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Builders, Hotels: Real Estate in Brief

By The Moscow Times

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Sanctions Prod Russian Builders to Replace German Equipment With Chinese

Russian construction companies that have until recently purchased most of their equipment in Europe are increasingly seeking supplies in China, the head of the Builders Association of Russia said.

The trend reflects a wider, Kremlin-supported "turn to the East" in Russia accelerated by Western sanctions on Moscow over Ukraine that have impeded Russia-West trade.

Construction firms are seeking equipment they previously bought from Germany in China, which has been able "to copy German technology and offers good quality materials and equipment," Nikolai Koshman was quoted by the TASS news agency as saying last week.

EU and U.S. sanctions have targeted finance and oil exploration, forcing companies and banks to look for technology and sources of financing in the East. But sanctions have not touched the construction industry.

Nevertheless, builders are not only eyeing Chinese equipment, but also joint construction projects. Russia's state-owned development bank, VEB, is negotiating to get Chinese cash to finance joint projects to build affordable housing in Russia with materials and equipment imported from China, the bank's chief, Vladimir Dmitriev, said last month. *(MT)*

Want a Russian New Year's Hotel Bargain? Go to Sochi, Not Suzdal

Russian hotel room prices increased by an average of 2 percent in November compared with the previous month, to 5,092 rubles ($97) for a standard room, newspaper Rossiiskaya Gazeta reported citing hotel price comparison site Trivago.

In the lead-up to New Year's, Russia's biggest holiday, the leading price-hiker was Suzdal, a historic town 200 kilometers east of Moscow, where prices increased 26 percent in one month.

Kazan and the Siberian city of Omsk both saw hotel prices increase by 14 percent. Six other cities, including St. Petersburg, also saw steep rises, the newspaper reported Friday.

By contrast, prices decreased in Moscow, Perm, Volgograd and the former Olympic city Sochi, which saw the average hotel price drop by 8 percent. *(MT)*

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