

going to be borrowed, it is necessary to train teachers of higher education establishments and SVE institutions, as well as vocational training foremen in those countries from which these technologies are to be imported. Further, it is important to promote e-learning with engagement in the educational process educational institutions of those countries from which the relevant technologies arrive. At the same time, the entire chain should be built: secondary vocational education — higher education — professional retraining (rather than the development of additional vocational education programs which largely focus on skills upgrading in an existing profession/specialty). It is necessary to reduce admission to budget-funded places in STEM training lines/specialties. It is noteworthy that even in the USSR in the 1980s, the training of personnel in engineering and technical specialties did not exceed 30%-35%. In Russia, as it was noted, admission to budget-funded places has already exceeded half of the budget-funded admission in bachelor's and master's degree programs in the specified training lines/specialties, while the quality of this admission is increasing, if at all, due to a rather low starting level. At the same time, the dropout rate of students is picking up, as HEE do not have enough teachers for the growing contingent of students with insufficient training background.

In the past few years, there has been a growing concentration of general admission in a small number of regional higher education systems. At the same time, the transfer of additional budget-funded places to regional HEE has already led to discernable growth in fee-based admission to HEE of Moscow and St. Petersburg. In these two megacities, even strong students (with an average USE score of over 80 points or even 85 points) have to study in most cases on a paid basis, while in regions with average USE scores of 41–45 points they can study free of charge. Even if we assume that the flow of high-scoring students to Moscow will decline, with the socio-economic situation becoming more complicated in the country, and strong applicants will be more active in getting enrolled in regional HEE, including on a paid basis, such a change is likely to lead, on the one hand, to a decrease in the quality of training, and on the other hand, to a decline in the financial stability of major Moscow-based HEE, particularly the ones of socio-economic profile.

#### **4.4. The housing market in Russian cities and housing construction<sup>1</sup>**

2024 marked the end of the active growth for the Russian real estate market and the transition to the phase of expected slowdown.

The well-established mechanism of state support for mortgages, which stimulated demand, was subjected to a double squeeze: the government's radical modification of preferential programs and the Bank of Russia's continued increase in the key

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rate. However, the retention of the general favorable background in the economy (GDP growth of 4.1% and real disposable income of the population of 7.3%) led to the fact that the downward trend manifested itself rather moderately.

#### 4.4.1. Housing market prices

First of all, we should note that there are various sources of information on the dynamics of residential real estate prices. On the one hand, these are official reports of Rosstat, on the other hand — data from real estate agencies.

As indicated on the Rosstat website, price indices in the primary and secondary housing markets are calculated by experts of the agency on the basis of registered prices for newly built apartments and for apartments of the existing housing stock in ownership, if they are the objects of market transactions. Price indices in the primary and secondary housing markets are formed by apartment type by subjects of the Russian Federation (regions), federal districts and the Russian Federation as a whole. As weights are used data on the number of sold total area of a certain type of apartments for the previous year in the primary and secondary housing markets for a particular city in the region. Monitoring is conducted for a sample of organizations engaged in real estate transactions in territorial centers and individual cities of the subjects of the Russian Federation. When registering apartment prices, their quantitative and qualitative characteristics are taken into account. Average prices in Russia are calculated from average prices in the regions.<sup>1</sup>

As the Rosstat data show, the increase in housing prices in 2024 for the country as a whole turned out to be the lowest for the entire 5-year period starting from 2020. This applies to both the secondary and primary segments of the market (*Table 8*).

*Table 8*

#### **Price indexes in the housing market in 2020–2024 (at year-end in % to the end of the previous year, across all types of apartments)**

Period	Secondary market	Primary market
2020	109.5	112.0
2021	117.2	126.0
2022	111.8	121.0
2023	108.5	109.7
2024	106.6	108.8

Sources: Price indices in the primary and secondary housing markets in the Russian Federation in 1998–2024, data on the primary market: URL: [https://rosstat.gov.ru/storage/mediabank/dinamika\\_sred\\_1998-2024.xlsx](https://rosstat.gov.ru/storage/mediabank/dinamika_sred_1998-2024.xlsx)

1. URL: [https://rosstat.gov.ru/storage/mediabank/Opredeleniya\\_ind\\_cen\\_zhilya.pdf](https://rosstat.gov.ru/storage/mediabank/Opredeleniya_ind_cen_zhilya.pdf), [https://rosstat.gov.ru/storage/mediabank/Opredeleniya\\_sred\\_ceny\\_zhilya.pdf](https://rosstat.gov.ru/storage/mediabank/Opredeleniya_sred_ceny_zhilya.pdf)

Let's now consider the data for the past year in more detail, starting with the Quarterly dynamics of prices in the housing market of Russia in 2024 is presented in *Table 9*.

*Table 9*

**Price indices in the housing market in 2024 (at the end of the quarter as a % of the end of the previous quarter, for all types of apartments)**

Period	Secondary market	Primary market
Q1	101.1	102.5
Q2	101.9	102.1
Q3	101.0	102.3
Q4	102.5	101.6

Source: Rosstat.

In the primary market, the highest price growth was observed in Q1, demonstrating a downward trend, which became most evident in Q4. And in the secondary market it was during this period that prices grew at the highest rate. Demand from the primary market began to redistribute in favor of this segment after the cancellation of preferential mortgages, and price growth exceeded the value of the primary market. During the previous 9 months, the opposite ratio was observed, although in Q2 there was a convergence of values in both segments (about 2%). However, the price dynamics of the closing quarter could not affect the results of the year as a whole, indicating a lower value of housing in the secondary market (*Table 10*).

*Table 10*

**Price indices in the housing market and average prices of residential properties at the end of Q4 2024**

Category	Secondary market		Primary market	
	in % to Q4 2023	Rb thousand per 1 m2 of floor area	in % to Q4 2023	Rb thousand per 1 m2 of floor area
All types of apartments	106.6	114.1	108.8	177.9
Low quality	106.1	87.6	–	–
Average quality (standard)	105.2	102.4	108.0	149.3
Better quality	108.1	125.7	108.6	182.2
Elite apartment	107.3	233.8	113.8	362.5

Source: Rosstat.

In general, at the end of 2024, price growth in the primary market (8.8%) was about one third higher than in the secondary market (6.6%). In the primary market, the ma-

ximum price growth was observed for elite housing (13.8%), and in the secondary market — for housing of improved quality (8.1%), which is comparable to the price dynamics for standard housing and housing of improved quality in the primary market. Higher price growth was observed in the primary segment, and for all categories of housing, but to the greatest extent (almost twice) — for elite housing (13.8% vs. 7.3%).

Price dynamic in the territorial breakdown confirms that the primary market is ahead of the secondary market in terms of price growth rates in the country as a whole. At the same time, the picture of price dynamics was mainly similar to that in 2023 (*Table 11*).

*Table 11*

**Price indices in the housing market in 2024 by federal districts  
(at the end of Q4 as a % of Q4 2023, for all types of apartments)**

<b>Federal Okrug (FO)</b>	<b>Secondary market</b>	<b>Primary market</b>
Russia	106.6	108.8
Central	103.2	107.9
North-Western	110.0	105.6
Southern	108.1	108.4
North-Caucasus	107.4	120.6
Volga	108.9	112.5
Urals	102.8	111.1
Siberian	104.9	112.8
Far Eastern	104.1	108.8

Source: Rosstat.

In 6 Federal Okrugs (Central, North Caucasus, Volga, Urals, Siberian and Far Eastern) price growth in the primary segment exceeded the same value in the secondary one, to the maximum extent (almost fourfold) — in the Urals, minimally (by 40%) — in the Volga region, in other okrugs — more than twice. It should also be noted that in 5 out of 6 Federal Okrugs (except for the North Caucasus) the outperformance of the primary market in terms of price dynamics was observed a year earlier. In the North-Western Federal Okrug, as well as in 2023, on the contrary, the secondary market was ahead of the primary market in terms of price growth rate. The intermediate position was occupied by the Southern Federal Okrug, where price growth was approximately equal in both segments (more than 8%).

If we consider the price dynamics in more detail, at the level of RF subjects, the following picture emerges (*Table 12*).

In the primary market, the leaders in terms of price growth (over 20%) were the Omsk region (24.1%) and Stavropol krai (23.7%). In a large group of regions prices increased by 10–15%. It included Volgograd region (14.8%), Rostov region (14%),

Table 12

Price indices in the housing market by region (end of quarter, Q4 2024 vs. Q4 2023, in %, for all types of apartments)

Federal Okrug/ region	Secondary market	Primary market
Russia	106.6	108.8
<b>Central FO</b>	103.2	107.9
Moscow	99.2	107.9
Moscow region	100.8	100.8
Voronezh region	109.6	112.8
<b>North-Western FO</b>	110.0	105.6
St Petersburg	112.3	105.6
Leningrad region	114.5	102.8
<b>Southern FO</b>	108.1	108.4
Krasnodar krai	102.8	101.9
Volgograd region	110.5	114.8
Rostov region	108.7	114.0
<b>North-Caucasus FO</b>	107.4	120.6
Dagestan	100.8	111.9
Stavropol krai	103.2	123.7
<b>Volga FO</b>	108.9	112.5
Bashkortostan	107.6	112.5
Tatarstan	112.6	112.8
Perm krai	107.8	110.2
Nizhniy Novgorod region	109.6	111.5
Samara region	108.2	113.2
<b>Urals FO</b>	102.8	111.1
Sverdlovsk region	104.9	113.1
Tyumen region*	100.0	108.7
Chelyabinsk region	103.8	113.2
<b>Siberian FO</b>	104.9	112.8
Krasnoyarsk krai	103.5	111.3
Novosibirsk region	102.8	110.4
Omsk region	108.9	124.1
<b>Far-Eastern FO</b>	104.1	108.8
Primorsky krai	103.4	107.5
Khabarovsk krai	104.1	110.1

\* including autonomous okrugs.

Source: Rosstat.

Samara and Chelyabinsk regions (13.2%), Sverdlovsk region (13.1%), Tatarstan and Voronezh region (12.8%), Bashkortostan (12.5%), Dagestan (11.9%), Nizhny Novgorod region (11.5%), Krasnoyarsk krai (11.3%), Novosibirsk region (10.4%), Perm krai (10.2%) and Khabarovsk krai (10.1%). There were twice as few regions with a growth rate of less than 10%, including Moscow (7.9%) and St. Petersburg (5.6%), and in the Moscow region prices rose by less than 1%.

In the secondary segment, the group of regions with growth rates exceeding 10% included the Leningrad region (14.5%), Tatarstan (12.6%), St. Petersburg (12.3%), and the Volgograd region (10.5%). Lower growth, but exceeding the Russian average, was observed in Voronezh and Nizhny Novgorod region (9.6%), Omsk region (8.9%), Rostov region (8.7%), Samara region (8.2%), Perm krai (7.8%), and Bashkortostan (7.6%). On the secondary market, Moscow stands out, where prices fell, though by less than 1%, and the Tyumen region, which showed price stagnation. In the Moscow region and Dagestan, the price growth amounted to less than 1%.

In the vast majority of regions, the primary market outpaced the secondary market in terms of price growth. Only in St. Petersburg, the Leningrad region and Krasnodar krai there was an opposite trend, and in the Moscow region there was equal growth in both segments. This situation differs significantly from 2023, when the groups of regions with different ratios in terms of price dynamics were approximately equal (12 vs. 11).

Absolute values of prices are also an important characteristic of the housing market. Taking into account the importance of large cities and agglomerations, it is advisable to consider them for regional capitals, supplemented with data for the Moscow and Leningrad regions (*Table 13*).

In both market segments, the most expensive housing was in Moscow (over Rb 300,000 per 1 sq. m.) and St. Petersburg (over Rb 200,000 per 1 sq. m.). They were followed in the primary market by the centers of Tatarstan and Primorsky krai, as well as Moscow region, and in the secondary market by the centers of Primorsky krai, Tatarstan and Nizhny Novgorod region. Apart from the capital cities, prices in the primary market exceeded Rb 200,000 per 1 sq. m. only in Tatarstan, and in the secondary market — Rb 150,000 per 1 sq. m. in Tatarstan and Primorye. On the other price pole were in the primary segment — Dagestan, in the secondary segment — Chelyabinsk region (less than Rb 90,000 per 1 sq. m.). In the secondary market — Volgograd region and Stavropol krai, where prices did not exceed Rb 90,000 per 1 sq. m.

In almost all centers of the subjects of the Russian Federation, prices in the primary segment at the end of 2024 were higher than in the secondary market. The highest excess over the prices of new buildings was observed in the Moscow region (by almost 74%) and the Chelyabinsk region (by about one and a half times), the lowest — in the city of Moscow (about 10%) and the Krasnodar krai (14.4%). In most regional capitals, prices in the primary market outpaced prices in the secondary segment by 15–30%. The only exception was Dagestan, where prices in the secondary market (in the center of this constituent entity of the Russian Federation) were 7% ahead of prices in the primary market.

Table 13

**Average prices in the housing market in 2024 by centers of the RF subjects  
(as of the end of the fourth quarter)**

Federal Okrug/ region	Secondary market	Primary market	Price difference between markets
	Rb thousands/ sq. m.	Rb thousands/ sq. m.	
Central FO			
Moscow	320.3	352.7	by 32.4 thousand rubles (10.1%) higher on the primary market
Moscow region	112.9	196.1	by 83.2 thousand rubles (73.7%) higher on the primary market
Voronezh region	90.3	116.85	by 26.55 thousand rubles (29.4%) higher on the primary market
North-Western FO			
Faint Petersburg	221.0	276.3	by 55.3 thousand rubles (25.0%) higher on the primary market
Leningrad region	123.6	149.3	by 25.7 thousand rubles (20.8%) higher on the primary market
Southern FO			
Krasnodar krai	128.8	147.4	by 18.6 thousand rubles (14.4%) higher on the primary market
Volgograd region	86.0	113.3	by 27.3 thousand rubles (31.7%) higher on the primary market
Rostov region	109.5	130.5	by 21.0 thousand rubles (19.2%) higher on the primary market
North-Caucasus FO			
Dagestan	96.0	89.7	by 6.3 thousand rubles (7.0%) higher on the secondary market
Stavropol krai	86.9	120.5	by 33.6 thousand rubles (38.7%) higher on the primary market
Volga FO			
Bashkortostan	117.4	145.3	by 27.9 thousand rubles (23.8%) higher on the primary market
Tatarstan	154.1	213.8	by 59.7 thousand rubles (38.7%) higher on the primary market
Perm krai	113.5	134.5	by 21.0 thousand rubles (18.5%) higher on the primary market
Nizhny-Novgorod region	138.6	174.8	by 36.2 thousand rubles (26.1%) higher on the primary market
Samara region	114.8	138.4	by 23.6 thousand rubles (17.4%) higher on the primary market
Urals FO			
Sverdlovsk region	109.0	149.4	by 40.4 thousand rubles (37.1%) higher on the primary market
Tyumen region*	105.8	136.9	by 31.1 thousand rubles (29.4%) higher on the primary market
Chelyabinsk region	80.6	121.1	by 40.5 thousand rubles (50.2%) higher on the primary market
Siberian FO			
Krasnoyarsk krai	107.3	132.5	by 25.2 thousand rubles (23.5%) higher on the primary market
Novosibirsk region	120.0	155.4	by 35.4 thousand rubles (29.5%) higher on the primary market
Omsk region	102.5	136.5	by 34.0 thousand rubles (33.2%) higher on the primary market
Far Eastern FO			
Primorsk krai	155.8	186.4	by 30.6 thousand rubles (19.6%) higher on the primary market
Khabarovsk krai	115.7	153.2	by 37.5 thousand rubles (32.4%) higher on the primary market

\* less autonomous okrugs.

Source: Rosstat.

To characterize the price level in absolute terms, let us consider the research data on the basis of exclusive information collected by the Committee for Analysis of the Russian Guild of Realtors (RGR), based on the survey of certified analysts and heads of real estate agencies, members of RGR (*Table 14*).<sup>1</sup>

*Table 14*

**Prices on apartment buildings in Russian cities in late 2024**

City	Secondary market		Primary market		Change in prices between markets, %
	thousand Rb/m <sup>2</sup>	year-on-year increase, %	thousand Rb/m <sup>2</sup> *	year-on-year increase, %	
Moscow	296.36	1.3	397.0	3.8	by 34% higher on the primary market
Voronezh	102.1	12.7	106.6	11.9	by 4.5% higher on the primary market
Astrakhan	...	...	155.8	34.4	
Kirov	97.7	4.0	125.0**	...	by 27.9% higher on the primary market
Perm	105.7	7.1	150.1/152.2*	18.0/16.5*	by 42.4/44% higher on the primary market
Ekaterinburg	124.0	8.0	157.0/159.2*	12.0/12.7*	by 26.6/28.4% higher on the primary market
Tyumen	125.2	7.0	142.2/146.5*	12.5/15.9*	by 13.6/17% higher on the primary market
Chelyabinsk	...	...	143.7	5.4	
Novosibirsk	123.7	10.0	160.9	12.8	by 30% higher on the primary market
Omsk	109.9	9.0	145.1	33.4	by 32% higher on the primary market
Vladivostok	182.8	22.8	188.4	50.2	by 3.1% higher on the primary market
Khabarovsk	125.7	0.5	160.0	4.2	by 27.3% higher on the primary market

\* data from various sources.

\*\* mass segment (standard class).

Sources: RGR. Analytical note. Q4 2024: "Dynamics of indicators of the multifamily housing market in the cities of the Russian Federation". 12.02.2025, p. 14–30. URL: <https://rgr.ru/>, own calculations.

In all presented in *Table 14* cities at the end of last year prices in the primary segment remained higher than in the secondary market. The most noticeable price difference for new buildings was observed in Perm (by more than 40%). Next came Moscow, Omsk, Novosibirsk (30–34%), followed by Yekaterinburg, Kirov, Khaba-

1. RGR. Analytical note. Q4 2024: "Dynamics of indicators of the multifamily housing market in the cities of the Russian Federation". 12.02.2025, URL: <https://rgr.ru/>.



rovsk (27–28%). A small (less than 5%) excess of primary market prices took place in Voronezh and Vladivostok.

In terms of price growth over the year, Vladivostok (50%), Astrakhan and Omsk (33–34%) were the leaders in the primary market. In the secondary segment only in two cities prices increased by more than 10%: Vladivostok (22.8%) and Voronezh (12.7%). It was in them that the price difference in the primary market was minimal, and Voronezh turned out to be the only exception to the general trend of outpacing price growth in it.

In most cities of the sample, the supply in the secondary market decreased by the end of the year given the mortgage rates growth and the lack of preferential programs. This segment is predominantly focused on transactions with clients' own funds, preferably through cash settlement. Credit is used for additional payments in case of counter transactions. In the primary market, the supply grew due to the commissioning of new housing in previous years, when the mechanism of preferential mortgages was in full swing. Developers were striving to complete the previously launched projects.

As for demand, the situation looks ambiguous. Within the large sample of the RGR survey, the group of cities where there was a decrease in activity in the last quarter of 2024 was the most numerous. However, the number of cities where the number of transactions increased or remained at the level of the third quarter was approximately the same, with price stability in the main part of the sample.<sup>1</sup>

The housing market of the capital can provide an appropriate understanding of the processes taking place in the housing market of large cities. In Moscow, the past year was characterized by a decrease in the number of transactions. According to the results of 2024 Rosreestr registered 146,200 transactions in the secondary market against about 175,000 a year earlier. Compared to 2023, the number of transactions decreased by 16.4%. In the primary market, the peak of sales activity was in the second quarter, when 27,071 transactions were registered, while the next quarter saw a sharp decline in sales. Since the beginning of July 2024, when the terms of preferential lending for new buildings were significantly tightened, the number of registered cost sharing construction contracts has expectedly decreased by 44%. In total, by the end of 2024, 87,100 cost sharing construction contracts were registered in Moscow by Rosreestr, while a year earlier there were 115,600 of such agreements. The drop amounted to 24.6%.

#### **4.4.2. Commissioning new housing**

Ita According to preliminary data of Rosstat, 107.8 mn. sq. m. of housing will be commissioned in Russia in 2024, which is 2.4% less than in 2023, when the all-time maximum was reached (*Table 15*).

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1. Considering those where the changes were small (5–10%).

Table 15

**Commissioning of new housing in Russia in 1999–2024**

Year	Mn m <sup>2</sup> of total area	Growth rates, %	
		Over the previous year	Over 2000
1999	32.0	104.2	105.6
2000	30.3	94.7	100.0
2001	31.7	104.6	104.6
2002	33.8	106.6	111.5
2003	36.4	107.7	120.1
2004	41.0	112.6	135.3
2005	43.6	106.3	143.9
2006	50.6	116.0	167.0
2007	61.2	120.9	202.0
2008	64.1	104.7	211.5
2009	59.9	93.4	197.7
2010	58.4	97.5	192.7
2011	62.3	106.6	205.6
2012	65.7	104.7	216.8
2013	70.5	107.3	232.7
2014	84.2	119.4	277.9
2015	85.3	101.3	281.5
2016	80.2	94.0	264.7
2017	79.2	98.8	261.4
2018	75.7	95.1	248.5
2019	82.0/81.0*	108.3/107.0*	270.6/267.3*
2020	82.2/77.1*	100.2/95.2*	271.3/254.5*
2021	92.6	112.7	305.6
2022	102.7	111.0	338.9
2023	110.4	107.5	364.3
2024	107.8	97.6	355.8

\* excluding commissioning of houses on private plots, the volume of which is given according to the initial data of Rosstat (2019 — 1.0 mn sq. m, 2020 — 5.1 mn sq. m, for 2021–2024 such data are not available).

Sources: Rosstat, own calculations.

The decline was moderate, being comparable in its depth to the results of 2010 (2.5%), but twice as large as in 2017 (1.2%). However, at that time it was a question of the completion (continuation) of downward trends in the development cycles of the industry, which, due to its inertia, followed the economy

as a whole with a certain time lag, reacting to the financial and geopolitical shocks of 2008 and 2014.<sup>1</sup>

If we consider the dynamic of housing construction in the regional context, the positive dynamic of commissioning was observed in about half of the territories, including the majority of regions with the total volume of housing commissioning of more than 1 mn sq.m. (*Table 16*).

Table 16

### Dynamics of housing commissioning in Russian regions in 2023 (graded along commissioning rates)

RF subject	Housing commissioning rates, in % to 2023
Republic of Dagestan	179.4
Penza region	112.3
Chechen Republic	111.7
Volgograd region	108.9
Nizhny Novgorod region	108.1
Primorsky krai	108.1
Irkutsk region	107.7
Stavropol krai	105.5
Orenburg region	105.3
Tyumen region (with autonomous okrugs)	104.8
Samara region	103.8
Sverdlovsk region	102.7
Republic of Crimea	101.7
Republic of Bashkortostan	101.0
Udmurt Republic	100.8
Republic of Tatarstan	100.5
Kaliningrad region	100.3
Rostov region	99.6
Leningrad region	97.1
Voronezh region	95.9
Chelyabinsk region	94.9
Saratov region	91.7
Moscow region	91.3
Krasnoyarsk krai	91.3
Perm krai	91.0
Vladimir region	89.7
City of Moscow	89.2
Krasnodar krai	87.5
Novosibirsk region	87.2
City of St. Petersburg	76.6

Source: Rosstat.

1. *Sternik S. G., Malginov G. N., Lavrentiev M. A.* The impact of institutional reform of shared participation in construction in the primary market of multi-apartment housing. Property relations in the Russian Federation, 2020, N 5 (224), p. 26–28.

The maximum increase in housing delivery (more than 79%) was observed in Dagestan, 11–12% — in Penza region and Chechnya, from 5 to 9% — in Volgograd, Nizhny Novgorod, Irkutsk and Orenburg regions, Primorsky and Stavropol krais, in 8 more regions there was a positive dynamics of housing delivery, but less than 5% (*Table 16*).

And the reduction in commissioning occurred in 13 subjects of the Russian Federation, including all traditional leading regions, which caused some changes within this group compared to the previous year. Despite the second consecutive year-on-year decline (by 8.7%), the Moscow region nevertheless retained its leadership in terms of the absolute volume of housing delivery (about 11.4 mn sq. m.). The Krasnodar krai followed with a 12.5% drop (about 6.7 mn sq. m.). The city of Moscow with a decrease in commissioning volumes by about 11% closed the top three (more than 6.5 mn sq. m.). The share of the capital region in the total volume of housing construction in the country amounted to 16.7% (including the Moscow region — 10.6% and Moscow — 6.1%), having decreased by 1.2 p. p. compared to 2023. The top five leading regions also included the Leningrad region (about 4.1 mn sq. m, with a decline of almost 3%) and the Tyumen region (including autonomous districts) (3.9 mn sq. m with a 4.8% increase), which displaced St. Petersburg (about 2.7 mn sq. m).<sup>1</sup> Moreover, the northern capital was among the regions in terms of the depth of decline (23.4%) along with Sevastopol (about 28%)<sup>2</sup>

The total housing input, amounting to about 108 mn sq. m. in 2024, corresponded to the volume of housing construction envisaged in the certificate of the national project (NP) “Housing and Urban Environment” (in the current version) for 2028.<sup>3</sup>

The total data on housing delivery includes both multi-apartment housing built by professional developers and the results of individual housing construction (IHC, i. e. built by private individuals independently on their land plot) (*Table 17*).

In 2024, the share of housing built by the population at its own expense or with the help of borrowed funds reached a maximum (57.8%). According to Rosstat, the area of individual housing construction commissioned in Russia in 2024 amounted to 62.3 mn sq. m., which is 6.1% more than in the previous year. The group of leading regions in terms of the absolute value of housing completed by the population includes Moscow region (7.95 mn sq. m.), Krasnodar krai (3.8 mn sq. m.), Leningrad region (2.7 mn sq. m.), Dagestan and Tatarstan (2.35 mn sq. m. each).

If we consider all the regions with the aggregate volume of housing commissioning over 1 mn sq. m. in more detail, the following picture emerges (*Table 18*).

1. Also, more than 3 mn sq. m. were delivered in Tatarstan, Bashkortostan and the Sverdlovsk region during the year.
2. It is worth noting the increase in the volume of housing delivery in the Kursk and Bryansk regions with its reduction in the Belgorod region, although due to its absolute values (0.6–0.85 mn sq. m.) none of these regions was included in the *Table 16*.
3. URL: <https://minstroyrf.gov.ru/docs/221887/> publication date: February 7, 2024.

Table 17

Structure of housing delivery in the Russian Federation in 2010–2024

Year	Total, Mn sq. m	Apartment block construction		Private housing construction from own and borrowed funds	
		Mn sq. m.	Share in total delivery, %	Mn sq. m.	Share in total delivery, %
2010	58.4	32.9	56.3	25.5	43.7
2011	62.3	35.5	57.0	26.8	43.0
2012	65.7	37.3	56.8	28.4	43.2
2013	70.5	39.8	56.5	30.7	43.5
2014	84.2	48.0	57.0	36.2	43.0
2015	85.3	50.1	58.7	35.2	41.3
2016	80.2	48.4	60.3	31.8	39.7
2017	79.2	46.2	58.3	33.0	41.7
2018	75.7	43.3	57.2	32.4	42.8
2019	82.0	43.5	53.0	38.5	47.0
2020	82.2	42.4	51.6	39.8	48.4
2021	92.6	43.5	47.0	49.1	53.0
2022	102.7	45.5	44.3	57.2	55.7
2023	110.4	51.7	46.8	58.7	53.2
2024	107.8	45.5	42.2	62.3	57.8

Sources: Rosstat, own calculations.

Ita The most numerous was the group of territories where housing construction provided from 60% to 70% of total housing delivery (11 regions). Higher values (from 70% to 90%) were recorded in Chechnya, Dagestan, Crimea, Vladimir, Irkutsk and Orenburg regions, while lower values, but exceeding half (from 50% to 60%) — in Voronezh and Chelyabinsk regions and Krasnodar krai.

Moscow and St. Petersburg were expectedly at the other pole, where the contribution of housing and communal services amounted to 9.9% and 5.7%, respectively.<sup>1</sup> The intermediate position was occupied by the Volgograd region, Primorsky krai, Kaliningrad and Sverdlovsk regions, Krasnoyarsk krai and Penza region, where housing construction accounted for 40% to 50% of commissioning volumes, as well as Novosibirsk and Tyumen regions, where the contribution of housing construction amounted to 35% to 40%.

Construction of multi-apartment housing (MPH) looked much less optimistic against this background. Its share, which has been steadily declining since 2016,

1. For comparison: in one more city of federal significance, Sevastopol, the share of housing commissioned by the population amounted to 72.8% (with a cumulative volume of commissioning of about 0.35 mn sq. m.).

amounted to 42.2%, decreasing by more than 4.5 p.p. compared to 2023. MPH delivery fell by 12% to 2022 levels, outperforming 2018–2021. However, the double-digit decline was the deepest since 2010 (the previous anti-record for 2018 was 6.3%). More than half (55.3%) of the volume of housing commissioned (excluding housing

*Table 18*

**Share of housing commissioning by the population in Russian regions  
with a total volume of housing commissioning over 1 mn sq. m in 2024**

RF subject	%
Chechen Republic*	86.4
Republic of Dagestan*	81.0
Vladimir region	79.8
Irkutsk region*	74.8
Republic of Crimea	73.4
Orenburg region	71.2
Moscow region*	69.7
Republic of Bashkortostan*	69.7
Republic of Tatarstan*	68.1
Perm krai*	66.8
Samara region*	66.7
Leningrad region*	66.4
Stavropol krai*	64.0
Nizhny Novgorod region*	62.7
Saratov region	62.4
Rostov region*	61.7
Udmurt Republic	61.4
Voronezh region*	60.0
Chelyabinsk region*	58.4
Krasnodar krai*	56.9
Volgograd region	50.0
Primorsky krai	49.4
Kaliningrad region	49.3
Sverdlovsk region*	48.4
Krasnoyarsk krai	44.5
Penza region	41.0
Tyumen region (with autonomous okrugs)*	39.4
Novosibirsk region	35.9
City of Moscow	9.9
City of St. Petersburg	5.7

\* Regions where housing commissioning by the population exceeded 1 mln. sq. m.

Sources: Rosstat, own calculations.

built by the population)<sup>1</sup> accounted for 11 regions (with a value of commissioning of at least 1 mn sq. m. in each of them), while the share of the top five (city of Moscow and Moscow region, Krasnodar krai, St. Petersburg, Tyumen region with autonomous okrugs) accounted for 37.6% of the total volume of multi-apartment housing commissioned.<sup>2</sup>

#### **4.4.3. Housing construction: state and challenges**

So far, the prospects of the housing construction sector look relatively favorable. Despite the increase in the key interest rate and the resulting growth in lending costs, the mechanism of development using project financing tools was able to ensure an increase in construction volumes.

According to the data of the Unified Information System of Housing Construction (UISHC), the total area of housing under construction, taking into account all financing mechanisms, as of December 2024 amounted to 114.7 mn sq. m., which was about 8% more than a year earlier (106.1 mn sq. m.). Most of it (111.9 mn sq. m.) accounted for housing built in accordance with the Law No. 214-FZ, which implies the conclusion of share participation agreements (SPAs) by individuals. As of the end of 2024, 97.6% of multifamily housing under construction was built using escrow accounts versus 95.9% by the end of 2023.

There were no visible problems with the sale of housing. The share of sold housing in the total volume of housing under construction amounted to 34% against 32% a year earlier. According to the RGR research, the trend of predominance of small apartments in the housing under construction remained, with the share of one-room apartments increasing. The share of large apartments neither by number nor by area is increasing.<sup>3</sup>

The dynamics of housing commissioning, taken for certain time intervals, can serve as a signal of possible issues. In H2 2024, the cumulative volume of housing commissioning was higher than in the first 6 months, when the quarterly volumes of commissioning exceeded the figures for the same periods of 2023. In the third quarter, these values were approximately equal, but in October-December 2024, the commissioning was 13.3% less than in Q4 2023.

The consequences of the end of the “preferential mortgage” program have begun to be felt. In general, the volume of housing mortgage lending (HML) amount-

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1. The official Rosstat reports do not contain such an indicator. However, it can be calculated as the difference between the total volume of housing delivery and housing commissioning by the population at the expense of own and borrowed funds.

2. Also, more than 1 mn sq. m was commissioned in Sverdlovsk, Novosibirsk, Leningrad, Rostov regions, Tatarstan and Bashkortostan over the year.

3. RGR. Analytical note. Q4 2024: “Dynamics of indicators of the multifamily housing market in the cities of the Russian Federation”. 12.02.2025, p. 3–4, 9. URL: <https://rgr.ru/>.

ted to about Rb4.9 trillion over the year. After the peak in 2023, it collapsed by more than 37% at a time, slightly exceeding, however, the level of 2022 (Rb4.8 trillion), when the amount of loans decreased by 15.5% compared to 2021. Nevertheless, the quarterly dynamics look pessimistic (*Table 19*).

*Table 19*

**Amount of housing mortgage loans extended to individuals in 2024**

Period	Amount, Rb bn	% over the same period of 2023
Q1	1051.9	82.6
Q2	1800.0	101.5
Q3	1103.9	45.0
Q4	932.6	40.9
January-December	4888.4	62.8

Sources: Rosstat, own calculations.

The volumes of MHL fell sharply after the excitement of the second quarter, when the factor of the imminent abolition of the standard preferential mortgage for housing in new buildings was in effect. In Q3, with a more than twofold drop compared to the same period of 2023, the volume of MHL still exceeded the figure of Q1 2024 in its absolute value, but in October-December fell below it, amounting to around 41% of the level of Q4 2023.

Against this backdrop, the dynamic of interest rates inspires some optimism for the recovery of the mortgage sector. Having reached its maximum in July (10.19%), the weighted average rate on housing mortgage loans was in a downward trend throughout the second half of the year, with the exception of October. In December, the value of this indicator (8.47%) approached the values of the beginning and spring of 2024 (about 8.4%).

It should be borne in mind that such a relatively low level is largely determined by the continued subsidies from the government under the soft lending programs. According to RGR experts, the share of mortgages on market terms remained relatively low in the second half of the year, amounting to 30–40% from month to month. In fact, after the abolition of preferential mortgages, it is still being replaced by other preferential programs, mainly family mortgages. As early as in 2023, it was ahead of the preferential mortgage, and with its abolition, even with some tightening of the terms of issuance after July 2024, it accounted for more than 45% of the total volume of MHL. Other programs (IT-mortgage, “Far Eastern and Arctic Mortgage”, “Rural Mortgage”) complement it.

Developers are trying to compensate for the failure of market mortgages in various ways, primarily by using the practice of selling a large volume of unsold housing in installments. In the final quarter of 2024, in large cities up to 15%



of transactions with installments for new buildings, and for some developers their share reached 40–60%. The so-called tranche mortgage, which provides for the issuance of mortgages in installments with staggered payment of the price of the cost sharing construction contracts,<sup>1</sup> is a support. However, the termination of cost sharing construction contracts on such deals has already been recorded. Another way is the provision of discounts. There are postponement of house delivery dates, delays in the construction of previously announced projects, sale of part of their land plots, and change of apartment floor plans of projects<sup>2</sup> in favor of increasing the number of rooms by reducing their area (including common areas, interior partitions).<sup>3</sup>

The total debt on housing mortgage loans extended to individuals amounted to Rb 19.2 trillion in early 2025, having increased by about Rb 1.2 trillion over the year. Sberbank accounted for 56.4% of all housing mortgage debt against 55.7% a year earlier. The volume of overdue debt on housing mortgage loans reached Rb 96.4 bn (0.5% of the total debt) and increased 1.6 times over the year. At the same time, the importance of mortgages for lending to the population as a whole has not decreased, but even slightly went up. By the beginning of 2025, its share in the total debt of individuals approached 55% against 54.3% a year earlier.<sup>4</sup>

\* \* \*

In 2024, there was an expected slowdown in the real estate market. The amount of issued residential mortgage loans decreased by more than a third compared to 2023, and the annual growth of the mortgage portfolio was almost 5 times lower. Since the effect of the key rate increase itself was insufficient, it became possible to achieve this only due to the abolition of preferential mortgages.

As could be expected, price growth slowed down in both primary and secondary markets, not only compared to 2023, but to the entire period of the 2020s. We are not talking about any noticeable price reduction yet. The price dynamics in the primary market was almost everywhere ahead of the consumer inflation, although not everywhere it could compensate for it. The analysis of local markets shows that in general the situation in the second half of the year is determined by a downward trend.

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1. Tranche mortgage is a form of housing loan, which implies its splitting into several parts (tranches): before commissioning of housing and after its commissioning. These different mortgages differ in the object of collateral: at the early stage — rights to the future object, after commissioning — completed housing.
  2. Apartment floor plan — share structure of volume-planning solutions used in the construction of the building. It takes into account how many types of apartments there will be in the complex, what floor space and planning. It also takes into account the class of housing, its location and cost.
  3. RGR. Analytical brief. Q4 2024: "Dynamics of indicators of the multifamily housing market in the cities of the Russian Federation". 12.02.2025, p. 6, 9, 15, 19, 20, 22, 25, 29–30. URL: <https://rgr.ru/>.
  4. Socio-economic situation in Russia. January 2025, p. 142, <http://rosstat.gov.ru/>, own calculations.

In the context of a significant increase in the key rate and commercial lending rates, housing construction has so far managed to avoid an obvious failure. The decline was one of the smallest in the 2000s (around 2.5%). Meanwhile, a serious reduction in the volume of commissioning took place in those regions that traditionally had been the leaders with a more significant role of developers. The slowdown in price dynamic in the primary market relative to other territories, as well as its own secondary market, agrees well with this. This was most evident in the North-Western Federal Okrug (at the expense of St. Petersburg and Leningrad region), and to a lesser extent — in the Moscow region and Kuban.

The role of the driver has finally shifted to individual housing construction. The households' demand is increasingly redistributed towards it, as a result of which the share of housing construction in the total volume of housing commissioned amounted to around 58%. In contrast, the reduction in the volume of multi-apartment buildings was very deep (more than 12%), although in the short term, based on the dynamics of the floor space under construction, a shortage of supply is not expected yet. There was a change of the entire portfolio of preferential housing lending programs, the intermediate result of which was the replacement of preferential mortgages with family mortgages.

In the current economic environment, the set of forecast characteristics given for the past year remains largely relevant. Deep stagnation is more likely in the secondary market. Prospects for the primary market largely depend on the level of mortgage interest rates, which are a derivative of macroeconomic dynamic, mainly further changes in the key rate by the Bank of Russia. In case of its reduction, the market mortgage may revive, and the primary segment may be covered by it. At the meantime, it should be considered that the issue of expediency of further cooling of the housing market is in the context of the entire socio-economic policy of the state.