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North Caucasus Has 'Cheapest Housing'

By The Moscow Times

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High-rises going up in Makhachkala, the capital of Dagestan. **Bolshakov**

Grozny, capital of the Chechen republic, topped the list of cities with the cheapest housing prices, Penny Lane Realty said in a report issued last week.

The average price of a square meter of housing in Grozny is 22,300 rubles ($785). High crime, 40 percent unemployment and continuing terrorist acts detract from the city's livability. But, construction of Grozny City, a development consisting of 50 residential buildings ranging from 12 to 45 stories high, is continuing.

Birobidzhan, capital of the Jewish autonomous district, is in second place on the list with housing at 24,600 rubles per square meter. The city is notable for its inhospitable climatic conditions. There is practically no housing construction there, as the city is losing population.

Magas, founded in 1998 as the new capital of Ingushetia, ranks third at 25,800 rubles per square meter. Although fewer than 10,000 people live in it now, housing, with all utilities, exists for 20,000. Because of federal support, the city is expected to prosper, and it represents

a promising opportunity for long-term investment, Penny Lane said.

Makhachkala, capital of Dagestan, follows at 28,900 rubles average price per meter of housing. In spite of being a transportation hub and having a port on the Caspian Sea, the city is plagued by social unrest, high crime and high unemployment. There are plans to build 400,000 to 500,000 squares meters of new housing in the city per year between 2011 and 2015.

Vladikavkaz, capital of North Ossetia, has the country's fifth-cheapest housing at 29,700 rubles per square meter. About 1.6 million square meters of new housing are planned there for this year. Prices are held down by the city's proximity to South Ossetia, from which tens of thousands of refugees fled after the Georgian military action there. In addition, the Elektrotsink plant, which produces zinc, mercury and cadmium, is responsible for heavy air pollution in the city.

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