**RBC, VEGAS LEX organize conference on redevelopment of industrial zones as new development legislation goes through parliament**

**Igor Chumachenko, VEGAS LEX partner and head of the Real Estate, Land & Construction Practice, has chaired a conference on modernization and development of industrial zones and comprehensive land development in Moscow and the Moscow Region, organized by RBC and VEGAS LEX.**

On July 8, 2015, the RBC media holding and the VEGAS LEX law firm organized a conference, *Redevelopment of territories: Rezoning or Reconstruction*, which focused on the recent legislative, economic and legal changes in the area of redevelopment and comprehensive land development (improvement) in Moscow and the Moscow Region.

[Igor Chumachenko](http://old.vegaslex.ru/en/text/47244), VEGAS LEX partner and head of the Real Estate, Land & Construction Practice, who moderated the conference, delivered an opening speech pointing out how important the comprehensive land development issue is, especially when it comes to industrial zones. At present, comprehensive land development (improvement) is one of the main aspects of the urban development activity in Moscow, aimed at building more facilities that constitute a comfortable urban environment, the expert said. The currently unused areas that formerly housed industrial facilities and housing and utilities services are the city’s main reserve of free space for new construction, so their redevelopment is on top of the list given the current deficit of land in Moscow.

During the first session of the conference, experts discussed [a draft federal law on redevelopment of industrial zones initiated by Russia’s Construction Ministry](http://asozd2.duma.gov.ru/main.nsf/%28SpravkaNew%29?OpenAgent&RN=778655-6&02), as well as actual redevelopment practices, the main concepts of development and transfer of industrial areas, property modernization requirements set by government agencies, investors and potential buyers, ways to attract investors to infrastructure projects, the tentative timeframe and locations for first facilities to be built in industrial zones, and formats of government-developers interaction.

The second session tackled more practical issues, as the participants were given the opportunity to study several actual redevelopment projects already implemented. Mr. Chumachenko talked about the legal models for comprehensive land development and said that tangled legal regulation can often hamper redevelopment or comprehensive development of urban areas that involves rezoning.

However, the legal formats and instruments that are available need to be used more effectively: improvement of already developed area (essentially the only legal instrument that allows construction in a developed area where property is encumbered by third-party rights, which can be applied exclusively to areas used by dilapidated housing); comprehensive land development (improvement) (applied to property not alienated to any third parties); development of an area used by industrial facilities and modernization of existing facilities; ways to acquire rights to land and facilities for construction purposes; possible formats of obtaining the use of land for construction via bidding or otherwise; and distribution of responsibilities for infrastructure development.

“The absence of the necessary legal framework to regulate redevelopment issues, guarantees, and liabilities of the parties involved generates a number of legal risks for developers,” Mr. Chumachenko said. “At the same time, active collaboration between the authorities and developers is no less important than legislative improvements, because the process needs to be supported by local governments.”

Other speakers at the conference included federal and Moscow officials: **Natalia Lisyukova**, head of the investment program department at the Moscow Directorate for Investment Project Support and Participatory Construction Oversight (Moskomstroyinvest); **Nikolai Sarokvasha**, Deputy Director of the Housing Policy Department at the Ministry of Construction, Housing and Utilities; **Alexander Timokhov**, Deputy Chair of the Moscow Committee for Architecture and Urban Development; **Ilya Zalivukhin**, member of the territorial planning and urban development council of the Union of Moscow Architects; and **Alexander Ruchyov**, President of Morton Group of Companies which implements major residential development projects across Moscow and the Moscow Region.

The conference was attended by representatives of the Ministry of Construction, Housing and Utilities, Moscow Committee for Architecture and Urban Development, business executives, leaders of major investment, development and law firms, and companies that build and deal in residential, commercial and out-of-town property.

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