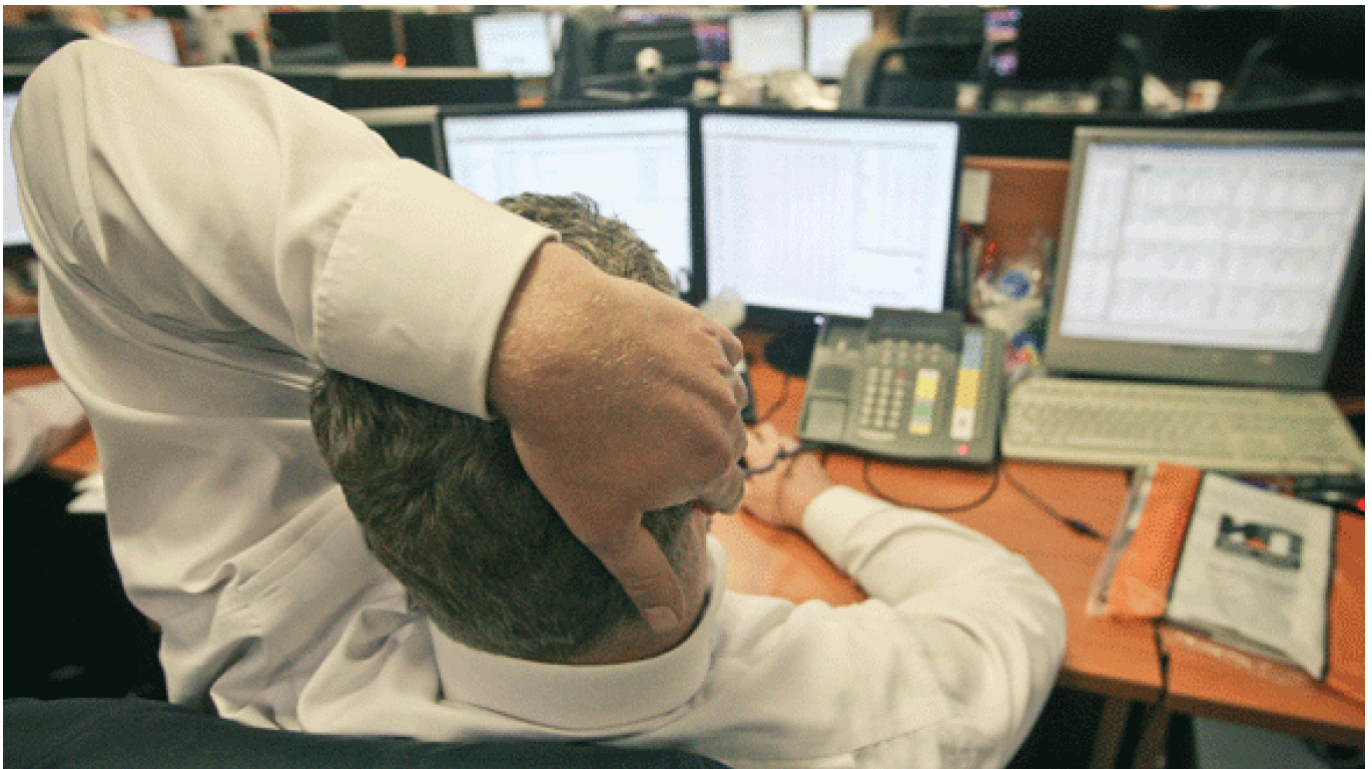


Office Market Gets Set for Jump

By [The Moscow Times](#)

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Analysts anticipate that rental prices for Class A offices will rise this year. **Andrei Makhonin**

The demand for office space in Moscow has soared to 2008 record levels as renters hurried to take advantage of the low rental rates, but experts expect that this window of opportunity will close by the end of the year.

The total take-up of quality office space in the second quarter reached 530,000 square meters, according to the Cushman & Wakefield real estate agency. Denis Sokolov, research director at Cushman & Wakefield, said the market is making up for the low activity of 2009 and 2010 and will return to normal soon.

"The prices have already started to go up, so these opportunities are ending," he said.

The relatively stable supply of office space is helping prevent rental prices from rapidly increasing, said Lada Belaichuk, research director at Cushman & Wakefield, but prices are still going up.

Experts are expecting rental prices for Class A offices to increase this year with prices for Class B offices to follow in 2012. The average rates for Class A offices in the second quarter didn't exceed \$750 per square meter per year, while Class B rates were \$470, according to Cushman & Wakefield.

Sokolov predicted that the rental boom could continue through the third quarter, but will end by 2012. Even with the end in sight, experts are more optimistic about the market condition than three years ago.

"If three years ago there were physically no spaces, now the lease holder feels more comfortable because he can go and look at his potential location," Belaichuk said.

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