

Property Prices in New Territories Drop

By [The Moscow Times](#)

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Property prices in the territories recently annexed to Moscow are plummeting, the Rway real estate portal reported, as cited by Vedomosti.

As a result, the Moscow City Duma is expected to come up with a new plan for the development of the areas by the end of this year, according to Rway. Immediately after Moscow's expansion came into effect in July of last year, prices jumped by 30 percent, but then they began falling.

Between January and March of this year, the prices of new buildings on the annexed territories fell by another 0.3 percent. When taking into account the inflation rate (1.9 percent in the first quarter) and developers' discounts, the decline was much greater, Rway said.

In April, the negative trend was even more prominent. Land prices in the annexed territories dropped 2.5 percent in rubles and more than 4 percent in dollars.

Property prices are usually driven up by inflation or increase when a project is completed,

since completed buildings always cost more, developers said. However, this is offset by developers' discounts.

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