

Office Space Construction in Downtown Moscow Faces Ban

By [Alexander Panin](#)

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City Hall will ban office space construction in downtown Moscow but will welcome complex housing projects that involve construction of transport and social infrastructure, Konstantin Timofeyev, head of the Moscow Construction Committee, said at a news conference on Wednesday.

"We have re-evaluated over 2,000 ongoing investment projects in the city," Timofeyev said. "Some of them were canceled while others will continue, but first of all, we will support complex development."

Last year the priority for construction was kindergartens while this year it is medical clinics, hospitals and roads, he added.

Also, if a developer builds nothing before the expiry of a land lease agreement, authorities will cancel the development contract, Timofeyev said.

"We need those who will develop the land, not just hold it for other purposes," he said.

Another major trend is a return to the idea of developing industrial zones. According to the head of the construction committee, 209 such zones with a total area of 17,000 hectares are currently being allocated for development.

So far, the development of these zones has not been efficient, with owners preferring to lease out existing premises, as opposed to building something, he said.

"We were not successful because many owners were just leasing out the premises for offices or warehouses, getting high rental payments while themselves paying a low tax," Timofeyev said.

That does not suit the authorities, and they are set to start inspecting such properties. The owners will be fined if their property is used inefficiently, he said.

Meanwhile, City Hall does not plan to introduce new eminent domain rules that will make it easier for authorities to expropriate property located in industrial zones, at least not on a full scale, Timofeyev said.

He said that such rules would only be applied to areas allocated for a network of yet-to-be-built transportation hubs where passengers can change to a train, the subway or a car.

"But plans to build these hubs are all well known, and land owners are welcome to turn to the government and present their development proposals."

As the Moscow authorities said earlier, investors will be contracted to build technical infrastructure for the hubs in return for the right to build and lease out offices, shops, food courts and other profitable business afterwards.

The goal is to build 150 to 160 transport hubs in the capital by 2020.

Contact the author at a.panin@imedia.ru

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