

Austria's Immofinanz Plans More Investment in Russian Real Estate

By [The Moscow Times](#)

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ImmoFinanz's Golden Babylon mall shining in the Moscow summer sun.

Austrian property group ImmoFinanz has not given up on Russia — its single biggest market — despite Moscow's role in the Ukrainian political crisis that has triggered European sanctions, chief executive Eduard Zehetner said.

The European Union and the U.S. announced further sanctions against Russia last week that targeted its energy, banking and defense sectors in the strongest international action yet over Moscow's support for rebels in eastern Ukraine.

"We plan further investments in Russia, which means in Moscow and its environs," he told reporters on Monday after his company released full-year results on Friday and said it could not yet gauge the impact of the crisis.

"We take two or three looks at every investment there but you cannot change your strategy

every day due to short-term effects," he said, although he left open when Immofinanz might proceed with its plans.

Russia accounts for nearly a quarter of its portfolio across Central and Eastern Europe. It depends on six shopping centers in the Moscow region for about a third of its rental income, following the spin-off of Buwog, its German and Austrian residential property unit, at the end of April.

Zehetner said Immofinanz would focus on developing retail and logistics properties for the Moscow area, which has 200 cities of between 50,000 and 200,000 residents but lacked retail infrastructure.

The region would benefit from new ring roads to divert traffic from the city center, he added.

Rents in Russia were double what prevailed elsewhere in the region, he said, but he acknowledged it was harder to implement projects in Russia when the economy was headed toward stagnation or recession instead of growth.

Sanctions against Russia affected Immofinanz indirectly by clouding consumer and investor sentiment, he said.

To read more about investment in Moscow visit [The Moscow City Government External Economic and International Relations Department](#) website.

See also:

[Austria to Cope With Impact of Sanctions on Russia, Minister Says](#)

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