

Moscow's Newest Shopping Centers Hit Hardest by Russia's Economic Crisis

By [The Moscow Times](#)

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Demand for space in shopping malls in the Russian capital has slid this year as Russia's economic crisis hits consumer spending.

Moscow shopping centers opened in the last two years have been hit significantly harder than older properties by Russia's economic downturn, real estate consultancy Jones Lang LaSalle (JLL) said in a report.

Shopping centers opened in 2013 and 2014 have an average vacancy rate of 13 percent, JLL said, compared to just 3 percent for malls opened before 2013.

Demand for space in shopping malls in the Russian capital has slid this year as Russia's economic crisis hits consumer spending. Retail sales fell 9.8 percent year-on-year in April after a 6.7 percent dip in the first quarter of the year, state statistics agency Rosstat reported late last week.

The World Bank expects Russia's economy to shrink by 3.8 percent this year as low oil prices and Western sanctions over the Ukraine crisis stifle investment.

JLL expects vacancy rates for retail space will climb even higher than during the 2009 economic crisis, when Russia's economy contracted by a staggering 7.8 percent. During that period, vacancy rates for newly opened retail space hit 10 percent, JLL said.

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