

# PRIME RESIDENTIAL REAL ESTATE MARKET MOSCOW

Q3 2023



**Andrey Solovyev**

Partner, Regional Director  
of City Sale Department  
NF Group

«The increased volatility of the exchange rate always encourages the search for the most liquid ways to preserve and increase capital to offset possible risks. As before, the purchase of prime real estate is considered as one of the most reliable assets. Considering the preservation of a stable supply price, this should be a particularly profitable investment for wealthy buyers with foreign currency savings. In addition, many facilities still have discounts and special conditions for the purchase of units. However, while maintaining high demand indicators, developers may begin to gradually reduce promotional programs or reduce the size of the discount. Therefore, for most buyers, now is the best time to purchase prime real estate both for themselves and as a long-term investment.»

## Key findings

- > The growth of interest in buying prime residential real estate by 127% compared to the same period last year.
- > Reduction of the volume of supply in the primary market to 2,000 units (-5% for the quarter).
- > Maintaining the average weighted supply price at the level of 1,522 thousand rubles/sq m (+0.4% for the quarter and -0.1% for the year).

## PRIMARY MARKET

### Key indicators. Dynamics

Supply	Deluxe	Dynamics*	Premium	Dynamics*
Total supply, pcs.	640	-3%	1,390	-6%
Average weighted price, thousand rub./sq m***	2,179	-3%	1,120	+3%
Average area, sq m	158	0%	118	-1%
Average cost, mln rub.	344	-3%	132	+3%
Demand	Deluxe	Dynamics**	Premium	Dynamics**
Number of transactions, pcs.	110	+150%	320	+120%
Average weighted price, thousand rub./sq m	1,749	+8%	917	+8%
Average area, sq m	154	+37%	106	+14%
Average cost, mln rub.	269	+48%	97	+23%

\* Q3 2023 / Q2 2023

\*\* Q3 2023 / Q3 2022

Source: NF Group Research, 2023

### Supply structure by class



Source: NF Group Research, 2023

### Supply structure by property type



Source: NF Group Research, 2023

\*\*\* Hereinafter, the asked prices (supply prices) are given for all indicators; the amount of discount provided may differ

## Supply

According to the results of September 2023, slightly more than 2,000 flats and apartments were exhibited in the prime residential real estate market (-5% for the quarter). A significant recovery in demand in the segment contributed to a decrease in the supply volume. That being said, it is worth noting a 14% annual increase of the indicator, including due to the preservation of a high level of development activity. In particular, over the past three months, the segment has added five new projects and marked the start of open sales in the DUO complex (closed sales began in May 2023).

In the supply structure, the Top-3 in terms of the number of exhibited units has not changed. Presnensky district retained the leading position with a 22% share of flats and apartments. The second is Dorogomilovo district with a 17% share, and Yakimanka district closes the top three with a 12% supply.

### Primary market supply structure. Deluxe

	Up to 100 mln rub.	100–200 mln rub.	200–300 mln rub.	300–400 mln rub.	400–500 mln rub.	Over 500 mln rub.
Up to 100 sq m	12.7%	15.5%	1.7%	0.0%	0.0%	0.0%
100–150 sq m	0.5%	10.8%	8.6%	4.4%	0.9%	0.3%
150–200 sq m	0.0%	2.4%	8.5%	7.5%	2.7%	1.9%
200–250 sq m	0.0%	0.6%	0.3%	1.0%	3.3%	5.3%
Over 250 sq m	0.0%	0.0%	0.2%	0.9%	0.6%	9.4%

Source: NF Group Research, 2023

### Primary market supply structure. Premium

	Up to 50 mln rub.	50–100 mln rub.	100–150 mln rub.	150–200 mln rub.	200–250 mln rub.	Over 250 mln rub.
Up to 50 sq m	8.3%	1.1%	0.0%	0.0%	0.0%	0.0%
50–100 sq m	8.7%	24.1%	2.4%	0.6%	0.0%	0.0%
100–150 sq m	0.0%	9.7%	14.8%	4.3%	1.8%	0.8%
150–200 sq m	0.0%	0.0%	3.8%	5.5%	2.7%	1.3%
Over 200 sq m	0.0%	0.0%	0.0%	1.0%	2.1%	7.0%

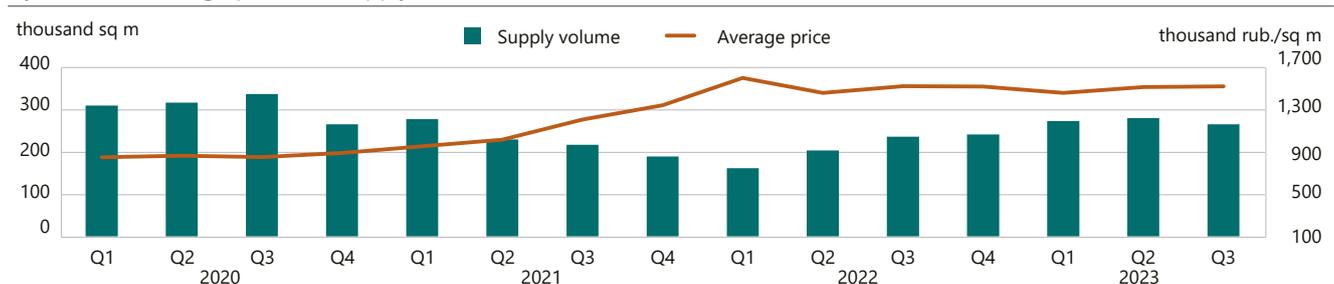
Source: NF Group Research, 2023

### Complexes where sales began in Q3 2023

Name	Address (District)	Class	Developer	Property type	Number of units	Market launch	Finishing
Frank's House	B. Kisely Lane, 11 (Sretenka)	Deluxe	Transstroyinvest	Flats	147	July 2023	Without finishing (optional)
Quartier d'Or	B. Tatarskaya Street, 21 (Zamoskvorechye)	Premium	RARITECO	Apartments	73	July 2023	With finishing
Titul na Trubnoy	Trubnaya Street, 33/1 (Sretenka)	Premium	Center-Invest	Flats	4	August 2023	Without finishing
Dom XXII	Pogodinskaya Street, 22/3 (Plyushchikha)	Deluxe	Donstroy	Flats	109	September 2023	Without finishing
Levenson	Trekhpudny Lane, 9/1 (Patriarshiye Prudy)	Deluxe	Vesper	Flats and Apartments	24	Closed sales	With finishing

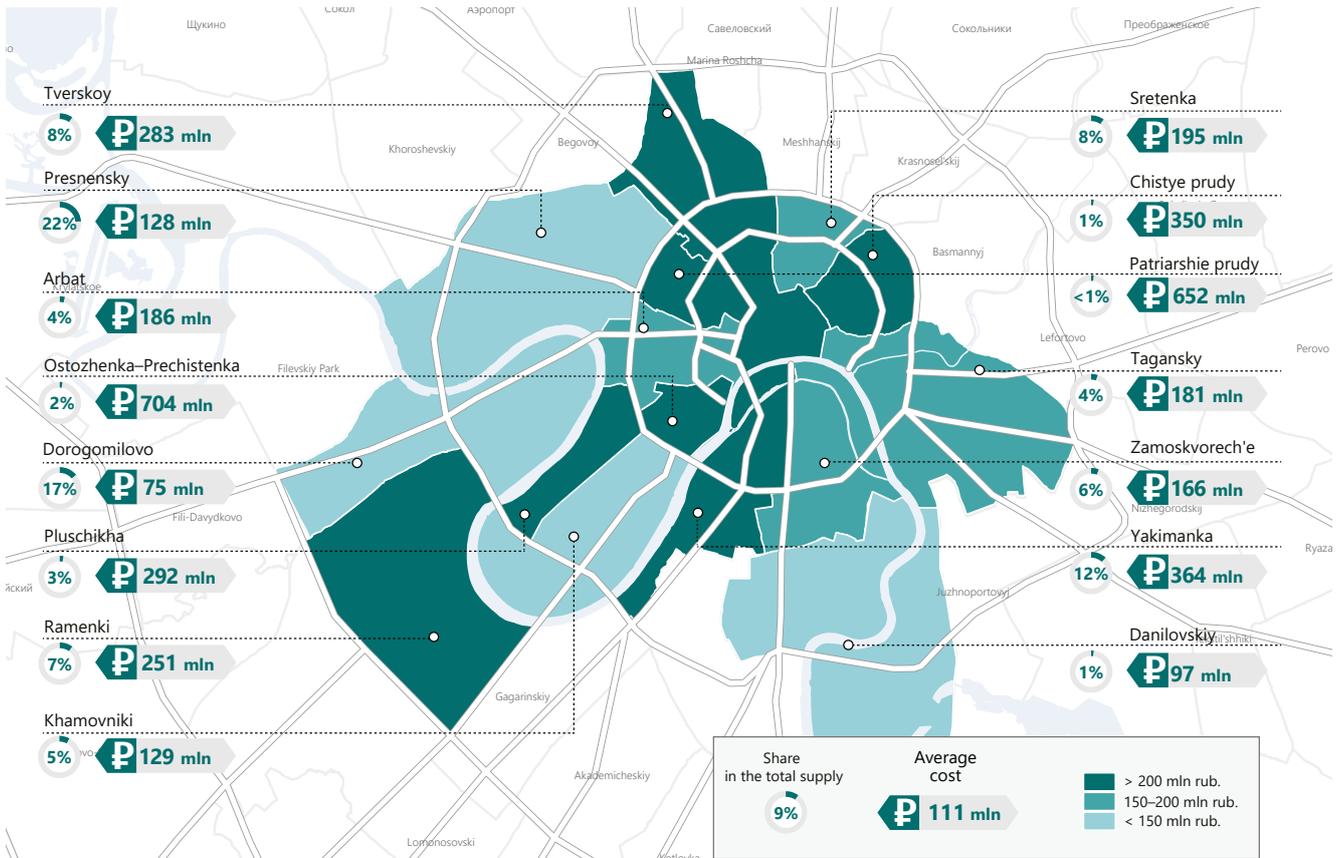
Source: NF Group Research, 2023

### Dynamics of average price and supply volume



Source: NF Group Research, 2023

Share and average cost of supply by district



Source: NF Group Research, 2023

Supply structure by the construction stage. Deluxe



Source: NF Group Research, 2023

Supply structure by the construction stage. Premium



Source: NF Group Research, 2023

## Demand

The dynamics of demand recovery in the segment, which emerged in Q2 2023, continued throughout July – September. During the period under review, there was an increase in interest in prime real estate purchase: according to the results of Q3 2023, the demand volume in the primary market amounted to 430 transactions, which is comparable to the quarterly figures of pre-crisis 2021. At the same time, in the annual dynamics, the number of units sold increased almost 2,3 times (+127% for the year), however, such a significant increase is likely due to the effect of a «low base».

The growth of the exchange rate and the desire to convert savings into square meters contributed to the high activity of buyers in the segment. In addition, interest in new buildings is further fueled by the preservation of discounts and special purchase conditions in a number of facilities, as well as the gradual erosion of quality supply in the secondary market.

### Primary market transactions structure. Deluxe

	Up to 100 mln rub.	100–200 mln rub.	200–300 mln rub.	300–400 mln rub.	400–500 mln rub.	Over 500 mln rub.
Up to 100 sq m	24.5%	10.9%	0.0%	0.0%	0.0%	0.0%
100–150 sq m	0.0%	8.2%	6.4%	1.8%	0.0%	0.0%
150–200 sq m	0.0%	6.4%	11.8%	7.3%	0.0%	0.9%
200–250 sq m	0.0%	0.9%	0.0%	3.6%	3.7%	1.8%
Over 250 sq m	0.0%	0.0%	1.8%	0.0%	1.8%	8.2%

Source: NF Group Research, 2023

### Primary market transactions structure. Premium

	Up to 50 mln rub.	50–100 mln rub.	100–150 mln rub.	150–200 mln rub.	200–250 mln rub.	Over 250 mln rub.
Up to 50 sq m	10.2%	0.0%	0.0%	0.0%	0.0%	0.0%
50–100 sq m	16.4%	23.5%	1.5%	0.0%	0.0%	0.0%
100–150 sq m	0.0%	12.4%	15.2%	2.8%	1.6%	0.0%
150–200 sq m	0.0%	0.6%	2.8%	4.6%	2.8%	0.3%
Over 200 sq m	0.0%	0.0%	0.0%	1.9%	1.2%	2.2%

Source: NF Group Research, 2023



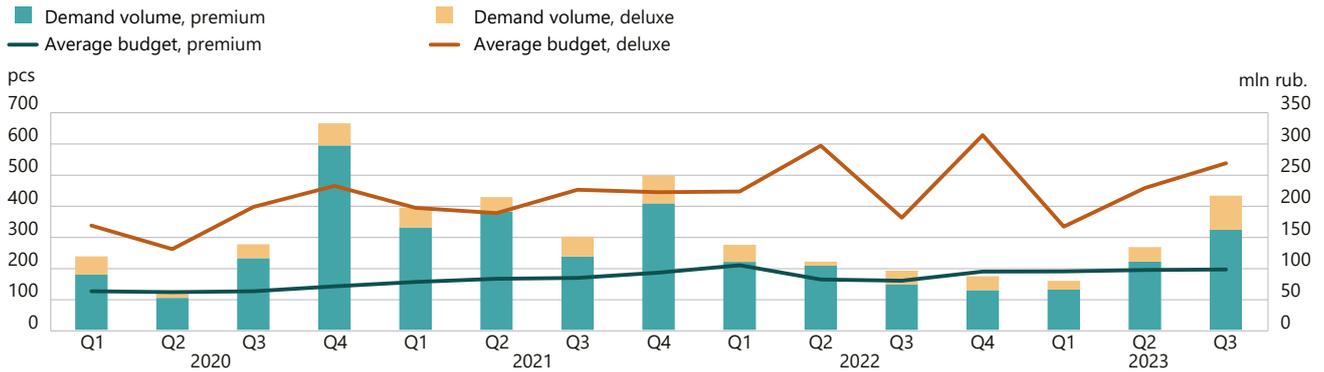
Savinskaya 27

In the short term, the current sales rates of the most successful projects are likely to continue. That being said, the volume of transactions for the three quarters of 2023 is fully comparable with the result of the whole of 2022, which already makes it possible to predict the successful completion of 2023.

In the demand structure in the context of districts, the first and second places are still reserved by Dorogomilovo and Khamovniki with an almost equal share of transactions: 23% and 21% of sold units, respectively. According to the results of Q3, the Presnensky district ranks third with a share of 17% having shifted the

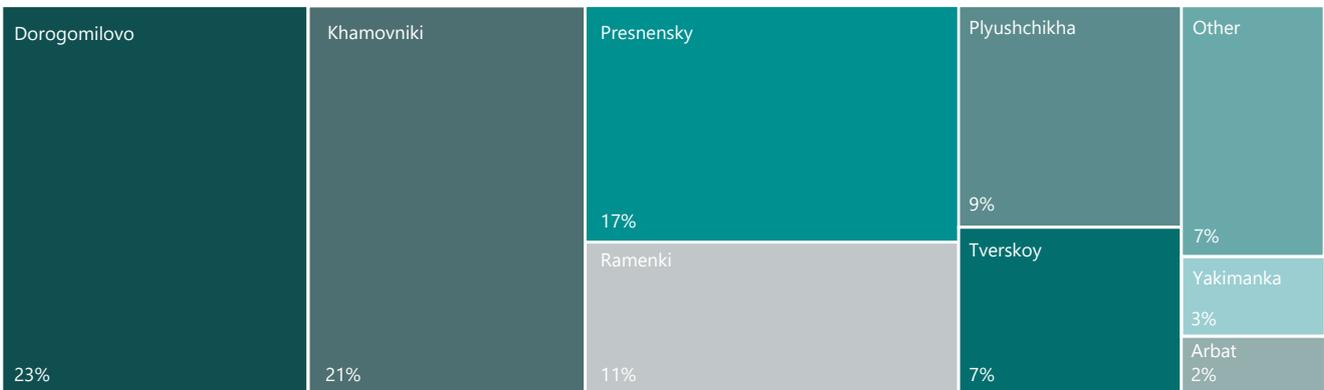
Ramenki district from this position, which is now on the 4th line of the rating with a share of 11%. The Plyushchikha district closes the Top 5 with a 9% share of sold flats and apartments.

Dynamics of the number and average value of transactions by segments



Source: NF Group Research, 2023

Share of transactions by district



Source: NF Group Research, 2023

Leading projects



Luzhniki Collection



River Park Towers Kutuzovsky



LIFE TIME

Source: NF Group Research, 2023

# Prices

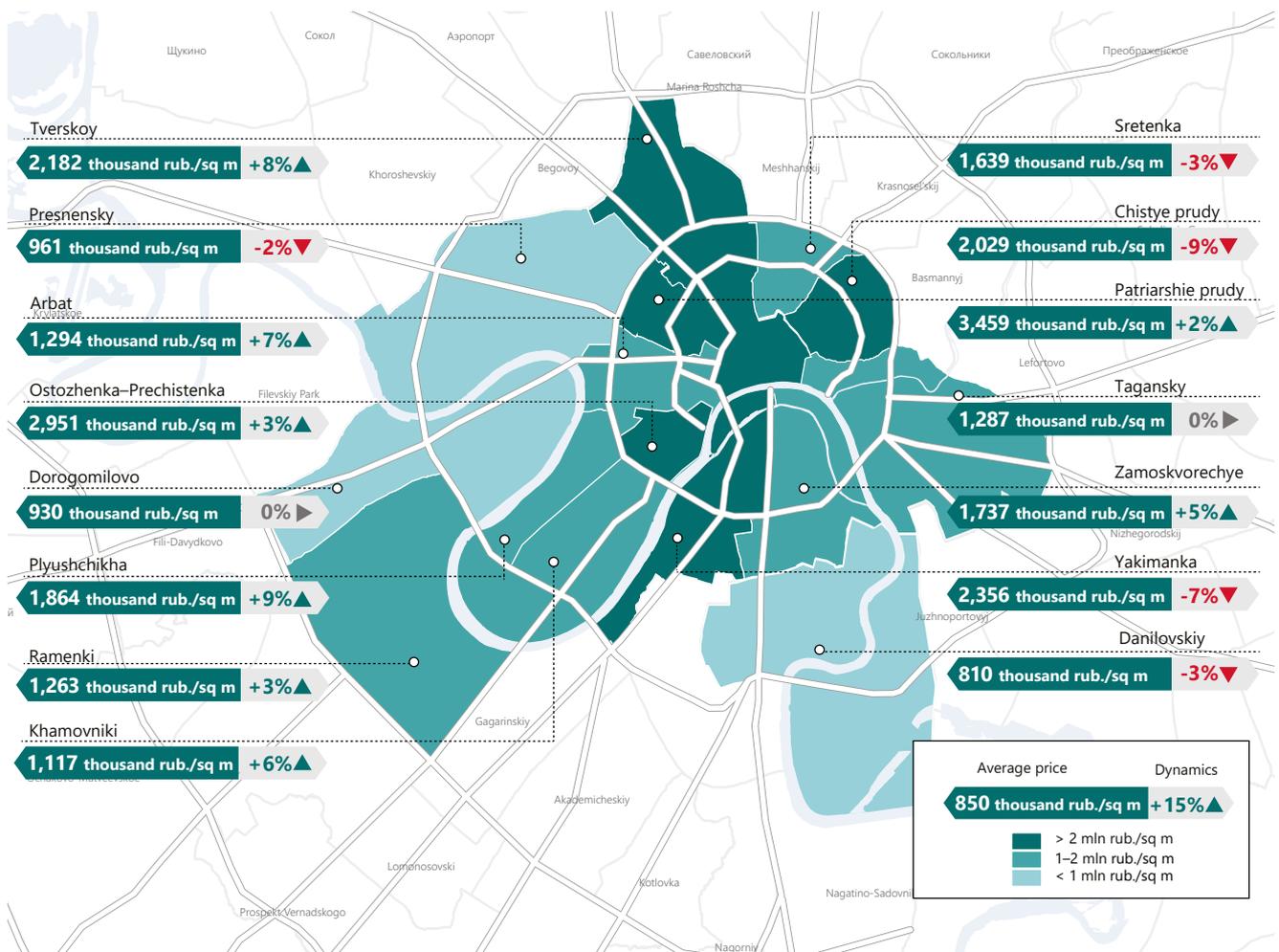
Following the results of Q3 2023, the average weighted supply price in prime new buildings amounted to 1,522 thousand rubles/sq m, remaining almost at the same level as compared to the previous quarter (+0.4% for 3 months) and in annual dynamics (-0.1% for the year). In general, the indicator has remained relatively stable for more than a year, showing slight fluctuations due to structural changes in the market. The

average weighted supply price amounted to 2,179 thousand rubles/sq m in the deluxe class (-3% for the quarter and +4% for the year), and 1,120 thousand rubles/sq m in the prime class (+3% for the quarter and +2% for the year).

The quarterly change in the average weighted supply price in the context of districts was multidirectional and ranged from -9% to 9%. The most expensive locations of the capital are still the

Patriarshiye Prudy and Ostozhenka-Prechistenka, where the price per square meter at the end of September amounted to almost 3.5 and 3.0 mln rubles, respectively. The most budget supply prices, below 1 mln rubles/ sq m, can be found in the Danilovsky district (810 thousand rubles/sq m), in Dorogomilovo (930 thousand rubles/sq m) and Presnensky district (961 thousand rubles/sq m).

## Dynamics of average price by districts



Source: NF Group Research, 2023

Dynamics of average price and supply volume by segments



Source: NF Group Research, 2023



Luzhniki Collection

# SECONDARY MARKET\*

## Supply

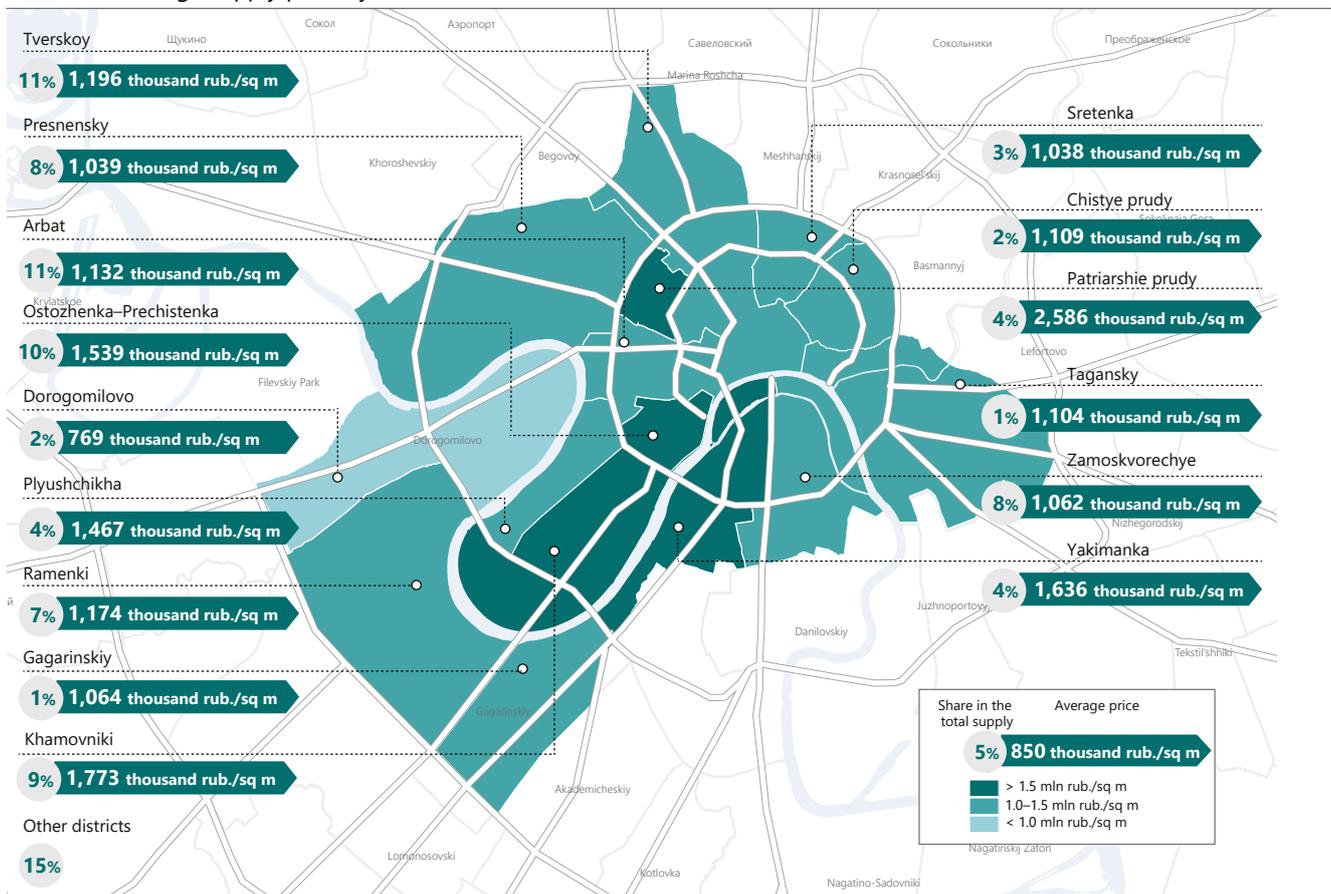
In Q3 2023, there was a decrease in the volume of supply in the secondary market (-9% for the quarter). Nevertheless, the number of elite flats and apartments on display is still quite high and by the end of September 2023 is 11% higher than the same period last year. In general, new facilities were actively appearing in the segment during 2022-2023 against

the background of the departure of some owners and continued activity of potential buyers – ready-made flats in significant locations of the city in accordance with the current trends in the prime residential real estate market were in particular demand.

The structure of secondary supply in the context of districts has not undergone

significant changes. As in H1 2023, Tverskoy district and Arbat district retain the leading positions, each having an 11% share of all flats and apartments by the end of September. Ostozhenka – Prechistenka location ranks second with a share of 10%. With a slight lag, the Khamovniki district closes the top three leaders with a 9% share of the secondary market units.

Share and average supply price by district



Source: NF Group Research, 2023

Dynamics of the weighted average price in the secondary market



Source: NF Group Research, 2023

\* In the secondary market segment, the new stock (buildings built after 2000) and the old stock (buildings built before 2000) are considered together.

Following the results of Q3 2023, the average supply area is 219 sq m, showing a quarterly and annual increase of 4%. As before, the main part of the flats and apartments on display is concentrated in the ranges from 100 to 150 sq m (24%) and from 150 to 200 sq m (22%). In turn, the average supply budget has increased by 11% over the quarter and amounted to 281 mln rubles (+24% in annual terms). The largest share of the current display – 36% of all available flats and apartments – is within the budget from 50 to 150 mln rubles. The share of the most expensive units at a price of more than 350 mln rubles increased by 4% over the quarter and amounted to 20%.

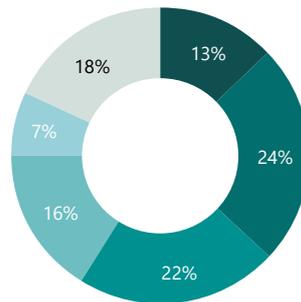
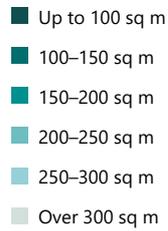
## Prices

Unlike the primary market, where the average weighted supply price remains relatively stable, the indicator in the secondary segment shows confident positive dynamics. According to the results of Q3 2023, the average weighted price per square meter reached 1,283 thousand rubles (+7% for the quarter and +20% for the year). The adjustment of the indicator is also due to the high volatility of the ruble exchange rate against world currencies: the share of units displayed on the market in foreign currency is fixed at 23%. That being said, despite a significant increase in the supply price in the secondary market, the price level here is still lower than in new buildings (following the results of Q3 2023, the difference in segments is 19%).

TOP 3 most expensive districts:

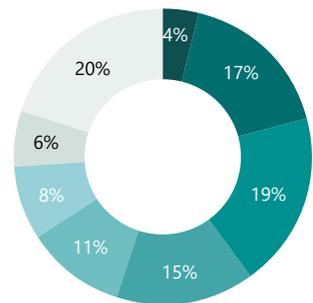
- > The Patriarshiye Prudy district account for the maximum price per square meter – at the level of 2,586 thousand rubles/sq m (+9% for the quarter).
- > The Khamovniki district ranks second with an indicator of 1,773 thousand rubles/sq m (+12% for the quarter).
- > And the Yakimanka district closes the top three, where the average weighted supply price is 1,636 thousand rubles/sq m, which is 8% higher than 3 months ago.

### Supply structure in the secondary market by area



Source: NF Group Research, 2023

### Supply structure in the secondary market by budget



Source: NF Group Research, 2023



## Demand

Due to the more attractive pricing in the secondary market, there is an increased demand for high-quality ready-made facilities in prestigious locations, which for many buyers have become a profitable alternative to real estate in new buildings. As in the primary market, for some customers,

the significant volatility of the exchange rate has become a driver for buying. Thus, according to the results of Q3 2023, the total number of requests for the purchase of prime housing in the segment increased by 32% over the year, while the quarterly dynamics amounted to +8%.

In July – September 2023, the average unit area in the demand structure was 142 sq m, which is 10% lower than the same period last year. In the matter of buying real estate, interest is still increasingly shifting towards small but functional units. Flats and apartments with an area of 100 - 150 sq m account for the main part of the requests of buyers of secondary real estate: their share amounted to 32% (+1% for the year). Further, the most compact units – up to 100 sq m – account for a significant part of the total demand with a share of 29% (+9% for the year).

Following the increase in the supply price, the average purchase budget increased by 7% over the year and amounted to 118 mln rubles. At the same time, the demand structure for the most demanded budgets has not undergone significant changes. The largest share of requests is still fixed in budgets from 50 to 100 mln rubles (38%) and from 100 to 150 mln rubles (24%).

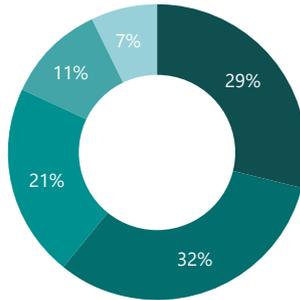
## Rental Market

Following the results of Q3 2023, the total number of requests in the high-budget rental market (starting at 150,000 rubles/month) is 9% lower than the same period last year. But to a greater extent, dynamics is due to the lack of seasonality characteristic of the market in 2022 under the influence of external factors. At the same time, the total number of requests for 9 months turned out to be almost comparable to the level of last year (+3% in annual dynamics). In turn, the volume of actual transactions shows a slight negative trend (-4% compared to the period January – September 2022).

Despite the decrease in the number of requests in annual terms, in general, the current indicators maintain the level of activity in the segment set at the beginning of the year, including an increase in the number of requests with the beginning of the business and academic seasons. However, it is worth noting that, considering the gradual erosion of the quality supply, many customers preferred to close the need for rent in advance due to the risk of a shortage of suitable options.

Structure by requested average area

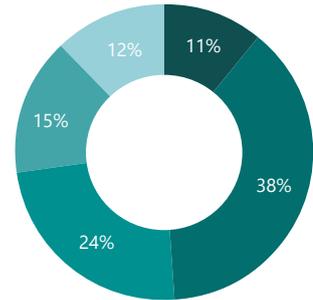
- Up to 100 sq m
- 100–150 sq m
- 150–200 sq m
- 200–250 sq m
- Over 250 sq m



Source: NF Group Research, 2023

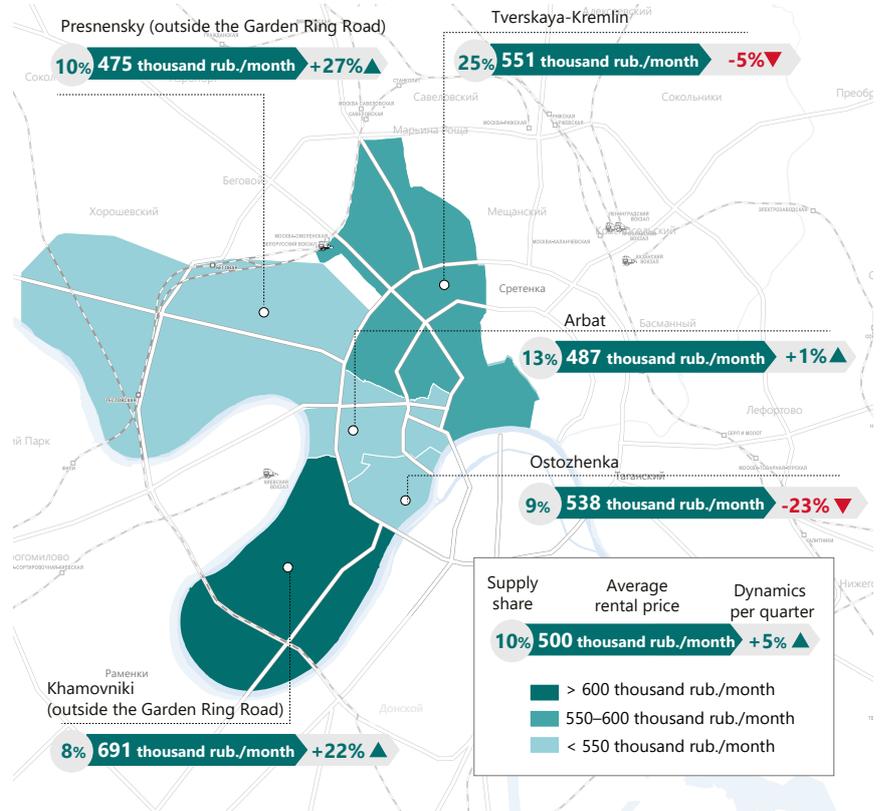
Structure by requested average budget

- Up to 50 mln rub.
- 50–100 mln rub.
- 100–150 mln rub.
- 150–200 mln rub.
- Over 200 mln rub.



Source: NF Group Research, 2023

Supply share and dynamics of average price by districts



Source: NF Group Research, 2023

Further, tenants are ready to «go over their budgets» with the obvious advantages of the selected facility. Both the average budget of rented units and the average asking rate for the third quarter increased by 8% and 11%, respectively, over the year.

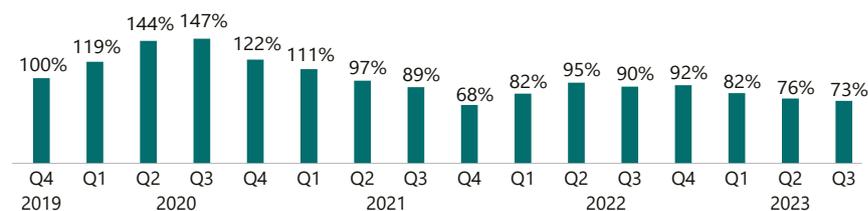
In comparison with the nine months of 2022, the structure of the distribution of requests for the average budget has changed a lot: since the beginning of 2023, there has been an increased demand for quality supply, which is why many customers were willing to rent at higher rates. In this regard, according to the results of January – September 2023, the share of requests increased noticeably in the range of 200,000-400,000 rubles/month (+14% over the year). The most budget-friendly units (with a price less than 200,000 rubles/month) are still of interest: now they account for 24% of all requests. The share of requests in the highest budgets (starting at 500,000 rubles/month) decreased by 6% over the year.

During the first nine months of 2023, a growing interest in more compact units was recorded in the structure of the distribution of requests by area. Thus, the maximum share was formed by requests with an area of 60 to 120 sq m, which accounted for 47% of all requests (+17% over the year). Also, despite a significant reduction in the share (-11% over the year), a significant share of requests fell on the range from 120 to 180 sq m – 37% of all requests. The number of requests for larger units (starting at 180 sq m) decreased by 5% over the year.

The high activity of tenants during H1 2023 led to the washing out of part of the high-quality supply in the high-budget rental market. The negative but not so significant dynamics was also noted at the end of September. Thus, the number of available flats and apartments for rent decreased by another 4% compared to the last quarter. In annual terms, the volume of supply decreased by 19%.

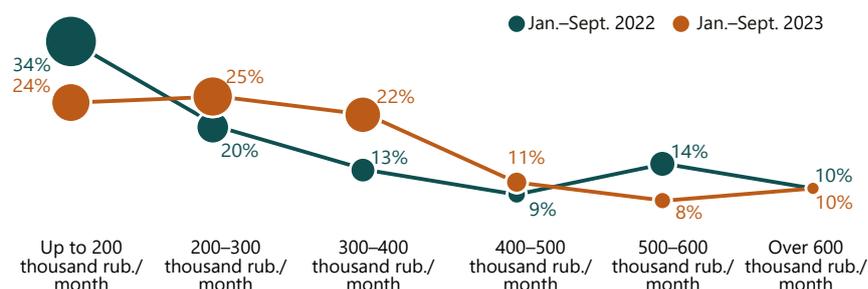
In the context of districts, the structure of leaders in the concentration of free rental supply has not undergone significant changes. As before, the Tverskaya –

### The supply index in the high-budget rental market\*



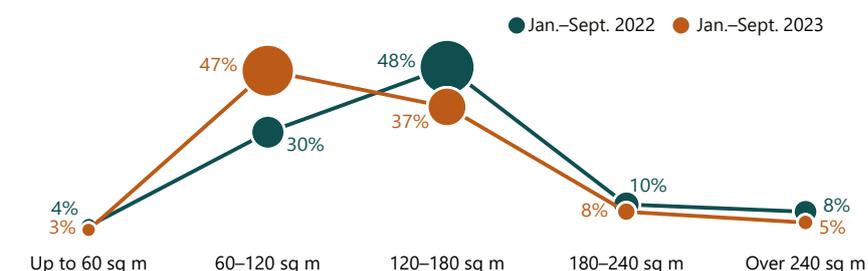
\*100% – Q4 2019  
Source: NF Group Research, 2023

### The most requested rates in the high-budget rental market



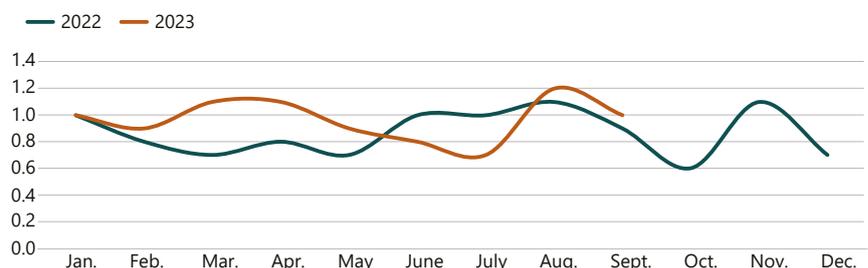
Source: NF Group Research, 2023

### The most requested areas in the high-budget rental market



Source: NF Group Research, 2023

### The index of tenant activity in the high-budget rental market\*



\*1 - January of each year  
Source: NF Group Research, 2023

Kremlin location account for the largest number of units on display, with, according to the results of Q3 2023, a quarter of the total supply (25%). Arbat retains the second place – over the past

three months its share has increased to 13%. Presnensky district location outside the Garden Ring closes the TOP 3 with a 10% share of the total number of all available units.

## The classification\* of Moscow prime residential real estate

Comparison criteria	Deluxe	Premium
<b>Mandatory, limiting criteria</b>		
<b>Location</b>	Within Central Administrative District	Preferably within the Third Ring Road, Western Administrative District (Dorogomilovo, Ramenki)
<b>Construction</b>	Frameless homes from ceramic bricks and solid-cast homes with reinforced-concrete frame structures	
<b>Number of units per level</b>	Up to 4	Up to 6 (rarely up to 8)
<b>Ceiling height</b>	> 3.2 m	> 3.0 m
<b>Average unit area within project</b>	> 110 sq. m	> 90 sq. m
<b>Parking parameters</b>	Indoor, ground-level / underground, heated parking, preferably with a car wash. Available access for the residents: flat – elevator – parking. 1.5-2.0 car spaces per unit.	Indoor, ground-level / underground, heated parking. Available access for the residents: flat – elevator – parking. 1.0-1.5 car spaces per unit.
<b>Lobby and public areas finishing</b>	High-quality finishing with detailed elaboration	
	Materials: noble woods, genuine marble, travertine, porcelain stoneware, stained-glass glazing, metal panels	Materials: wood, porcelain stoneware, stained-glass glazing, metal panels
<b>Security</b>	Cutting edge safety systems. Access control and management system. Fire safety system, 24/7 dispatch for all utilities, emergency information and response to system failures and accidents	
<b>Engineering support</b>	Modern engineering systems with air purification, maintaining the set temperature. Additional levels of water and air treatment. Complex multi-stage filtration system. Autonomous heating (boiler room). Elevators from the world's leading manufacturers, high-speed, individual finishing in accordance with the author's design project of the entire complex	
<b>Windows</b>	Modern profiles of the upper price niche with double-glazed windows made of energy-saving glasses, a high level of sound insulation. Increased glazing area (taking into account the climatic zone)	
<b>Optional criteria</b>		
<b>Architecture</b>	Individual author's architecture design	
<b>Space-planning decisions</b>	. The facade of the property has been thoroughly thought through taking into consideration the specifics of the terrain and surrounding landscape. Designed by a renowned architect / architecture bureau on the part of facades and floor planning.	
	European format – guest and private zones. Guest zones – hall, guest WC, kitchen, and living room close to entrance	
	En-suite bathrooms, guest WC	
<b>Final finishing of units</b>	None or exclusive finishing (according to a custom design, with exclusive finishing materials)	None or high-quality finishing (according to a custom design)

\* The overview includes a short version of the Moscow prime real estate classification. You can request your copy of the full document by filling out a form at [kf.expert](http://kf.expert).

## CITY SALE DEPARTMENT

NF Group is the only company offering a full range of consulting and brokerage services on the residential real estate market. Since 1996 in Russia, we have been helping clients find their home and make profitable investments.

### City Sale Department:

- The largest database of objects and clients, formed since 1996
- A close-knit team of professional brokers with at least 5 years of experience in the industry
- Unique accumulated experience in marketing promotion
- Technologically advanced business processes
- Electronic report forms for owners

No. 1

selling residential real estate in  
the world

### STRUCTURE

- sales department
- rental department
- department for working with owners

### PRIORITIES

- market knowledge
- professionalism
- trust and security of the client, confidentiality

### SERVICES

- Selection of real estate that fully meets the client's requirements
- Representation of the client's interests by purchasing real estate, advising on all transaction issues, including legal and tax aspects and registration of the property
- Independent consultation on the valuation of high-end residential real estate
- Consulting on investment in high-end residential real estate
- Special conditions for NF Group clients on mortgage and Bank lending
- Individual consultations from leading design and architectural bureaus
- Full range of consulting services for developers: from best-use analysis to brokerage

### CONTACTS



**Andrey Solovyev**  
Partner, Regional Director  
of City Sale Department,  
+7 (903) 130-8113  
[Asolo@nfgroup.ru](mailto:Asolo@nfgroup.ru)



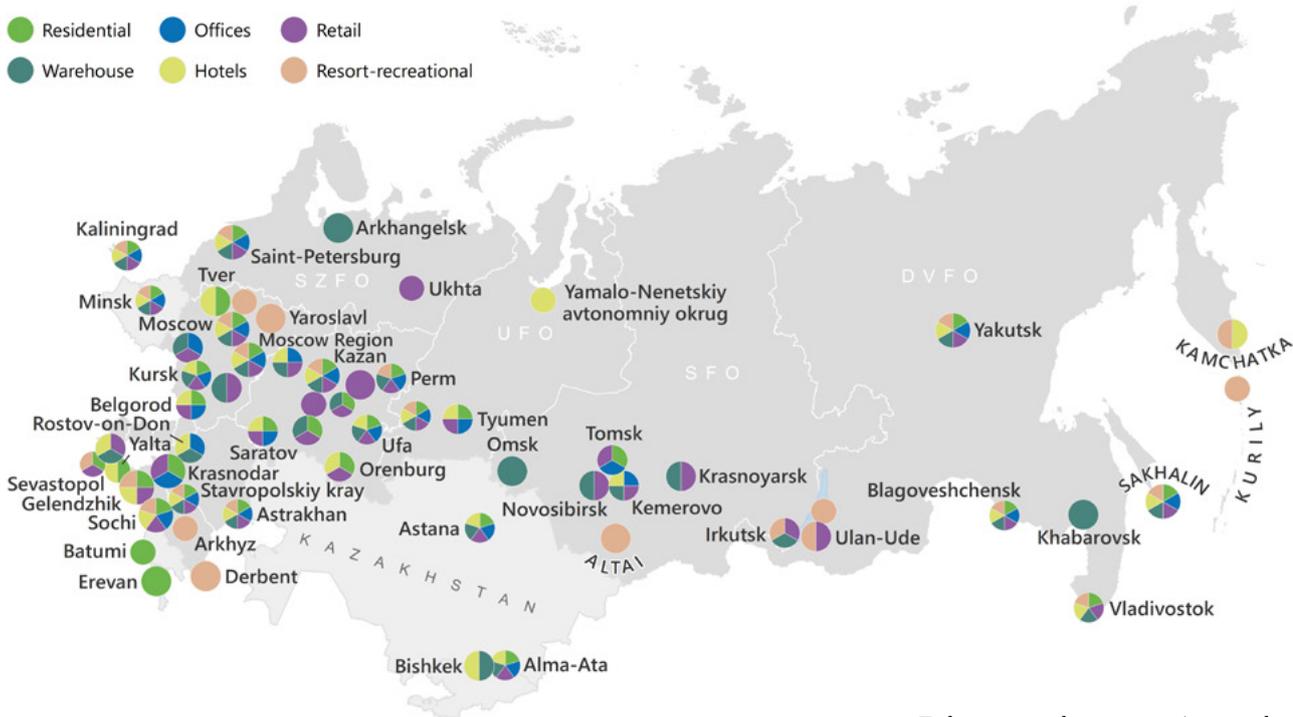
**Olga Bogoroditskaya**  
Director,  
Key Client Management  
+7 (985) 773-2173  
[Obogoroditskaya@nfgroup.ru](mailto:Obogoroditskaya@nfgroup.ru)

# CONSULTING & RESEARCH DEPARTMENT

NF Group has the local expertise and global experience.

## WE WORK IN ALL REGIONS AND ALL SEGMENTS

- Residential
- Offices
- Retail
- Warehouse
- Hotels
- Resort-recreational



Other reports in Research [section on the website](#)

To learn more about our services or ask questions please contact us

+7 (495) 023-08-12

[Nf@nfgroup.ru](mailto:Nf@nfgroup.ru)

Or make request on our [website](#).

### SERVICES

#### CONSULTING

- ♦ Best use
- ♦ Project's concept development /reconception
- ♦ Audit and optimization of Project
- ♦ Marketing opinion / Market research
- ♦ Project's business plan
- ♦ Analysis of the project's economic feasibility / Financial analysis
- ♦ Architectural concept development
- ♦ Hotels / SPA / public spaces operator search
- ♦ Survey of potential tenants

#### REAL ESTATE VALUATION

- ♦ Commercial and Residential real estate
- ♦ Federal and International valuations standards
- ♦ Valuation for managerial decisions
- ♦ Valuation for loan financing
- ♦ Valuation for purchase and sale
- ♦ Valuation for financial statements

#### CONSULTING & RESEARCH

**Olga Shirokova**

Partner, Regional director

[OS@nfgroup.ru](mailto:OS@nfgroup.ru)

#### REAL ESTATE VALUATION

**Olga Reshetnyakova**

Director

[OR@nfgroup.ru](mailto:OR@nfgroup.ru)





Savvinskaya 27  
27, Savvinskaya emb., Moscow



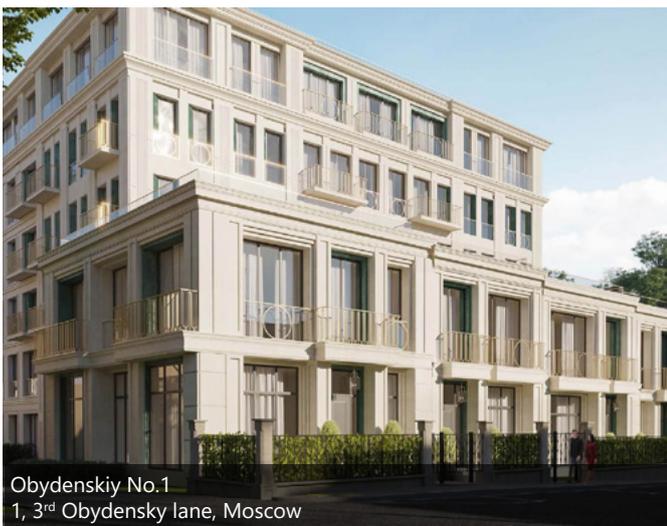
Luzhniki Collection  
2/4, Luzhnetskaya emb., Moscow



LUCE  
4, Krestovozdvizhensky lane, Moscow



Frank's House  
11, B. Kiselny lane, Moscow



Obydenskiy No.1  
1, 3<sup>rd</sup> Obydensky lane, Moscow



Kamerger  
4, Kamergersky lane, Moscow



© NF Group 2023 – This overview is published for general information only. Although high standards have been used in the preparation of the information, analysis, view and projections presented in this report, no legal responsibility can be accepted by NF Group Research or NF Group for any loss or damage resultant from the contents of this document. As a general report, this material does not necessarily represent the view of NF Group in relation to particular properties or projects.

Reproduction of this report in whole or in part is allowed with proper reference to NF Group