

# Russian Construction Review

A prime source of market intelligence for construction professionals

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# Russian Construction Review

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## Industry news

# Construction market

## Ministry dissatisfied with construction industry self-regulation organisations

After a year of self-regulation in the construction industry, the Russian Economic Development Ministry has published a report showing that it believes that self-regulation has failed to solve the major problems in the industry, according to a report in *Vedomosti*. In particular, the ministry believes that the system of self-regulating organisations (SROs) creates obstacles for smaller companies in the industry. The current law, which has been in force since the beginning of 2010, stipulates that membership of an SRO is obligatory for all companies which carry out engineering research, planning, construction, reconstruction and maintenance work. The fees which members have to contribute to the compensation fund are the same for all, regardless of the size of the company. For small companies such fees have become a significant burden.

Furthermore, the executive bodies of SROs can dispose of the compensation funds at their discretion without much scope for control, which creates a risk that funds could be misappropriated.

Other criticisms pertain to the inability of SROs to ensure the necessary standards of safety in construction work. The ministry's report aims to abolish self-regulation and to return to the previous system of state licensing in construction.

## 30% reduction in commissioned office area in Moscow in 2010

854,000 m<sup>2</sup> of office area were completed in Moscow in 2010, 30% less than that of 2009 and over 50% less than the figure initially announced, according to the Miel property agency. A-class office space accounted for 62% of all newly completed office area in Moscow

in 2010, and B-class for 38%. According to the same source, in late December 2010, 22% of A-class office area in the capital city was vacant, whereas the B-class percentage was 19%.

By the end of 2010 the total volume of high-quality space in Moscow had reached 11.44 million m<sup>2</sup>. According to Miel, in H1 2011 the city can expect the commissioning of a significant number of large A-class business centres, in response to an increase in demand. In addition, office rents will probably not reach pre-crisis levels in 2011.

As *Russian Construction Review* reported in April 2010, also quoting the Miel property agency, an area about 1.5 million m<sup>2</sup> of office space was expected to be commissioned in Moscow in 2010.

## 77% of new residential projects in Moscow will be economy class in 2011

In 2011 the bulk of residential projects on which building work is underway in Moscow will consist of economy class housing. According to *Vedomosti*, which was quoting the Miel, the economy and business class projects to be launched in the capital in 2011 are to amount to 2.2 million m<sup>2</sup>, and economy class will account for 77% of this (1.7 million m<sup>2</sup>).

According to the same source, developers of residential housing are following consumer demand, which is expected to be significantly greater in the economy class bracket than it is in the upmarket subgroup, because of the post-crisis atmosphere on the market. The most substantial share as a proportion of new housing to appear in the capital will be built in the southern part of Moscow – 83%. In December 2010, the average price of 1 m<sup>2</sup> of economy class housing in Moscow was estimated to be worth €2,385.

Demand for upmarket housing in Moscow will grow at a moderate rate of 10-12% in 2011, according to *Rbc Daily*. This is because the supply of luxury housing in the city still exceeds demand. However, in the future the situation could be reversed, as the number of upmarket projects being built or due to be launched in the near future is relatively low. This year the total volume of newly launched upmarket residential projects in Moscow is expected to be 110,000 m<sup>2</sup>.

The demand on the residential market in Moscow had returned to normal by the end of 2010, as *Rbc Daily* reported. This conclusion was based on the number of flat purchases in the city. In 2010 the number of transactions on the Moscow housing market was 85,650, the highest since 2003, when 87,500 flats were sold.

## Possible reduction in volume of active retail space in Moscow in next few years

The Russian construction market could witness a severe shortage of retail space over the next few years, according to *Vedomosti*. The reason is the low number of new projects on which building work is taking place: whereas the total area of retail property put into operation in Moscow in 2009 was 500,000 m<sup>2</sup>, the 2010 figure was 50,000 m<sup>2</sup> less, and the volumes expected to appear on the market in 2011 and 2012 are only 300,000 m<sup>2</sup> and 150,000 m<sup>2</sup> respectively.

## Khabarovsk Territory plans to invest almost RUB 7bn in housing development in 2011-2015

The authorities of the Khabarovsk Territory have approved a special program devoted to housing construction development in the region between 2011 and 2015 which will involve investment of RUB 6.8bn (€175.4m). The program will be funded from the regional and municipal budgets of the territory,

in addition to the federal budget and non-budget sources. Within the framework of the program, the Khabarovsk Territory plans to develop 440,000 m<sup>2</sup> of housing per annum. The region will thus be able to reach 22.2 m<sup>2</sup> of housing per person.

By way of comparison, a similar development programme for 2007-2010 in the Khabarovsk Territory, was supported by funds of RUB 859.1m (€21.5m).

## Limited year-on-year growth in new housing in Novosibirsk Province in 2010

In 2010, 1.2 million m<sup>2</sup> of residential property was put into operation in the Novosibirsk Province, according to the province authorities. This is only 2.7% more than the amount achieved a year before. The city of Novosibirsk accounted for 867,900 m<sup>2</sup>, which is also only marginally more than that of 2009, when 815,200 m<sup>2</sup> of housing was put into use. The area of flats in multi-storey blocks put into operation in the province in 2010 was 910,786 m<sup>2</sup>, and the total number of new flats was 14,455 during the period in question. ■

with Vnukovo and Sheremetyevo Moscow airports.

# Contractors and developers

## Sberbank to fund completion of Federatsia Tower

Sberbank is to fund the completion of the **Mirax Group's** major project – the Federatsia Tower office complex in Moscow City business centre. €231m will be borrowed by the company. The complex consists of two towers – Zapad and Vostok: the former is already operating, and the latter was put on hold during the crisis. The developer even planned to reduce the initially proposed height of the Vostok tower from 94 to 64 floors to cut construction costs. The Sberbank loan will allow the project to be completed in accordance with the initial plan. The construction work is due to be completed within 24 and 30 months.

## VneshTorgBank may acquire large project in Moscow-City centre

VneshTorgBank (VTB) may, through its affiliates, acquire a project in the Moscow-City business centre which involves the construction of a 228,000 m<sup>2</sup> mixed-use complex.

The vendor is the Dutch investment company **Citer Invest**, and the project is valued at €70-87m. Some informed sources claim that the project may be completed by **Sitema Hals**, a developer owned by VTB.

The complex contains a 122,000-m<sup>2</sup> office centre, a 390-room hotel, a car park with 900 spaces, a fast tram station and a transport terminal which would connect the Moscow-City business centre

## Mirax Group and owner to use property as security

The **Mirax Group**, one of the major companies operating on Russian construction market, is to pledge eight development projects as security for €300m which it has borrowed. The projects in question include seven residential blocks and one mixed-use complex in Moscow which take up 2.3 million m<sup>2</sup>. Sergey Polonsky, the owner of the group, will also have to pledge personal property. According to kvadrat.ru, the total debts of the company came to \$593m (€440.5m) in October 2010.

## Prosperity Capital Management purchases 5.64% stake in RGI

**Prosperity Capital Management**, an investment company operating on the Russian construction market, has purchased a 5.64% stake in the Russian development company **RGI International**. The decision of the investment company was prompted by the expectation of a rapid recovery on the Moscow property market. Prosperity Capital expects the capitalisation of RGI, which was reduced significantly during the financial crisis, to grow, reaching almost \$1bn (€746.3m) this year.

At the moment, the developer's portfolio is thought to be worth \$759.2m (€556.6m). The company's activities focus mainly on the city of Moscow (10 projects), in the luxury housing section of the Russian construction market. According to riarealty.ru, the company is planning to invest over \$150m (€112.4m) in Kingston, one of the company's residential projects in Moscow, in 2011 and 2012, and the total amount invested in this project will be \$1.4bn (€1bn) within 7-8 years.

## Synergy insists on changes to RGI board

**Synergy**, a Russian construction company which owns a 22.25% share in the development concern **RGI International**, is attempting to change the composition of RGI's board of directors. At an extraordinary general meeting convened for 27 January, the stakeholder will demand that Jacob Crysler, the current chairman of the board, and two executive directors, Emanuil Kuzinets and Ioram Evan, resign and be replaced by independent directors. In addition, Synergy proposes that RGI should have an odd number of directors instead of the current eight.

Allegedly, the majority of the RGI board of directors represent the interests of another RGI stakeholder – **Des Commercial Holdings**. Synergy became a stakeholder in mid-2010, but, immediately after the purchase of a €69m stake, the company tried to withdraw from the deal on the basis that the transfer of the shares to its account had been delayed. The investor later announced that the main reason was that RGI's board was controlled in full by Des Commercial Holdings, whereas Synergy expected to obtain 50% of the places.

Synergy's beneficiary is the Russian businessman Peter Shura, who owns the Building publishing house and the development company **Highriser**.

## Inteco to sue Moscow council over two investment projects

**Inteco**, one of the major Russian construction companies, is to sue Moscow council for breaching the terms of investment contracts which pertained to a residential projects in the Moscow Province and involved €7.2m in total. The first contract involved construction of residential complex and the second, a kindergarten.

Inteco prevailed in an auction for 225 ha in the Molzhaninovsky district of the Moscow Province close to Sheremetyevo airport in 2004. The developer paid €3.8m for the site, with the intention of using it for the construction of 1 million m<sup>2</sup> of residential property. However, in 2009 the developer requested the termination of the investment contract with the city because the Moscow authorities had not fulfilled their obligations to clear the land of various encumbrances.

The kindergarten was built in Popovsky Lane in Moscow. The city has already audited the company's expenses incurred during both projects but has not yet reimbursed them.

## Adamant abandons high rise mixed-use centre project in St. Petersburg

The **Adamant Holding**, a Russian multi-sectoral group of companies operating on Russian construction market, has abandoned a project which involved the construction of a high-rise, mixed-use complex in Utkin Avenue in St. Petersburg. The company obtained a 1.2-ha site on which is to implement the project, which would have involved a 120-metre high asset, in 2006, at a cost of €108m. However, the need to relocate many people, along with complications pertaining to property rights, made the project impossible to implement.

Furthermore, the holding decided to concentrate on another project, a 70,000-m<sup>2</sup> mixed-use complex in Zanevsky Avenue in St. Petersburg.

## Snegiri Development to build hotel in Sochi

**Snegiri Development**, a Russian construction company owned by Aleksandr Chigirinsky and Roman Abramovich, is to act as the general contractor for the construction of a three star hotel in Sochi. The 4,200-room hotel is intended to accommodate journalists during the 2014 Olympics. The project is thought to be worth €375m, and the contractor could obtain as much as 10% of the project cost.

The actual agreement on the construction work has been signed by Snegiri's subsidiary, **Kubanstroyinvest**.

## Construction of large hotel complex in Sochi to be transferred from AST Group to Renova

**AST Group**, a development company which belongs to Telman Ismailov, has transferred the rights to the construction contract of one of the largest hotel complexes in Sochi to **Top Management**. According to realestate.ru, the new contract owner is part of Viktor Veksleberg's **Renova** construction holding. The project was transferred to Renova because it had been expected that AST might experience significant difficulties in attracting investment for the project.

The cost of the project is estimated to be \$540m (€403m). The hotel complex will consist of two buildings with 3,600 rooms in all.

## Moscow Sberbank to open a \$110m seven-year credit line for Ofis-tsentr

Moscow Sberbank is planning to open a seven-year credit line with a \$110m (€82m) limit for **Ofis-tsentr**, a company affiliated with the **Alcon** construction group. The company is planning to use this money for a project which involves the construction of a new business complex in Leningradsky Avenue in Moscow.

As *Russian Construction Review* reported on a previous occasion, the complex will be located on the site of the former Isolyator plant and will consist of four buildings, which will have between eight and 11 storeys. The complex will consist of 146,000 m<sup>2</sup> of A-class

office space. It will also have two-level underground parking.

## Nevsky Sindikat under court-ordered external management

Bankruptcy proceedings against **Nevsky Sindikat**, a St. Petersburg developer, have

been initiated by the company's creditors. In December 2010 the Arbitration Court ruled that the developer should be subject to six months of external management. The process was instigated by one of the individual investors, who terminated his contract with the developer and won court case against it. However, the investor did not receive the repayment. The other creditors include **PertoEnergoProject**, a construction compa-

ny which acted as Nevsky Sindikat's contractor in the construction of a residential block in the Rybatskoye district of St. Petersburg. The developer owes the contractor €375,000 for work carried out.

Nevsky Sindikat has been present on the St. Petersburg construction market since 1993. ■

## Building materials

### Two Inteco plants in Krasnodar Territory produced 558,600 tonnes of cement in 2010

Two cement plants in Novorossiysk (Krasnodar Territory) which belong to **Inteco**, a large Russian construction company, Verkhneabakansky and Atakaycement, produced 558,600 tonnes of cement in 2010. The Verkhneabakansky plant produced 263,700 tonnes, and Atakaycement – 249,900.

The common capacity utilisation of the two plants reached 93%.

Between 2006 and 2008 Inteco invested more than RUB 1bn (€25m) in the moderni-

sation of the technological equipment of the plants.

In Q1 2011 Inteco plans to complete the construction of a new production line and thus increase the annual capacity of the Verkhneabakansky cement plant to 2.3 million tonnes.

### LSR sells building material assets in Baltic states

The **LSR Group**, one of the major players on the Russian construction market, has divest-

ed its building materials production assets in the Baltic states. It sold a 90% share in **Aeroc International** to the company's minority stakeholder – **Yaico**, which consequently obtained gas concrete production plants in Latvia and Estonia and a distributor of gas concrete in Lithuania. LSR retained the Aeroc trademark, along with gas concrete plants in St. Petersburg and Ukraine and a dry mixes plant in St. Petersburg which had belonged to Aeroc International.

The decision to sell the assets was taken because the group does not consider the Baltic states to be a core geographical area of the company's activities. ■

## Real estate

### Moscow plans to increase income from sale of state property in 2011 by 1,300% in comparison with 2010

Sergey Sobyenin, the mayor of Moscow, has announced a plan to increase income from the sale of state property by 1,300% in 2011 in comparison with the 2010 figure. This plan

will be assisted by the recent changes in the government's programme of privatisation of property which belongs to the city.

At present, the city owns shares in 433 companies, including construction firms, of which about 200 are being prepared for privatisation. This year, it plans to sell assets which possess the greatest levels of liquidity, thus bringing to the city budget financial resources required for road infrastructure de-

velopment, healthcare and the development of the education system in Moscow.

### Construction of Moscow-City to be completed in 2015

All construction work on the site of the Moscow-City business centre will be completed in 2015. According to the deputy mayor of Moscow, Vladimir Resin, no new projects will be added to the currently approved business centre project list.

In accordance with the current plan, the developers have to complete the existing projects within the next five years.

As *Russian Construction Review* reported on a previous occasion, Andrey Lukianov, the former head of the **Russko-Aziatskaya Investment Company's** development branch, has recently become the new manager of the centre.

The city authorities have claimed that in order to support operations in the new business centre the city is planning to invest RUB 85bn (€2bn), in the development of the surrounding infrastructure.

### St. Petersburg bank may obtain mortgaged land in Tavrichesky garden

A site in the Tavrichesky garden, in the centre of St. Petersburg, which belongs to a Russian businessman, Aleksey Redozubov, remained unsold for a second time, as an auction scheduled for 30 December 2010 did not attract any participants. The 2.7-ha asset, estimated at €25m, is pledged as security with the St. Petersburg bank for a €19m loan (along with interest) taken out by **Potemkinskaya**, a company 80% of which is owned by Mr. Redozubov and which manages the site.

At present, as the land has still not been sold despite a second attempt, the bank can obtain it at a 25% discount on the €16m auction price.

According to komned.ru, the Potemkinskaya company is now under external management, because of the bankruptcy proceedings against it.

### Bankrupt Kit Capital sells uncompleted shopping centre in Voronezh

**Voron**, a Russian development concern, has prevailed in an auction for the sale of a shopping centre project belonging to the bank-

rupt developer **Kit Capital** in Voronezh. The 13,670-m<sup>2</sup> asset is currently 65% complete. Voron has offered €5.2m for the centre, but no information on the completion of the transaction has been disclosed.

According to arendator.ru, Kit Capital is now under external management. The company operates four shopping centres in Russia and another three, including the project in Voronezh, are in the process of being built.

### Six historic forts to be rented to private investors in St. Petersburg

The St. Petersburg Property fund is to auction off long-term leases on six Kronshtadt forts, which are listed architectural monuments. The lease will run for 49 years. Potential investors will have to spend at least RUB 100m (€2.5m) on the renovation of each asset. The forts can be used for non-residential purposes only. In addition, the fund has imposed conditions which stipulates that no new assets can be built on the rented sites.

### Bolshoye Domodedovo sale may be challenged

The sale of the Bolshoye Domodedovo logistics complex in the Moscow Province by **Eurasia Group** may not take place, because the Kazakhstani BTA bank considers the asset to be seized as a result of its legal action against the company's owner, Mukhtar Ablyazov.

As *Russian Construction Review* recently reported, reports about the possible sale of the 558,000-m<sup>2</sup> complex to the BIN group recently surfaced on the market. BTA's representatives immediately announced that any sale of Mr. Ablyazov's assets will be challenged.

### Novosibirsk Tolmachevo airport to be privatised

Tolmachevo airport in Novosibirsk, the sixth largest in Russia, in terms of passenger flow, is to be privatised. The 51% stake in the airport's authorised capital, or 68% of the ordinary shares, which belong to the Russian Federal Property Fund will be auctioned off at the beginning of March 2011 at a starting price of €27.5m.

The price of the stake is expected to increase only marginally during the auction, as the starting price already accurately reflects the asset's market value. The list of interested buyers is to be closed on 24 February, and the auction deposit is RUB 110.6m (€2.8m).

### RZhS fund obtains eight sites from the federal authorities

The Residential Construction Development Support Fund (RZhS) has obtained eight sites from Russia's federal government in various regions. Most are zoned for residential construction, apart from one which is to be used for the construction of a building materials production facility, and another as an industrial park. In particular, the fund obtained three sites in the Novgorod Province. Two of these, taking up 65 ha in total, will be used for residential construction, and the other will host a building materials plant.

Two more sites, intended for residential construction, are located in Moscow. Two more, in St. Petersburg and the Moscow Province, are also zoned for residential construction. The 163.3-ha site in Smolensk is intended for the construction of an industrial park. ■

## Planned investments

### Residential and mixed-use

#### PIK sells stake in Park-City project in Moscow

The **PIK Group**, one of the most prominent companies on the Russian construction market, has sold its 32.5% stake in the Park-City project in Moscow. The project involves the construction of upmarket residential and commercial property on a site formerly occupied by the Badayevsky brewery. The deal was worth €56.5m.

The reason for the sale of the stake is the group's intention to concentrate on its core business – the construction of economy class residential housing.

#### Two sites in Petersburg zoned for future development

St. Petersburg council has approved the zoning of two sites in the city. The first, near Ladozhskaya underground station, takes up 12.5 ha and is intended for the construction of various non-residential properties, including a shopping centre, an indoor sports complex and a cultural centre.

The other site, near Kupchino underground station, is zoned mainly for residential construction and social amenities. It will host 10 high-rise residential blocks, a school and two kindergartens. Part of the site is intended for the construction of a hotel, a shopping centre and an emergency clinic.

#### RZhS Fund to sell three sites for residential construction

The Fund for Residential Construction Support (RZhS) is to auction leases on three sites zoned for residential construction and located in the Rostov and Moscow provinces and the Krasnodar Territory. The site in the Moscow Province takes up 7 ha and is located

in the town of Istra. The starting price is €129,000. The land is intended for the construction of at least 8,500 m<sup>2</sup> of housing, including 80% of economy class housing.

The 11-ha site in the Rostov Province is located in the Persianovsky district. It will be auctioned out at a starting price of €10,650 on condition that the investor builds 10,000 m<sup>2</sup> of economy class housing.

The site in the Krasnodar Territory takes up 76 ha with 100,000 m<sup>2</sup> of planned minimum construction volume. The starting price for this site is €307,500. Economy class housing should account for 60% of the total.

### Non-residential

#### Funding of construction of APEC-2012 summit structures to be increased by RUB 110bn

The funding of construction work in preparation for the APEC-2012 (Asia-Pacific Economic Cooperation) summit, which is to take place in Vladivostok, has been increased by RUB 110.1bn (€2.7bn), to RUB 662bn (€16.4bn) in total. RUB 3.6bn (€89m) will come from the federal budget, and RUB 106.5bn (€2.6bn) will be allocated from other sources.

The additional funding will be used to expand the current regional development program, to build the Vostok-Raffls and Zvezda-DSME shipyards, to create a recreation zone on the site of Dalzavod (also a shipyard), to organise a high-speed railway between Vladivostok and Knevichi airport (a distance of about 44 km) and to assist other infrastructure development projects.

#### Bolshoy Ussuriysky island development approved

The Khabarovsk Territory authorities have approved a "Plan for the detailed development of Bolshoy Ussuriysky island for 2010-2016". This involves the conversion of the Russian

part of the island, located on the Amur river, on the border between Russia and China, into a recreational complex intended both for Russian and Chinese visitors. The island will host an amusement park, a hotel complex, a shopping and leisure centre, several business centres, an equestrian complex, a logistics facility and 470 terraced houses.

The budget of the project is €484m, and it will be implemented as a public-private partnership in three stages. The first will involve the development of the transport network on the island, and during the next two the actual planned facilities in the western and eastern parts of the island will be developed.

#### Three smaller buildings to replace Russia tower in Moscow-City complex

**ST Tower**, which is affiliated with Shalva Chigirinsky's **Russian Land**, is planning to build a 250,000 m<sup>2</sup> complex in Moscow-City business district. Russian Land had planned to build the tallest skyscraper in Europe in the Moscow-City complex. This was to have been called Russia and take up 520,000 m<sup>2</sup> in total. Because of financial issues this project was cancelled in 2008. As *Russian Construction Review* reported on a previous occasion, at that stage the Moscow authorities were considering building either a car park or a square on the site.

Finally, ST Tower will now build three smaller buildings on the site planned for the skyscraper. The Moscow authorities confirmed that the project already has an investor. The project's budget is thought to be \$625-750m (€446-560m).

#### Krasnodar's Ramo-m to build RUB 600m shopping centre in Anapa

The Krasnodar company **Ramo-m** has begun the construction of the new Krasnaya Ploschad shopping centre in Anapa, which requires an investment of RUB 600m (€15m). The shopping centre will be located at the junction of Astrakhanskaya Street and Obyezdnaya Street. The project will have two stages: the first, which involves the construction of a Magnit grocery supermarket, is to be completed in Q1 2012. The second, the construction of a shopping gallery, will be completed in July 2012. The total area of

the shopping centre will be 32,000 m<sup>2</sup>, with a leasable area of 25,105 m<sup>2</sup>. In addition, the centre will have a car park for 1,000 vehicles and will also host cafés, restaurants, offices, an entertainment centre and a cinema. The company plans to invest its own financial resources and to take out loans.

## Hotel and apartment complex to appear on Nagatino i-Land

A three star hotel and an apartment complex are to be built in the Nagatino i-Land technopark in Moscow. The hotel will contain 150 rooms and a conference venue. The investment required is thought to be €14-18m.

As *Russian Construction Review* reported in December, the second stage of the construction of Nagatino i-Land technopark is to start in the spring of 2011. The construction work is to be carried out by the development company **Moskovsky Business – Incubator**, and this stage includes plans to build 145,000 m<sup>2</sup> of offices.

The overall Nagatino i-Land project involves the construction of approximately 1 million m<sup>2</sup> in five stages.

## Russian Defence Ministry to operate its own hotel chain

The Russian Defence Ministry has established a management company to operate and develop a chain of its own hotels. The chain currently consists of 10 hotels, and in the future the number is to increase to 21. The first additional hotels are to open by April 2011.

The three star hotels will be intended not only for the military but also for the general public.

## Agricultural logistics wholesale and retail complex to be built near Tomsk

**Terminal**, a Russian construction company, intends to build a logistics wholesale and retail complex for agricultural products in the Tomsk Province. The company has already invested RUB 100m (€2.5m) in the construction work, and the total amount invested could be €37.5m. The project is due to be completed within four years.

It will be implemented in two stages. During the first, an A-class logistics terminal with an annual capacity of 300,000 tonnes will be built. The construction of the terminal is due to be completed by the end of 2012. The second stage will involve the construction of a wholesale and retail farmers' market and is due to be completed by the end of 2014.

## Novosibirsk planning to complete construction of new philharmonic concert hall by the end of 2011

The new building of the Novosibirsk philharmonic concert hall is due to be commissioned in December 2011. The project will be implemented by the investment and construction company **Zayeltsovskaya**. The new building had been due to be completed in 2010, but the work has been held up because of a number of financial and legal issues.

The new concert hall is designed for 1,200 spectators. The construction work on the site began in the spring of 2008.

## Mixed-use centre to appear in Pskov

A shopping and recreation centre, containing a hotel and aquapark, is to be built in Pskov. The investor is **Pskovskaya Investitsionnaya Kompania**. The amount invested could be as much as €25m. The construction work should be implemented in three stages: the aquapark will be the first, the hotel second, and the third the retail areas. The project is due to be completed in 2015.

## Civil engineering

### Moscow council might rebuild Leningradskoye Highway in Moscow Province

The Moscow authorities may fund the rebuilding of the section of the Leningradskoye Highway between the Moscow Ring Road and the junction with the Mezhdunarodnoye motorway leading to Sheremetyevo-2 airport. This part of the motorway belongs to the Moscow Province, but the mayor of Moscow,

Sergey Sobyenin, is considering planning the project in such a way that the city of Moscow will have to fund the reconstruction work, which should improve the situation on the motorway near the city.

The reconstruction work on the Leningradskoye Highway seems to be problematic because of uncertainty, between Moscow and the Moscow Province, which are separate administrative subjects, with regard to the ownership of land.

## General contractor for new St. Petersburg bridge to be appointed in February

The general contractor for the construction of the new Novo-Admiralteysky bridge over the Neva river to Vasilievsky island in St. Petersburg will be appointed in February 2011 during a tender announced at the end of 2010. The starting price for the contract is €255m.

The bridge will be 265 metres long and 32 metres wide. The initial plans stipulate that it is to be completed by 31 August 2013.

## Voronezh Province needs €25m to fund construction of tunnel

The Voronezh Province authorities have requested a RUB 1bn (€25m) subsidy from the federal budget to fund the construction of a tunnel under the railway in the town of Liski to improve the transport situation there.

The province has already funded €0.5m of the project planning and is carrying out preparatory work around the proposed tunnel.

## Moscow to allocate RUB 6bn for construction of car parks

The Moscow authorities have announced plans to allocate about RUB 6bn (€149m) from the city budget for the construction of car parks over the next few years.

The city program which envisages the creation of a uniform system of city parking space development between 2012 and 2015 involves the development of about 130 public parking complexes for almost 50,000 cars in 2011 and 140 such complexes for 55,000 cars in 2012.

## St. Petersburg to auction lease on land for new car parks

St. Petersburg council intends to auction leases on 462 parcels of land in 16 districts of the city for the construction of multi-storey car parks. The starting price for a lease is €410,000. The winner will have to build car parks within seven years, and the price per completed parking place in the proposed facilities should not exceed €10,000. Some voices within the market believe that **Nevsky Garazh**, a subsidiary of **Renovatsia SPb**, is the company most likely to prevail in the auction.

## Transstroy to rebuild military air base in Krasnodar Territory

**Transstroy**, the civil engineering division of the **Basic Element** (Bazel) holding, has won the Russian Defence Ministry's tender for the rebuilding of a military air base in Yeysk, in the Krasnodar Territory. The company will act as the general contractor for the first stage of the project, which involves the replacement of the airfield's surface, the extension of the runway and improvements to the surface of the taxiing area. The amount invested in the reconstruction of the airport could be €84.3m.

## Irkutsk Province to spend €50m on road improvements in 2011

The Irkutsk Province is to spend more than RUB 2bn (€50m) on the improvement of the road network in the region in 2011. The proposed projects include the rebuilding of the Elantsy-Khuzhir road, the completion of the reconstruction of the Ust-Ordynsky-Osa road and the continuation of the construction of the Tayshet-Chuna-Bratsk road. Among the planned investments RUB 704.7m (€17.5m) are to be spent only on the maintenance of provincial roads. ■

## In brief

- **Remstroyintur**, a Russian construction company, is planning to build a hotel on the Pirogovskaya embankment in St. Petersburg. The company has obtained a 2,210 m<sup>2</sup> site from the city authorities. The amount invested could be as much as €5m.
- A two-level ramp is to be built in Sochi at the junction of Transportnaya Street and the exit from the proposed bypass road. The project will cost €21m and is due to be completed at the end of 2012.
- Okhotny Ryad, the underground shopping complex in the centre of Moscow operated by the company Manezhnaya Ploshchad, is to be pledged as security for a €0.8bn loan which the centre's owner, Alexandr Zanadvorov, is planning to take out from Sberbank. The businessman intends to use the loan to buy the Mosmart retail food chain, along with its property. The Okhotny Ryad centre is valued at approximately €231m.
- The Russian Auction House (RAD) has sold off property belonging to the bankrupt food retailer Alpi, located in the Berezovsky district of the Krasnoyarsk Territory. The total area of the retail space sold is 15,000 m<sup>2</sup>, with 13 ha of land underneath. The auction was won by a Russian company, **Tsentroplast**, which paid €2.8 for the assets.
- The tender for the construction of an Arts Palace on Vasilevsky island in the centre of St. Petersburg is to take place in May. The project is to be carried out as a public-private partnership. The city will contribute the site of a former tram depot as its share of the project and will pay the investor €234m for the cost of the construction work.
- **Petrostroyinvest** intends to build a 4,300-m<sup>2</sup> mixed-use office and hotel complex in Ligovsky Avenue in the centre of St. Petersburg. The developer has rented a 945-m<sup>2</sup> site adjacent to the Oktyabrsky concert hall. Petrostroyinvest will have to transfer 700 m<sup>2</sup> of the proposed building to the city.
- The development company **Investitsionno-stroitelnoye upravlyeniye 19** (ISU 19) is planning to build a hotel complex on an 8.7-ha site in Sestroretsk, in the Leningrad Province. It intends to build a hotel and 38 bungalows, in addition to leisure amenities, taking up 7,890 m<sup>2</sup> in total. ISU 19 will pay €2.7m for the lease on the site.

## Ukraine

### Kievgorstroy Holdings funded 15% more of residential housing in 2010

**Kievgorstroy**, one of the major development companies in Ukraine, invested in the development of 227,140 m<sup>2</sup> of residential property in Ukraine in 2010, which is 15% more than the 2009 figure. In Kiev alone in 2010 the company's investments funded 224,330 m<sup>2</sup> of residential property, which is a 30% y-o-y increase in comparison with 2009.

In 2011, Kievgorstroy is to develop seven residential buildings with a combined area of 160,900 m<sup>2</sup>.

### Kiev's open-air markets in Petrovka Square to be replaced by shopping centre

Petrovka Square in Kiev, on which four separate open-air markets (clothing, groceries, books and household goods) have operated since 1997, will be partially rebuilt and the open-air markets replaced by a modern shopping centre. The oldest parts of the market will be preserved as historical Kiev heritage sites. The reconstruction work is due to be completed within 1.5-2 years.

The reconstruction of the square had been planned for 2007, but, because of the economic crisis, work never began. The cost of the reconstruction work was not disclosed.

### Development of industrial park in Odessa Province will require UAH 2.4bn

The authorities of the Odessa Province are hoping to attract investment in the region by creating an industrial park in the Ivanov and Lubashev districts. The amount invested in the project should be UAH 2.4bn (€221.5m) between 2011 and 2014, including UAH 160m (€15m) this year, UAH 400m (€37.4m) in 2012, UAH 640m (€60m) in 2013 and UAH 1.2bn (€112m) in 2014.

A management company will be created to implement the project, and this will ensure the development of the correct infrastructure, attract investment and manage the park's operations. The provincial authorities will invest UAH 18m (€1.7m) this year and UAH 22m (€2m) in 2012 in founding and maintaining this company.

### Investment in Dnepropetrovsk to increase fourfold in 2011

Ivan Kulichenko, the mayor of Dnepropetrovsk, has announced that 2011 will bring UAH 16.4bn (€1.5bn) to the city's economy. Last year the amount invested was UAH 3.9bn (€364.5m), 88% of which found its way into the city's fixed capital. Mr. Kulichenko also emphasised that the city would focus on attracting new technologies and investments to revive its industrial enterprises.

### Energosistema receives \$30m credit line from British Profbond

**Energosistema**, an Odessa developer, has received a \$30m (€22.5m) 10-year credit line from Profbond (UK). The first tranche, of \$13m (€9.7m), was transferred in December 2010. The loan for Energosistema is the second from Profbond. Profbond lent the company UAH 245.3m (€23.4m) in February 2009.

The company will pay 4% per annum in interest and merge the money with its turnover capital, which needs a cash infusion. Between January and September 2010, the net losses of Energosistema increased by 120% year on year to UAH 2.3m (€218,095) with net revenues falling by 94.6% year on year to UAH 7,900 (€735).

The projects on which the company is working include a large multi-storey office and residential complex in Odessa, which was 86% complete in September 2010.

### Crimea auctions off two sites for hotel development in Jalta

The Autonomous Republic of Crimea is planning to auction off 56 sites taking up 760 ha for a number of purposes, some industrial and recreational. The first auction, of two, 0.75-ha and 2.43-ha, sites for hotel development located 1.5 km from the sea and 50 metres from the nearest motorway, is scheduled for 17 February 2011. Bidding will start at UAH 207,030 (€19,771) and UAH 670,760 (€64,053). The required deposit is 10% of the starting price.

A D V E R T I S I N G

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## Market overview &amp; statistics

## Basic economic and construction industry indicators

## Construction output and main macroeconomic indicators, 2007-2010

		2007	2008	2009	Latest 2010	
<b>Construction output</b>	RUB bn	3,293.3	4,528.1	3,869.1	Jan-Nov	3,561.3
	€ bn	94.1	124.4	87.7	Jan-Nov	84.0
	y-o-y	18.2%	12.8%	-16.0%	Jan-Nov	0.4%*
<b>GDP</b>						
GDP at current prices	€ bn	942.5	1,144.4	884.1	Q3	275.5
Real GDP change	y-o-y	8.1%	5.6%	-7.9%	Q3	2.7%
<b>GDP components</b>						
Household consumption	y-o-y	13.9%	10.7%	-8.1%	Q3	13.4%
Gross fixed capital formation	y-o-y	21.1%	10.6%	-18.2%	Q3	15.8%**
<b>Gross value added</b>						
Manufacturing	y-o-y	7.9%	0.2%	-13.9%	Jan-Sep	12.3%
Construction	y-o-y	13.7%	11.9%	-16.4%	Jan-Sep	-1.4%
Real estate, renting, business activities	y-o-y	19.8%	13.6%	-5.3%	Jan-Sep	0.8%
<b>Output</b>						
Industrial output	y-o-y	6.3%	2.1%	-10.8%	Jan-Nov	8.4%
<b>Foreign trade</b>						
Exports	\$ bn	355.2	471.6	304.0	Nov	35.3
Imports	\$ bn	223.1	291.9	191.9	Nov	24.5
Balance	\$ bn	132.1	179.7	112.1	Nov	10.8
<b>Prices</b>						
CPI	y-o-y, eop	11.9%	13.3%	8.8%	Jan-Dec	8.8%
PPI	y-o-y, eop	25.1%	-7.0%	13.9%	Jan-Dec	16.7%***
<b>Unemployment</b>						
Salaries	eop	6.1%	7.7%	8.2%	Nov	6.7%****
<b>Salaries</b>						
Gross monthly salaries	€	378	473	426	Nov	509.4***
Real change in gross monthly salaries	y-o-y	17.2%	10.3%	-2.8%	Nov	3.2%***
<b>Investment</b>						
Capital investment	RUB bn	6,419	8,765	7,540	Jan-Nov	7,480***
	y-o-y	21.1%	9.8%	-17.0%	Jan-Nov	5.1%***
Foreign direct investment	\$ bn	27.8	27.0	15.9	Jan-Nov	8.2
	y-o-y	102.9%	-2.8%	-41.1%	Jan-Nov	-17.8%
<b>Exchange rates</b>						
€/RUB	average	35.0	36.4	44.1	Nov	42.4
\$/RUB	average	25.6	24.8	31.7	Nov	31.0

\* in real terms

\*\* including the acquisition of valuables

\*\*\* preliminary data of Rosstat

\*\*\*\* according to Labour Force Survey

eop – end of period

Source: Rosstat, CBR, 2011

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## Production of basic building materials, 2008-2010

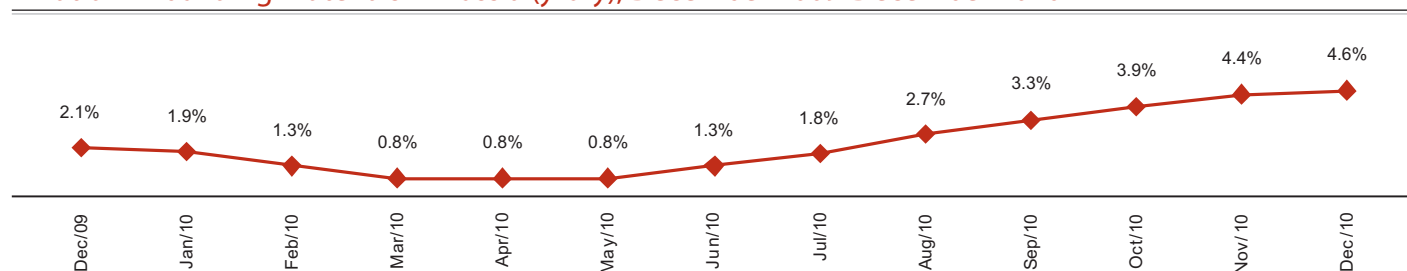
Types of building materials	Unit	2008		2009		January–November 2010	
		Volume	Y-o-y change	Volume	Y-o-y change	Volume	Y-o-y change
Cement	million tons	53.6	-10.6%	44.3	-17.3%	47.4	15.5%
Bricks	billion standardised bricks	13.4	2.2%	8.5	-37.3%	4.6	5.8%
Ceramic floor tiles	million m <sup>2</sup>	73.8	6.6%	63.9	-13.1%	63.5	8.1%
Ferroconcrete production	million m <sup>3</sup>	28.4	-2.3%	17.5	-39.3%	18.5	15.3%

Note: Since January 2010 Rosstat has introduced a new system for classifying production which is harmonised with the Statistical Classification of Products by Activity in the European Economic Community (CPA), and for this reason data on the production of bricks and ceramic roofing tiles in 2008 and 2009 is not in line and can not be compared with the data provided since the beginning of 2010.

Source: Rosstat, 2011

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## Inflation in building materials in Russia (y-o-y), December 2009-December 2010

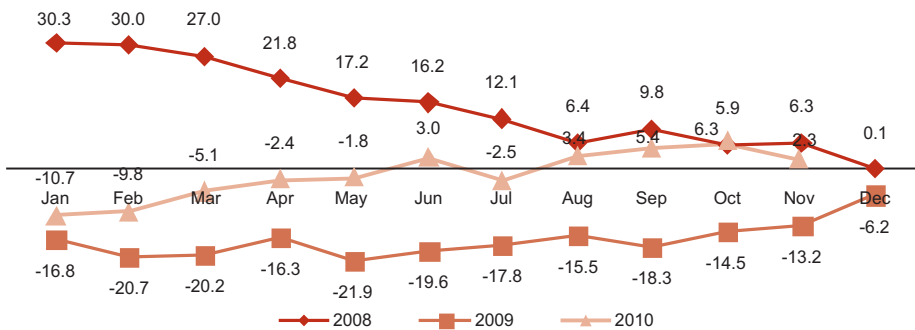


Source: Rosstat, 2011

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# Construction output

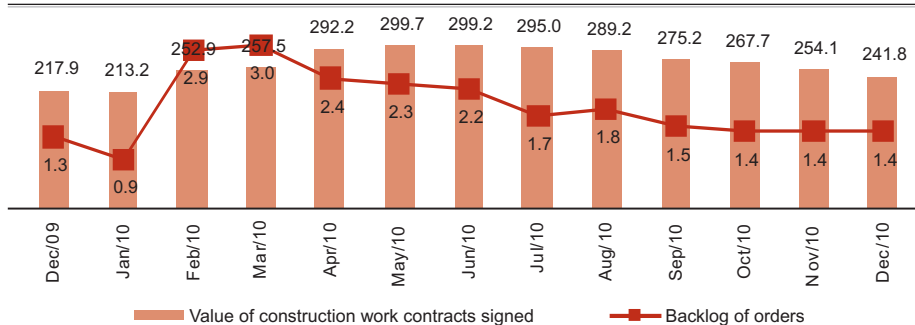
## Construction output in Russia (% y-o-y), 2008-2010



Source: Rosstat, 2011

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## Value of construction work orders signed and other construction orders (RUB bn) and backlog of orders in the Russian construction industry (months), December 2009-December 2010



Note: the 'backlog of orders' figures indicate the number of months for which Russian construction companies are assured work based solely on the volume of contracts concluded by them as of the 1<sup>st</sup> of the particular month. For example, in February 2009 the backlog of orders was 3.6, which means that the total volume of contracts concluded by construction companies as of 1 February 2009 allowed them to continue doing business (assured them work) for another 3.6 months, assuming the January 2009 capacity utilisation rate.

Source: Rosstat, 2011

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## Regional comparison of construction industry performance in CIS countries, 2008-2010

Russia		2008	2009	Latest 2010	
Construction output	RUB bn	4,528.0	3,869.1	Jan-Nov	3,561.3
	y-o-y change	12.8%	-16.0%	Jan-Nov	0.4%
Residential construction	'000 m <sup>2</sup>	63,762.0	59,764.3	Jan-Nov	43,600
	y-o-y change	4.5%	-6.7%	Jan-Nov	-3.8%
<b>Ukraine</b>					
Construction output	UAH bn	64.4	37.9	Jan-Dec	43.2
	y-o-y change	-16.0%	-48.2%	Jan-Dec	-5.4%
Residential construction	'000 m <sup>2</sup>	10,496.0	6,399.6	Jan-Sep	5,248.0
	y-o-y change	2.5%	-39.0%	Jan-Sep	57.0%
<b>Belarus</b>					
Construction output	BYR bn	15,473.0	20,907.7	Jan-Dec	27,423.6
	y-o-y change	22.2%	19.4%	Jan-Dec	19.3%
Residential construction	'000 m <sup>2</sup>	5,141.0	5,849.0	Jan-Dec	6,700.1
	y-o-y change	10.2%	14.6%	Jan-Dec	16.6%
<b>Kazakhstan</b>					
Construction output	KZT bn	1,785.0*	1,821.8*	Jan-Dec	1,918.1
	y-o-y change	1.9%*	-3.2%*	Jan-Dec	1.0%
Residential construction	'000 m <sup>2</sup>	6,848.0*	6,402.0*	Jan-Dec	6,408.4
	y-o-y change	2.5%*	-6.5%*	Jan-Dec	0.1%

\* data updated by Statistics Agency of Kazakhstan  
 Source: Rosstat, State Statistics Committee of Ukraine,  
 National Statistics Committee of Belarus, Statistics Agency of Kazakhstan, 2011

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## Methodology notes on statistics in Russian Construction Review

### Construction output

The value of construction output is understood as the monetary value of construction work carried out by construction companies based on construction contracts which are assessed and summarised by the Russian Federal State Statistics Service (Rosstat). Any changes in Rosstat data are immediately reflected in *Russian Construction Review*. The updates may also refer to historical data.

### Changes in construction output

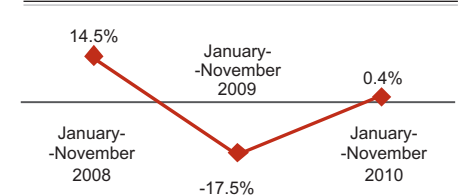
The percentage changes in construction output are presented in real terms, which means that changes in construction prices have been factored in.

## Construction output in Russia in January-November (RUB bn), 2008-2010



Source: Rosstat, 2011

## Change in construction output\* in Russia in January-November (y-o-y), 2008-2010



\* in real terms  
 Source: Rosstat, 2011

## Construction output in federal subjects of Russian Federation, 2009-2010

	2009		January-November 2010	
	RUB million	Change (% , yo-y)	RUB million	Change (% , yo-y)
<b>Russian Federation, total</b>	<b>3,869,074.1</b>	<b>-16.0</b>	<b>3,561,300.0</b>	<b>0.4</b>
<b>Central Federal District</b>	<b>1,023,423.5</b>	<b>-17.1</b>	<b>956,926.5</b>	<b>2.1</b>
Belgorod Province	27,154.0	-30.2	31,693.1	9.3
Bryansk Province	11,494.7	-1.4	11,081.3	6.9
Vladimir Province	20,078.3	-2.7	18,935.3	1.3
Voronezh Province	26,539.5	-3.0	19,685.5	-2.7
Ivanovsk Province	15,007.8	27.1	11,278.8	-20.0
Kaluga Province	22,378.8	-15.5	21,271.4	-1.4
Kostroma Province	4,309.6	-28.2	7,048.7	2.5
Kursk Province	19,163.1	-12.1	20,617.2	18.4
Lipetsk Province	23,073.5	1.0	19,114.5	-13.5
Moscow Province	211,544.1	-24.5	205,670.1	7.0
Oryol Province	6,745.7	-34.2	7,011.5	-7.4
Ryazan Province	18,341.0	-33.6	19,857.0	15.4
Smolensk Province	15,609.3	-9.4	16,521.8	5.4
Tambov Province	17,793.5	1.8	15,721.1	1.4
Tver Province	25,728.9	1.7	22,826.2	2.0
Tula Province	30,527.6	25.2	20,308.0	-23.4
Yaroslavl Province	33,190.2	0.2	28,915.0	-3.6
City of Moscow	494,743.8	-19.1	459,370.0	2.2
<b>Northwestern Federal District</b>	<b>561,944.6</b>	<b>-19.6</b>	<b>513,653.5</b>	<b>-2.0</b>
Republic of Karelia	7,070.2	-25.1	9,505.6	46.4
Republic of Komi	38,374.9	-9.8	44,875.9	10.8
Arkhangelsk Province	19,821.1	-49.8	21,839.3	3.8
Including Nenets Autonomous District	6,343.1	-52.7	8,535.9	44.4
Vologda Province	27,172.3	-34.9	23,802.3	-9.4
Kaliningrad Province	25,618.0	-11.7	17,968.4	-42.1
Leningrad Province	92,727.1	5.8	64,088.3	-7.7
Murmansk Province	11,235.1	-36.2	14,994.1	-0.1
Novgorod Province	14,240.1	7.6	12,458.6	0.1
Pskov Province	6,157.9	-39.8	6,512.4	2.0
City of St. Petersburg	319,527.9	-32.7	297,608.5	0.7
<b>Southern Federal District</b>	<b>448,308.6</b>	<b>-4.4</b>	<b>337,035.5</b>	<b>12.1</b>
Republic of Adygeya	7,800.7	15.8	5,484.1	-8.7
Republic of Kalmykia	2,912.9	4.5	2,110.5	-17.6
Krasnodar Territory	187,367.6	4.5	226,041.7	21.7
Astrakhan Province	18,490.0	-35.6	14,426.8	-13.8
Volgograd Province	32,443.2	-14.0	29,887.4	-5.1
Rostov Province	67,316.9	-15.9	59,084.9	1.9
<b>North Caucasian Federal District</b>	<b>-</b>	<b>-</b>	<b>102,114.4</b>	<b>1.2</b>
Republic of Dagestan	53,644.9	15.7	41,119.2	9.2
Republic of Ingushetia	3,899.9	1.0	2,560.9	-31.6
Republic of Kabardino-Balkaria	6,371.1	-14.5	2,837.5	-41.0
Republic of Karachay-Cherkessia	5,163.2	-13.8	3,318.1	-36.6
Republic of North Ossetia-Alania	12,241.1	0.2	9,864.5	-1.2
Republic of Chechnya	26,889.8	3.0	15,945.2	7.7
Stavropol Territory	23,767.4	-25.2	26,468.9	7.2
<b>Volga Federal District</b>	<b>623,562.6</b>	<b>-20.0</b>	<b>530,215.8</b>	<b>2.5</b>
Republic of Bashkortostan	73,505.8	-23.3	70,330.6	-5.0
Republic of Mari El	6,497.9	-31.1	7,957.2	36.8
Republic of Mordovia	13,830.0	-11.3	15,315.2	24.6
Republic of Tatarstan	184,071.3	4.5	146,380.8	7.0
Republic of Udmurtia	14,728.4	-32.0	12,840.3	-2.8
Republic of Chuvashia	18,517.7	-42.4	16,692.5	7.6
Perm Territory	56,457.9	-18.2	53,259.7	-1.4
Kirov Province	9,044.0	-39.4	8,840.2	-16.2
Nizhny Novgorod Province	102,806.9	-32.5	71,097.3	9.9
Orenburg Province	25,205.5	-29.9	25,644.2	0.1
Penza Province	25,072.5	-24.9	20,601.0	-3.1
Samara Province	40,973.9	-27.6	38,735.8	2.1
Saratov Province	33,386.0	-20.0	29,414.2	5.2
Ulyanovsk Province	19,464.9	-21.3	13,106.8	-26.1
<b>Urals Federal District</b>	<b>503,152.0</b>	<b>-22.1</b>	<b>469,708.8</b>	<b>0.1</b>
Kurgan Province	7,836.6	-25.4	4,078.9	-41.2
Sverdlovsk Province	71,884.9	-35.6	74,441.5	14.1
Tyumen Province	379,556.9	-15.8	356,565.9	-1.1
Including				
Khanty-Mansi Autonomous District (Yugra)	149,653.5	-19.6	148,874.7	4.6
Yamal-Nenets Autonomous District	173,280.7	-4.5	152,222.4	-13.9
Chelyabinsk Province	43,873.5	-39.9	34,622.5	-5.6
<b>Siberian Federal District</b>	<b>329,812.6</b>	<b>-22.1</b>	<b>317,348.0</b>	<b>0.4</b>
Republic of Altay	4,205.3	-28.2	5,167.7	14.8
Republic of Buryatia	13,245.3	0.8	13,281.0	2.8
Republic of Tyva	2,018.0	83.2	1,939.5	5.5
Republic of Khakassia	4,981.7	-13.7	6,261.8	13.5
Altay Territory	16,958.4	-29.7	14,018.2	2.3
Zabaykalsky Territory	22,753.6	-20.2	13,779.2	-36.7
Krasnoyarsk Territory	67,619.2	-4.8	69,859.4	0.4
Irkutsk Province	40,362.7	-26.0	45,252.0	13.9
Kemerovo Province	65,923.1	-13.0	62,071.3	4.0
Novosibirsk Province	28,227.3	-47.9	33,085.3	17.9
Omsk Province	31,420.1	-36.8	29,341.9	1.3
Tomsk Province	32,097.8	-18.8	23,290.7	-21.9

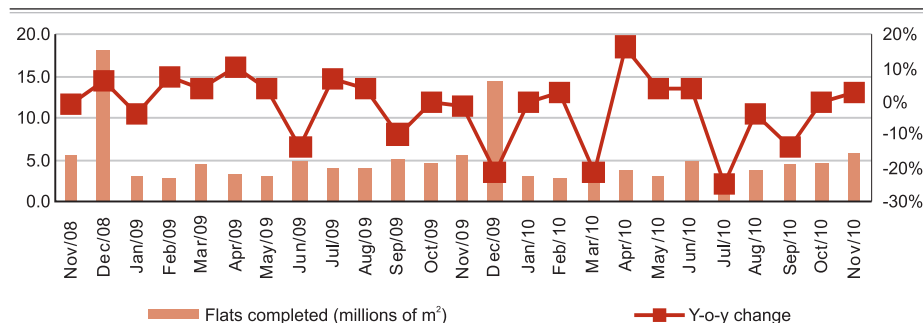
<b>Far Eastern Federal District</b>	<b>251,238.5</b>	<b>-8.6</b>	<b>271,669.1</b>	<b>7.7</b>
Republic of Sakha (Yakutia)	64,552.6	11.4	37,344.9	-39.2
Kamchatka Territory	14,114.2	22.1	13,266.5	-16.2
Primorsky Territory	48,855.2	24.9	74,925.8	30.6
Khabarovsk Territory	38,801.4	-5.7	61,309.2	72.5
Amur Province	28,014.5	-10.9	22,415.4	-15.7
Magadan Province	5,653.1	-7.5	5,612.8	-3.2
Sakhalin Province	45,611.2	-44.0	46,696.6	5.8
Jewish Autonomous Province	4,505.6	1.4	9,166.1	100.0
Chukotka Autonomous District	1,130.6	-35.8	931.8	3.9

Source: Rosstat, 2011

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## Housing construction

Flats completed in Russia (millions of m<sup>2</sup> of space and y-o-y change), November 2008-November 2010\*

\* August 2008-December 2009 data updated by Rosstat  
Source: Rosstat, 2011

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In November 2010, all types of investors completed **73,500** new homes, in January-November **515,200** new homes.

## Homes completed, number and total floor space, 2006-2010

		2006	2007	2008	2009	Jan-Nov 2010
Number of homes completed	'000	605	714	766	701.3	515.2
Change	y-o-y		17.4%	7.2%	-8.4%	0.9%
Total floor space of homes completed	million m <sup>2</sup>	50.6	60.4	63.8	59.8	43.6
Change	y-o-y		16.1%	19.4%	4.5%	-6.7%

Source: Rosstat, 2011

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## Total floor space of housing units completed in federal subjects of Russian Federation, 2009-2010

	2009		January-November 2010	
	Floor space ('000 m <sup>2</sup> )	Change (% y-o-y)	Floor space ('000 m <sup>2</sup> )	Change (% y-o-y)
<b>Russian Federation. total</b>	<b>59,800.0</b>	<b>-6.7</b>	<b>43,600.0</b>	<b>-3.8</b>
<b>Central Federal District</b>	<b>18,611.6</b>	<b>-2.7</b>	<b>12,282.3</b>	<b>-8.6</b>
Belgorod Province	1,097.3	-1.3	866.6	2.1
Bryansk Province	345.2	7.3	269.0	13.8
Vladimir Province	452.2	7.8	318.1	-14.5
Voronezh Province	872.5	-22.1	595.6	-13.4
Ivanovsk Province	181.9	6.5	130.3	-7.6
Kaluga Province	441.8	-30.0	346.3	4.3
Kostroma Province	176.9	18.7	115.7	-7.0
Kursk Province	457.2	2.2	323.0	-16.2
Lipetsk Province	731.2	1.3	524.8	0.6
Moscow Province	8,235.7	4.5	5,461.8	-5.0
Oryol Province	285.5	-12.4	150.2	-34.1
Ryazan Province	510.5	1.5	442.5	-2.4
Smolensk Province	346.1	0.4	221.1	-20.7
Tambov Province	564.8	0.8	408.5	0.3
Tver Province	440.9	26.9	325.6	-16.8
Tula Province	394.8	-5.4	219.2	-7.9
Yaroslavl Province	373.9	-5.8	195.7	-21.0
City of Moscow	2,703.5	-17.2	1 368.4	-23.6

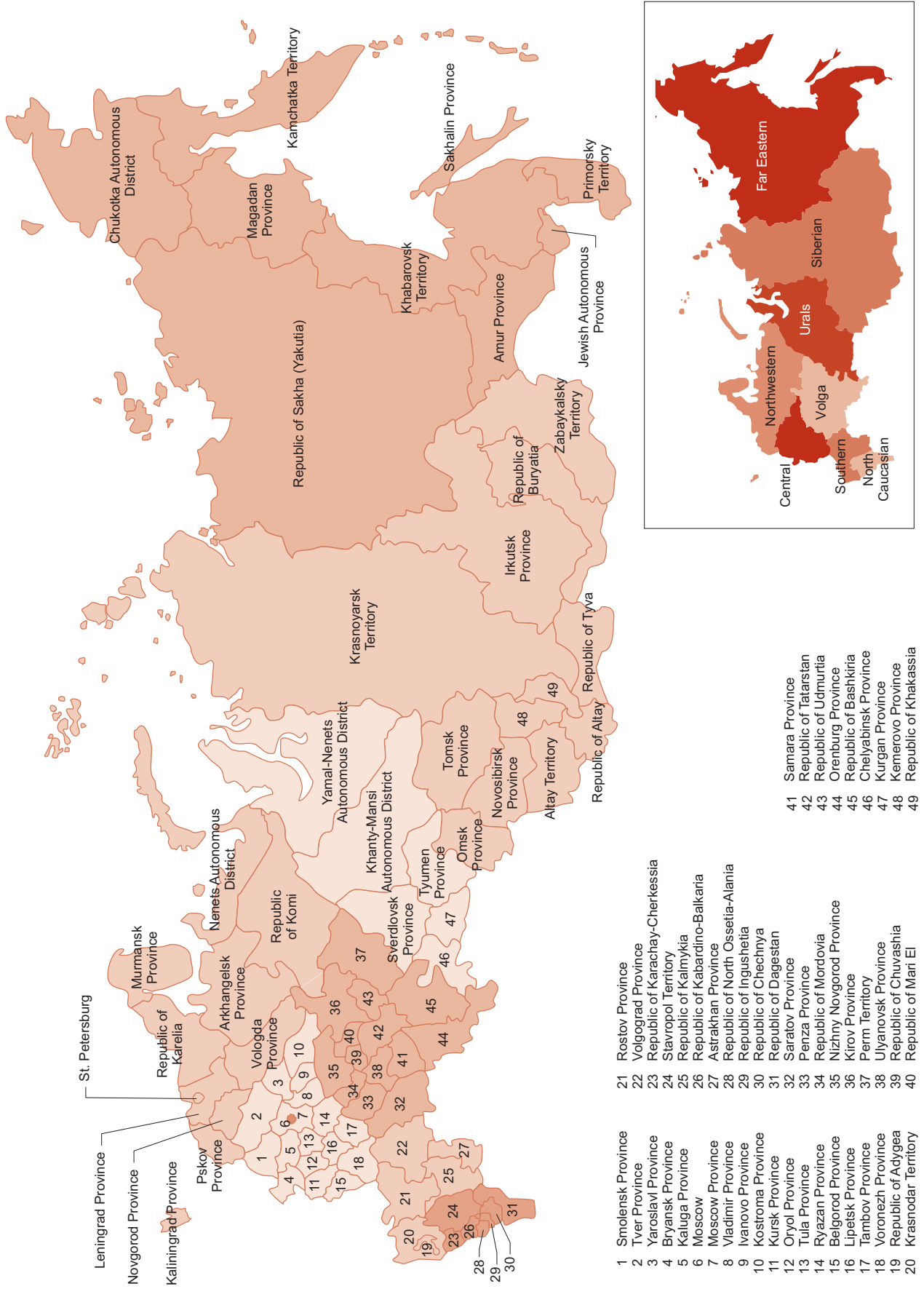
## Total floor space of housing units completed in federal subjects of Russian Federation, 2009-2010

<b>Northwestern Federal District</b>	<b>5,720.5</b>	<b>-12.8</b>	<b>3,705.6</b>	<b>-5.8</b>
Republic of Karelia	164.2	11.7	113.4	-22.7
Republic of Komi	114.6	-37.8	64.8	-15.4
Arkhangelsk Province	258.1	-25.6	140.4	10.2
Including Nenets Autonomous District	42.5	-33.5	12.2	-12.0
Vologda Province	484.7	-11.1	282.8	-31.8
Kaliningrad Province	606.6	-24.2	445.4	-10.7
Leningrad Province	1,030.7	13.5	832.3	-12.6
Murmansk Province	22.1	136.1	17.6	7.0
Novgorod Province	245.7	-5.0	122.7	-17.7
Pskov Province	190.5	25.9	118.7	-30.7
City of St. Petersburg	2,603.2	-18.9	1,567.6	13.4
<b>Southern Federal District</b>	<b>9,372.6</b>	<b>-5.5</b>	<b>5,851.5</b>	<b>1.0</b>
Republic of Adygeya	120.0	48.6	115.4	6.9
Republic of Kalmykia	75.3	26.9	70.7	20.8
Krasnodar Territory	3,394.4	-13.8	3,172.9	2.9
Astrakhan Province	477.9	25.0	411.0	-2.1
Volgograd Province	714.1	-12.9	512.2	-12.4
Rostov Province	1,804.7	-10.1	1,569.2	2.0
<b>North Caucasian Federal District</b>	<b>-</b>	<b>-</b>	<b>2,383.0</b>	<b>4.2</b>
Republic of Dagestan	1,014.8	11.9	817.5	-7.2
Republic of Ingushetia	33.5	-46.1	86.2	198.1
Republic of Kabardino-Balkaria	255.0	3.1	186.1	2.2
Republic of Karachay-Cherkessia	90.1	-5.7	57.0	-27.8
Republic of North Ossetia-Alania	197.7	0.4	155.9	23.1
Republic of Chechnya	71.6	30.1	75.9	8.9
Stavropol Territory	1,123.4	5.5	1,004.4	9.2
<b>Volga Federal District</b>	<b>12,680.7</b>	<b>-6.5</b>	<b>9,795.0</b>	<b>-2.0</b>
Republic of Bashkortostan	2,352.0	0.0	1,595.0	-11.0
Republic of Mari El	301.2	0.8	268.8	3.3
Republic of Mordovia	276.6	-2.7	199.1	4.5
Republic of Tatarstan	2,010.2	-9.6	1,749.1	-1.3
Republic of Udmurtia	455.5	-6.3	351.6	-4.6
Republic of Chuvashia	852.1	-12.9	638.3	2.4
Perm Territory	675.5	-18.9	564.0	-0.5
Kirov Province	330.9	-22.3	276.3	6.6
Nizhny Novgorod Province	1,402.3	3.6	1,268.9	3.7
Orenburg Province	740.0	-4.6	510.0	-22.3
Penza Province	608.6	0.6	491.7	26.2
Samara Province	1,024.2	-22.9	741.0	3.1
Saratov Province	1,120.7	0.7	800.9	2.1
Ulyanovsk Province	530.7	4.4	340.2	-12.7
<b>Urals Federal District</b>	<b>5,300.0</b>	<b>-14.9</b>	<b>3,575.0</b>	<b>-7.0</b>
Kurgan Province	286.6	2.0	109.3	-47.2
Sverdlovsk Province	1,594.4	-6.3	1,239.5	6.4
Tyumen Province	1,988.9	-10.4	1,461.4	1.1
Including				
Khanty-Mansi Autonomous District (Yugra)	824.8	-7.5	396.3	-12.7
Yamal-Nenets Autonomous District	130.7	-43.1	49.2	4.5
Chelyabinsk Province	1,430.1	-29.3	764.9	-25.5
<b>Siberian Federal District</b>	<b>6,220.3</b>	<b>-13.3</b>	<b>4,795.8</b>	<b>-1.0</b>
Republic of Altay	59.5	2.0	68.0	19.5
Republic of Buryatia	244.5	-20.4	231.2	25.8
Republic of Tyva	50.3	13.0	33.8	-9.1
Republic of Khakassia	183.2	-5.0	98.4	-26.7
Altay Territory	654.0	3.5	514.1	-10.6
Zabaykalsky Territory	264.7	2.4	115.4	-41.7
Krasnoyarsk Territory	850.0	-22.8	767.0	24.3
Irkutsk Province	593.8	1.5	434.7	11.8
Kemerovo Province	1,069.3	0.6	900.1	-3.4
Novosibirsk Province	1,212.3	-12.9	771.8	-9.0
Omsk Province	605.1	-40.4	530.0	4.2
Tomsk Province	433.7	-17.2	331.3	-8.8
<b>Far Eastern Federal District</b>	<b>1,495.4</b>	<b>5.1</b>	<b>1,019.5</b>	<b>-11.2</b>
Republic of Sakha (Yakutia)	291.1	0.1	201.6	8.4
Kamchatka Territory	60.5	-4.6	21.1	-48.5
Primorsky Territory	391.9	4.4	282.6	-7.1
Khabarovsk Territory	373.1	22.7	218.8	-35.1
Amur Province	149.2	-19.3	86.8	-2.3
Magadan Province	15.6	4.2	6.8	-55.0
Sakhalin Province	161.7	8.6	151.4	16.2
Jewish Autonomous Province	48.2	22.3	50.1	16.4
Chukotka Autonomous District	4.0	156.4	0.3	-88.6

Source: Rosstat, 2011

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# Federal subjects of Russia



## Upcoming events

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### Bridge Construction Russia 2011 – IQPC Ltd.

Czech Republic, Prague, Hotel Marriott, 9-11 February 2011

tel: 44 (0) 207 368 9300  
fax: 44 (0) 207 368 9301  
email: [construction@iqpc.co.uk](mailto:construction@iqpc.co.uk)  
www: [bit.ly](http://bit.ly)

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### Turkmenistan Oil & Gas Road Show 2011 - Summit Conferences & Exhibitions Ltd.

Pan Pacific Hotel 3-4 March 2011

tel: + [44] (0) 207 625 0000  
fax: + [44] (0) 207 624 9030  
email: [info@summittradeevents.com](mailto:info@summittradeevents.com)  
www: [www.turkmenistan-asia.com](http://www.turkmenistan-asia.com)

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### Turkmenistan Gas Congress – TGC 2011 - Summit Trade Events Ltd.

Nebitchi Hotel, Avaza, Turkmenbashi, Turkmenistan 25-26 May 2011

tel: + [44] (0) 207 625 0000  
fax: + [44] (0) 207 624 9030  
email: [info@summittradeevents.com](mailto:info@summittradeevents.com)  
www: [www.turkmenistangascongress.com](http://www.turkmenistangascongress.com)

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### 16<sup>th</sup> Turkmenistan International Oil & Gas Conference – OGT 2011 - Summit Trade Events Ltd.

Ashgabat Exhibition Palace Ashgabat, Turkmenistan 15-17 November 2011

tel: + [44] (0) 207 625 0000  
fax: + [44] (0) 207 624 9030  
email: [info@summittradeevents.com](mailto:info@summittradeevents.com)  
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