Moscow Fourth Most Expensive for Industrial Rent

By [The Moscow Times](#)

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Moscow is the fourth most expensive city in the world for warehouse rental, according to a realtor's report.

Tokyo is ranked first with warehouse space costing US $215.50 per square meter per annum, followed by London ($205.81 per square meter per annum), Singapore ($184.39 per square foot per annum), and then Moscow ($139.94 per square meter per annum), the CBRE survey for the second quarter of 2013 of the top 10 logistics markets showed.

Demand for such space in Moscow continues to outweigh supply as it has in other European cities, according to the survey. Moscow's vacancy rate remains extremely low at just 1.1 percent and the pipeline of new supply for the remainder of 2013 is significantly less than previously expected. The majority of available stock is at least 30 kilometers from Moscow, with only 10 percent of available stock within 10 kilometers of the city.

Warehouse rental in eight of the top 10 most expensive markets were stable during the second quarter of 2013, with rental costs growing in Tokyo and Hong Kong. Prime rents in most European markets, including London, Paris, Stockholm, Moscow and Helsinki, held steady despite a challenging economic environment. However, demand for highly specified, well-situated warehouses remains robust.

"In the coming years we expect to see quite stable rental rates in the Moscow region despite the fact that developers may deliver to the market annually around 1 million square meters of new warehouse space," said Valentin Gavrilov, director of the research department of CBRE Russia. E-commerce generates less than 5 percent of the total take-up, but it is expected to grow quickly as a reaction on the expected 25 to 35 percent annual increase in the electronic channels sales, he added.

Moscow was included in the ranking for the first time this year.

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