

Wolgin Completes CRE Executive Service Corps Assignment

As another participant in the CRE Executive Service Corps, Steve Wolgin, CRE, traveled to St. Petersburg, Russia



to present a two-day workshop on real estate financing. He addressed members of the St. Petersburg Association of Realtors (SPAR) and representatives from the Russian Guild of Realtors (RGR). Steve covered financial analysis and development of investment real estate, methods of financing in real estate, new methods in property investing, and the internal workings of real estate companies.

Observations

According to Steve, "You have to acknowledge Russia's past and the 50-some years of dictatorship to truly understand their culture and where they are going. There are no typical consulting assignments in Russia, since the government and the people own the real estate in a joint partnership. Therefore, almost all of the consulting assignments would involve being very knowledgeable about the internal workings of the constantly changing and evolving governmental agencies, rules, and regulations."

"One of the attendees offered me a business card which was completely in Russian. The following statement on the background of the firm was attached in English: 'Center for Assets Valuation and Research — a full-service appraisal and consulting firm providing a wide range of real estate valuation and consulting services throughout Russia and especially St. Petersburg. The firm's team is comprised of dedicated, well-trained appraisal professionals with

Master and Doctor degrees and well-known as a leading research group in Russia,' " Steve continued.

"Over 60 percent of the attendees had at least one Ph.D.; one or two had written real estate finance books, and there were several individuals who were working as consultants. I found their thirst for knowledge, drive, and ambition impressive. The information I presented was fairly high level. Because of the high level of educational background of the attendees, I started at a basic level (trying to establish a foundation of basic knowledge among the group) and then quickly moved into a discussion of development and financing real estate transactions from a U.S. perspective."

Currently, the most important real estate issues being addressed include establishing fair real estate tax assessments; selling off pieces of real estate to foreign corporate or individual investors (the mission in St. Petersburg for counselors and real estate professionals being, "find the money"); determining how to select the discount rate; when to buy and when to sell real estate; and how a developer can calculate the return on an investment when he doesn't know the cost (problems with getting materials, time waiting, etc.).

Russian real estate professionals are searching for money, investors, creative forms of debt and equity, and the benefit of shared expertise and knowledge from others (like those of us from the CRE Executive Service Corps program).

Steve made many professional contacts while in St. Petersburg. "Since my visit, I have remained in contact with one of the interpreters. When she was in NYC recently, I gave her copies of several industry newsletters that are read by many U.S. real estate professionals. I have been invited to return, and hope to be back on Russian soil sometime within the next year."

Opportunities for CREs

Steve believes many opportunities exist for CREs, although they

may not offer a quick or immediate return. "It is a new frontier and it is almost like landing on the moon. Except for China, it is the largest market in the world."

"Based on my experience as part of the CRE Executive Service Corps, I plan to work with multinational firms developing and/or building new plants in Russia that are infusing capital into the country and taking advantage of the emerging ability to capture and fulfill the demand for a variety of products and services," he concludes. CREJ

Stefaniak Travels to Poland for CRE Executive Service Corps Assignment

In his third trip to Poland in the past 24 months, Norbert "Norb" Stefaniak, CRE Emeritus, traveled over 1,000 miles by train within Poland, visiting six cities.



This present trip was at the invitation of the CRE Executive Service Corps. Norb presented day long real estate seminars for Polish real estate brokers in Warsaw, Bialystok, Gdynia, Szczecin, Wrocław, and Katowice. The attendance, interest, and level of participation was very impressive. Subjects covered included organizing a real estate brokerage business, development of a staff, financial management and budgets, business plans, market share, and residential real estate investment analysis. According to Norb, "There was an obvious desire for meaningful market-related information. It would appear that this group of business people is starting on the (EERPF/CRE, continued on page 6)