

SU-155 to Invest \$310M in Building Materials Production

By [The Moscow Times](#)

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Property developer SU-155 plans to invest 10 billion rubles (\$310 million) in the construction of a factory complex that will satisfy its own extensive demand for building materials, Kommersant reported Monday.

The company intends to erect an elevator factory with a production capacity of 12 thousands units a year, another factory producing 300 tons of reinforced bars a year, and a steelworks with an output of 20,400 tons a year.

A railroad line from the Serpukhov Station, 99 kilometers south of Moscow, to the nearby construction grounds should be operational by the end of the year.

The developer already owns isolated factories in Domodedovo, Shcherbinka, Tula and Ivanovo.

SU-155 is projecting 25 billion rubles (\$780 million) a year in revenue from the new complex, a substantial increase, considering the fact that its total revenue last year was 34.3 billion rubles.

Producing its own materials could lower SU-155's construction costs by between 20 and 40 percent, experts said.

The facilities will also carry certain risks, however. If their workload should decrease due to logistical problems, the company could face "serious expenditures," as it would still be obliged to pay its enlarged workforce, said Marina Litinetsaya, general director of Metrium Group.

The PIK, LSR, and DSK-1 construction groups have also turned to independent manufacturing to cut down construction costs.

Founded by billionaire Mikhail Balakin in 1993, SU-155 group operates in 50 Russian cities constructing up to 1.5 million square meters of real estate a year.

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