

Moscow Region to Sell Off Land to Raise Revenue

By [The Moscow Times](#)

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The Moscow region's authorities have terminated tenants' rights to indefinitely use 768 hectares of land free of charge and decided to auction them off, a news report said Thursday.

The regional government argued that the land was being used inefficiently.

The authorities canceled use rights for land plots currently occupied by three colleges and a psychiatric clinic in four different districts in the Moscow region, Kommersant reported.

Maria Litinetskaya, head of real estate agency Metrium Group, estimates the combined value of those land plots at 1 billion to 1.3 billion rubles (\$30-39 million).

Termination of the right to indefinitely use a land plot requires tenants' approval, Goltsblat BLP partner Vitaly Mozharovsky said. But this does not pose a problem because most of such land is used by state organizations, he added.

The right to indefinite use does not confer any specific privileges, unlike long-term lease, which allows current landowners to sublease and mortgage it.

According to a representative of a regional property management ministry, land plots on which the right to indefinite use has been canceled will be sold at an open auction to investors interested in either buying or leasing them for industrial use.

The government of the Moscow region, which owns less than 1 percent of land in the region, has tasked officials to almost triple budget revenue from 346.467 billion rubles (\$10.5 billion) to 1 trillion rubles by various means including land sales.

The Moscow region has a major shortage of available land. Alexander Chuprakov, a deputy head of the regional government, said that last spring the region owned 21,500 hectares of its land, of which only 1,100 hectares, or 0.02 percent of the overall amount, were available for sale. Chuprakov said regional authorities would soon increase the total area of available land by another 20,000 hectares.

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