

VTB Interested in City's Hotel Business

By [The Moscow Times](#)

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VTB is interested in buying the city of Moscow's hotel business, several sources at City Hall told Vedomosti.

Negotiations have not begun because a specific proposal has not been made, a source close to VTB said.

Hotel Company was created in 2009 and holds the city's shares of 20 hotels. But with the arrival of Mayor Sergei Sobyenin, the National Hotel and the Budapest Hotel were sold separately, and a decision was made to turn the site of the Rossiya Hotel into a park.

Several organizations within VTB are involved in real estate development, including VTB Capital, VTB Real Estate, Don-Stroi, Hals-Development and VTB Arena Park. None of them is focused specifically on the hotel segment.

The source close to VTB said the bank is looking for development projects to credit or invest in. There is a limited number of quality projects on the market and no shortage of capital.

For an investor focused on developing the economy-class hotel segment in Moscow, a winning bid for Hotel Company would be an excellent way to enter the market. Such an investor would get a wholesale lot of several facilities at once, which, if properly renovated and managed, would be in high demand, said David Jenkins, head of Jones Lang LaSalle's hotel and hospitality business.

VTB's press service said the bank is not in negotiations to purchase Hotel Company.

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