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Sales of Warehouse Property in Russia Boom as Prices Drop

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The average price of warehouse property in Russia is currently between 40,000 rubles ($590) and 45,000 rubles ($660) per square meter, according to Gavrilov.

Sales of warehouse properties in Russia are flourishing due to falling prices and increasing demand from discount retailers actively developing their businesses during the crisis.

Warehouse investments in Russia reached $250 million in the first eight months of the year, 10 times more than during 2014, according to a report by real estate firm CBRE issued last week.

That result was mainly due to a purchase by BIN Group, owned by the billionaire Gutseriyev family, of PNK-Chekhov, one of the largest industrial parks on the Russian market, Valentin Gavrilov, director of market research at CBRE Russia, told The Moscow Times.

As well as investors, significant interest in warehouse property is being shown by retailers.

Their purchases in the first eight months of this year amounted to $280 million, which already exceeds the results of last year, according to CBRE's report.

High activity on the warehouse market is apparently primarily driven by low prices.

With prices for logistics properties at historic lows, it is an excellent time to invest for businesses that have long-term plans to operate in Russia, Anton Alyabyev, director of the industrial and logistics department at CBRE Russia, said in the report.

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Prices in rubles haven't changed, but in dollar terms they have nearly halved, Yegor Dorofeyev, head of the warehouse and industrial department at real estate agency Cushman & Wakefield, told The Moscow Times.

There is an increased interest from retailers not only in purchasing but also renting warehouse properties, according to experts.

However, the 10 percent vacancy rates in Russia's warehouse market are above the pre-crisis rate. In 2013, the vacancy rate was no higher than 2 percent, Dorofeyev said. It will take about a year to fill the empty warehouse space, then prices will start growing again, he added.

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