

Government Considers Restricting Foreign Real Estate Purchases

By [The Moscow Times](#)

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Old and new apartment buildings in Moscow's residential districts. **Sergei Porter**

The government is considering a bill to restrict purchases of homes, land and commercial property by foreigners, in what could be a blow to the country's business climate.

A brainchild of the the Economic Development Ministry, the bill would force foreign individuals and foreign-controlled companies to seek government permission for such deals, Kommersant reported.

The legislation, which the ministry published to invite comments from the public, is seeking to prevent the creation of foreign enclaves in Russia.

The ministry declined to comment on the bill, saying it was in its initial stages and could undergo changes going forward.

The memo to the bill said the move was in line with President Vladimir Putin's state-of-the-

nation address last year, which said the government would head off any efforts to create self-contained ethnic neighborhoods in the country.

The bill states that permission for buying specific homes, land or commercial property would be given on a case by case basis and last three years.

Olesya Dzyuba, a market researcher at real estate company Jones Lang LaSalle, told Kommersant that the measure would create excessive hurdles for investors and run counter to the government's efforts to improve the business climate.

The bill would extend the time needed for foreigners to conclude real estate deals by at least a month, said another member of the real estate industry, Denis Sokolov, who heads market research at Cushman & Wakefield. He estimated that foreign companies account for 30 percent of Moscow's real estate market.

Vladimir Volokh, chief of the Federal Migration Service's public council, said Russia had no ethnic enclaves formed through purchases of property by foreigners. But he supported placing a restriction on prospective foreign buyers, adding that about 10 million foreigners reside in the country.

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