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Governor Sells Digs for $50M

By Irina Filatova

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Selling Moscow luxury. A source close to Governor Vladimir Gruzdev's deal told The Moscow Times that the price tag was 1.5 billion rubles. **Denis Grishkin**

Newly appointed Tula region governor Vladimir Gruzdev added 1.5 billion rubles ($50 million) to his fortune after selling his apartment in downtown Moscow, a source said Tuesday.

Gruzdev, a State Duma deputy, ranked third in Forbes magazine's list of Russia's wealthiest officials last year. Analysts said the price he got for selling his 1,229-square-meter apartment on Ulitsa Ostozhenka is reasonable given the property's size and location.

"We're aware of the deal. We had a potential client who contemplated buying this property for himself, but we were beaten to it," said Alexander Ziminsky, head of the elite property sales department at Penny Lane Realty.

He said he was not aware of the price, but a source close to the deal told The Moscow Times that it was 1.5 billion rubles.

"Such a price is justified for elite housing in the Ostozhenka area," Ziminsky said.

According to Ziminsky, the average price per square meter in this central district is 550,000 rubles, but sales can rise to 1.2 million rubles.

The deal is the biggest in the secondary housing market this year, but there are a number of more expensive options in the area, said Dmitry Khalin, managing partner at IntermarkSavills.

"This is not the most expensive property on Ostozhenka from the point of view of its price per square meter by far," Khalin said in e-mailed comments.

The price of one square meter in Gruzdev's apartment amounts to about $43,000, Khalin said, adding that there are currently at least 10 properties in Moscow offered at $45,000 per square meter and above.

The prices for new housing in Ostozhenka range from $20,000 per square meter to $50,000 per square meter, Khalin said.

Gruzdev wasn't available for comment Tuesday.

He took office as Tula governor Aug. 18, replacing Vyacheslav Dudka — who stepped down in late July and is currently being investigated for bribery.

Gruzdev, a founder of retail chain Sedmoi Kontinent, included the apartment in the income declaration he made earlier this year. He also included three land plots, a house, a parking lot, a government-provided apartment of 94.3 square meters and three cars, according to a declaration published on the State Duma web site.

According to the declaration, Gruzdev earned a total of 444.6 million rubles last year.

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