

Botkin Hospital Stuck at Parting of Ways

» While the city administration claims the endorsement of a special program aimed at conservation of St. Petersburg's historical center, there still remain many well-located ineffectively used spots in the city.

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Photo: CRE archive

One of such land plots to be developed in the nearest time is the territory of former Botkin Hospital. In the foreseeable future this urban territory will be regenerated, since new buildings for Botkin Hospital have already been built and the only thing left is for the city to decide on the time of this land remodeling.

On one side there is a Dance Theatre...

The initiative to withdraw Botkin Hospital from central Petersburg has been realized since 2007. In 2008 RosStroyInvest launched design and construction of a cluster of buildings for the isolation hospital in Krasnogvardeysky district. According to the Construction Committee at St. Petersburg city administration, total cost of the works neared 11bn rubles. As of last November, almost half of this amount had already been used (the works on two contracts only were worth 4.7bn rubles). In fact the construction of new buildings has been completed and now the laying of utility lines, interior fit-out and landscaping works are close to completion.

The territory cleared from the former Botkin Hospital is located in the zone of community and business facilities, 300 m from Nevsky Avenue. It's important that the plot lies opposite the Moskovskaya-Tovarnaya zone which is already being renovated. Overall Botkin Hospital represents a cluster of nearly 30 blocks. "On the whole this is a rather attractive zone located not far from the center, so contrary to some statements, St. Petersburg developers still have ample land resources for the implementation of their projects," notes Maria Matveeva, CEO of the development company Sozvezdie. Plenty of land with ample engineering infrastructure and decent condition of the existing buildings allows the creation of a high-quality project.

Compared to the southwest, Parnas and other outskirts, this is a promising integrated district in the central part of the city near to Alexander

Nevsky Ploshchad metro, Aleksandro-Nevskaya Laura, Monastery Park and other objects of note. The parcel is noted for good transport accessibility as it lies not far from Obvodny Canal. In my opinion, it would be profitable to develop a quality residential area in this place. If hotels and offices organically fit into the surrounding development and enjoy high demand, why not?" reasons Evgeny Gerasimov, general principal of the architectural workshop Evgeny Gerasimov and Partners.

Although the concept of this land development has not been chosen yet, the territory of former Botkin Hospital is a rewarding place for development and it will hardly be built up with housing alone. "In my opinion, it would be more expedient to accommodate a large integrated leisure facility here with sport, entertainment, exhibition and cultural infrastructure as well as business-class housing," reasons Ms Matveeva. Thus the given plot will be better suited for the development of mixed functions, such as housing, commercial properties and probably social amenities.

In the words of Nikolai Pashkov, CEO of Knight Frank St. Petersburg, it would be logical and expedient to develop this territory in conjunction with Moskovskaya Tovarnaya. "As follows from our experience in Moskovskaya-Tovarnaya, including the analysis of different functional uses, the best use would be redevelopment into residential real estate by virtue of the locus specifics. Talking about other functions, hotels are a rather difficult segment, which loses to other types of commercial real estate in terms of yield. In addition hotels have already been planned on the territory of Moskovskaya-Tovarnaya and the development of more hotels on the territory of former Botkin Hospital is inexpedient, from my point of view."

"Talking about the prospects of the given territory, a mixed-use integrated development project suggests itself," reasons Nikolai Vecher, CEO of GVA Sawyer SPb. While the IDP is often understood as housing with minimum social and retail infrastructure, here it is perceived as a combination of residential development (not more than 50%) with entertainment, relaxation and

retail-office functions. It might be possible to relocate here the Dance Theatre or something theatrical from the Europe Embankment project which has virtually been closed. As per the Land Use and Development Rules, this territory is earmarked for non-profit community and business development. In other words, The Dance Theatre fits perfectly into this scheme."

..... on the other side there is a mortuary and three pavilions of transient infections

Of course, a developer may face problems in the course of this land development. Concentration of numerous protected objects in the area of future development and on the adjacent grounds may slow down the design and construction process.

"From development perspectives, the hospital territory is rather difficult. To begin with, this is a big mass of land, about 12 hectares, and including the land under a prison hospital on Khohryakov Street – nearly 13 hectares. This land lies in the city core and is surrounded with development and existing utility lines. Secondly, 12 objects located on this territory are under protection of KGIOP (Heritage Conservation Committee of St. Petersburg), of which 11 are buildings and one object is gates in the fence. Total area of all these facilities is about 20,000 sq.m and all of them were built and are currently used as medical and health institutions. Among the examples are three "transient infection pavilions" and a mortuary building on Kremenchugskaya Street. Something has to be done with them. Thirdly, the hospital appeared here more than 100 years ago and it has always functioned as an isolation hospital; therefore the developer will hardly be able to avoid serious remediation of the land," comments Mr Vecher.

CEO of Knight Frank SPb Nikolai Pashkov shares this point of view: "One of the main problems from project development perspectives on the market is the past of these buildings, since few of the buyers will want to buy anything in the premises of the former isolation hospital. However hard clients are shown that a range of land remediation measures has been accomplished, this is a very negative

factor anyway – above all for the residential function and, to a lesser extent, for offices. In this connection the city should think of what has real historical value and what can be sacrificed for this territory to be developed. Otherwise the main option of hospital redevelopment will be the construction of another hospital."

Inna Popova, appraisal director of MC Magister, expressed a different opinion to this effect: "I don't think the fact that an isolation hospital was located here will increase the property renovation budget; the psychological factor is more important here."

So what will be happening to the territory of the former Botkin Hospital in the nearest time, in expert opinion? "I believe the hotel relocation process will take a year or 18 months," Mr Vecher supposes. Then it will take another year or two to prepare the territory for sale. So no development activities are to be expected here sooner than 2015–2016." In the words of Inna Popova, it's rather difficult now to estimate the volume of future renovation works, since it's important to know exactly what is to be conserved in what blocks: facades, interior layouts, etc. "In addition, it should be taken into account that the terms of rebuilding the objects protected by KGIOP are getting ever tougher, though it must be pointed out that the hospital's plan and interior layout makes it relatively an easy task to redevelop it into any public function. The tentative value of the property reconstruction is 30–60 thousand rubles/sqm," the expert believes.

"Given that this is a city-owned project, it would be most logical to put it on the block immediately after the land designation is determined. The auction winner will develop this territory," Mr Pashkov recapitulates.

Further fate of the Moskovskaya-Tovarnaya territory that includes the buildings and land plots occupied by Botkin Hospital has not been decided upon until now. Meanwhile the regeneration of these grounds is rather important for industrial redevelopment in the historical center of St. Petersburg, building up the investment attractiveness of these areas and changing the city's looks. CRE