

# Moscow Considers Industrial Zone Revamp

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The Moscow government is considering introducing a new law that would force those who own real estate in industrial zones to renovate their properties, Kommersant reported Monday, quoting a source in property developer Moskomstroinvest.

According to City Hall, there are currently 83 industrial zones in Moscow, comprising 18,800 hectares of land. However, only 52 percent of the industrial zoned land is used for its intended purpose, Kommersant reported. The rest of the land currently houses office buildings.

The Moscow government has long wanted to revamp these industrial zones but there have been a number of factors that have slowed the process. Some properties are owned by a large number of owners, which makes coordinating renovation efforts difficult. Other sites are held by firms low on cash who are reluctant to participate in redevelopment.

The proposed law, however, will strengthen the government's campaign by allowing government officials to force owners of real estate located in industrial zones to undertake property renovations. The new law would also make it legal for land owners to be forced into selling their property to the government. At the moment these measures are taken only if the properties are in critical condition or have been slated for demolition.

The government is also exploring the possibility of raising the rent in industrial zones, said Roman Timokhin, co-owner of MR Group. Major developer company Inteco told Kommersant the scheme may produce a lot of discontent among proprietors, though, if the tightening of the rules is not accompanied by greater incentives, for example ensuring that the necessary engineering, social and transport infrastructure exists in industrial zones slated for renovation.

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