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Crimean Real Estate Prices Shoot Up

By The Moscow Times

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A real estate representative talking to a prospective client about apartments in the Crimean resort of Yalta.

Prices for Crimean residential real estate have risen dramatically since Russia's annexation of the Black Sea peninsula, Itar-Tass and RIA Novosti reported.

"The demand for apartments and commercial-recreational facilities is beating all records from 2005 to 2007," Ruslan Burdeiny, general director of Crimean construction company Monolit, told Itar-Tass. Burdeiny added that he has seen prices rising by 50 to 60 percent in the last two months alone.

Konsol-Stroi, a major Crimean construction company has seen prices rise by 20 to 50 percent in the last month and half. The cost of a square meter has risen to $1,500 from an average of $1,000, according to Konsol-Stroi director Galina Kovalenko, RIA Novosti reported.

Burdeiny said that buying was driven by Russians, and noted that the cost of Crimean property was significantly lower than the average in Russia. Kovalenko, however, cited

the rising cost of construction materials and builders moving to Russia in search of higher wages as the primary factors for real estate appreciation.

Experts cited by RIA Novosti said that they expected the price of Crimean real estate to rise further and added that it was possible that in the near future the market will exceed the Black Sea coastal area in the Krasnodar region, which includes the resort city of Sochi.

Crimean real estate's increase in value, however, may not last forever. At the end of March, Prime Minister Dmitri Medvedev announced plans to use the Federal Housing Assistance fund to help improve conditions in Crimea and reduce construction costs.

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