

Landlords Reveling in High-End Demand

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About 850 high-end apartments were available for rent in Moscow at the end of last year according to industry experts, with more than half of that number costing approximately \$6,000 per month.

A significant section of the premium market — 38 percent — is made up of three-room apartments, while four-room apartments represent 28 percent of the pool, apartments with five rooms and above are 16 percent and one-room apartments not more than 2 percent, according to a report by IntermarkSavills.

"At the end of 2011, the high-budget rental segment became more of a 'landlord's market' than a 'renter's market.' Now landlords do not want to pay for additional services: Internet, electricity and so forth," said IntermarkSavills senior consultant Anna Sharapova.

"Young people with a lower budget don't have competitive requests. They have no need to rent big apartments. Thirty percent of inquiries in 2011 were by people under 30 years of age," Galina Senko, director of the IntermarkSavills leasing department, told The Moscow

Times.

Apartments costing \$2,000 to 3,000 per month are most often rented by single people or young couples without children under the age of 35 years, according to Penny Lane Realty. About 20 percent of them are foreigners or people who do not have their own homes in Moscow. In general, renters of apartments in the range of \$2,000 to 3,000 per month are the heads of departments in successful Russian and foreign companies. The most common needs among them are for studio apartments and two-room apartments with an area of 60 square meters.

The profile of a renter in the \$4,000 to 7,000 a month segment differs. "Often it could be a two-room apartment. A renter with such a budget could be a successful midlevel and upper midlevel manager, often with a family and under 34 years of age or older," said Anna Levitova, Evans Property Services managing partner. Renters in this segment are split evenly between expats and Russians.

Prices in the elite segment range from \$7,000 to \$20,000 per month, depending on location, square meters and other specifics. "Such apartments are usually rented by executive managers, bankers and officials. They have families, with two to four children. On average, the adults are 38 and older," Levitova told The Moscow Times. The split between locals and expats is also about equal for this segment.

"Expats prefer to rent apartments in the center of Moscow — the most popular location is near Patriarch's Ponds. Families who live continuously in Russia choose places near international schools," Knight Frank's sales and development director Olga Tarakanova said. "Eighty percent of our clients choose apartments with furniture, but foreigners usually prefer to bring their own," IntermarkSavills's Senko said.

Apartment rental prices this year in the high-end segment will stay in line with last year's figures, according to IntermarkSavills, with the most common ones being less than \$6,000 per month. The most expensive properties, at \$15,000 per month, will represent not more than 5 percent of the market.

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