

Hines Nears \$500 Million Deal on Metropolis Offices, Report Says

By [The Moscow Times](#)

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U.S. investment firm Hines is poised to purchase two office buildings in Moscow's Metropolis complex from private equity firm Capital Brothers for an estimated \$500 million, Vedomosti reported, citing consultants close to the two parties.

The deal would come as a rare ray of hope to a market that has been static for months amid apprehensions over to the crisis in Ukraine and Russia's slowing economic growth. Consultancy Jones Lang LaSalle reported total purchases of only \$1.4 billion in the first half of this year, a drop of almost 60 percent compared with the same period in 2013.

Metropolis is one of Moscow's largest multifunctional complexes, boasting more than 315,000 square meters of shops, recreational areas and office real estate. Morgan Stanley set the record for the largest commercial real estate acquisition ever made in Russia with its \$1.2 billion purchase of the complex last year.

Investment fund Heitman bought one of the complex's three office buildings in 2011 for between \$120 million and \$125 million, with Hines now close to buying the remaining two. Those two buildings occupy a total of 82,000 square meters and provide 56,000 square meters of rental space.

The two buildings will likely from \$450 million to \$550 million in total, Stanislav Bibik, head of the capital market department at Colliers International, told Vedomosti.

Hines declined to comment on the reports, while Capital Brothers was unable to respond to Vedomosti's request for comment by the time of publication.

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