

Morgan Stanley Fund Said to Buy Mall for \$1.1 Bln

By [The Moscow Times](#)

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A Morgan Stanley real estate fund agreed to buy the largest mall in central St. Petersburg for about \$1.1 billion, according to two people with knowledge of the transaction.

Morgan Stanley Real Estate Fund VII will purchase the Galereya center from Meridian Capital CIS Fund, which is run by a buyout firm backed by a group of Kazakh investors including Askar Alshinbayev, the people said. They declined to be identified because the transaction is private and won't be completed until later this month.

Galereya, which cost \$380 million to build and opened in November 2010, has 250 stores occupying 93,000 square meters over five floors, according to Mace, one of the construction companies that built the facility. The mall, located at the intersection of Logovsky Prospekt and Nevsky Prospekt near the city's Moskovsky Station, features a multiscreen movie theater and a 27-lane bowling alley, plus underground parking for 1,200 vehicles.

Morgan Stanley spokesman Tom Walton declined to comment. Meridian Capital didn't return a call seeking comment and its broker, Jones Lang LaSalle, also declined to comment.

The purchase takes the Morgan Stanley fund a step closer to investing money that its backers committed in June 2010. So far, the fund has invested less than half of the \$4 billion currently at its disposal.

Russian commercial real estate sales totaled about 5 billion euros (\$6.3 billion) last year, 15 percent less than in 2010, according to data compiled by Real Capital Analytics, a New York-based research firm. That's 48 percent less than the investment in 2008, the data show.

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