The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Apartment Prices in Moscow Down 15 Percent in 2015

By The Moscow Times

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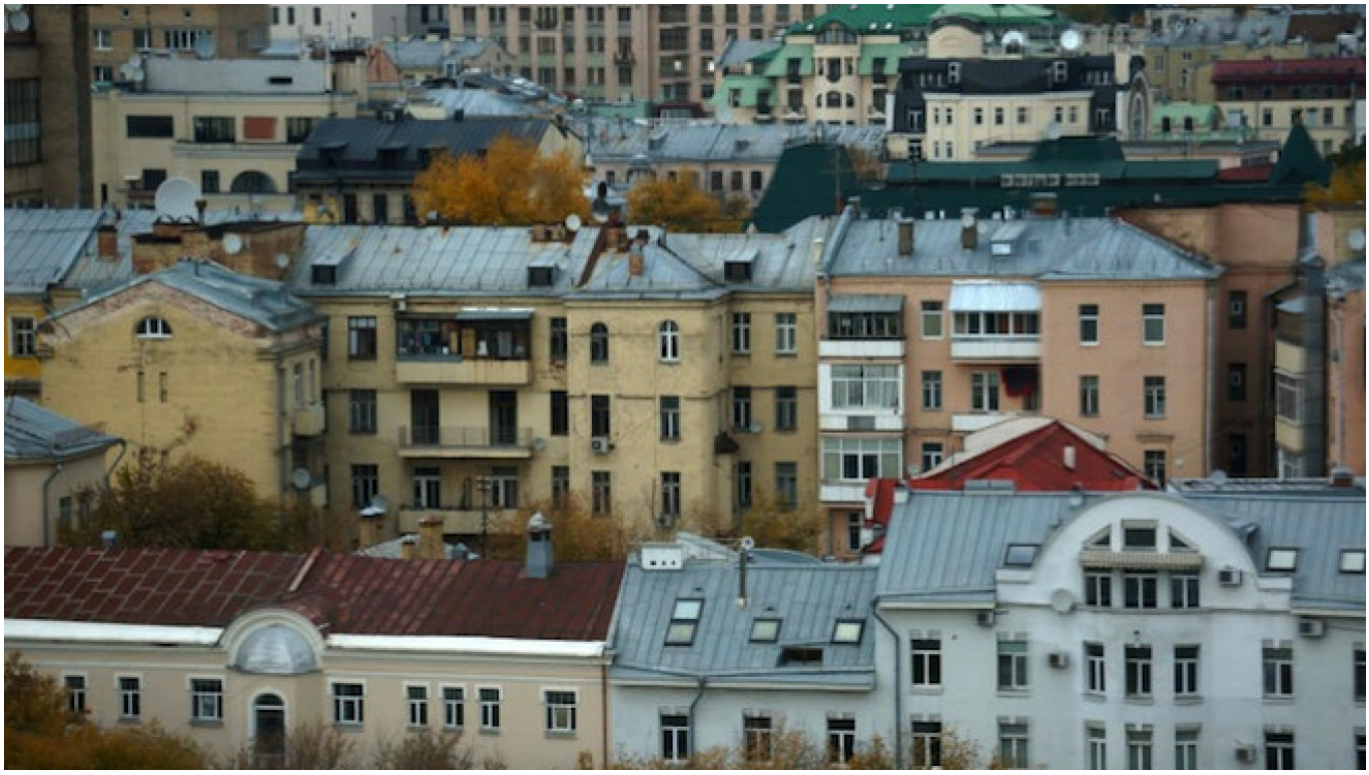

Apartment prices in Moscow have dropped on average 10-15 percent this year as housing sales fall amid an economic recession, the Vedomosti newspaper reported Wednesday.

The decline in consumer spending has impacted the demand for both new and pre-owned apartments in Moscow, the newspaper reported.

But while sales of new homes fell by 15-20 percent, the number of deals on the secondary market plunged by 46 percent in the period between January and December this year, the newspaper reported citing data from real estate consultancies Best Novostroy and Incom-Nedvizhimost.

Despite falling sales, the supply of new residential real estate in Moscow continues to grow, increasing by 32.4 percent in 2015, according to Vladimir Bogdyanuk, head of analytics at the realty firm Est-a-Tet, Vedomosti reported. The growth comes from projects entering the market now which were started several years ago, when the economic situation in Russia was

more stable.

Experts believe the situation in the housing market will continue to deteriorate next year.

In 2016, cost of apartments in Moscow is likely to fall further by 10-15 percent as there are no conditions for improvement in the current economic climate, so the growth of demand is not expected, Tatyana Kalyuzhnova, head of research at the real estate analytic firm IRN.ru told Vedomosti.

The decline in spending power of Russians has also affected the capital's apartment rental market.

In the first 8 months of 2015, rental rates for apartments in Moscow dropped by 8 percent, the RBC news website reported earlier this year, citing real estate consulting company Miel-Arenda.

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