

July 2009 Consulting and Research Department



MARKET RESEARCH  
OF ELITE CLASS SETTLEMENTS  
*Demo version*

## INTRODUCTION

***In order to study the peculiarities of the countryside elite market and identify the main trends of this segment prior to the crisis and afterwards, the experts of Blackwood Company prepared the Market Research of Elite Class Settlements.***

What does the elite countryside real estate stand for?

The term *elite*, of French origin, means “the best in class”, “select”.

Therefore, elite real estate refers to the best properties in the market.

In this Research, the experts of Blackwood Company try to identify its characteristics and distinctive peculiarities.

As the market changes fast, the ideas of professional players and buyers about high quality elite countryside residential property change too. There have been many attempts to classify countryside residential properties yet, no uniform classification has been elaborated. Every company applies its own classification system. In this Research, we present the *classification elaborated by Blackwood* and the identification of elite class villages has been carried out in compliance with this classification.

The elite residential real estate market began to evolve in the early 1990s after the political situation in the country underwent dramatic changes.

The most active construction of elite settlements began in early 2000. Most of them are located along the Rublevo-Uspenskoe highway which had always been the most developed.

Today, elite cottage settlements in Moscow region are located along six most prestigious highways: Rublevo-Uspenskoe, Novorizhskoe, Dmitrovskoe, Minskoe, Kievskoe and Kaluzhskoe.

We should say that the distribution of elite settlements is more stable than that of business and economy class settlements which are subject to frequent changes as new settlements are delivered. Under the impact of the crisis, this trend will only strengthen and the elite real estate market structure will not experience any considerable changes in the next one or two years since delivery of such projects has been postponed due to the unstable economic situation. Elite projects are the most expensive and therefore, more risky from the investment point of view. In this situation, developers don't have funds to implement new similar projects and those of them who survived through the crisis are unlikely to take risks.

***As the countryside real estate market remains unstable and changes fast, it's especially important to identify the main trends and prospects of market development. The Research gives you a possibility to understand the current trends and development prospects of the elite class segment.***

***This research targets both professional market players (developers, analysts, real estate agents, consultants) and potential buyers of countryside residential property who seek to get the whole picture of elite class settlements. This research may also be interesting for the companies contemplating development projects.***

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*Broken down by chapters:*

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### **Information sources:**

- Information collected during field and desk research by Blackwood's experts;
- Information collected as a result of expert interviews (telephone interviews with representatives of developer and real estate companies, expert interviews with market players);
- Blackwood's database;
- Information collected from secondary sources (Internet, press);
- Results of research previously carried out by Blackwood;
- Information collected from official sources.

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6/1, Volkhonka street, Moscow  
Tel: (495) 915-4000, 730-2000  
Fax: (495) 203-6060, 203-4649  
info@blackwood.ru  
www.blackwood.ru