

Moscow Leads in Real Estate Investment

By [The Moscow Times](#)

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Last year 94 percent of all commercial real estate investment in the country was made in Moscow, and most of the financing was domestic, according to Cushman & Wakefield research.

The volume of commercial real estate investment last year was \$3.74 billion, up from \$2.26 billion in 2009. The proportion invested in Moscow decreased slightly, from 99 percent in 2009.

Moscow ranked third among European cities and 15th overall last year for investment attractiveness, following London (first place worldwide) and Paris (third place). Among the 20 top cities receiving the most commercial real estate investment, according to Cushman & Wakefield, five were in Europe, eight in Asia and seven in North America.

Foreign investors kept a low profile. In 2010, their involvement in those transactions was only 14 percent of the level it had been at in 2008, before the financial crisis. But the presence of Russian capital in those transactions, in absolute terms, exceeded the pre-crisis level and is

continuing to increase.

Unlike foreign investors, Russians are willing to take risks in exchange for a high return, the Cushman & Wakefield analysts said.

VTB and Sberbank provided financing both to developers, such as Sistema HALS, AFI Development, Mirax Group and Renova StroiGroup, and to retailers, such as X5 and Sedmoi Kontinent.

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