

AFI Reports \$400M Dip In Property

By [The Moscow Times](#)

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AFI Development, a developer of real estate in Russia, said the value of its properties declined by about \$400 million because of changes in Moscow planning policy and the ruble's depreciation against the dollar.

The publicly traded unit of Africa Israel Investments Ltd. said the gross value of its real estate dropped to about \$2.4 billion from \$2.8 billion, according to a statement Monday. The figures are subject to a review by auditor KPMG.

A preliminary independent evaluation done by real estate consulting firm Jones Lang LaSalle indicated that in the second quarter of this year pre-tax losses on projects currently under development and write offs of real estate investors would equal about \$240 million.

The value of properties being built at Pochtovaya, Kossinskaya and Tverskaya Plaza by AFI fell after the Moscow city government made changes to development policies that forced the company to make revisions to the projects. AFI also reduced the value of the Botanic Garden housing project, a joint venture with a company owned by the city of Moscow, to zero

after a creditor sought to have the city's unit declared bankrupt on Aug. 2, AFI said.

"The company will continue its efforts to recover its costs and/or receive the development rights to the project," AFI, based in Limassol, Cyprus, said in the statement.

AFI closed down by 15 percent at £0.39 (\$0.61) in London. The company has a market value of \$424 million.

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