

6 Tips on How to Best Find an Office in Russia

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There are many old and new tricks and techniques to help find a new office in Russia. In the good old days, before or even just after 2000, most companies still worked mainly on fax machines as a means of communication. As a real estate adviser, I remember writing letters or putting together simple property descriptions that I would then print, insert into a fax machine and press the send button. There were no digital floor plans or pictures. In the wake of paperless technologies and ubiquitous Internet, the flow of information has become much faster, but it hasn't necessarily made the task of finding the right office any less daunting.

There are six tips that may make finding an office easier:

1. Money. Take a look at your financial situation and determine what you can really afford. Are you a start-up working on a new project or a small business that just landed a good contract? I have seen many companies, big and small, going for expensive Class A office space and then breaking up their rent contract and ending up in a big law suit with their

landlord. Set yourself a strict limit for what you feel is within your power and stick to it. Go above your limit only if you find a place that you really enjoy and that isn't too far above your rent limit. This will help you out in several ways.

2. **Utilities.** Make sure you understand what utilities or operating expenses you will be responsible for. If you are responsible for paying all operating expenses, find out whether electricity is included. Keep in mind that most Class A buildings provide air conditioning only within normal working hours, and you will have to pay extra for having cool air if you stay in the office after 7 p.m. Knowing exactly what utilities you are responsible for helps you determine how much you really will be paying per month. If all operating expenses and utilities are included, then all you have to worry about is paying the rent. A property management company or your landlord should be able to give you the estimated costs of operating expenses and utilities. If not, make your best effort to negotiate the all inclusive rent to avoid any unpleasant surprises in the future. The same thing goes with rent escalation. There is no such thing as a unified rent indexation clause. If you don't want any unexpected rent increases after your first year of occupancy, either negotiate a rent cap or get your rent escalation based on the official stats, such as inflation or consumer price index.
3. **Searching for an Office.** With so many choices in the market, it's now all about managing your time and your costs. There are multiple avenues you can pursue when it comes to finding the actual office. The classic way is to search through an agent or simply drive around the city and call the numbers listed on banner signs. The downside of this method is that you will receive irrelevant information in a format that is difficult to read and does not compare apples to apples. The other factor is time. It's certainly not fun to spend hours in traffic jams or walking around the area while it's raining or snowing in search of an ideal property with banner signs. If you want to do your homework before you hit the streets and set up viewings, you may want to browse online classified listings and services such as Kommerstate.ru, which advertise listings from numerous brokers without any commission fee and usually include several pictures and a floor plan of the actual office.
4. **Viewing the Office.** When you take a property tour, don't just give each room a quick "once-over." It's important to really take the time to take it all in and work with the floor plan. After all, this is the place you'll be calling home for your company. Is the space efficient? Is there enough natural light? Does the existing layout meet your needs, including possible expansion plans? Take note of the windows: Are there good double-pane windows that easily open and close? Note even the small things such as electrical outlets. It's important to see that everything seems reasonably well kept, as well as safe. If the offered space is in shell and core condition, take an architect or space planner along with you to make some schematic designs and estimate some preliminary fit-out costs. As an alternative, you can do it yourself using, for instance, the iOS app called MagicPlan, which allows you to capture the size of a room with your iPhone and draw a plan without physically measuring the space and scaling it in AutoCAD.
5. **The Area.** This should be almost as important as the office itself. You must make sure you are moving into an area where you will feel comfortable and have good access by car and public transport. You should walk to and from the nearest metro station and consult online or with the locals regarding buses and trolleys for additional routes to the office. Check out the noise levels, too, especially if the office is located on a busy street, close to a railroad or a metro bridge.

6. Landlords. Potentially one of the hardest parts about the move is checking out your future landlord. This is not something you can physically measure like space, nor is there an online landlord database for tenants' reviews and scores. But if you care about your safety and quiet enjoyment, you will need to do some research before you finally commit. First, take a look at the tenant roster and call two or three current tenants to find out how long they have been leasing their space and what their perception about the landlord and the property manager is. Your best bet is to find someone you've known who has a proven track record as a landlord in the market. More often, you may find yourself in a situation where you will have to sign a lease with a complete stranger. If this is the case, take all the time you need to review and negotiate a lease that will protect your interests as a tenant. Remember, your business is more important than a relatively lower-than-the-market rental rate. You wouldn't want to be thrown out of the office for some dispute over unpaid rent or suffer from switching off electricity. Of course, these are all extreme cases, but unfortunately, they do happen.

There's no advice on how you are personally going to make your decision. If you take into account your budget, the area, the office and your landlord, then you should be able to arrive at a decision that suits you best and will bring you the most enjoyment. Moving into your new office can be a very rewarding experience. Try to learn from that experience. Having gone through the process myself many times, I can confidently say that it is not as bad as you may think.

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