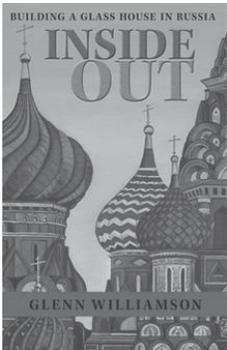


# Inside Out: Building a Glass House in Russia

by Glenn Williamson (© 2014, Archway Publishing, 186 pages)

REVIEWED BY MARY C. BUJOLD, CRE



*INSIDE OUT: BUILDING A GLASS HOUSE IN RUSSIA* is the memoir of Glenn Williamson's time in Russia as a real estate project manager for Walton Development out of Chicago. Walton had developed one office building in Warsaw and had started another in the early 1990s when Russia was beginning to open up for development from other countries. Williamson had

been assigned to Poland but was transferred to assist with the development of a new office building in St. Petersburg. The office building would be constructed with portions of the building that would be new (interior) while the exterior of the building was historic, converted from an Orthodox monastery.

The book recounts the many situations and challenges Williamson and his development team encountered while working in Russia, and the list is almost endless. Williamson graduated from Georgetown's school of Foreign Service and had wanted a career in that area, but ended up in finance early on and then in real estate development. His language skills in Russian landed him the position of project manager for "Krasotsky 23," the building to be developed. When Williamson first arrives on the scene in Russia, he is immediately involved in a dispute with the contractor over a "water-resistant" floor or a waterproof floor for the building. Walton and their investment partners wanted a waterproof floor for the simple reason that St. Petersburg experiences perhaps thirty freeze and thaw cycles each winter. They ended up paying for what is termed "runway concrete" for the building whereby an extra-thick concrete floor would be

## About the Reviewer



**Mary C. Bujold, CRE**, editor in chief of Real Estate Issues®, president, Maxfield Research Inc., Minneapolis, Minnesota, is considered a market expert in the field of residential real estate and in market analysis for financial institutions. As well as providing strategic direction for the firm, Bujold heads project assignments for large-scale land use and redevelopment studies, including downtown revitalization for private developers and municipalities in the Twin Cities and in the Upper Midwest. Her work spans public and private sector clients, including institutional clients. Bujold also regularly testifies as an expert witness for eminent domain, tax appeal and other types of real estate litigation. She holds a bachelor's degree in business administration from Marquette University and a master's degree in business administration from the University of Minnesota.

installed and bolted to the brick foundation walls with steel angles to hold it in place.

Williamson was young at the time, only 33 years old. Normally, he would not have been called in to handle this sort of a dispute, but the construction manager, Richard Bruce, a tough Australian with a black belt in karate, had just been arrested for tax evasion. As it turns out, he had signed what Williamson refers to in the book as a "protocol." When Williamson was studying Russian at Georgetown, his professor had informed the class that if they were taken to the police station, they were never to sign such a document, were never to tell the police that they spoke Russian, and ask for help. In fact, they were not supposed to sign anything. As it turns out, Bruce missed that lesson. Prior to working with Walton, Bruce had his own contracting company and had renovated apartments in Russia for lease to expatriates. When he signed the

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protocol—denying everything they were accusing him of—some of the statements conflicted with invoices that the police already had, so it meant that they could hold him. Bruce spent three months in the infamous Krestyani prison until he was finally able to sort things out.

The book recounts numerous delays, the endless permits needed for everything, almost just to breathe, the gifts that were given to public staff just to move the paperwork along. Finally the building was complete and then the financial crisis hit Russia, and the building lost most of its tenants—yet another setback. Eventually Williamson returns home to Chicago with his family on December 20, 1998, just in time for Christmas, having spent three years trying to get the building completed and leased. The building had a new set of tenants and Williamson had had the experience of a lifetime.

This book is generally low on development details, but full of interesting and somewhat hilarious stories of the machinations it took to accomplish the project. The project was actually somewhat of a public-private partnership between a government entity in St. Petersburg, Walton Development, EXPOC (an American organization) and UROBANK. In addition to the normal challenges of development, there were additional challenges to keeping all of these entities happy in the process.

If you are looking for a detailed book on how to invest in emerging markets, this is not that book. However, *Inside Out: Building a Glass House in Russia* provides some important lessons on cooperation, understanding different cultures, and is an entertaining and relatively quick read. ■