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Luxury Housing Demand Falls 30%

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The jump in demand for high-end housing, which had been forecast by many analysts, has failed to materialize, real estate firm Evans said in a report.

Rental demand for luxury housing remained unchanged in the third quarter, compared with the preceding three months, while demand to purchase such properties fell by 30 percent over the same period.

Even last year, 5 percent more deals on the elite housing market were signed than in July to September of this year, the report said.

Yekaterina Batynkova, director of luxury property at Est-a-Tet, said demand has been improving lately. She said that at the recent DomExpo real estate fair, Est-a-Tet held more than 40 consultations with potential buyers.

Blackwood said it was hoping for the luxury housing market to begin recovering in the fourth quarter as sales in new developments are slated to start.

Supply of luxury apartments, however, began to take off in the third quarter, rising 20 percent from the preceding three months, Evans said. According to Est-a-Tet, there are 2,400 newly built luxury apartments on the market, with prices varying from $12,630 to $43,817 per square meter.

On the rental market, the average monthly rate rose 2 percent in the third quarter from the second quarter, reaching $3,400 per month, according to Evans.

Apartments that cost up to $3,000 per month to rent account for 39 percent of the luxury market. Roughly 46 percent are in the middle range of $3,000 to $6,000 per month, while 15 percent of luxury apartments on the market rent for more than $6,000.

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