

TNK-BP to Sell Its Arbat Office to Ananyev Brothers

By [The Moscow Times](#)

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TNK-BP has agreed to sell its office complex Alfa Arbat Center on the Arbat to Promsvyaznedvizhimost, which is controlled by the Ananyev brothers, in a deal that could be worth up to \$260 million, according to a source close to one of the parties in the transaction.

The oil company will lease office space in the Nordstar tower in the Begovoi neighborhood. Promsvyaz expects to turn a profit on renting out the building, and Rosselkhozbank is already in discussions to rent it.

A TNK-BP employee confirmed that a buyer has been found, but did not disclose details. "The deal has not been signed yet — it could happen within the next one or two months," the source said.

Representatives of TNK-BP and Promsvyaznedvizhimost declined to comment.

The total area of the Alfa Arbat Center is about 47,200 square meters, of which 41,000 square meters is office space and the rest is being used for retail and parking. About 28,000 square meters is available for lease.

The TNK-BP source said they expect to relocate in the nearest future, and the reason for the move is cost savings: now TNK-BP has about 20 offices in Moscow, and by consolidating all employees under one roof the company will see substantial savings.

TNK-BP has been trying to sell or lease the building since December 2009, when it announced a competition to choose a real estate agent. The winners were Knight Frank and Cushman & Wakefield. They had until April 1, 2010, to rent out no less than 30 percent of the area at a rate of more than \$750 per square meter (excluding VAT), or to sell the entire building for not less than \$244 million (excluding VAT).

Industry players said Transneft had expressed interest in the building, but no deal ever materialized. The official reason given was that the company felt the existing space was not sufficient to accommodate all its employees. But a source close to Transneft management said that they found the technical condition of the building lacking.

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