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Russian Developer Bets on Manhattan sur Seine

By The Moscow Times

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An artist's rendering of the Hermitage Towers project designed by British architect Norman Foster.

PARIS — For Paris, a city whose priciest apartments boast mansard roofs and wrought-iron balconies, it's an audacious bet: a pair of shimmering, largely residential, luxury towers that might look more at home in Dubai or Shanghai.

So far, the improbable 2.2 billion euro ($2.88 billion) development of what would be Europe's tallest buildings — eclipsing London's controversial "Shard" skyscraper — has confounded the naysayers in overcoming preliminary hurdles.

If the Hermitage Plaza towers, designed by British architect Norman Foster, do see the light of day, they could transform the concrete canyons of Paris' La Defense district, now nearly all offices. They could also spur more modern high-end residential construction in a city best-known for its grand 19th-century boulevards.

"The idea is to create a Manhattan in the French style in La Defense," said Emin Iskenderov, head of the Hermitage Group, which is developing the towers. "There are many people nowadays who want more than the traditional charming Paris apartment."

The project received planning permission in March and has since beaten back several legal challenges from local groups.

One of those groups, Vivre a la Defense, representing tenants of a building that needs to be demolished to make way for Hermitage Plaza, last month appealed to France's highest court after a lower court setback.

Opponents criticize the project for its treatment of local residents. They say Iskenderov's plan to replace the area's moderately priced apartments with luxury ones is wrongheaded in a country that suffers from a housing shortage.

"If it doesn't work, we'll be in big trouble," said Jean-Andre Lasserre, Socialist councilman for Courbevoie, a neighborhood that adjoins La Defense. "If it does work, we'll have the type of people who live there for one or two months out of the year. The rest of the time it will be empty."

Iskenderov says he would aim to sell about 40 percent of the apartments to foreigners.

The project — first trumpeted by then-President Nicolas Sarkozy during a visit to St. Petersburg two years ago, alongside his Russian counterpart Dmitry Medvedev and Iskenderov himself— has been signed off on by the mayor of Courbevoie, a member of Sarkozy's center-right party.

The Russian-born developer said in an interview that he is on track to get bank financing by January at the latest, even though the amount needed has jumped to 1.2 billion euros from a previously targeted 700 million.

Getting more from the banks now would allow the 36-year-old Iskenderov, who has raised eyebrows with his sudden emergence on the French real estate scene, to rely less on the proceeds of apartment sales.

"We don't want to sell them in a hurry because that would mean a loss in value," Iskenderov said, while insisting that he had already heard from 4,000 potential buyers for the family-sized apartments, which measure 200 square meters on average.

"The idea is to sell them as close to the delivery date as possible," he said, predicting completion in early 2019 — a good three years later than initially forecast.

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