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Son of Ex-Russian Railways Head to Build on Moscow's Luxury Rublyovka

By The Moscow Times

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The VIY Management investment fund, founded by Andrei Yakunin, son of former head of Russian Railways, Vladimir Yakunin, will begin construction of a multi-purpose center with offices and apartments on Rublyovo-Uspenskoye Shosse in western Moscow, the Kommersant newspaper reported Wednesday.

Total investment in the 140,000-square-meter development is more than 10 billion rubles ($148 million), VIY Management's real estate director Dmitry Minchev said, Kommersant reported.

The fund currently has no plans to build other office centers, but is interested in investing in hotel real estate in Russia and abroad, Minchev said, Kommersant reported.

Decreased demand for commercial real estate in Moscow and current debt financing conditions present a challenge to property developers. "The percentage of vacant space in office centers in western Moscow is up to 30 percent, compared to 17 percent across the

market,” Olesya Dzyuba, director of Strategic Analysis and Planning at real estate consultant CBRE, told Kommersant.

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