

# Makeover mania hits Moscow, thanks to Canucks

Wooden homes, Canadian-like subdivisions are all the rage in booming Russian market

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**A** Vancouver entrepreneur is giving Moscow an extreme makeover, tantalizing buyers with wooden homes in a country where one could hardly find a two-by-four only a few years ago.

"We took a Canadian subdivision and transplanted it in Moscow," said **David Evans**, a Vancouver-based founder and managing director of **Sawatzky Group of Companies**, now a Moscow company building a 550-home suburban residential complex using wood frame technology.

In a country where an ordinary subdivision "looks like a shantytown the day after it's finished," the Russians have been taken in by the gated community concept, with its curving streets, cul-de-sacs and parks.

Both Evans and a Canadian government agency that helped generate a wood frame "buzz" among Russian officials say Sawatzky's success is a great lesson for Canadian entrepreneurs.

"We knew enough about Russia after being there for 15 years that if we could develop a Canadian subdivision somewhere in the very close proximity of Moscow, it would be a huge success," said Evans. "And so far, knock on wood, we've been right."

Sawatzky, a spinoff from **FW Sawatzky** – a Winnipeg-based construction company now known as **FWS Construction** – has already sold 200 single-family homes. There are 20 different models available in its 70-hectare subdivision (Novie Veshki), which is now entering its second phase.

Much of the work is being done by Canadian firms, including architectural, civil and structural engineering, building and project management,

And a shortage of Russian oriented strand board used in the construction meant Sawatzky had to order several container loads from Canada, together with shingles, front doors, insulation and building paper.

The design work and interior decorating is being handled by North Vancouver-based **Synthesis Design Inc.**

"They've just been a huge help in the project," said Evans, adding that several show homes finished down to the tablecloth had helped clinch deals.

Homes in Russia are generally built with brick or concrete block, but for Sawatzky it was an "easy decision" to



Sawatzky owners David Evans, right, and Mark Groysman in front of part of their 550-home Moscow development: "we took a Canadian subdivision and transplanted it in Moscow"

introduce wood, especially as the country's lumber industry began to take off.

"Basically, you can build an argument easily that wood creates a better home, it's faster to build and it's cheaper to build."

Priced up to \$5 million,

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one would expect the homes to come with all sorts of luxuries. They don't. They don't have interior doors, carpets, toilets, not even light switches – although all the mechanical systems and plumbing come installed.

"They're sold in a semi-

finished condition – drywall stage. Primarily it's because that's what the Russian market expects; it's always been done that way," said Evans. "The norm in the marketplace is an empty shell . . . and the rest is up to you."

But the Russian housing market is red hot, with home prices rising last year by up to 100%. Fuelled by oil and by its manufacturing and service industries, the Russian economy is on a boil and its rising upper middle class is on an unprecedented spending spree.

"And the first thing they want is a nice place to live," said Evans. "There are hundreds of little communities popping up all over the region."

Sawatzky, which is half-owned by Israeli billionaire **Lev Leviev** – Evans and three other Canadians own the rest – got into Moscow in 1990 just as the Canadian economy was heading for a recession.

"It was just kind of an entrepreneurial plunge," said Evans.

With **Canada Mortgage and Housing Corp.** staff working with authorities in Moscow to develop wood frame housing codes and standards, it moved into residential building.

"It's now led to the point where we had some very serious shooters on site [recently]; the highest level of the feder-

al government pushing wood frame homes," said Evans. "So I think the opportunity for Canadians is huge."

**Mietka Zieba**, a senior trade consultant at the agency whose job it is to be matchmaker on behalf of Canadian companies in Moscow, described the prospects as "excellent," adding the Russian government had described home building as a priority.

With demand for homes almost double what's being built every year, Russia needed to build approximately 1.5 million units each year, said Zieba, about seven times more than in Canada. Western Siberia and European Russia (the western areas of Russia that lie within Europe) are major geographical areas of Canadian involvement.

South Surrey-based **MVH Urban Planning & Design Inc.** recently completed a master plan for a subdivision of 3,000 people in Western Siberia while **Viceroy Homes Ltd.**, a Toronto company with a large factory in Richmond, B.C., is a major supplier of pre-fabricated packaged homes to Russia. ■

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