



BRINGING EXPATS TO RUSSIA

Quality Information | Effective Lobbying | Valuable Networking

November 28, 2012

Marriott Tverskaya Hotel

www.aebrus.ru

INTRODUCTION –

Ruslan Kokarev

Association of European Businesses



**ASSOCIATION OF EUROPEAN BUSINESSES
IN THE RUSSIAN FEDERATION**

HR conference
“Bringing expats to Russia”

Alexander Konkin,
Executive Director of MAYFAIR Properties

November 28, 2012
Marriott Tverskaya Hotel, Moscow



New tendencies in Corporate relocation policies



New tendencies in corporate relocation policies



Market rates overview: Residential real estate in 2012

- Q1-Q2 2012 showed 10-15% increase in residential real estate market in comparison to Q3-Q4 2011
- Q3 2012 indicated 5% increase in the amount of requests from the employees of international companies compared to Q2 2012
- Corporate requests make 77% of all apartment requests

Q3 2012 requests:

Ostozhenka	- 25% of total number of requests,
Patriarshie Ponds	- 23%
Chistye Ponds	- 19%
Arbat	- 16%
Zamoskvorechiye	- 7%
Presnya	- 5%
Other	- 5%

Q3 2012 budgets

3.000 – 5.000\$	- 38%
5.000\$	- 54%
Over 10.000\$	- 8%

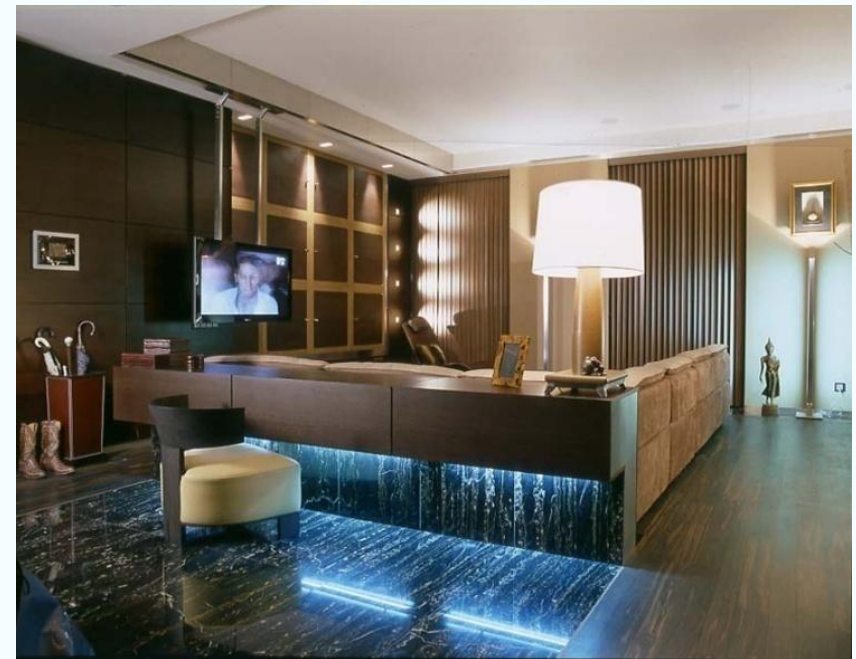


New tendencies in corporate relocation policies



Monthly rental rates at the end of 2012

Number of rooms	MIN (\$)	MAX (\$)
1	2 000	4 800
2	2 500	7 500
3	4 200	12 000
4	5 700	21 000
5 and more	9 500	30 000



New tendencies in corporate relocation policies



Monthly rental rates for elite suburban real estate Q3 2012

Villages	Flat area (m2)	Rate (\$)
Pokrovskie Hills Serebryaniy Bor Ekaterinovka Rosinka	100-500	10 000 - 30 000
Direction	Flat area (m2)	Rate (\$)
Rublevo-Uspenskoe Novorizhskoe Ilyinskoe	300-1 000	7 000 - 60 000
Mozhayskoe Kievskoe Kaluzhskoe Dmitrovskoe	150-700	4000-15 000

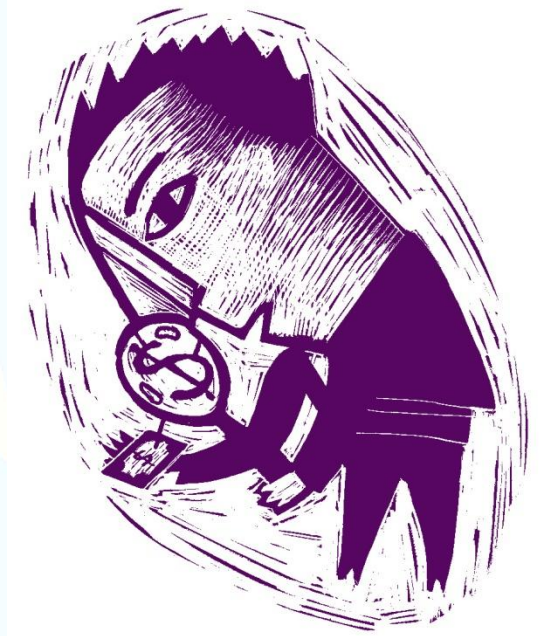


New tendencies in corporate relocation policies



New tendencies

- ✓ Insurance deposit
- ✓ Sub-lease
- ✓ Outsourcing
- ✓ Implant
- ✓ Technical support



New tendencies in corporate relocation policies



Insurance deposit

Insurance deposit is a sum paid at the beginning of the rental period which is kept by the Landlord till the end of the rental period.

New tendencies

1. Contracts without insurance deposits
2. Guarantee letters as a substitution
3. Acceptance of the Insurance deposit as the last month payment.

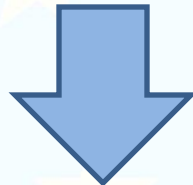


New tendencies in corporate relocation policies



Sub - Lease

In order to exclude the Client Company from negotiations with the Landlord the Agency signs a contract directly with the Landlord.



Sub-Lease contract is signed between the Client Company and the Agency.



New tendencies in corporate relocation policies



Outsourcing

The main services demanded are:

- ✓ Visa and immigration questions
- ✓ Moving services
- ✓ Apartment research
- ✓ Insurance

Implant

Implant is the Agency manager responsible for all relocation services who is assigned to work directly in the Client Company's office.

Advantages:

1. The manager is present in Company office
2. Easy access to every employee
3. Reduce the time to resolve any situation
4. Help to establish the best contact between the Agency and the Client Company



New tendencies in corporate relocation policies



Technical support

One-time services



Full technical support

Installation of additional equipment & furniture
Repairs and maintenance
TV, IT services, etc.

Emergency 24/7 technical support





Thank you for your attention!



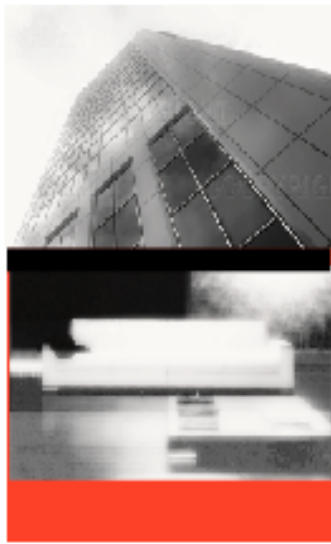
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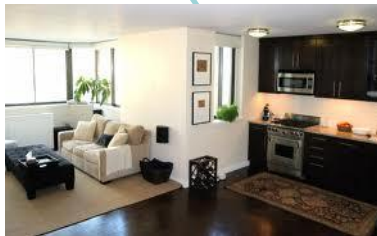
TEMPORARY ACCOMMODATION IN MOSCOW
– AN OVERVIEW OF THE MARKET FOR
HOTELS, APARTHOTELS,
SERVICED APARTMENTS



Temporary Accommodation –standard options internationally



Supply
Price
Suitability



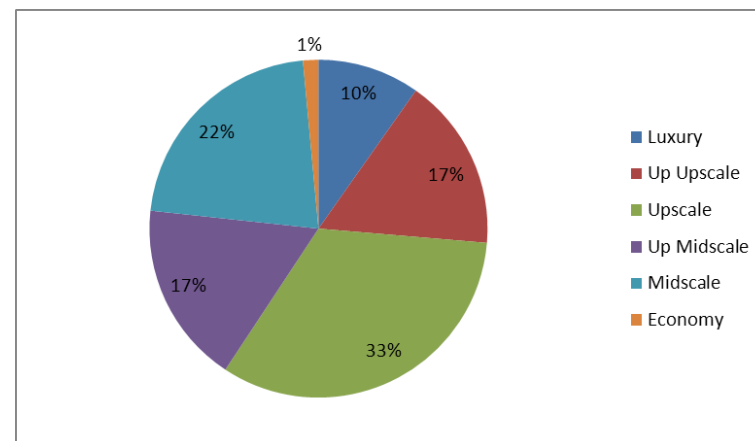
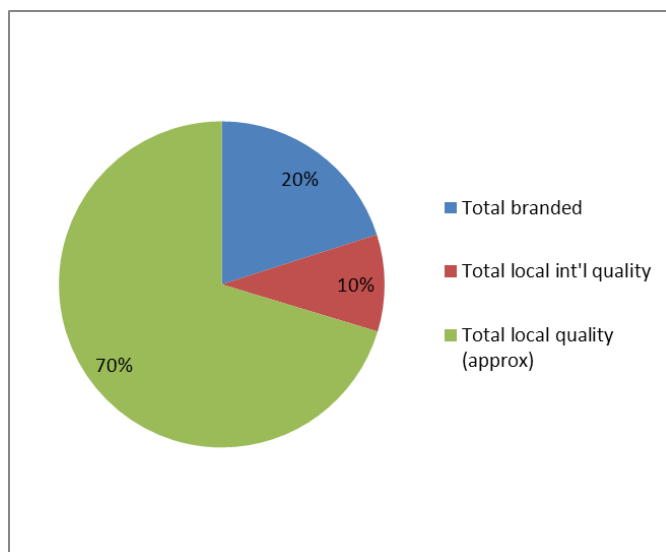
Moscow Hotels – by Segment

Segment	Hotel	Rooms
Luxury	Park Hyatt Ararat Moscow	211
	Kempinski Baltchug Moscow	230
	Luxury Collection Hotel National Moscow	201
	Ritz-Carlton Moscow	334
	<u>Subtotal</u>	<u>976</u>
Upper Upscale	MaMaison Pokrovka Suite Hotel	84
	Marriott Moscow Royal Aurora Hotel	231
	Savoy Moscow Hotel	67
	Swissotel Krasnye Holmy Moscow	233
	Lotte Hotel Moscow	300
	Radisson Royal Hotel Moscow	535
	InterContinental Tverskaya	205
	<u>Subtotal</u>	<u>1655</u>
Upscale	Hilton Moscow Leningradskaya	273
	Radisson Slavyanskaya Hotel & Business Center	427
	Crowne Plaza Moscow World Trade Centre	724
	Marriott Moscow Grand Hotel	386
	Sheraton Hotel Palace	214
	Renaissance Moscow Monarch Centre Hotel	366
	Renaissance Moscow Olympic Hotel	487
	Radisson Belorusskaya	264
	Crowne Plaza Moscow WTC Club rooms	149
	<u>Subtotal</u>	<u>3290</u>
Upper Midscale	Hotel Katerina City	122
	Holiday Inn Moscow Simonovsky	217
	Aquamarine Hotel	159
	Courtyard Moscow City Center	218
	Holiday Inn Moscow Lesnaya	301
	Marriott Moscow Tverskaya Hotel	162
	Novotel Moscow Centre	255
	Marriott Courtyard Paveletskaya	171
	Ramada Domodedovo	134
	<u>Subtotal</u>	<u>1739</u>
Midscale	Holiday Inn Moscow Sokolniki	523
	Park Inn Sadu Moscow	118
	Korston Hotel Moscow	380
	Aerostar Hotel	307
	Holiday Inn Moscow Sushevsky	312
	Best Western Premier Mona	41
	Mercure Arbat	109
	Azimut Tuskaya	144
	Hotel Katerina Park	246
	<u>Subtotal</u>	<u>2180</u>
Economy	Ibis Moscow Paveletskaya	147
	<u>Subtotal</u>	<u>147</u>
Total branded		9987

Hotel	Rooms
Local Hotels of Int'l Quality	
Maxima Zarya	192
Maxima Slavia	100
Maxima Irbis	96
Cosmos	1770
Korston	380
Maxima Panorama	123
Golden Ring	293
Petr I	133
Aquamarine	159
President Hotel	208
Akvarium Hotel	225
Kadashevskaya boutique hotel	35
Best Western Izmailovo	970
Golden Apple	92
<u>Total local quality</u>	<u>4776</u>

Moscow Hotels – by Segment

Total Moscow roomstock (approx)	49763	
Total branded	9987	20%
Total local int'l quality	4776	10%
Total local quality (approx)	35000	70%
	49763	100%



Moscow Hotels – by Occupancy, Price

MOSCOW LUXURY SEGMENT Q1-Q3 2012 YOY
ГОСТИНИЦЫ КАТЕГОРИИ ЛЮКС, 1-3 КВАРТАЛ 2012*



Источник: STR Global, Cushman & Wakefield

MOSCOW UPPER UPSCALE SEGMENT Q1-Q3 2012 YOY
ГОСТИНИЦЫ ВЕРХНЕГО ПРЕДЕЛА ВЕРХНЕЙ ЦЕНОВОЙ КАТЕГОРИИ, 1-3 КВАРТАЛ 2012*



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MOSCOW UPPER MIDSOURCE SEGMENT Q1-Q3 2012 YOY
ГОСТИНИЦЫ ВЕРХНЕГО ПРЕДЕЛА СРЕДНЕЙ ЦЕНОВОЙ КАТЕГОРИИ, 1-3 КВАРТАЛ 2012*



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Источник: STR Global, Cushman & Wakefield

Moscow Apart hotels



- Limited supply
- Lack of awareness
- Few international brands
- No investment pipeline
- International Brands, Rate for 30-days from 10620 RUB*
- Local Brands, Rate for 30-days from 6080 RUB*
 - Prices include VAT

Serviced Apartments companies in Moscow

- Growing Supply of units
- Approx. 500 serviced apartments in Moscow, 2012*
- 15% increase 2012 YOY
- Rate for standard 1-bedroom apartment for 30-days from 5870 RUB

Serviced apartments in Moscow;

- Individual units in residential buildings
- No minimum stay requirement
- No safety deposit required
- Credit-card payment / bank transfers
- English speaking managers
- 24/7 hotline (?)
- Property insurance (?)

*Four Squares research, Q3, 2012

Summary

HOTELS;

- Growing segment
- Lack of overall supply
- International brands on 20% of the market
- No International brands in economy segment

APARTHOTELS;

- Chronic lack of supply
- Limited market awareness
- No new developments expected soon

SERVICED APARTMENTS;

- Growing segment
- Unique features of Moscow Serviced Apartment market



Four Squares Serviced Apartments
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Cushman & Wakefield Hospitality





The Association of European Businesses

Moving to Moscow with kids

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Three Stages Of Relocation

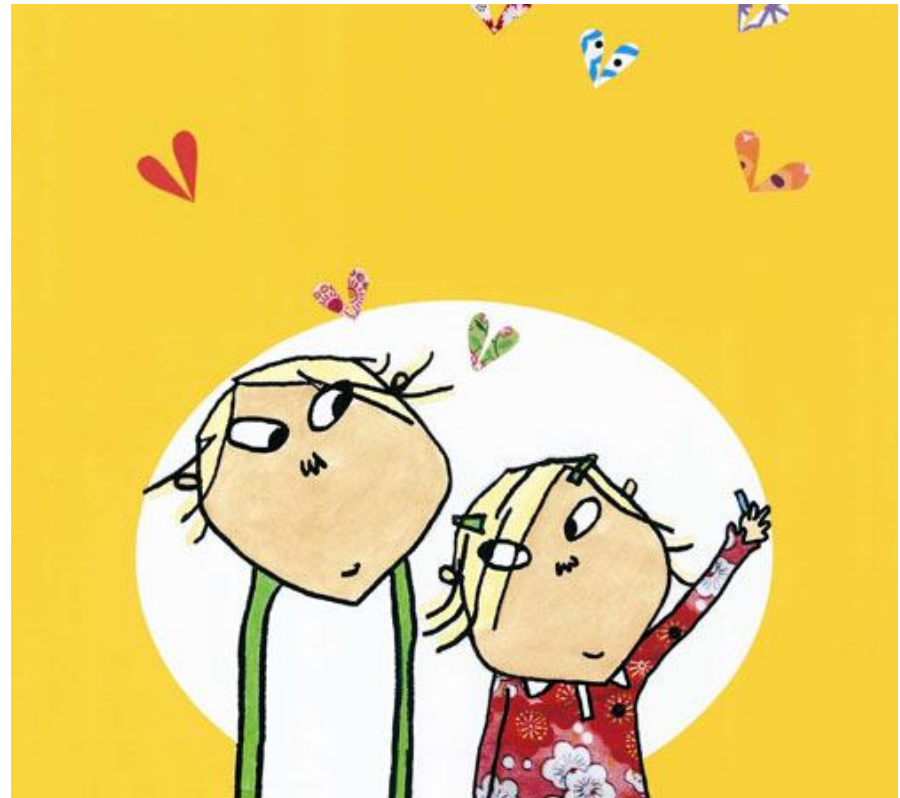
- Stage One – preparation
- Stage Two – relocation
- Stage Three – on assignment

Preparing to relocate to Moscow with kids



Leaving Right is the Key to Entering Right

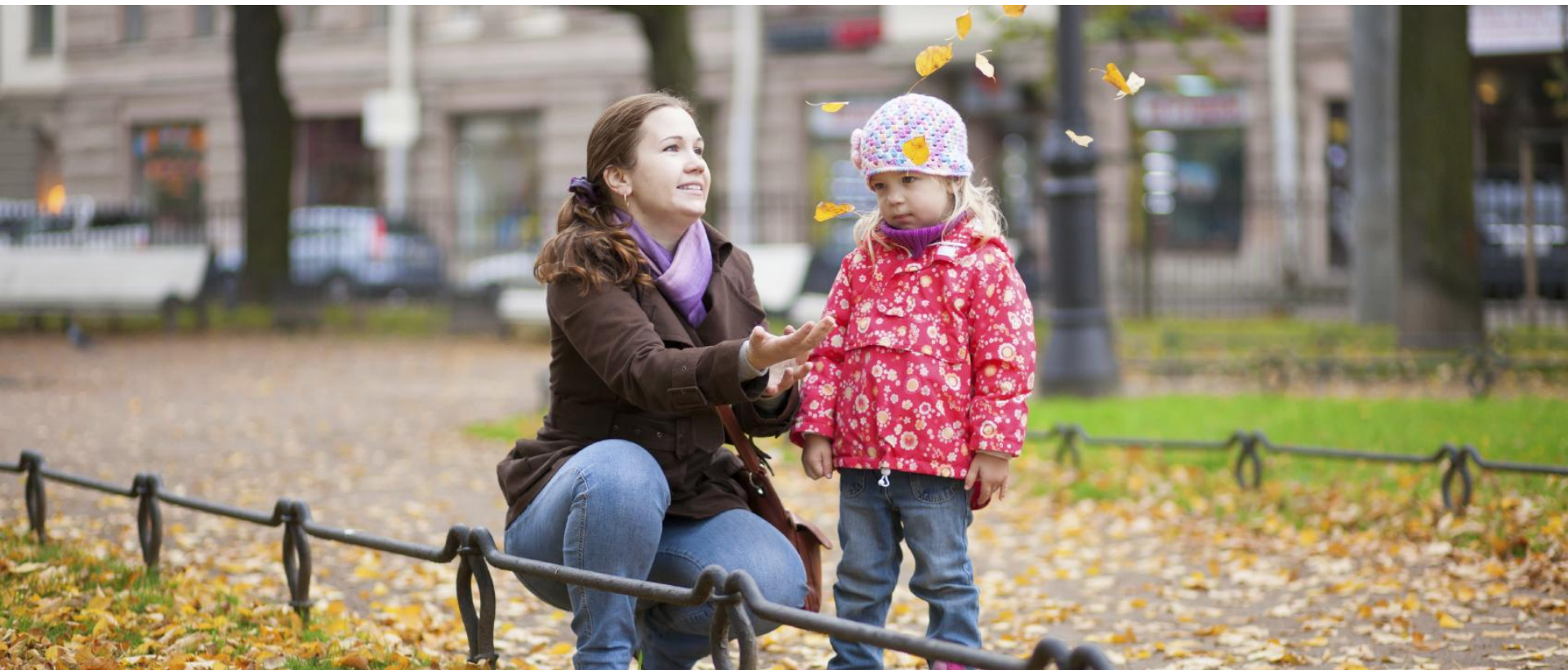
- **R**econciliation
- **A**cknowledge
- **F**arewell
- **T**hink



Preparation Checklist

- Family counsel
- Chat with children
- Ask their opinion
- Listen
- Make it exciting
- Get information
- Have Orientation tour
- Another family meeting

Relocation with Children



Relocation Checklist

- Home Search
- Shall kids attend it?
- Schedule your move
- Tell your relocation companies about things that matter
- Connect with their friends back home
- Keep communication open
- Get children involved in the process
- Never assume the kids will be ok

On assignment in Moscow with kids



On-Assignment Checklist

- School search
- Discover children clubs
- Outdoor activities
- Enjoy the new environment
- Make time for them
- Keep in touch with home
- What to ask your relocation company
- Settle in comfortably
- Help them make new friends



The Association of European Businesses (AEB)

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Bringing EXPATS to RUSSIA

SCHOOLING REVIEW

BY

PAUL SEEDHOUSE

Headmaster

The International School of Moscow



Moscow - A great city with.....





Wonderful Opportunities

- ★ An amazing history that is happening around us
- ★ Rich cultural life
- ★ Wonderful restaurants
- ★ Incredible buildings
- ★ Winter sports
- ★ A feeling of frontier





Many Challenges



- ★ Bad traffic
- ★ Language barrier
- ★ Expensive
- ★ Healthcare
- ★ Image of corruption and mafia
- ★ Looooong Winter

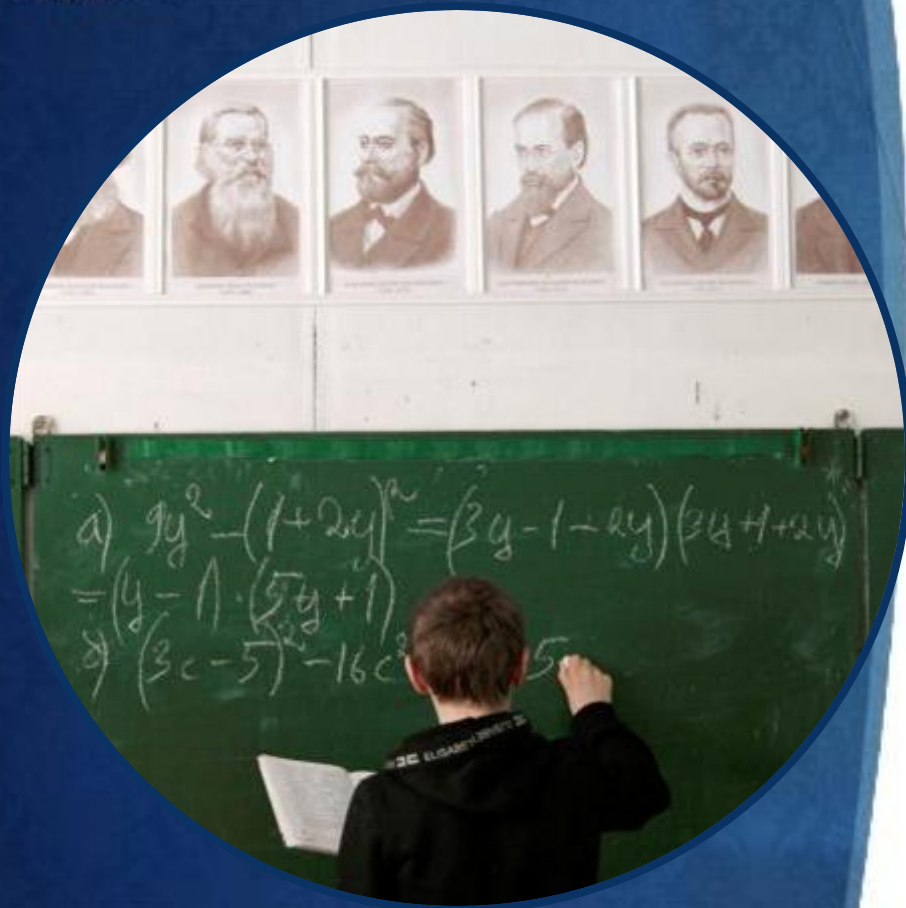


Crucial to every family in Moscow

Housing

School





Choices, Choices...

★ Russian Private School

An option particularly for dual nationality students

★ National Systems

French , German, Swedish, Indian, Italian etc.

★ International Nurseries

English Nursery School, Busy Bees, P'tit Cref, English Play School, Little Angels



Choices, Choices...



English Medium Schools:

- ★ British International School **(BIS)**
- ★ English International School **(EIS)**
- ★ Hinkson Christian Academy
- ★ Anglo American School **(AAS)**
- ★ Atlantic Int. School
- ★ International School of Moscow **(ISM)**



What are the priorities of the family?



- ★ Academic standards
- ★ Approach to Pastoral education
- ★ Expertise and opportunities in Sports / Music / Performance Arts
- ★ Access to technology and 21st century schooling
- ★ Future entrance into boarding school or university



How do you know if it is the school for you?

- ★ Always visit – gain a first hand impression
- ★ Find out about the core values of the school
- ★ Sense the atmosphere of the school
- ★ See examples of work on display
- ★ Observe the interaction of the students
- ★ Visit classrooms



Admissions Procedures



- ★ It is crucial to have regular contact with the admissions teams.
- ★ Understand the procedures and requirements of each school.
- ★ Find out this in advance so that families are also informed.
- ★ Ask questions before, during, after.



This is the most important decision any family can make so ensure that it is an informed decision.



LABOUR LAW AND PROCEDURES

Chaired by **Olga Bantsekina**
Chairwoman
AEB HR Committee
Chief Representative
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