



## CRE First – Be the First to Read CRE. Stay With Us!

CRE First meeting was for the first time held at Jean-Jacques restaurant on January 24. Experts and readers could discuss the topics raised in the recently released magazine, “hot on the trail.” About 30 people participated in the event – representatives of development, consulting, construction, investment, appraisal companies, as well as experts from headhunting and marketing agencies in the field of real estate. NetOne served as partner of the meeting.

**E**velina Ishmetova, vice president for consulting and partner of GVA Sawyer, reviewed the market of congress and exhibition complexes in Moscow region. The company conducted a special survey and found out that unmet demand for exhibition venues is in the range of 100,000 sq.m at present, “We opted for the quality analysis method as our main tool of estimating the current demand and pooled the expert opinions of the key market players, regarding the potential of conducting exhibitions in a future expo-center. Most of our respondents were exhibition directors and employees of the event-organizing companies. As per the survey, the majority of our respondents would be interested in a new large venue

within the TTR for holding events. It turned out that the most important factors for exhibition organizers is requisite space and qualitative characteristics of the venue,” said Ms Ishmetova, Natalia Chistyakova, strategic development director of the consulting department at GVA Sawyer, added that right now the shortage of adequate exhibition venues is typical not only of Moscow, but also of other Russian cities. “Keen interest in the development of expo projects is demonstrated by regional cities, including even small ones, where the advisability of such developments is doubtful. In a number of places local authorities are ready to vigorously support the initiative of raising exhibition projects and to offer various preferences to investors,” said Ms Chistyakova.

The participants were also highly interested in the topic of integrated development of territories. To the question, whether the market will be able to absorb 90 ID projects that are currently at various stages of implementation in Moscow and its suburbs (the data provided by the Construction Ministry of Moscow region), Alexander Malyutin, director for working with key partners and investments at the Skolkovo Foundation, answered that it is important to clear up the term – which of the 90 projects could be considered genuine IDPs? In the expert’s words, integrated development, besides being a large-scale project with the inclusion of various real estate formats, is also about town-forming enterprises, the creation of new



jobs, integration into the region's road network, and the development of essential infrastructure. A lot was said during the event about the creation of social and transport infrastructure. Thus, in the words of Maria Schubert, development director for MR Group, the emergence of town-forming enterprises on the territory of IDPs is an important but uneasy task. "In the New Stupino project (this IDP lies more than 70 km south-east of Moscow) we even offered plots of land free of charge to companies if only they were willing to come and create full-time jobs for the local residents. This is a very difficult and long process."

"In creating key infrastructural facilities and relative to the construction of social amenities, close cooperation with the government is a must. This is the talk of the day, but the situation is changing very slowly in this area – such was the general thrust in the discussion of IDPs. "The companies developing large territories should perhaps join their hands to lobby infrastructural and social issues in the government bodies that these projects would not be shouldered by the developer alone and that the project cost would be reasonable," – this rhetorical summon was left unanswered, although the answer was obvious to all.

Alexandra Malyutina, CEO of MKV Architects, recounted the specifics of the BOMA standard for retail properties (the new standard saw light in 2010). In her words, a peculiar feature of this standard is the lack of the load factor used to measure office and warehouse premises, which is replaced by the gross leasable area. "The given standard includes the definitions and formulas for all major components of contemporary shopping centers: shops, mezzanines, kiosks, food courts and parking lots. In addition, the standard takes into account the usable space in auxiliary premises protruding beyond the building's exterior walls, such as outdoor verandas. Thus the tenant understands what he pays for and can figure out his profit per square meter. It is recommended to use the retail standard when retail space accounts for more than 50% of the total area," specified Ms Malyutina.

The concluding topic at CRE First was recruitment of rare real estate specialists. Alexandra Puzanova, consultant of the real estate and development department at manpower company Ancor Business Solutions shared a case study from her company's experience. The matter concerned the search of managing director of strategic development in Russia for a DIY company. "The project was challenging because of a solid background, since

the company had been looking for the right person for about 4 months already. At the project start we were given a formal job description and the reasons why the previous candidates had been rejected. Yet the company did not submit to us its stop list of candidates who failed to meet their requirements. Feedback was complicated by the fact that our communication was arranged via the HR department." Some way or other, even though the company's chief executive was a hard person to deal with and their claims were very high, we found the right person who has been working for more than a year at the company. To the question about the hottest positions in the real estate market at present Alexandra mentioned the position of property manager. "It's difficult to recruit people for this position, because the requirements to candidates can be way different at various companies. Accordingly, the level of compensation, vacancy profile etc. is also different," she concluded.

Contrary to the earlier announced monthly format, during the first CRE First meeting it was decided to hold such events once in a fortnight – immediately after the release of the next CRE issue. The section "Ask the editor of CRE", which the participants of the first meeting anticipated, will be part of the next event. ©|R|e