

Moscow Led Russia by Fall in Housing Prices in 2013, Study Finds

By [The Moscow Times](#)

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Secondary housing prices fell the fastest in Moscow last year compared with other Russian cities with the annual drop of 5.7 percent to 189,200 rubles (\$5,520) per square meter, a report said Monday.

Experts of the government real estate portal Mir Kvantir compared prices of one square meter of secondary housing in Russian regions from January until December and came to a conclusion that out of 46 studied regions the growth rate of housing prices had slowed down considerably in 36 of them, while in ten regions the prices had decreased over the given period, news agency Prime said.

The previous study last year showed falling prices in only one out of 40 regions studied, the report said.

Average secondary real estate prices rose 2.1 percent in 2013, while last year's average growth

was 12.9 percent, the study found.

Taking into account the official rate of inflation of 6.5 percent the price of secondary housing had actually fallen last year, the portal's head Pavel Lutsenko said in a comment to the report.

While in 2012 house prices rose in Moscow by 9.6 percent, last year the capital showed the sharpest decline of housing prices among all Russian cities — by 5.7 percent.

The drop was the result of overheated prices in previous years as well as the overall slowdown of the Russian economy in the previous year, experts said.

The other reason is the increased volume of residential construction in areas beyond the Moscow Ring Road recently incorporated into the city, which also push housing prices in Moscow down.

The leader of price growth in the residential housing sector was Ivanovo, a town in the Moscow region, where housing prices rose 8 percent in 2013 to 44,400 rubles per square meter. Housing prices in Kaliningrad rose 7.3 percent to 54,600 rubles, while in Tolyatti the price of residential properties rose 6.4 percent to 46,100 rubles per square meter, the study found.

At the same time, the price of one square meter of residential housing in Olympic Sochi climbed 4.6 percent to 75,200 rubles, while housing prices in St. Petersburg showed a modest increase of 1.2 percent to reach 101,000 rubles, Mir Kwartir's report said.

Beside Moscow Volgograd and Tula became market outsiders last year with housing prices decreasing by 3.6 percent and 2.7 percent respectively. By year's end one square meter of residential housing cost 49,200 rubles in Volgograd and 49,800 in Tula.

Analysts predict that the Russian housing market will continue to stagnate throughout the year with residential prices in the regions gaining up to 5 percent in value on average combined with a growing number of places where housing prices will fall.

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