Abstract of the Master Thesis

Master’s Degree
International Project Management
(Building, Real Estate and Infrastructure)

An analysis of the critical success factors in corporate real estate greenfield projects in Russia for foreign investors at pre-investment stage

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The issue regarding the critical success factors (CSF) for foreign investors in their greenfield projects in Russia is highly topical. Despite the significant decrease in foreign direct investments into Russia in the last 4 years, Russia is still one of the leading emerging markets in the world. Changes occurring in the global market and the potential of the Russian market coupled with economic incentives proposed by the Russian government encourage foreign companies to regard Russia as a destination for new investments. Nevertheless, the Russian market is characterized as a risk market with high level of uncertainty and non-transparent conditions. Being newcomers in the Russian market, foreign investors are subjected to various risk events due to lack of knowledge about the Russian standards, rules and regulations. Awareness of the critical success factors which impact the project implementation and project outcomes significantly improves the chances of the overall project success and decrease the risks of failures. Being the most risky stage of the project, the preliminary stage requires proper decisions that set the proper course for the following project implementation.

The aim of this research was to explore, identify and make the analysis of the critical success factors in corporate real estate greenfield projects in Russia for foreign investors at pre-investment (preliminary) stage. Such issues as success perception in real estate development, international experience towards the critical success factors in real estate development projects have been investigated. The overview of present investment climate in Russia has been made.
The researcher managed to attract high-skilled professionals who had relevant practical experience in real estate development in Russia. 12 interviews were held in three countries: Russia, Germany and Spain. The author applied semi-structured interviews that allowed not being limited to a rigid framework and at the same time to stick to the initial research line.

The author managed to identify 10 success factors that are crucial for foreign investors at any real estate greenfield project in Russia during the pre-investment stage. The five major (critical) factors that were defined in the most cases were analyzed in details. This research showed that the correct investment strategy is based on the implementation of the critical success factors, which can be managed internally by the investor. However, there is no unique recipe for success. Following the revealed factors does not guarantee success; meanwhile neglecting the factors significantly increases the probability of failure.

Given that the topic related to CSF in real estate development projects in Russia is not represented in the literature, there are many possibilities for further research. The researcher suggests two different approaches for further research: in-depth or in-width. One way is to dig further into the CSF analysis at the pre-investment (preliminary) stage, another way is to focus on CSF at other stages and in other projects. Hence, this Master Thesis is just a start for further investigations.