

Housing Price Trends in the Russian Far East: Rethinking Compact Cities

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Summary

In this paper, we focus on the rise in housing prices in the Russian Far East. There are three reasons for the increase in used housing prices: firstly, serious traffic jams and growth in the non-settled population especially cause demand for used housing to rise. Secondly, the monopolistic structure of the house building market and the ineffectiveness of housing policy give rise to downward rigidity in housing prices. Thirdly, high mortgage interest rates and the heavy burden of mortgage repayments result in new housing being converted to rental properties and demand for used housing increasing. The housing policies required to ensure a settled population are the renovation of used housing stock and the redevelopment of existing urban areas. The new concept of compact cities could be applied to the reorganization of cities and the redevelopment of major urban areas in the Russian Far East.