

Moscow Region Seeks Estate Investors

By [Anatoly Medetsky](#)

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This decaying estate in Ivanovskoe is a prime candidate for the governor's proposed investment program. **Vladimir Volkov**

Moscow region acting Governor Andrei Vorobyov has proposed that investors renovate abandoned centuries-old country estates in exchange for future cheap rent.

He said the region has 300 such estates, which used to belong to tsarist-era nobles.

"It's a very dismaying sight when there's just a shell of a building with the wind coming through every window," Vorobyov said Friday after meeting with potential investors, Interfax reported.

He said the regional government was developing a program that would set the rent of country estates at one ruble per square meter, provided that the lessee performs renovations. The lease period would last 49 years.

The estates could have a new life as tourist destinations, Vorobyov said.

He did not name any country estates on offer. A spokeswoman for the regional government said she had no further comment.

Yevgeny Popov, a strategy consultant at Cushman & Wakefield, said potential investors could also convert the estates into recreational centers or small hotels.

Many businesses in Moscow would be interested in a deal like that, he said. As a case in point, Popov pointed to the Lafer Estate in the Smolensk region that has been in operation as a hotel since December 2010.

Lafer was once the property of the descendants of Sir Alexander Leslie, a Scotsman who was the first foreigner to reach the rank of Russian general, in the 17th century. Later on, it housed a children's fitness center of the Smolensk Refrigerator Plant until 1995, before falling into decay.

One important condition to draw investors is for the government to not demand a full restoration of the interior to its original look, Popov said.

First, interior works are very costly, he said. Second, a hotel has to partition the inside space differently from an estate where tsarist-era landlords hosted balls, he added.

Maria Litinetskaya, chief of real estate company Metrium Group, said that as a rule the mansions and surrounding land, covering at least 15 hectares, be in picturesque locations next to a river or forest.

On the flip side, the estates, in addition to their deplorable condition, lack accessible roads and proper utilities, she said.

The authorities had attempted to lure businesses into renovation projects before, but the terms failed to impress, Litinetskaya said. She concurred with Popov that the latest terms would not work either if the government pressed for an expensive full restoration. In another deterrent, the authorities would easily be able to take away these estates after the rent agreements lapsed, she said.

Litinetskaya suggested that the current proposal was something different from a business project.

"It's more like a charity program seeking out people who are sincere and ardent fans of Russian history, architecture and the estates," she said. "In essence, it's a search for philanthropists."

If the government were to take a business approach, it should offer easy renovation conditions and contribute state funding, among other things, Litinetskaya said.

Tatyana Tikova, an expert at real estate firm PSN Group, agreed that the estates had weak investment appeal under the proposed terms.

More than 70 percent of historical and cultural landmarks in Russia are in danger of becoming

ruins, Deputy Prosecutor General Sergei Zaitsev said Friday, Interfax reported. He called for increasing legal oversight of the properties.

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