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Success Story for a New Breed of Businessman

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For Arnaud Leclercq, the singular charms of Paris were no match for the opportunity to launch his own business in Moscow.

With just \$2,000, Leclercq last year founded the commercial real estate

A DAY IN THE LIFE

company, Russian Real Estate. Today, he said, his company employs two other Frenchmen and about a dozen Russians and his life has become a daily race of ringing phones, client showings and building inspections.

"We're just trying to do a normal job in a Moscow situation," Leclercq, 26, said in an interview in his white-

washed office on the 23rd floor of Stalin's Kotel'nicheskaya apartment building. "But it's a precarious business."

Leclercq is typical of a new breed of foreign entrepreneur in Russia. He is young, ambitious and sees the difficulties of doing business in a fledgling market economy as an opportunity not a drawback. In a country whose foreign business environment was once dominated by highly paid expatriates who enjoyed big salaries and "hardship compensation," these entrepreneurs represent a new component to business in Russia.

"There is a lot of competition in Paris and really no way to compete with all those large companies," said Leclercq. "Plus, I was getting bored

and wanted to create something new." This May, with the cooperation of the French Ministry of Foreign Affairs, Leclercq conducted a survey of more than 250 foreign companies from 17 countries to assess their office needs and gauge Moscow's real estate market.

Among the findings was that 95 percent of the firms that started their businesses in Moscow intend to stay here rather than moving to other Russian cities. Another discovery: Many companies are interested in office space of no more than 100 square meters.

"Most companies don't want big, big offices here because of the political situation and so there are a lot of postponements," Leclercq said. "People see a CNN news flash and say, 'Okay,

let's wait a little longer.'"

Leclercq said that he has leased 6,000 square meters of office space in the last six months. A shortage of available space is keeping prices high — \$700 per square meter per year for an "international standard" office. This is about twice the cost of comparable space in Brussels.

"I was a very lazy university student until after my second year, when I became a workaholic," Leclercq said. "But spending one year in Moscow is like spending three somewhere else, so I'm trying to slow down a bit. I don't want to die of a heart attack at 40. After a day at the office, I just like to go home, collapse and play with Lapka, my adopted Russian cat."