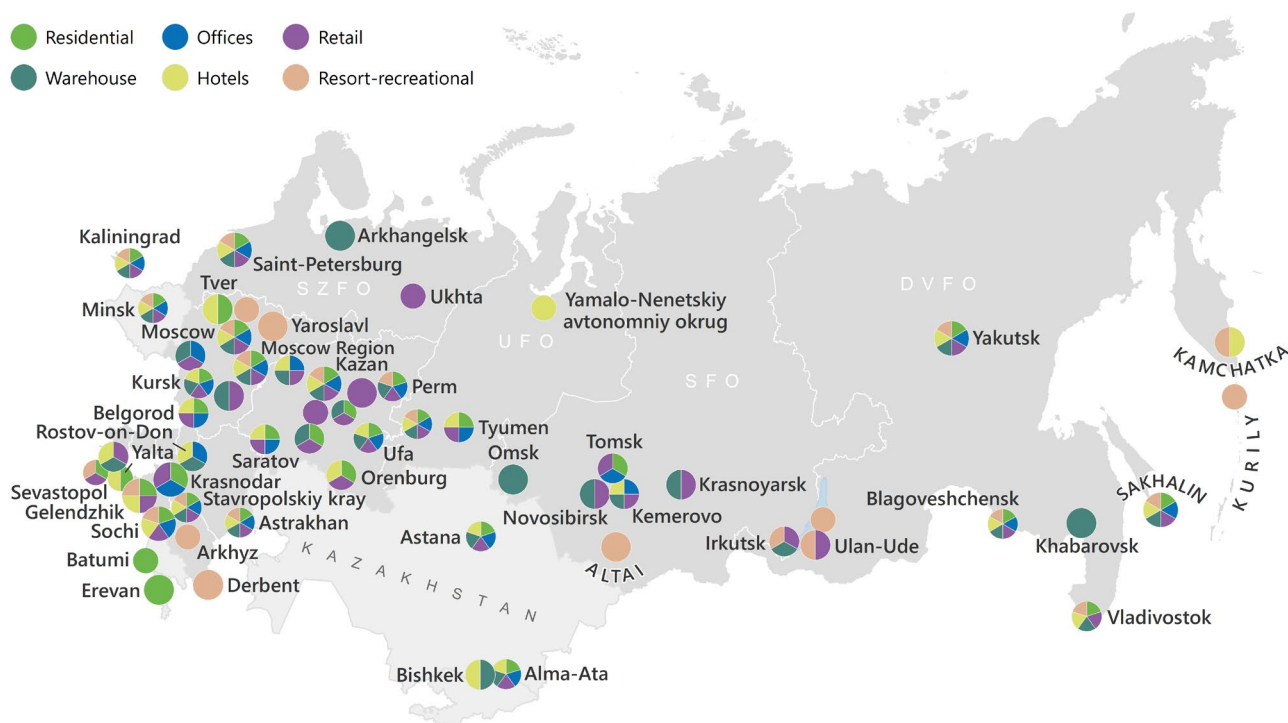
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