

Developers now offering new opportunities to customers

Minsk developers offer flats to clients via instalment payments — due to high banking loan rates

This Belarusian housing market is to receive a boost thanks to an alternative source of funding. Expensive bank loans are restricting buyers' ability to purchase their own property, as rates remain high — even in Belarusian Roubles. Of course, foreign currency loans are strictly prohibited to individuals.

Construction of housing continues, nonetheless, with developers hoping to see flats sold on completion. "In maintaining our pace of construction, we're seeing new flats rise in number," explains the General Director of Uninvest-M, Vladimir Zdobnov. "We enjoy an investment agreement with the Minsk City Executive Committee, which obliges us to build a specific volume of accommodation over a certain period of time. It's a matter of pride for us to complete our work on time." To drive forward sales, the company is temporarily offering buyers the chance to pay in instalments, taking the role of a financial institution. However, this isn't ideal so, as soon as the situation changes, with loan access extended, sale conditions will alter. The mechanism of paying in instalments is already common in Russia, having begun in the crisis years of 2008-2009.

It's yet unknown whether the move will prove popular in Belarus. Developers can only offer the scheme where they have floating assets or access to cheap loans themselves. Meanwhile, the pace of construction influences the profitability of sales. "The quicker we build, the cheaper flats are; accordingly, we generate greater profits," notes Mr. Zdobnov. Different prices exist for



Housing construction rates in Minsk's Kamennaya Gorka micro-district haven't dropped despite rise in price of bank loans for flat purchase

accommodation which is ready made and that bought 'off plan', with completed flats sold for a premium. Additionally, the developer receives the money 'immediately' rather than at some future unspecified date.

The mechanism of paying in instalments reduces financial risk and burden for buyers. They can move in after an initial payment of around 30-50 percent of the final price (Uninvest-M's terms), with the remainder paid monthly over a five

year period.

Developers note that the property market is slowing, with fewer sales registered. Moreover, buyers are being more modest in their purchases, calculating their finances carefully. At present, a three-room flat can vary in size from 70-150sq.m, with people often choosing a smaller option to save money. One-roomed flats (about 45sq.m) are most popular, followed by 60sq.m two-room flats and 80sq.m three-roomed apartments. According

to Uninvest-M, about 40 percent of their clients are aged under 30 and are yet to have children. Those aged 45-60 comprise 30 percent, tending to buy a flat for their children. Couples with children account for just 20 percent of buyers, sometimes upsizing but also sometimes buying their first home of their own.

Will Belarusian developers be able to help buyers further? Mr. Zdobnov believes that most are currently only making around 10 percent profit, which leaves little room

for reducing prices. It seems most likely that fewer properties will be built over the coming months, with the scale of this 'disaster' only becoming apparent by late 2012. Many companies are currently 'locked in' to finishing outstanding projects but would, obviously, have to consider their position in undertaking further building. Unsurprisingly, this is inspiring some buyers to move quickly to secure new flats — especially while payment by instalments is operational.

Positive trends eliminate anxiety

By Ksenia Annenkova

Belarusian Potash Company JSC signs contract with Chinese largest importers of mineral fertilisers — Sinochem and CNAMPGC — to supply potash chloride in second quarter

According to the contract, each metric tonne of potash chloride is to be sold for \$470, with delivery to the buyer's port. In total, 400,000 tonnes have been ordered, with an option for a further 100,000 tonnes. The contract runs from April 1st until June 30th.

The previous six month contracts between the BPC and Sinochem and CNAMPGC finished in late 2011, with potash chloride also being sold at \$470 per tonne. Consumption of potash chloride in China amounts to 9-10m tonnes per year, while total imports stand at 5-6m tonnes. Russian and Belarusian potash chloride accounts for around 50 percent of that used.

"This agreement with our Chinese partners has been concluded during a period which is positive for the global potash market. Macroeconomic risks are falling, stock balances of potassium are declining gradually and the agro-market is seeing prices rise. A gradual increase in buying activity is being observed on key markets. This contract will enable us to increase capacity at our major shareholders: Uralkali JSC and Belaruskali JSC," comments BPC's Director General, Valery Ivanov.

"The signing of the contract eliminates anxiety and uncertainty regarding the market. The 'bottom price' has been determined, giving buyers confidence while stimulating their activity worldwide. This is an important and significant step in the formation of the market environment for 2012 and, undoubtedly, the overall trend will be positive," believes Filipp Gritskov, the Head of the BPC's PR Service.

An illustrative example



Novogrudok forestry farm following scientific principles

By Tatiana Lobasnova

Belarus is among the top three countries regarding experience in forest management, according to Greenpeace Russia's poll of around 800 respondents

First place is occupied by Finland (16 percent of respondents spoke in favour of learning from

its experience), followed by Belarus and Canada (11 percent each). Sweden was placed third (9 percent), with Germany (8 percent), the USA (7 percent) and China (4 percent) following. Next in line were Poland and Norway (3 percent each).

According to experts, Russian forest management can learn from Belarus about organisational structure and technologies. Belarusian

foresters are successfully developing hunting and forest cultivation while applying nano-technologies — including micro-cloning. Belarus' experience in preventing and fighting forest fires is also significant. Moreover, a major campaign — Forest Week — has been organised in Belarus for the last five years, under the initiative of the Belarusian Forestry Ministry. Large-scale events are held countrywide, aiming to raise public awareness of how to care for our forests, which are a national treasure.

International Forest Day is celebrated on March 21st, aiming to enhance everyone's awareness of the importance of forest eco-systems, as well as our knowledge of how we can protect, restore and expand them.

Researchers note that Belarus is among those few states worldwide whose forest area is annually increasing. Moreover, the country is ranked among the top ten forest states of Europe (in terms of timber resources). Almost 40 percent of Belarusian territory is covered with forests, all of which are owned by the state.