

Retail Real Estate Investments Set for Record High

By [The Moscow Times](#)

July 08, 2013

The  Moscow Times

Investment in retail real estate in Russia could reach record highs this year, according to experts from Cushman & Wakefield.

Retail was the most attractive sector for real estate investors in the first half of 2013, bringing in \$2.06 billion and accounting for half of all investment over the period. Total annual investment in 2011 in the sector was \$2.04 billion, while last year it was \$2.59 billion.

"If all planned deals go through, then 2013 will become a record year for volumes in retail real estate," said Alexander Zinkovsky, senior analyst at Cushman & Wakefield research department.

Russia became the number one retail market in Europe last year. Consumers' real incomes continue to grow, and Russians spend about 70 percent of their earnings on consumer goods.

Investment into commercial real estate in the first half of 2013 came to \$4.63 billion, almost unchanged from the same period last year, but an 82 percent increase on investment volumes in the second half of 2012.

Investment in office space was \$1.71 billion in the first half of 2013, while warehouses and industrial real estate received \$600 million.

Though up to 85 percent of commercial real estate investment is still targeted at Moscow, investors are shifting their attention to the regions. Between 1.6 and 2.8 million square meters of shopping center space will open across Russia over the next two years.

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