COMMONWEALTH PARTNERSHIP

RETAIL FORECAST

07.12.2022

MACROREVIEW
FORECAST 2022-2023

-4 % **-12 %**

GDP

20 % **29 %**

INFLATION

-6.5 % **-9 %**

CONSUMPTION

	Baseline forecast				*Global crisis*			
	2022	2023	2024	2025	2022	2023	2024	2025
Inflation, %, Dec 2022 on Dec 2021	12–13	5–7	4	4	12–13	13–16	8–9	4
Key Rate, annual average, %	10,6	6,5–8,5	6–7	5–6	10,6	11,5–13,5	12–13	6–7
GDP, %	(-3,5) – (-3)	(-4) – (-1)	1,5–2,5	1,5–2,5	(-3,5) – (-3)	(-8) – (-5)	(-2) – (-1)	0–1

The Central Bank published a revised forecast for macroeconomic development and monetary policy 2022-2025 on November 2nd, 2022.

3 scenarios are covered: baseline forecast, accelerated adaptation, global crisis.

Balance of risks is shifted towards negative options.

In any scenario the recovery will go in parallel with a deep transformation of the economy.

RETAIL
MOSCOW MARKET INDICATORS

DECEMBER 2022

6.1 MN SQM
Total Quality Stock

130 '000 SQM
New Construction
(Retail Properties with GLA of more than 15,000 sq. m)

12 %
Vacancy Rate in Quality Shopping Centers

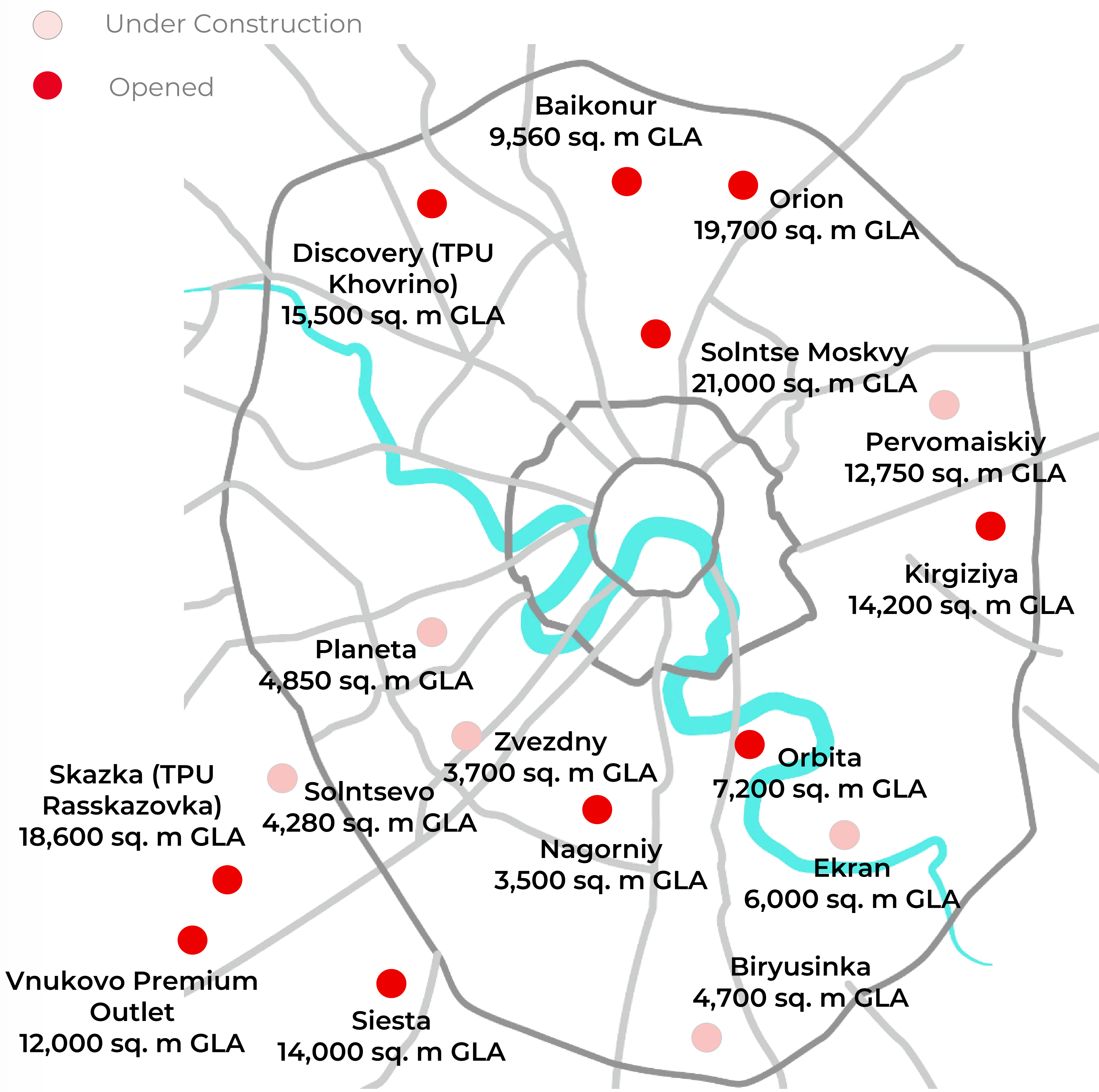
DECEMBER 2023

6.4 MN SQM
Total Quality Stock

200 '000 SQM
New Construction
(Retail Properties with GLA of more than 15,000 sq. m)

15-17 %
Vacancy Rate in Quality Shopping Centers

2022: KEY SHOPPING CENTERS



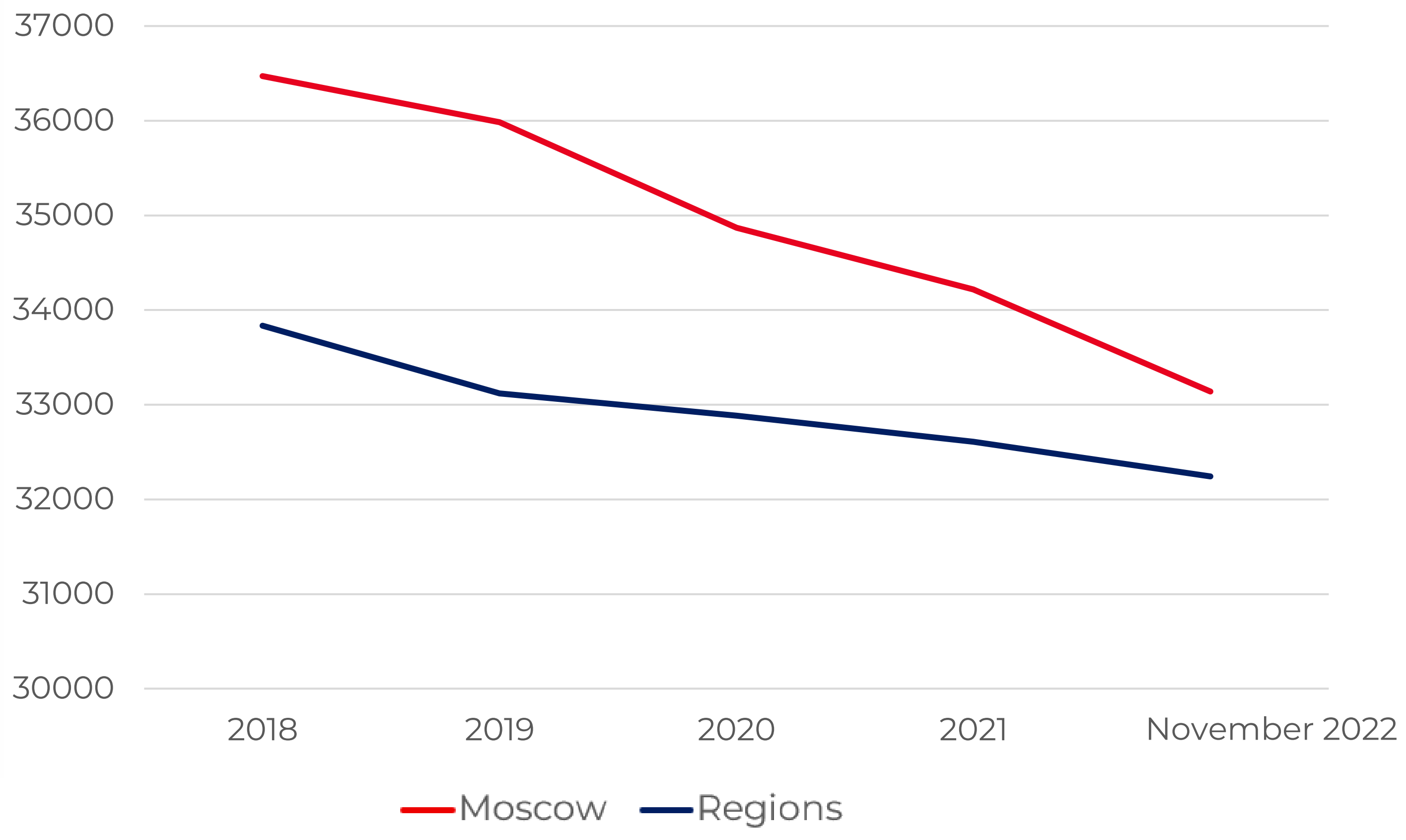
RETAIL TRENDS

AVERAGE SIZE OF THE SHOPPING CENTER IN MOSCOW

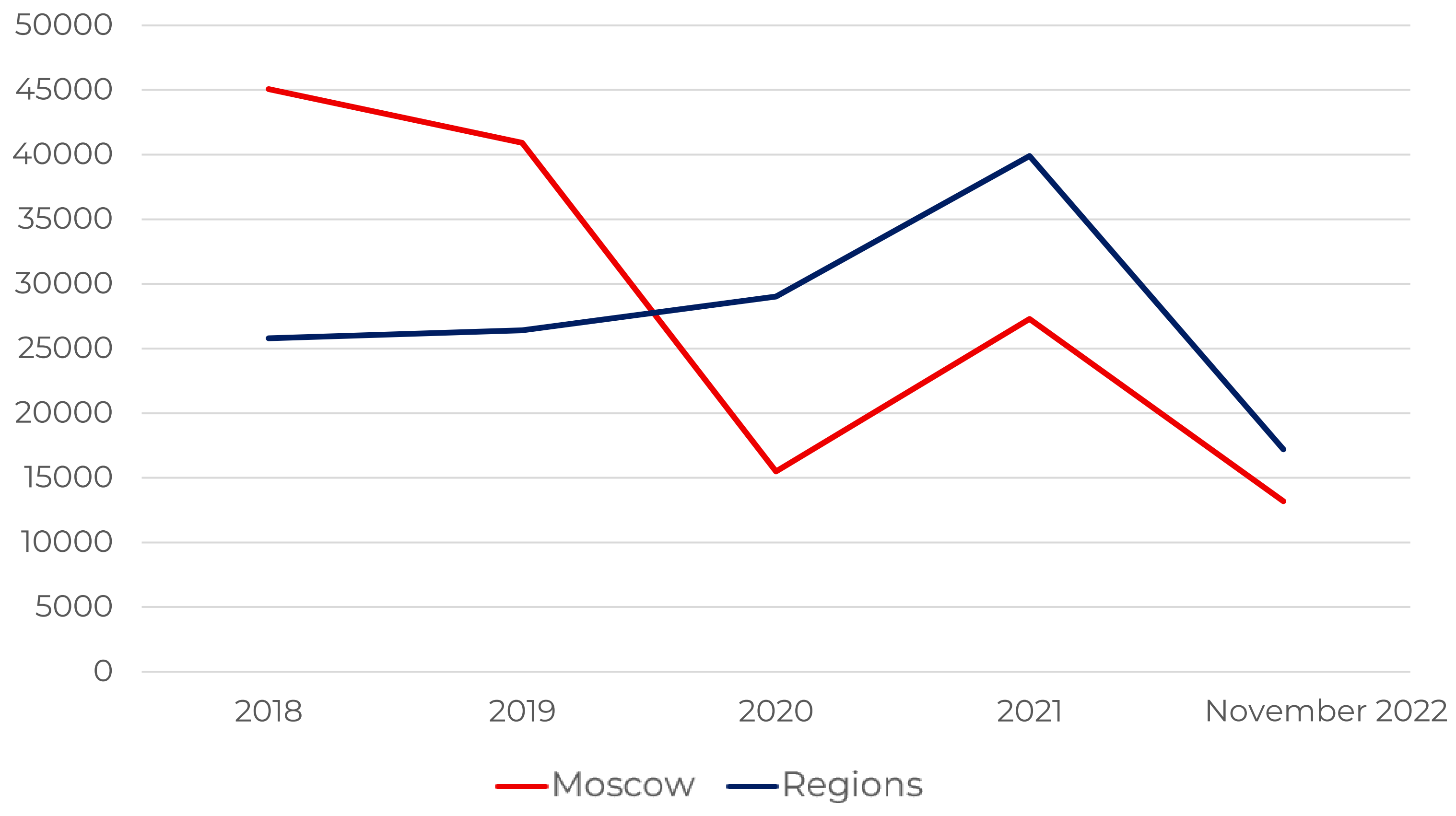
33,150 m^2 Existing

15,400 m^2 Under construction

AVERAGE SIZE OF EXISTING RETAIL SCHEME, SQ. M



AVERAGE SIZE OF COMMISSIONED RETAIL SCHEME, SQ. M



TRENDS

- Consumer activity will be under pressure due to macroeconomic and geopolitical risks.
- The exodus and shrinkage of international operators will lead to the growth of vacancies in shopping centers.
- Expansion of existing and development of new brands will ease the pressure on vacancy in shopping centers, but it will take time.
- Decline in consumer activity in the medium term will restrain the development of retailers.
- The commissioning of new properties is declining.
- A change in consumer behavior – consumers are prioritizing convenience.
- Concepts of shopping centers sift more to food and entertainment.

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