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Billionaires Gain Power in Deal for Hotels

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A digital image of the under-construction Savodiye Kvartaly ("Garden Districts") residential complex bought by Gutseriyev and Shishkhanov.

The $982.5 million sale of four development properties, including two luxury hotels, is moving Bidzina Ivanishvili a step closer to becoming a presidential candidate in Georgia and the Gutseriyev-Shishkhanov family closer to seizing the luxury hotel market in Moscow.

RussNeft owner Mikhail Gutseriyev and his nephew Mikhail Shishkhanov, owner of BIN Bank, bought the development assets from Ivanishvili's Unicor Group last week.

Gutseriyev will be the final owner of the Kauchuk rubber plant territory in Ochakovo and the Summit multifunctional complex, which houses the InterContinental Moscow Tverskaya hotel, a shopping mall and a business center. The billionaire is also taking over the reconstruction of the former Tsentralnaya Hotel in central Moscow. Ivanishvili had earlier promised to restore the building's historic features and its old name Lyuks Hotel.

The ownership of the elite residential complex Sadoviye Kvartali, currently being built near

the Frunzenskaya metro station, will pass to Shishkhanov.

Discussions over the sale of the assets began in October 2011, according to Unicor's press service. The deal is expected to be finalized by Aug. 15.

The purchase of Ivanishvili's properties will further strengthen the Gutseriyev-Shishkhanov family's grip on the luxury hotel market in Moscow. The family's BIN Group already owns Hilton Moscow Leningradskaya, three Marriott hotels, two Holiday Inns and a 49 percent share in Hotel Moscow, which is set to open in 2013. The middle Gutseriyev brother, Sait Salam, added to the family's stock of luxury hotels in December with his $155 million purchase of Hotel National.

"The unique nature of the projects, their central location and high potential for the growth of their capitalization is what makes this acquisition promising and consistent with the strategy to consolidate premium real estate assets," Shishkhanov said in a statement.

The hotel properties were especially appealing to the family because of their association with world-leading hotel brands InterContinental and Mandarin Oriental, Shishkhanov said. Unicor confirmed that the hotel operators will remain unchanged after the assets pass to the new owners.

The companies are not disclosing the price of each asset, but Stanislav Ivashkevich, associate director of hospitality development at CB Richard Ellis, estimated that the hotels were bought for their full price with a slight discount, about $100 million each.

"There are not that many free venues left on Tverskaya," Ivashkevich said of the development's potential. "The construction and placement of hotels is strategic for the city as well as the developer. The purchase of hotels that are ready to open is a double strategic move, 'killing all the birds.' It's the removal of all developer risks."

The Sadoviye Kvartali complex is estimated to be worth about $400 million. More than half of the apartments in the first phase of construction have been sold.

Georgia's richest businessman Ivanishvili announced his intention to run in the country's October presidential election last year and is selling his Russian assets in response to Mikheil Saakashvili labeling him a Kremlin stooge. He has said he plans to complete the sale of his Russian assets, which comprise a third of his fortune, by the end of May.

The aspiring politician sold his Bank Rossiisky Kredit to a group of private investors for $352 million two weeks ago and is in the process of completing a $60 million sale of the pharmacy chain Doctor Stoletov. The agriculture company Stoilenskaya Niva is the last asset in Russia that Ivanishvili plans to sell.

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