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Sberbank Gets Stake in Developer

By Irina Filatova

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A banner advertisement for Sberbank hanging over a Moscow street. The bank hopes to use its new controlling stake in DB Development to open “new opportunities” in Russia's real estate market. **Vladimir Filonov**

Sberbank said Monday that it had acquired a controlling stake in DB Development, a joint venture between Deutsche Bank and Strabag.

The bank bought a 51 percent stake in the venture: 49 percent from Austrian construction firm Strabag and 2 percent from DB Development CEO Dmitry Garkusha, Sberbank and Deutsche Bank said in a joint statement.

Sberbank's new partnership with Deutsche Bank "opens new opportunities for the Russian real estate market, where developers ... sometimes do not have the necessary capital base for the implementation, as the crisis significantly influenced this sector," Andrei Stroyev, head of the real estate department at Sberbank, said in the statement.

The deal will be completed by the end of this year, the statement said.

Strabag decided to sell its stake because DB Development's projects would be better financed if the venture were owned by two banks, said Diana Klein, a spokeswoman for Strabag.

"We sold our stake in this joint venture because there were a lot of new projects to be developed, but none of these could be financed during the financial crisis," she said by telephone from Vienna. "[Strabag] comes into play at the end of the project development process," meaning that the project must be fully financed before we can start our work, she said.

Strabag said it hopes to participate in DB Development tenders.

"They assured us that they wanted to work together with us in the future, but certainly we will apply to these projects like every other construction company," Klein said.

The sides declined to disclose the value of the deal, but Klein told the Dow Jones news service on Monday that it was less than 1 million euros ($1.3 million).

DB Development hopes that the deal will "positively influence the real estate market," Garkusha said in the statement.

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