

Apartment Market Has New Entrant

By [The Moscow Times](#)

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Ordinary apartments are losing market share to *apartamenty* — living quarters set up in buildings not zoned as residences — which are moving down the value chain from the elite market to offer cheaper, better located and prestigious accommodation.

Though *apartamenty* have all the same characteristics of an apartment, they are not legally a form of housing and are not subject to the regulations, bureaucracy and overhead of residential living space.

This gives them an advantage in pricing, and units are hitting the market at prices an average of 20 percent lower than apartments in newly constructed developments, experts at real estate developer Stone Hedge told Kommersant. Though their monthly fees can be more expensive, the lower purchase price is attractive to buyers.

The combined impact of a decline in the demand for office space after the crisis of 2009 and governmental support for the expansion of housing stock is now seeing *apartamenty* expand from the elite segment into a wider market.

There are minuses to *apartamenty* ownership, including the inability to use them as a place of individual legal registration — which is required by law. As such, those wishing to send their children to the local school may encounter problems. This is why young people not yet burdened with families are driving the expansion of apartments, Kommersant reported.

Apartamenty are also bought by the parents of students coming to Moscow from the regions.

As a segment, *apartamenty* retain the prestige of early projects, like the complex in the Capital City towers — with residences located as high as the 76th floor in the Moscow City business center.

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