

FLEXIBLE WORKSPACE REPORT

**EDITION 5
MARCH 2022**

KEY TRENDS

301 '000 sq. m

Flexible Workspace Stock,
Moscow, March 2022

1.6%

Flexible workspace as a
proportion of Moscow office
stock

18%

Annual Growth
(2021 vs 2020)

83%

Share of chain operators in the
total stock

- In 2021, flexible workspace market showed an increase of 18% compared to 2020. The largest openings: Space 1 Balchug (11.6 thousand sq. m.), Smart Yard (6 thousand sq. m.) and Space 1 Lefort (5.6 thousand sq. m).
- Landlord-activated operators continued to develop. In 2021, Enka announced the opening of two sites in its own facilities under the Flexity brand, Pridex company - in a business center at 1st Shchipkovsky per., 5 (later, the operator expanded its portfolio by renting space in the VTB Arena Park business center). Business Real Estate (a subsidiary of AFK Sistema) announced the rebranding of a flexible workspace network based on its own facilities under the Officeless brand (formerly Territory).
- Local and chain operators still dominate on the market.
- The size of the largest transactions is growing - in 2020 the largest transaction was the lease of 3,457 sq. m in WeWork Arkus by Citymobil , while in 2021 Ozon rented 24,600 sq. m in the Business Club Iskra-Park and 22,946 sq. m in Flexity Ovchinnikovskaya. However, at the beginning of 2022, the company started looking for subtenants for these areas.

FLEXIBLE WORKSPACES IN MOSCOW

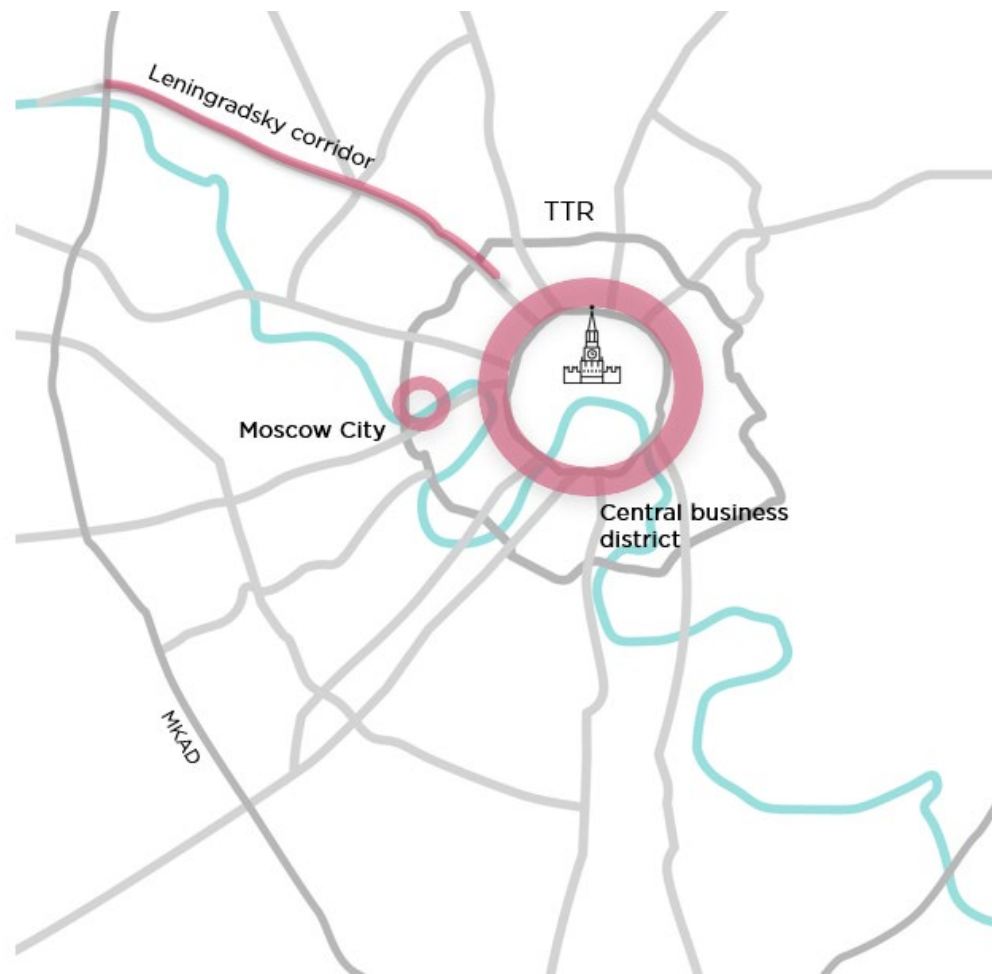
There are **151** dedicated flexible workspaces in Moscow, 112 of which belong to chains. In 2021, 25 flexible workspaces were opened with total area of 66,000 sq. m. In 2022, 58 new projects are announced for opening, many of them are built-to-suit projects.

Chain operators often occupy larger spaces than non-chain, so despite a relatively small advantage in number of locations, their share in the total flexible workspace stock significantly exceeds the share of non-chain - **83%**.

The most popular business districts are:

- Central
- Leningradsky corridor
- Moscow City

One of the major advantages for flexible workspaces is the location in business districts, in walking distance from the metro. The higher demand and occupancy rate are registered in such locations.



KEY MARKET PLAYERS IN MOSCOW

Including future openings



2021: MAJOR DEALS



More than 55,000 sq.
m (several locations)



12,000 sq. m (several
locations)



5,959 sq. m
Smart Yard



5,600 sq. m
Business Club



3,100 sq. m
Work City



2,500 sq. m
CODE



2,005 sq. m
Ключ



1,600 sq. m
Smart Yard



1,142 sq. m
Space 1



1,056 sq. m
CODE

LEASE TERMS: AVERAGE RENTAL RATES



CENTRAL BUSINESS DISTRICT

44,333 Rub/ workplace/ month



MOSCOW CITY

42,994 Rub/ workplace/ month



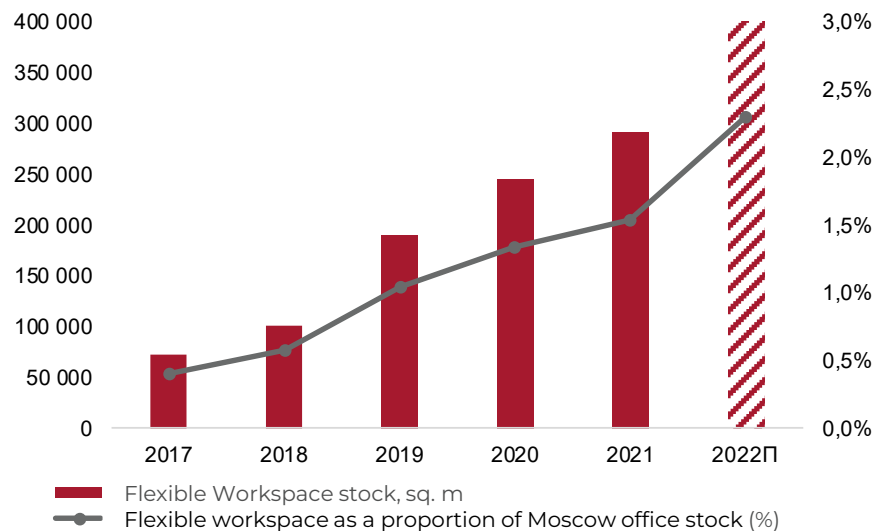
LENINGRADSKY CORRIDOR

49,559 Rub/ workplace/ month

Rental rates are calculated for chain flexible workspaces and include VAT and operational expenses.

DEVELOPMENT FORECAST

Flexible Workspace Supply Forecast, Moscow



- In 2020-21, 65,000-70,000 sq. m of flexible workspaces were opened annually. In 2022, the figure may double due to large built-to-suit deals in 2021.
- In St. Petersburg, the segment is also growing. At the end of 2021, its volume amounted to 66,000 sq. m (+28% to the value of 2020). The largest deal in 2021 was with the Praktik network - 456 workplaces were rented in the Praktik Okhta coworking. Praktik is preparing to open first co-working locations in residential areas under the Ofix brand. The first project is planned to be launched in the summer of 2022.

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