The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Rublyovka No Longer Moscow's Most Expensive District

By The Moscow Times

July 06, 2015



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The average price of real estate in Moscow's tony suburb of Rublyovka fell steeply in the first half of the year, knocking the exclusive district out of its place as the city's most expensive neighborhood, a recent report said.

Prices in the suburb, a longtime favorite of government officials and high-rolling businessmen, fell 36 percent in dollar terms in the first half of the year compared to 2014, according to the report by elite real estate consultancy Kalinka Group.

Last year's steep devaluation of the ruble combined with the gradually declining volume of new housing near Rublyovskoye Shosse is responsible for the neighborhood's fall in the ranking, Yekaterina Rumyantseva, chairwoman of Kalinka's board of directors, said in a press release.

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Falling prices in Rublyovka mean that a suburb around Minskoye Shosse now qualifies as the most expensive neighborhood in Moscow — and, by extension, Russia. Prices in the district rose 23 percent in the first half of the year compared to 2014, hitting $4,600 per square meter.

In the wake of the ruble's fall of around 40 percent to the U.S. dollar last year on the back of falling oil prices and Western sanction on Moscow over the Ukraine crisis, elite developers across Moscow began selling real estate in rubles instead of the traditional dollars or euros.

According to Rumyantseva, Rublyovka is no exception — nearly half of the new buildings in the area are now sold in rubles.

The prized zones along Rublyovskoye Shosse have also largely been developed by now, meaning that new offerings are for the most part farther from the highway and so offered at a discount, Rumyantseva said.

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