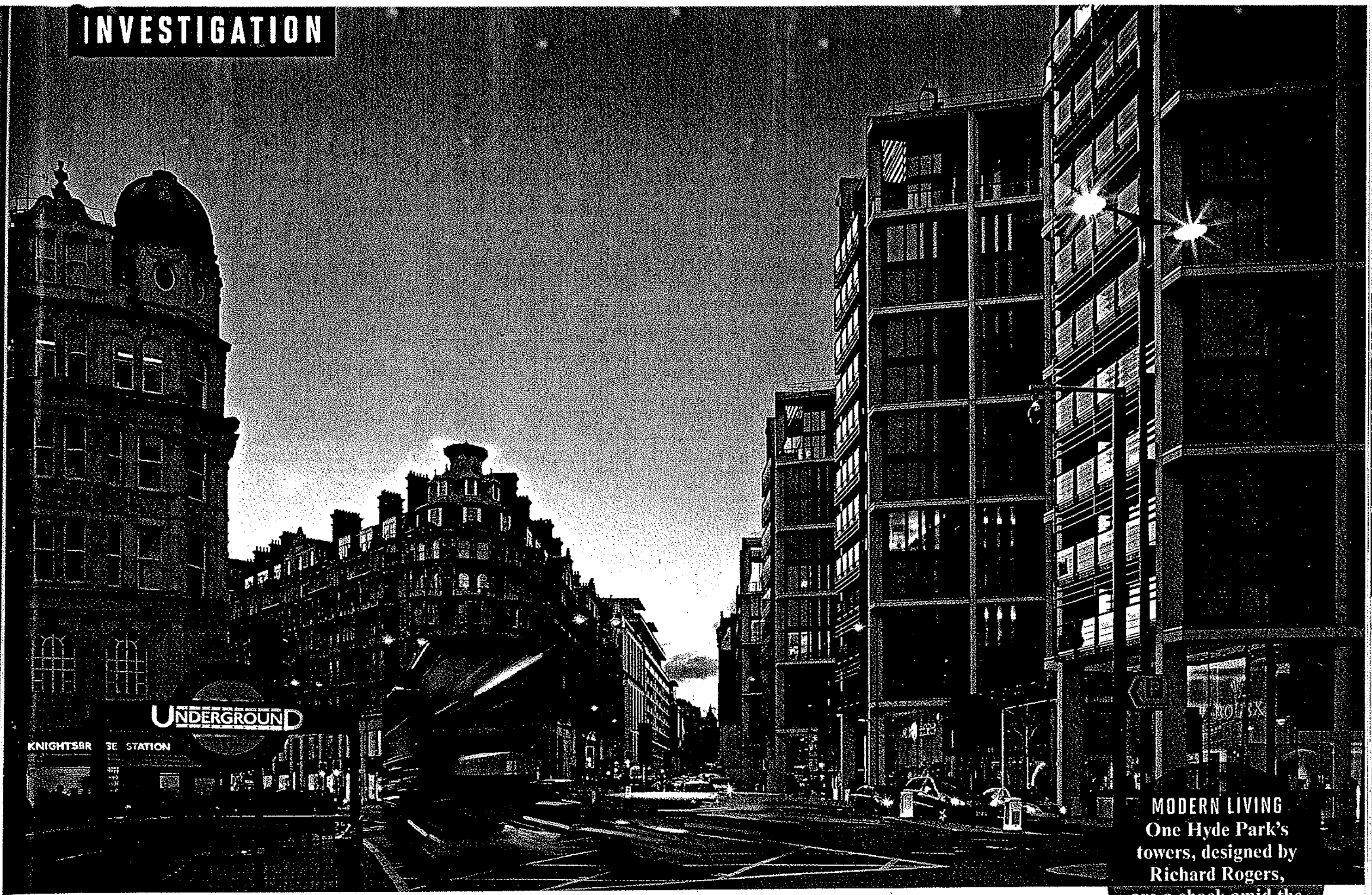


MODERN LIVING One Hyde Park's towers, designed by Richard Rogers, are a shock amid the Victorian surroundings.

A TALE OF TWO LONDONS

Who really lives at One Hyde Park, called the world's most expensive residential building? Its mostly absentee owners, hiding behind offshore corporations based in tax havens, provide a portrait of the new global super-wealthy

BY NICHOLAS SHAXSON

Up until the 18th century, Knightsbridge, which borders genteel Kensington, was a lawless zone roamed by predatory monks and assorted cutthroats. It didn't come of age until the Victorian building boom, which left a charming legacy of mostly large and beautiful Victorian houses, with their trademark white or cream paint, black iron railings, high ceilings, and short, elegant stone steps up to the front door.

This will not be the impression a visitor now gets as he emerges from the Knightsbridge subway station's south exit. He will be met by four hulking joined-up towers of glass, metal, and concrete, sandwiched between the Victorian splendors of the Mandarin Oriental Hotel, to the east, and a pretty five-story residential block, to the west. This is One Hyde Park, which its developers insist is the world's most exclusive address and the most expensive residential development ever built anywhere on earth. With apartments selling for up to $214 million, the building began to smash world per-square-foot price records when sales opened, in 2007. After quickly shrugging off the global financial crisis the complex has come to embody the central-London real-estate market, where, as high-end property consultant Charles McDowell put it, "prices have gone bonkers."

From the Hyde Park side, One Hyde Park protrudes aggressively into the skyline like a visit-

PHOTOGRAPH BY DYLAN THOMAS

ing spaceship, a head above its red-brick and gray-stone Victorian surroundings. Inside, on the ground floor, a large, glassy lobby offers what you'd expect from any luxury intercontinental hotel: gleaming steel statues, thick gray carpets, gray marble, and extravagant chandeliers with radiant sprays of glass. Not that the building's inhabitants need venture into any of these public spaces: they can drive their Maybachs into a glass-and-steel elevator that takes them down to the basement garage, from which they can zip up to their apartments.

The largest of the original 86 apartments (following some mergers, there are now around 80) are pierced by 213-foot-long mirrored corridors of glass, anodized aluminum, and padded silk. The living spaces feature dark European-oak floors, Wenge furniture, bronze and steel statues, ebony, and plenty more marble. For added privacy, slanted vertical slats on the windows prevent outsiders from peering into the apartments.

In fact, the emphasis everywhere is on secrecy and security, provided by advanced-technology panic rooms, bulletproof glass, and bowler-hatted guards trained by British Special Forces. Inhabitants' mail is X-rayed before being delivered.

The secrecy extends to the media, many of whose members, including myself and the London *Sunday Times*'s and *Vanity Fair's* A. A. Gill, have tried but failed to gain entry to the building. "The vibe is junior Arab dictator," says Peter York, co-author of *The Official Sloane Ranger Handbook,* the riotous 1982 style guide documenting the shopping and mating rituals of a certain striving class of Brits, who claimed Knightsbridge's high-end shopping area, which stretches from Harrods to Sloane Square, as their urban heartland.

FIVE APARTMENTS WORTH $123 MILLION TOTAL ARE UNDER THE NAME ROSE OF SHARON 4, PROBABLY NIGERIAN BILLIONAIRE FOLORUNSHO ALAKIJA.

One Hyde Park was built by two British brothers, Nick and Christian Candy, together with Waterknights, the international property-development company owned by Qatar's prime minister, Sheikh Hamad bin Jassim al-Thani. Christian, 38, a lanky former commodities trader, is the duo's discreet number cruncher, while his stockier, tousled-haired brother, Nick, 40, is its flashy, name-dropping, celebrity-loving public face. The Candys don't go in for small gestures. In October, Nick married the Australian actress Holly Valance in Beverly Hills, after she had announced their engagement by tweeting a photo of Nick down on one knee proposing on a beach in the Maldives. In flaming torches behind the happy couple, WILL YOU MARRY ME was written, without the usual question mark.

Designed by the architect Lord Richard Rogers, who also designed London's iconic Lloyd's building, One Hyde Park has divided Britain. Gary Hersham, managing director of the high-end real-estate agency Beauchamp Estates, says it is "the finest building in England, whether you like the style or you don't," while investment banker David Charters, who works in Mayfair, says, "One Hyde Park is a symbol of the times, a symbol of the disconnect. There is almost a sense of 'the Martians have landed.' Who are they? Where are they from? What are they doing?" Professor Gavin Stamp, of Cambridge University, an architectural historian, called it "a vulgar symbol of the hegemony of excessive wealth, an over-sized gated community for people with more money than sense, arrogantly plonked down in the heart of London."

The really curious aspect of One Hyde Park can be appreciated only at night. Walk past the complex then and you notice nearly every window is dark. As John Arlidge wrote in *The Sunday Times,* "It's dark. Not just a bit dark—darker, say, than the surrounding buildings—but black dark. Only the odd light is on.... Seems like nobody's home."

That's not because the apartments haven't sold. London land-registry records say that 76 had been by January 2013 for a total of $2.7 billion—but, of these, only 12 were registered in the names of warm-blooded humans, including Christian Candy, in a sixth-floor penthouse. The remaining 64 are held in the names of unfamiliar corporations: three based in London; one, called One Unique L.L.C., in California; and one, Smooth E Co., in Thailand. The other 59—with such names as Giant Bloom International Limited, Rose of Sharon 7 Limited, and Stag Holdings Limited—belong to corporations registered in well-known offshore tax havens, such as the Cayman Islands, the British Virgin Islands, Liechtenstein, and the Isle of Man.

From this we can conclude at least two things with certainty about the tenants of One Hyde Park: they are extremely wealthy, and most of them don't want you to know who they are and how they got their money.

London Calling

Trevor Abrahmsohn, a U.K. real-estate agent, remembers London before the modern property boom began. "London was as Paris is today: an interesting, quirky souvenir town. We had the Tower of London, the Queen, the palace, and the Changing of the Guard," he says, adding Scotch whisky as an afterthought. "That is what we stood for. London was not a tax haven."

Starting in the 1960s, new buyers began to fire up the market: crises of the Greek monarchy brought a significant influx of Greeks, pockets of which endure today. Next came the first wave of Americans, a trickle of bankers lured by London's unregulated Euro-markets, and West Coast buyers, often from Hollywood. "They swarmed in," remembers veteran London real-estate agent Andrew Langton, of Aylesford International. "They turned Chester Square into Little L.A. and tidied up all these properties, at enormous expense, with American kitchens, bathrooms, and showers."

The OPEC oil crisis, of the 1970s, lit the big fire under this market. Arab money surged into the so-called golden triangle of Knightsbridge, Belgravia, and nearby Mayfair, to buy high-end properties. Real-estate agents remember it as a tidal wave: "They came as a force," says Hersham. "When they wanted to buy, there were no hysterics or reticence." The fall of the Shah of Iran brought a surge of Iranian money, followed by buyers from the biggest African ex-colony, newly oil-rich Nigeria.

The market paused for breath in the 1980s, with Britain's economy in the doldrums and as sagging world oil prices sapped wealthy foreign buyers' demand. But Margaret Thatcher's financial reforms, notably her "Big Bang" of Wild West financial deregulation, in 1986, caused the stream of bankers to turn into a river, then a deluge. "We would wait for those e-mails ending in 'gs.com' to come rolling in," remembers Jeremy Davidson, a Belgravia-based property consultant. "Goldman [Sachs] partners, Morgan [Stanley] partners: they were the top of the market, and we had lots of them."

The fall of the Soviet Union, in 1989, and the vast, corrupt post-Soviet privatizations, brought the biggest, most reckless wave of foreign buyers London had ever seen, with often questionable money sluic-

LARGE PHOTOGRAPH BY ALEX LENTATI/EVENING STANDARD/SOLO SYNDICATION; INSET BY LOUAFI LARBI/REUTERS/LANDOV


SHEIKH ON IT Developers Nick and Christian Candy in their London office. *Inset,* Qatari leader Sheikh Hamad bin Jassim al-Thani.

ing in via the secretive British-linked stepping-stone tax havens of Cyprus and Gibraltar. "There is no real accountability of these guys coming in—the cops don't really investigate them," says Mark Hollingsworth, co-author of *Londongrad,* a 2009 book about the Russian invasion. "They see the capital as the most secure, fairest, most honest place to park their cash, and the judges here would never extradite them."

Nick Candy himself summarized the attractions neatly: "This is the top city in the world, and the best tax haven in the world for some."

"It seems to be that every big trading disaster happens in London," U.S. congresswoman Carolyn Maloney observed last June. "And I would like to know why." The disasters she was referring to were the ones that bankrupted Lehman Brothers and nearly bankrupted some other American firms, such as A.I.G. and MF Global, as well as causing JPMorgan Chase's $6 billion loss at the hands of the trader popularly known as "the London Whale"—all of these happened to a high degree in the London branches of those firms and have cost the American taxpayer billions of dollars.

To answer her question and to understand why so much of the world's money goes to London in the first place, you need to go back hundreds of years, to the emergence of what must be the most peculiar, the oldest, the least understood, and perhaps one of the most important institutions in the menagerie of global finance: the City of London Corporation. It is the local authority for "the Square Mile," the pocket of prime financial real estate centered on the Bank of England and located about three miles to the east of Knightsbridge, along the Thames River. But the corporation is also much more, its identity embedded in—and slightly apart from—the British nation-state. The corporation has its own constitution, "rooted in the ancient rights and privileges enjoyed by citizens before the Norman Conquest, in 1066," and its own lord mayor of London—not to be confused with the mayor of London, who runs the Greater London metropolis, with its eight million inhabitants. One sign of the City of London's distinct identity is the fact that the Queen, on official visits there, will stop at the boundary of the Square Mile, where she is met by the lord mayor, who engages her in a short, colorful ritual, before she may proceed. Most Brits see this merely as a relic from a bygone age, a show for the tourists. They are wrong.

The lord mayor's principal official role, his Web site says, is to be "ambassador for all UK-based financial and professional services." He lobbies far afield, with offices in Brussels, China, and India, among other places, the better to "expound the values of liberalization" far and wide. The City Corporation and closely linked think tanks issue streams of publications explaining why finance should be less tethered by taxes and regulation. The corporation also has its own official lobbyist, with the delightfully medieval-sounding name of The Remembrancer (currently one Paul Double), lodged permanently in Britain's Parliament. Local elections in the City are unlike any other in Britain: multinational corporations vote alongside and vastly outnumber the tiny borough's 7,400 human residents.

Over the centuries the City has thrived, thanks to a simple advantage: it has had money to lend when governments or monarchs needed it. So the City has been granted special privileges, allowing it to remain a political fortress withstanding the tides of history that have transformed the rest of the British nation-state. It has nurtured a British tradition of welcoming foreign money, with few questions asked, and so has for centuries attracted the world's wealthiest citizens. "There the Jew, the Mahometan, and the Christian transact together," Voltaire wrote in 1733, "as though they all professed the same religion, and give the name of infidel to none but bankrupts."

When the British Empire crumbled in the mid-1950s, London replaced the cozy embrace of gunboats and imperial trading preferences with a new model: tempting the world's hot money through lax regulation and lax enforcement. There was always a subtle balance, involving dependable British legal bedrock fiercely upholding U.K. domestic rules and laws while turning a blind eye to foreign law-breaking. It was a classic offshore-tax-haven offering that tells foreign financiers, "We won't steal your money, but we won't make a fuss if you steal other people's."

The term "tax haven" is something of a misnomer, because tax havens offer escape routes not just from taxes but potentially from any of the rules, laws, and responsibilities of other jurisdictions—whether those be taxes, criminal laws, disclosure rules, or financial regulation. Tax havens are usually about parking your money "elsewhere," in jurisdictions such as the Cayman Islands, beyond the reach of your home country's regulators and taxmen. Or you park it in London: which is why some investment bankers have called it the Guantánamo Bay of finance. "The British think they do finance well," says Lee Sheppard, a tax and banking specialist at the U.S. trade publication *TaxAnalysts.* "No. They do the legal stuff well. Most of the big investment banks there are branches of foreign operations.... They go there because there is no regulation whatsoever."

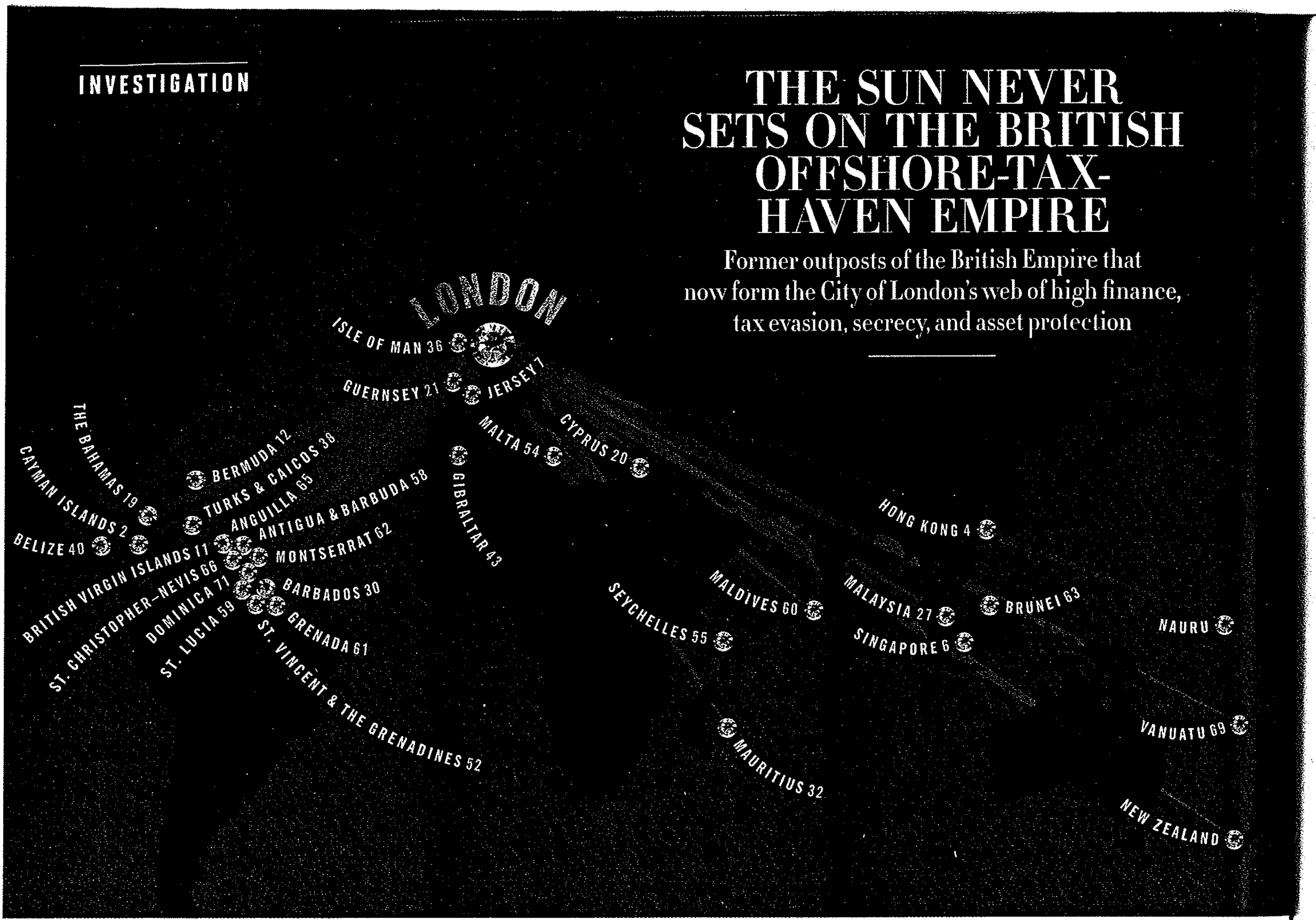
James Henry, a former McKinsey chief economist, watched at close quarters the recycling of petrodollar wealth into Third World loans via London's unregulated Euro-markets, which among other things enabled Wall Street to avoid New Deal–era banking regulations. Henry saw a global private-banking network emerge, following the money, "helping Third

LARGE PHOTOGRAPH BY ALEX LENTATI/EVENING STANDARD/SOLO SYNDICATION; INSET BY LOUAFI LARBI/REUTERS/LANDOV

INVESTIGATION

THE SUN NEVER SETS ON THE BRITISH OFFSHORE-TAX-HAVEN EMPIRE

Former outposts of the British Empire that now form the City of London's web of high finance, tax evasion, secrecy, and asset protection



The number beside each location provides its ranking on the Financial Secrecy Index, which is calculated based on an analysis of the area's role in global financial markets and a scoring of its laws and regulations that facilitate criminal activities carried out not within that area but elsewhere.

World elites abscond with hundreds of billions in diverted loans, illicit commissions, and corrupt privatizations, and park it in London and other tax havens."

It comes as a surprise to most people that the most important player in the global offshore system of tax havens is not Switzerland or the Cayman Islands, but Britain, sitting at the center of a web of British-linked tax havens, the last remnants of empire. (See map above.) An inner ring consists of the British Crown Dependencies—Jersey, Guernsey, and the Isle of Man. Farther afield are Britain's 14 Overseas Territories, half of them tax havens, including such offshore giants as the Caymans, the British Virgin Islands (B.V.I.), and Bermuda. Still further out, numerous British Commonwealth countries and former colonies such as Hong Kong, with deep and old links to London, continue to feed vast financial flows—clean, questionable, and dirty—into the City. The half-in, half-out relationship provides the reassuring British legal bedrock while providing enough distance to let the U.K. say "There is nothing we can do" when scandal hits.

Data is scarce, but in the second quarter of 2009 the three Crown dependencies alone provided $332.5 billion in net financing to the City of London, much of it from tax-evading foreign money. Matters are so out of hand that in 2001 Britain's own tax authorities sold off 600 buildings to a company, Mapeley Steps Ltd., registered in the tax haven of Bermuda to avoid tax.

Britain could close down this tax-haven secrecy overnight if it wanted, but the City of London won't let it. "We have, to put it provocatively, a second British empire, which is at the very core of global financial markets today," explains Ronen Palan, professor of international political economy at City University in London. "And Britain is very good at not advertising its position."

Despite the British passion for historic preservation, the recent huge influx of foreign money is changing the capital, both physically and socially. "Our Georgian and Victorian stock is so inflexible, frozen in time," said Ademir Volic, of Volume 3 Architects. "We're selling this city as a forward-looking metropolis, yet we can't change a single window in a conservation area. Everything has to be hidden underground."

That's just what the plutocrats are doing: digging down. Maggie Smith, of the London Basement company, which carries out basement renovations, dates the craze to the early to mid-1990s, when she noticed increasing numbers of people wanting to renovate their musty old basements. "It started quite small, with people doing 30 to 40 square meters, generally under the front of a standard Victorian London house," she says. "Then they began digging out under parts of gardens, then entire gardens, installing light wells and glass bridges to bring in natural light."

Soon they built underground recreation centers, golf-simulation rooms, squash courts, bowling alleys, hair salons, ballrooms, and car elevators to the underground garages for their vintage Bentleys. The more adventurous installed climbing walls and indoor waterfalls.

"They would dig deep, have a media room and a funny sort of spring-loaded garage or a swimming pool," says Peter York. "And they would disturb the water table. You can imagine what old-fashioned British toffs thought of that." One Knightsbridge resident—and tension is such that he declines to identify himself or his street—says that on his short street of 15 or 20 properties he has recently suffered through nine simultaneous renovations.

Cable-TV mogul David Graham outraged his neighbors, near Lennox Gardens Mews, south of One Hyde Park, by seeking planning permission to excavate deeper than the height

MAP BY STEPHEN DOYLE

of neighboring homes, extending all the way under his house and garden. The Duchess of St. Albans, a neighbor, calls the plans "absolutely monstrous and unnecessary." So far, permission has not been granted.

As the renovations grew, so did the conflicts. "It may look village-y, but we live like sardines in tins," says Terence Bendixson, of the Chelsea Society, a residents' association. "A lot of people have been here quite a long time, who aren't rich, who aren't bankers, who are solid middle-class and upper-class people." Stroll through Knightsbridge today (or check Google Street View) and you will see so many conveyor belts bringing up soil from under houses that you can be forgiven for thinking that a new mining boom is under way.

"Economically, culturally, and socially, London has now left Britain behind, blasting off from the rest of the nation like some vast U.F.O.," says Neil O'Brien, director of the think tank Policy Exchange. "The politicians, civil servants, and journalists who make up Britain's governing class run one country, but effectively live in another." As Abrahmsohn sees it, London could "easily declare independence. A lot of these wealthy people don't even know these outlying regions exist. They don't care."

In fact, the chasm is sharpest inside London itself: a report for the British government in January 2010 estimated that the richest 10 percent of Londoners own well over 270 times the wealth of the poorest 10 percent.

"Knightsbridge is an un-English activity," says York. "The former *gratin* [upper crust], a combination of old toffs, Knightsbridge Americans who wanted to be old toffs, plutocrats who wanted to know The Form, people who weren't here for funny-money reasons: all those things have been completely obliterated by a mad kind of very, very gauche overseas money. It's absentee money: the kind of money that has bodyguards. It is the world of Maybachs and absurd-looking Ferraris in absurd colors, and kids who buy them straight out of the shopwindow. These people have no substantive relationship with anything British at all. It's everywhere: I can't emphasize enough how everywhere-ish it is."

Many in London are uncomfortable not just with the flagrant display of super-wealth but also with the rising number of absentee residents who are based in foreign countries. "Those people who do buy these houses, particularly the bigger ones, in many cases don't buy them to live in permanently: they are part of a portfolio," said Bendixson. "That doesn't add much jollity to your street: houses with the shutters down and nobody there." Edward Davies-Gilbert, of the Knightsbridge Association, sees the area gaining the flavor of "a ghost town, peopled by ghost blocks."

Thus One Hyde Park, where only 17 apartments of the 76 sold are registered as primary residences, has become a totem for the gaping chasm between the powerful rootless plutocrats in London and the rest.

The Candy Men Can

Nick and Christian Candy, the two British brothers who put together the One Hyde Park project, built their fortunes on the post-Soviet privatization real-estate boom in London. They started out with a $9,300 loan from their grandmother, buying a one-bedroom apartment in semi-fashionable Earl's Court for $190,000 in 1995, then renovating and selling it for a profit the following year. They repeated the trick and soon discovered a new niche at the very top of the market, above traditional luxury. In 1999 they set up Candy & Candy, an interior-design company, honing their skills on yachts, private aircraft, and private members' clubs, with walls in hand-painted silk and cushions that cost $3,200 apiece.

Thanks to an aggressive, hyperactive business strategy (not to mention a soaring market), the brothers climbed very high, very fast. "The Candy brothers are two young zealots who were quite fearless as to how they approached people and where they found money," says Andrew Langton. "They realized that the bling was what was wanted, whether it's a yacht or plane or an expensive apartment. There is a culture of decoration, a culture of security, of privacy, that they had understood."

Shabby English chic was out, and luxury concierge services, eelskin walls, and bullet-proof glass were in. It is a hard market to get right, and Abrahmsohn notes the huge diversity in taste it encompasses. "The Greeks are the most understated of all the buyers, including the British," he says. "The Nigerians are very flamboyant. They like lots of very bright colors, glitz and glitter. They are not shy. The Russians are fairly easygoing, but they do like their glitz." Indians decorate their houses in super-lavish style, he continues. "Lots of detail, lots of colors, extremely ornate, a lot of gilt: Louis XIV would be far too understated for them."

Somehow, the Candys found their way through this maze, and in 2001 they sold a $6.2 million apartment in Belgrave Square to the Russian oligarch Boris Berezovsky, who had fled to the refuge of London after being accused of fraud and embezzlement. As described in *Londongrad,* it had "bullet-proof CCTV cameras, a fingerprint entry system that can remember 100 fingerprints, remote-controlled cinema and television screens in the bathroom walls, laser-beam alarms, and smoke bombs. An electronic system recognized the residents' favorite music and TV programs and followed him or her from one room to another."

"The Russians are creatures of habit," explains Hollingsworth. "When Berezovsky bought in Belgrave Square, [Russian oligarch Roman] Abramovich bought around the corner in Lowndes Square, next to Harvey Nichols, and then Chester Square. They are like heads of gangs in a schoolyard and love to show off: 'My house is bigger than yours.'" In the wake of the Berezovsky sale, an aura developed around the brothers as Russian newcomers demanded to buy Candy & Candy properties.

In 2004, Christian Candy set up the CPC Group, registered in the tax haven of Guernsey, to tackle bigger projects, including, eventually, One Hyde Park. In a fast-rising market, as more and more buyers from more and more parts of the world crammed in, the Candys knew they could ask for the moon and get it. When they launched sales of apartments for One Hyde Park, in 2007, typical London prime prices were $2,900 per square foot, with peaks at $4,500. In One Hyde Park's first year, the rate was $8,800, and $10,900 the following year, ultimately rising last year to almost $12,000. Prices in New York have occasionally matched these levels: recently a Russian oligarch bought Sanford I. Weill's penthouse at 15 Central Park West for just over $13,000 per square foot—but that was considered an anomaly. According to Susan Greenfield, senior V.P. at the real-estate brokers Brown Harris Stevens in New York, sales in that building in 2012 have averaged $6,100 per square foot. "One Hyde Park changed the

RINAT AKHMETOV, UKRAINE'S RICHEST MAN, WITH A NET WORTH OF $16 BILLION, BOUGHT TWO APARTMENTS FOR $215.9 MILLION.

map," says property consultant Davidson. "The prices were off the scale—I was astonished. It created a market of its own."

Living in an elite bubble, the brothers appear to have a tin ear for the public mood. In late 2010, amid national austerity, tax protests erupted in more than 50 towns and cities across Britain, led by a movement called Uncut. They were protesting against tax avoidance by large corporations and by prominent figures such as the British retail billionaire Philip Green. In December of that year, the Candy brothers played a game of the British version of Monopoly with a *Financial Times* reporter in Christian's apartment in One Hyde Park. Christian landed on the "super tax" square. "What!" he reportedly cried. "I don't pay tax. I am a tax exile." (A spokesperson for the Candys denied that Christian, who is a resident of Monaco and Guernsey, said this.)

Subsequent revelations by the London *Sunday Times* and others about the extent of offshore ownership of the apartments in One Hyde Park stoked new outrage in Britain, and the government came under intense pressure to crack down. Chancellor George Osborne, noting that the zero-tax treatment on the sale of properties owned through offshore companies "rouses the anger of many of our citizens," introduced new legislative proposals, now coming into effect, to, among other things, levy a sales-transaction tax of up to 15 percent on properties bought through offshore companies and levy an annual charge of up to $221,000 on expensive properties owned offshore. Many austerity-parched Britons welcomed the moves. An outraged Nick Candy called them "absolutely disgraceful."

TWO APARTMENTS, WORTH $43.7 MILLION, ARE IN THE NAME OF PROFESSOR WONG WEN YOUNG, PRESUMABLY TAIWANESE **BILLIONAIRE WINSTON WON WEN YOUNG.**

Home Away from Home

Who are the owners in One Hyde Park? One $39.5 million apartment is registered openly in the name of Anar Aitzhanova: this may be a Kazakh singer, who did not respond to *Vanity Fair's* queries. Another two, for a combined $49.8 million, are held jointly by Irina Viktorovna Kharitonina and Viktor Kharitonin. The latter is likely to be a co-owner of Russia's largest domestic drugmaker, though the couple's representatives also failed to reply.

Another apartment is registered to Rory Carvill, a British insurance broker; another is held in the name of Bassim Haidar, who appears to be the founder and C.E.O. for Channel IT, a Nigeria-based telecommunications company, and who also did not respond to queries. A $35.5 million apartment is registered in the name of Karmen Pretel-Martines, who could not be further identified, as is the case with a Beijing-registered buyer named Kin Hung Kei, who paid $11.6 million.

Nick Candy himself owns an 11th-floor duplex penthouse, and seven other apartments are believed to be owned by members of the Project Grande consortium, which is behind One Hyde Park. (The Candys will not confirm or deny this.) The best apartment of all—a triplex on Floors 11, 12, and 13 of Tower C—is owned (via a Cayman company) by Sheikh Hamad bin Jassim al-Thani, of Qatar, Project Grande's partner.

Another buyer, who bought and merged two apartments for a total of $215.9 million, is Rinat Akhmetov, the Ukraine's richest man, with an estimated personal net worth of $16 billion. He has interests in coal, mining, power generation, banking, insurance, telecoms, and media, and has been a big beneficiary of privatization auctions in his native country. A spokeswoman for Akhmetov's holding company, System Capital Management, said last year that the purchase was a "portfolio investment"; U.K. land-registry documents say it is held through a B.V.I. company, Water Property Holdings Ltd.

Another owner is Vladimir Kim, who chairs the London-listed Kazakh copper giant Kazakhmys P.L.C. Kim was once a top official in the political party behind Kazakh president Nursultan Nazarbayev, who has often been accused of sanctioning severe abuses of human rights and media freedom. Sheikh Mohammed Saud Sultan Al Qasimi, head of finance for the government of Sharjah, bought an $18.1 million apartment, while at least one more belongs to the Russian real-estate magnate Vladislav Doronin, who is dating model Naomi Campbell.

An $11.7 million second-floor apartment is owned by Galina Weber, a significant shareholder in the Russian gas giant Itera. Two apartments, worth a combined $43.7 million, are owned by Professor Wong Wen Young, with London and Taipei addresses. This is presumably the billionaire Taiwan-born entrepreneur Winston Wong Wen Young, who has enjoyed a close business relationship with Jiang Mianheng, the son of former Chinese president Jiang Zemin. A $12 million apartment is held jointly by Desmond Lim Siew Choon and Tan Kewi Yong, a billionaire Malaysian couple with a big property empire. Last September the real-estate company Jones Lang LaSalle estimated that nearly a sixth of all recent buyers of new central-London property were Malaysian—and only 19 percent British. Wealth is currently pouring out of Malaysia ahead of imminent elections, which could see the scandal-ridden ruling coalition ousted for the first time since independence.

Less is known about others, but clues can be found. Land-registry documents for four apartments provide contact details for Alastair Tulloch, a British lawyer who Hollingsworth said is known in Russian-oligarch circles as "the new Stephen Curtis"—a reference to the Russians' go-to London lawyer, who died in a mysterious helicopter crash in 2004. Tulloch has represented the interests of Alexander Lebedev, a banking oligarch who owns London's *Evening Standard* and a sizable piece of the Russian airline Aeroflot, among other holdings, and has worked closely with the jailed Russian oligarch Mikhail Khodorkovsky.

Apartments bought by corporations with particularly flamboyant names such as Shoolin Investments Ltd., Wondrous Holding and Finance Inc., and Smooth E Co. Ltd. hint at possible Asian ownership, the last registered in Bangkok, Thailand. Other corporate names are more impenetrable. One is the Caymans-based Knightsbridge Holdings Ltd., registered in Ugland House—a modest building where some 20,000 companies are registered and which President Obama in a 2009 speech said was "either the largest building in the world or the largest tax scam in the world." (What Obama was getting at was that no real economic activity happens there: it is merely an entry in accountants' workbooks.)

Trying to penetrate the corporate veils thrown over these apartments is a thankless task. Of the tax havens used, the Isle of Man is probably the most forthcoming: you can easily download company reports online for under $2 apiece. But even here, you will not get far. Take Rose of Sharon 4, which owns a $10.2 million, fifth-floor apartment. Rose 4 was set up in 2010 with five company directors from the Isle of Man, and its shares were held by two almost identical-sounding entities: Barclaytrust International Nominees (Isle of Man) Ltd. and Barclaytrust (Nomi-

PHOTOGRAPHS: TOP, BY LEWIS WHYLD/P.A./A.P. IMAGES; BOTTOM, © DAVID LEVENSON/ALAMY nees) Isle of Man Ltd. In April 2012, the shares were transferred to a B.V.I. entity listed as "Prospect Nominees (BVI) Ltd," and the five Isle of Man directors were replaced by two new ones: Craig Williams, a B.V.I. insolvency practitioner, and Kenneth Morgan, who works for HSBC in the B.V.I. Both declined requests for further information.

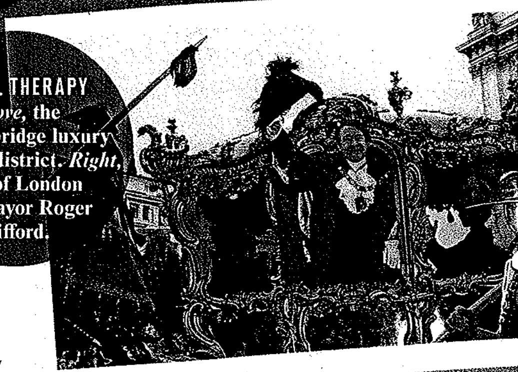
Such structures typically straddle several jurisdictions: an Isle of Man company may be owned by a B.V.I. company, which could be held by a Bahamas trust, with trustees somewhere else; either structure might own a Swiss bank account, and so on. At each step of this global dance of ownership, fees are skimmed off, and the secrecy deepens.

In fact, land-registry documents show that five apartments, for a combined $123 million, are owned by companies under the Rose of Sharon name, all based in the Isle of Man. These have been widely reported to be owned by Folorunsho Alakija, a Nigerian billionaire who is a part-owner of Famfa Oil Ltd. (Efforts to contact her were unsuccessful.) According to an industry risk profile of the company, Famfa received 600,000 barrels of oil per month from the giant Nigerian deepwater Agbami oil field in the first four months of 2010, in partnership with the U.S. oil company Chevron, in a longer-term agreement. The report cites a Nigerian Department for Petroleum Resources source as saying that Alakija was "one of the [Nigerian] First Lady's favorite dress designers" and that Alakija's stake in Famfa was "a reward to a loyal friend." *Forbes* ranked Alakija's net worth at $600 million, but last year *Ventures Africa,* a business magazine, recalculated it based on public information at $3.3 billion, making her richer than Oprah Winfrey.

All of this raises the question of why so many of One Hyde Park's apartments are owned offshore.

In fact, this is not unusual in England. According to *The Guardian,* some 95,000 offshore entities have been set up in Britain (or the U.K.) since 1999 purely to hold U.K. property: a hefty portion of the national prime stock. These buyers use offshore companies for three big and related reasons: tax, secrecy, and "asset protection." A property owned outright becomes subject to various British taxes, particularly capital-gains and taxes on transfers of ownership. But properties held through offshore companies can often avoid these taxes. According to London lawyers, the big reason for using these structures has been to avoid inheritance taxes—something that the government's recent limited crackdown did not address. And of course City of London lawyers and accountants are currently scurrying to find ways around the new rules.

But secrecy, for many, is at least as important: once a foreign investor has avoided British taxes, then offshore secrecy gives him the opportunity to avoid scrutiny from his own country's tax—or criminal—authorities too. Others use offshore structures for "asset protection"—frequently, to avoid angry creditors. That seems to be the case with a company called Postlake Ltd.—registered on the Isle of Man—which owns a $5.6 million apartment on the fourth floor. Postlake is in turn registered as owned by Purcey Ltd., a B.V.I. entity, which is registered as held on behalf of an Isle of Man trust set up by the bankrupt Irish property developer Ray Grehan, who has been pursued by Ireland's National Asset Management Agency to recover more than $350 million it says it is owed. Grehan had argued that the apartment is not really his but belongs to a family trust. Martin Kenney, a B.V.I. lawyer, says B.V.I. companies are frequently owned by foreign trusts from more outlandish jurisdictions, such as Nevis or the Cook Islands, deepening the secrecy. These structures are "debtor-friendly and creditor-unfriendly," he says, so in cases of fraud it can be very hard to recover assets.



RETAIL THERAPY *Above,* the Knightsbridge luxury shopping district. *Right,* City of London lord mayor Roger Gifford.

Perhaps the most striking fact about One Hyde Park and the London super-prime property market is what it tells us about who the world's richest people are. Many people think the greatest winners of globalization today are financiers. A decade or so ago, that may have been true. But today another class sits above even them—the global commodity plutocrats: owners of mineral rights, or dominant players in mineral-rich countries in sectors such as construction and finance that benefit from commodity booms. Hollingsworth notes in *Londongrad* that the oligarchs he studies became rich "not by creating new wealth but rather by insider political intrigue and exploiting the weakness of the rule of law." Arkady Gaydamak, a Russian-Israeli oilman and financier, explained his elite view of accumulating wealth to me in 2005. "With all the regulations, the taxation, the legislation about working conditions, there is no way to make money," he said. "It is only in countries like Russia, during the period of redistribution of wealth—and it is not yet finished—when you can get a result.... How can you make $50 million in France today? How?"

Russia's former privatization czar Anatoly Chubais put it less delicately: "They steal and steal. They are stealing absolutely everything."

London real-estate agents confirm that these commodity plutocrats dethroned the financiers some time before the financial crisis hit. "I can't remember the last time I sold a property to a banker," says Stephen Lindsay, of the real-estate agency Savills. "It's been hard for anyone to compete with the Russians, the Kazakhs. They are all in oil, gas—that is what they do. Construction—all that kind of stuff."

Even the Arab money has taken a backseat to the new buyers, says Hersham. "The wealth of the ex-Soviets is incredible," he says. "Unless you are talking about [Goldman Sachs C.E.O. Lloyd] Blankfein or [Stephen Schwarzman], the head of Blackstone, or the head of one of the very big banks, there is no driver from the City of London at these levels anymore." □

Additional reporting by Bridget Arsenault.

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