

ment business dormant for the past few years, this is why it is not very lucrative. If you set prices at about the same rate as hotels do, people will go for the hotels because Moscow cannot boast such great service and security in residential buildings. Serviced apartments have to be significantly cheaper, and therefore are less profitable for realtors," she concluded.

Even so, a manager at another major realty company, who preferred to remain anonymous, said that his firm was looking to enter the serviced apartments market.

Hotel chains unconcerned

Top-end hotels do not seem to be worried about the advent of the serviced apartment market, and feel comfortable despite the relatively high prices they charge.

Marriott Royal Aurora offers executive rooms on the "concierge floor" for about \$410 plus taxes per night. This deal includes breakfast in the concierge lounge and afternoon hors d'oeuvres. At the Marriott Tverskaya Hotel, prices start at \$295 plus taxes per night, a business suite designed especially for long-stay business travellers, will cost up to \$350 plus taxes per night.

"You will have a kitchenette with a coffee machine, free selection of teas, and a microwave oven. Besides, a DVD player is installed in each

such as dry cleaning, the gym, and the swimming pool to all be located under one roof."

The Radisson SAS Slavjanskaya Hotel has a business center with secretaries and interpreters, a fitness center, 24-hour room service, a movie theater, boutiques, a casino, a nightclub, secure parking, a pharmacy, a travel agency, and a 24-hour car service among other services (although room prices here start at \$225 per night).

Ehrlich of Pulford agreed that, "if all the apartments and offices are in the same building, they indeed can provide higher security for people. However," she added, "many people don't need this much security. We do have intercom systems at entrances as well as security guards."

"Newcomers may be put off by tales of Russia as a mafia-ridden nightmare, but those who have been here a few times prefer some national flavour to the atmosphere of faceless, omnipresent international hotels," Ehrlich said.

Ehrlich asserted that serviced apartments are popular with foreigners who come here for a two- or three-month stint and have too little time to sign a contract with an apartment owner. The landlords prefer to lease an apartment for a long term and are difficult to negotiate with for short-term rentals.

"A serviced apartment is a decent alternative to a hotel, it



Feeling at home and enjoying hotel-type services – for a quite reasonable daily fee – is what serviced apartments are all about.

These locations reflect Aventure's strategy of targeting foreigners who prefer the main streets and big city bustle to quiet side lanes. "This way you know that you are actually in Moscow," Lyebedeve added.

Apartment hotels

center. Yeryomina said that there is a waiting list for these as they are almost always rented out.

UPDK apartments cost between \$1,400 and \$3,000 per month with the minimum term of stay set at one year. The firm services only corporate clients.

Another major player in this arena is the Moscow World Trade Center, which offers fitted-out apartments at \$550 per sq.m. per annum before taxes including such services as cleaning, laundry, TV and video, as well as transportation and busi-

ness lunches.

Aerostar Hotel also has apartments as part of its hotel complex, where clients benefit from the winning combination of the home-type privacy and the full set of hotel services available on-site. **0**

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Any number of residents can stay in the apartment for a flat fee.

of 36 business suites at the Marriott Tverskaya and DVD disks are available at the front desk," said Elvira Tarasenko, Public Relations Assistant for the Marriott hotels in Moscow. She added that many long-stay guests prefer to take advantage of discounts in hotel restaurants. "They may be better off using these discounts," she said. "The discounts for restaurants or laundry service vary, depending on the term of stay."

Meanwhile, hotels have other advantages that firms offering serviced apartments admit to. The main advantages are better security and having most of the required services in the same building.

As Tarasenko pointed out, "many guests prefer amenities

works out significantly cheaper and is good for medium stays, if you are in Moscow for several weeks or maybe a few months," said Jamison Firestone, a partner at Firestone Duncan. "Serviced apartments are only cost-effective if you come into town for a week or two and don't need all the facilities that are offered by a hotel," he added.

As many expatriates learn, it makes sense to move from a hotel or a serviced apartment to a rented apartment when you realize which services you do and do not need. However, Lyebdev argues that his tenants are comfortable in Aventec's buildings – they feel relatively safe because of their locations on central Tverskaya or Novy Arbat streets.

streets and big city bustle to quiet side lanes. "This way you know that you are actually in Moscow," Lyebdev added.

Apartment hotels

Apartment hotels are yet another option for foreigners coming to Moscow. The experience of staying in one of these places is something between a serviced apartments and a hotel.

UPDK, the Main Administration for Service to the Diplomatic Corps, is one of the leaders in this market. This company manages one million square meters of residential and office space in Moscow, including about 60 apartment buildings.

UPDK, which was the sole major provider of high-quality apartments during the Soviet era and was a monopoly catering to all expatriates living in the capital, is still in the first league. It offers 24-hour security, as well as various services, UPDK spokeswoman Karina Yeryomina said.

One advantage UPDK has is that it owns its apartments and does not have to rent and sub-lease them, as most private firms do. "You are talking to a single owner who offers a wide variety of apartments. You can get as wide a variety with a private realtor, but there will be different landlords involved. In our case, you sign one contract, but you get a choice of 100 or 200 apartments," Yeryomina said.

Apart from its large office and residential complexes, such as the one at Kutuzovsky Prospekt, 7, or the Park Place compound at the end of Leninsky Prospekt, UPDK also offers renovated apartments in the

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