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IMPACT OF HOUSING AFFORDABILITY ON SOCIAL SUSTAINABILITY AND DEMOGRAPHIC DEVELOPMENT IN RUSSIAN REGIONS

IMPACTO DA ACESSIBILIDADE DA HABITAÇÃO NA SUSTENTABILIDADE SOCIAL E NO DESENVOLVIMENTO DEMOGRÁFICO NAS REGIÕES RUSSAS

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Abstract
This study evaluates housing affordability across the regions of the Russian Federation as a key indicator of state housing policy effectiveness and its implications for social sustainability and demographic development. The research focuses on identifying regions with the highest and lowest affordability levels, analyzing the influence of developer markups, and assessing affordability trends in primary and secondary housing markets. A quantitative approach was applied to calculate the Housing Affordability Index (HAI) for a single-person household based on the federal standard of 33 m² living space. The analysis used official data from the Federal State Statistics Service and the Unified Information System of Housing Construction for 2019–2023. In 2023, the average time required for a single individual to purchase a home was 6.5 years in the primary market and 4.5 years in the secondary market, assuming subsistence-level spending. Affordability declined in most regions, with the sharpest decreases in high-demand areas such as Moscow, Sevastopol, and resort regions. Developer markups increased significantly,

Resumo
Este estudo avalia a acessibilidade à habitação nas regiões da Federação Russa como um indicador-chave da eficácia da política habitacional do Estado e suas implicações para a sustentabilidade social e o desenvolvimento demográfico. A pesquisa se concentra em identificar as regiões com os níveis mais altos e mais baixos de acessibilidade, analisando a influência das margens de lucro dos incorporadores e avaliando as tendências de acessibilidade nos mercados imobiliários primário e secundário. Foi aplicada uma abordagem quantitativa para calcular o Índice de Acessibilidade à Habitação (HAI) para um agregado familiar unipessoal com base na norma federal de 33 m² de área habitável. A análise utilizou dados oficiais do Serviço Federal de Estatística e do Sistema Unificado de Informação sobre a Construção de Habitação para 2019-2023. Em 2023, o tempo médio necessário para uma pessoa solteira comprar uma casa era de 6,5 anos no mercado primário e 4,5 anos no mercado secundário, assumindo gastos no nível de subsistência. A acessibilidade

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averaging 49% in 2023 compared to one-third in 2019, with over 47 regions exceeding the 50% threshold. Only a minority of regions showed improved affordability, primarily due to wage growth outpacing housing price increases. Housing affordability in Russia remains low, with significant regional disparities and rising developer markups contributing to limited access, especially for young people. The findings highlight the urgent need for targeted housing policies that address affordability gaps, control excessive markups, and align housing supply with income growth. Improving affordability is essential for enhancing social stability, encouraging family formation, and supporting demographic sustainability.

Keywords: Developers. Housing Construction. Mortgage. New Buildings. Secondary Housing.

diminuiu na maioria das regiões, com as quedas mais acentuadas em áreas de alta demanda, como Moscou, Sebastopol e regiões turísticas. As margens de lucro dos incorporadores aumentaram significativamente, com média de 49% em 2023 em comparação com um terço em 2019, com mais de 47 regiões excedendo o limite de 50%. Apenas uma minoria das regiões apresentou melhoria na acessibilidade, principalmente devido ao crescimento dos salários superar os aumentos dos preços das moradias. A acessibilidade à moradia na Rússia continua baixa, com disparidades regionais significativas e margens de lucro crescentes dos incorporadores contribuindo para o acesso limitado, especialmente para os jovens. As conclusões destacam a necessidade urgente de políticas habitacionais direcionadas que abordem as disparidades de acessibilidade, controlem as margens de lucro excessivas e alinhem a oferta de habitação com o crescimento dos rendimentos. Melhorar a acessibilidade é essencial para aumentar a estabilidade social, incentivar a formação de famílias e apoiar a sustentabilidade demográfica.

Palavras-chave: *Promotores imobiliários. Construção de habitações. Hipotecas. Edifícios novos. Habitação secundária.*

1 INTRODUCTION

The relevance of the study stems from the critical importance of housing as a key social factor influencing social well-being and stability (Lukashenok, Efimova, 2023). In the context of a rapidly changing economic environment, housing affordability becomes especially pressing as it directly affects the population's quality of life, the demographic situation, and the level of social tension in the country. The inability to purchase a home represents a significant barrier for young people when it comes to starting a family and having children, which may negatively impact demographic sustainability in the long term. This highlights the need for regular monitoring and assessment of housing affordability to identify problematic regions and develop measures to enhance the effectiveness of state housing policy. The critical role of housing affordability in fostering community prosperity and socioeconomic development has been recognized in research

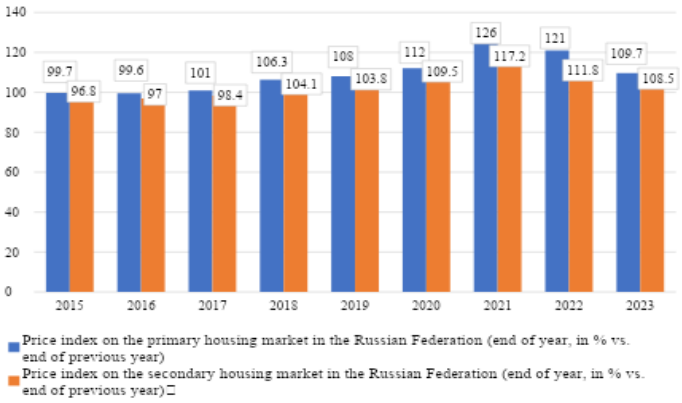
across various national contexts. International experience demonstrates that ensuring access to adequate housing requires comprehensive policy frameworks that facilitate cooperation between governmental and private sector actors in addressing both supply and demand-side constraints (Alhajri, 2022).

Since 2017, prices in the primary housing market have been rising at rates exceeding inflation, with the secondary market following suit since 2018. The fastest growth in real estate prices in Russia occurred in 2021-2022. During this period, prices for newly built housing rose by 26% and 21% in real terms: prices increased by more than 1.5 times over two years (Treshchevsky, Soboleva, 2022). This surge was largely driven by heightened demand due to subsidized mortgage programs. Although price growth in the secondary housing market was slower during this period, it rose by one-third compared to 2020. Similar patterns of mortgage-driven housing market dynamics have been documented in other post-Soviet economies. Research on Uzbekistan's housing sector from 2018 to 2023 found that increasing mortgage affordability by one percentage point resulted in a 1.8% increase in housing demand and a 0.9% rise in primary market prices, while the share of mortgage lending in housing finance expanded from 23.4% to 41.7% (Astanakulov *et al*., 2024).

There is no legally established definition of state policy in the field of housing construction. In a broad sense, this policy encompasses the development of the construction sector, regulation of housing prices, the creation of favorable conditions for banks and developers in the housing market, and the improvement of citizens' quality of life through the development of a comfortable urban environment. Researchers highlight various aspects of the socioeconomic importance of housing construction (Figure 1). International experience demonstrates that the real estate sector plays a critical role in national economies, with China's real estate sector, for instance, accounting for approximately 7.2 percent of GDP in 2020, while also serving as a major source of fiscal revenue for local governments (Mozias, 2022). Moreover, housing policy directly influences living conditions and social stability, as evidenced by substantial improvements in per capita residential space and housing quality that accompanied housing market commercialization in various countries (Huang, 2025).

Figure 1

Price indices on the primary and secondary housing markets in Russia.



While international research provides important comparative context, understanding state housing policy in the Russian context requires examining how domestic scholars conceptualize this policy domain. Russian researchers have approached the definition of state housing policy from various perspectives, emphasizing different aspects of government intervention in the housing market.

Kholodilin (2019) offers the most general definition, describing it as "the entire range of measures undertaken by the state to influence the housing market", including stimulating construction, providing housing subsidies, and placing limits on rental prices. Mokeeva and Nuretdinova (2020) define state policy in housing construction as "the activities of state authorities and local self-government bodies aimed at creating conditions to provide Russian citizens with quality and affordable housing through direct involvement in construction or subsidizing housing purchases, as well as through the development of effective tools, mechanisms, and programs that support citizens in independently resolving their housing needs". They emphasize the social aspect of housing policy, noting that adequate housing provision is a key factor in social well-being and social stability.

Aurkhanova (2018) describes state housing policy as "a set of measures aimed at shaping conditions and organizing efforts that ensure the possibility of freely choosing how to meet individual housing needs for all population groups with varying income

levels" (p. 397). Aurkhanova emphasizes the importance of creating conditions to expand the housing supply to better meet the needs of different socioeconomic groups.

These definitions collectively highlight that state housing policy encompasses both supply-side interventions (construction stimulation, market regulation) and demand-side support (subsidies, affordability mechanisms) (Svetik, 2024). Critically, all three perspectives recognize that housing policy must address the needs of diverse population groups with varying income levels – a principle that is particularly relevant when examining regional disparities in housing affordability.

2 METHODS

2.1 Research approach

The study employed a quantitative approach and focused on calculating the Housing Affordability Index (HAI) across Russian regions for a single-person household. The main objective was to determine the time required for an individual earning the regional average wage, while spending only a subsistence minimum each month on essential payments and basic consumer goods, to save enough to purchase a private apartment.

2.2 Data sources

The calculations were based on the following data:

The average market price per m2 of housing in the primary and secondary markets across Russian regions for the analyzed periods. This information was obtained from official statistics provided by the Federal State Statistics Service and Unified Information System of Housing Construction.

The average monthly nominal accrued wages of employees across all organizations in each federal subject of the Russian Federation.

The subsistence minimum for the working-age population in each region.

2.3 Calculations

The size of the required living space was determined based on the federal standard for the social norm of housing area for single-person households, which is set at 33 m2. Accordingly, the HAI was calculated using the following formula (1):

$$HAI = AMP\ м2 \times 33\ м2Wa - SM \times 12 \quad (1)$$

where:

AMPm2 is the average market price per 1 m2 of housing (in United States dollar, averaged annually) on the primary or secondary housing market in a constituent entity of the Russian Federation;

33 m² is the standard apartment area norm for a single-person household;

Wa is the average monthly nominal accrued wage of employees across all organizations in the economy of the constituent entity, in United States dollars;

SM is the subsistence minimum for the working-age population in the constituent entity.

The calculated HAIs were interpreted as the number of years a single person would need to save to purchase housing in a specific region. Comparisons were made between the indicators for 2019 and 2023 to identify trends and assess changes in housing affordability.

In addition, a developer markup indicator was calculated. This was based on data regarding the construction cost and the market selling price per m2 of housing. The markup was defined as the percentage difference between the selling price and the construction cost. The data were sourced from the Unified Information System of Housing Construction (2024) and the Federal State Statistics Service.

The calculation results were presented and analyzed for all federal subjects of the Russian Federation, except for those where complete data were unavailable.

3 RESULTS

3.1 General trends in housing affordability

Based on the analysis of housing affordability, on average across Russia, a single individual needs 6.5 years to save up for a newly built apartment, assuming they spend only on essential goods and mandatory payments. Compared to 2019, this indicator has increased by 34.6%, when it was possible to save for a home in an average of 4.85 years. The longest saving period is observed in the Republic of Crimea (10.5 years) due to high housing prices in resort regions (1,513 USD/m2), while the average salary in the Republic of Crimea (584 USD) is about one-third lower than the national average (925 USD). The shortest saving time is found in the Nenets Autonomous Okrug, where residents can afford a newly built apartment in just 2.84 years. This is due to the high "northern" salaries (1,474 USD), which are 1.6 times the national average, and relatively moderate housing prices (1,151 USD/ m2) in the primary market, which is 34% below the national average of 1,734 USD.

As for the secondary housing market, a single person in Russia needed an average of 4.5 years to save for a home in 2023. Over the past five years, the HAI for the secondary market increased slightly by 2.25% (from 4.4 years). This is largely due to mortgage rates, which, despite the key rate being 7.5-8.5% in 2023, did not fall below 11-12%. As a result, demand for existing housing remains lower than for new builds.

3.2 Regional variations

In the secondary housing market, the most affordable region is the Yamalo-Nenets Autonomous Okrug, where it takes only 2.8 years for a single person to save enough to buy a home. Similar to the Nenets Autonomous Okrug, this is due to high "northern" wages (1,792 USD), which are 1.5 times the national average (925 USD), paired with relatively moderate housing prices: 1,536 USD/m2, which is 27.7% higher than the national average. The most challenging place to purchase a home on the secondary market is the city of Sevastopol, where it would take 11.5 years to save for a property. As in the Republic of Crimea, wages here are relatively low (588 USD), which is 36.4% below the

national average, while housing prices in cities of federal significance are traditionally high. The average price per m2 on the secondary market in Sevastopol is 1,650 USD, which is 37.1% higher than the national average.

In the Republic of Tatarstan, housing affordability is roughly equal in both the primary and secondary markets. A single individual living on a subsistence minimum would need to save for 7.5 to 7.8 years to purchase a 33-m2 apartment. Over the past five years, housing affordability in the primary market has declined by 16.2%, and in the secondary market by 5%. However, compared to other regions, the decline has been less severe. This is due to the fact that the average wage growth in the Republic of Tatarstan has outpaced the national average: 65.4% in Tatarstan (from 462 to 764 USD) versus 56.4% nationwide (from 592 to 925 USD).

Housing affordability in the primary market increased in only eight regions: the Belgorod Region, the Tula Region, the Novgorod Region, the Kurgan Region, the Kabardino-Balkarian Republic, the Karachay-Cherkess Republic, the Chechen Republic, and the Republic of Ingushetia. The most significant improvement was observed in the Karachay-Cherkess Republic, where affordability increased by 43.8%: from 6.3 to 3.5 years. This was primarily due to a 12.9% drop in the average cost of 1 m2 of housing over five years (from 474 to 414 USD).

In seven regions, affordability in the new housing market declined by less than 10%: the Lipetsk Region, the Pskov Region, the Orenburg Region, the Republic of Mordovia, the Republic of Udmurtia, the Republic of Sakha (Yakutia), and Primorsky Krai. In these regions, wage growth kept pace with the rise in new housing prices.

In 42 regions, housing affordability fell by 10% to 33.3%. In 23 regions, it declined by more than one-third. For the Yamalo-Nenets Autonomous Okrug and the Chukotka Autonomous Okrug, the Murmansk Region and the Magadan Region, and the Republic of Tyva, affordability dynamics could not be calculated due to a lack of data for the analyzed period.

The situation with housing affordability on the secondary market is more favorable: in 16 regions, buying an apartment has become more accessible. These regions include the Belgorod Region, the Voronezh Region, the Kostroma Region, the Oryol Region, the Yaroslavl Region, the Arkhangelsk Region, the Novgorod Region, the Orenburg Region, the Penza Region, the Sverdlovsk Region, the Sakhalin Region; the

Republic of Udmurtia and the Republic of Sakha (Yakutia); as well as the Perm Territory, Primorye, and the Khabarovsk Territory. The most notable improvement was observed in Primorsky Krai, where affordability increased by 17.8%. This was achieved thanks to faster growth in average wages in the region: an increase of 57.8% (from 579 to 914 USD) compared to a 38.5% rise in the average price per m2 on the secondary market over the same period (from 1,209 to 1,675 USD). In 21 regions, housing affordability in the secondary market declined by less than 10%. In 35 regions, the decline ranged from 10% to 33.3%. In 12 regions, it dropped by more than one-third (33.3% or more). For the Chukotka Autonomous Okrug, changes in secondary market housing affordability could not be calculated due to the lack of average price data for 2019-2023. Figures 2 and 3 illustrate the Russian regions with the highest and lowest calculated HAIs.

Figure 2

Russian regions with the highest and lowest HAI coefficients on the primary market in 2023.

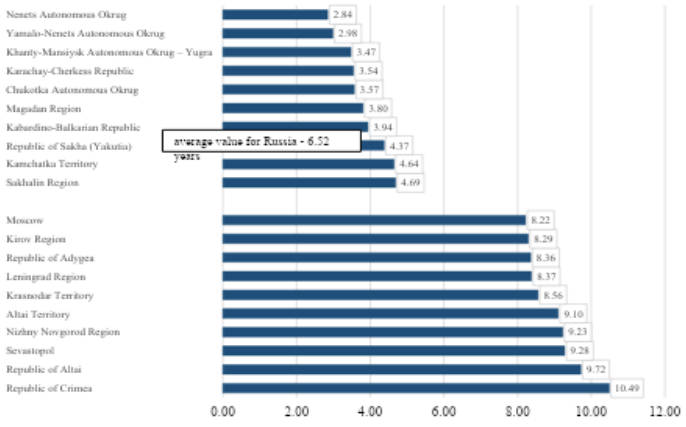
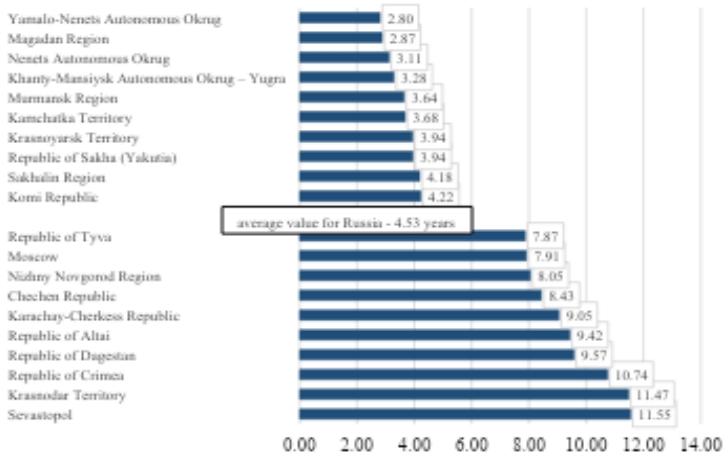


Figure 3

Russian regions with the highest and lowest HAI coefficients on the secondary market in 2023.



Housing affordability varies by a factor of three to four across the constituent entities of the Russian Federation. Housing is most affordable both in the primary and secondary markets in the regions of the Russian Far East and the industrial areas of the North and Western Siberia, where high wage levels enable quicker accumulation of funds for purchasing property. The least affordable housing is found in the federal cities of Moscow and Sevastopol, the Nizhny Novgorod Region, and the Krasnodar Territory, where rapid population growth drives strong demand for real estate. In addition, regions in the North Caucasus and Southern Siberia also exhibit low affordability due to underdeveloped socioeconomic conditions and low wage levels.

The high cost of housing is largely driven by the significant markups set by developers in response to the surge in demand between 2020 and 2023. Let us examine which regions have the highest developer markups. Information on the construction cost per m2 of total area across Russian regions from 2020 onward is aggregated by the Unified Housing Construction Information System (наш.дом.рф) based on project declarations submitted by developers. It is published monthly. The data for 2019 were sourced from the Federal State Statistics Service (2024), which provides annual figures.

The markup is calculated as the difference between the sale price and the construction cost. The calculation was made for all regions of the Russian Federation, except for the Murmansk Region (2019 and 2023), the Nenets Autonomous Okrug, the

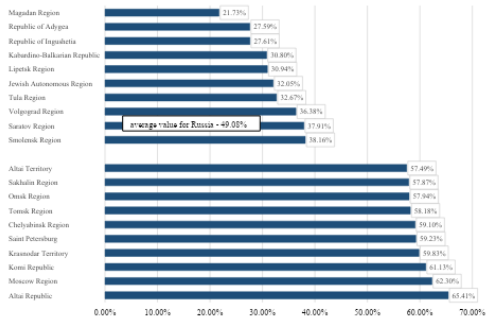
Chukotka Autonomous Okrug, the Jewish Autonomous Region, the city of Sevastopol, the Republic of Tuva, and the Magadan Region (2019), due to the unavailability of average housing price data.

There is no markup on new housing construction only in the Karachay-Cherkess Republic and Chukotka Autonomous Okrug, where construction volumes are low and largely subsidized by the state. In all other regions, as of 2023, the average developer markup stands at 49.08%, meaning that approximately half of the price per m2 represents the developer's profit. In comparison, the average markup in 2019 (prior to the surge in housing demand) accounted for only a third of the housing cost.

In 47 Russian regions, the developer markup in 2023 exceeded 50% of the housing price. In 28 regions, it ranged from 35% to 50%. In only nine regions, it remained below one-third of the housing price. The maximum and minimum values are shown in Figure 4.

Figure 4

Maximum and minimum developer markups as a percentage of average housing price (2023).



In 2019, only two regions of Russia showed a developer markup exceeding 50%: Moscow and Saint Petersburg (67.3% and 56.1%, respectively). This was justified by high migration inflows and sustained demand for housing in these metropolitan areas. In eight other regions, the markup ranged from 35% to 50%, while in 68 regions it was less than one-third of the property price. This indicates that developers significantly increased the profitability of their business by capitalizing on the demand stimulated by subsidized mortgage programs.

The most substantial increases in markup over 2019-2023 were observed in the Kamchatka Territory (86.27%) and the Kabardino-Balkarian Republic (65.84%) (Table 1). In 2019, the markup in these regions was negative. This could be attributed to a time lag in reporting: homes sold in the reporting year may have been constructed earlier at different cost levels. Furthermore, negative markups in five constituent entities may be explained by the effects of government subsidies for housing construction during that period.

Table 1

Developer markup in the constituent entities of the Russian Federation, % of the average price per m2 of housing

Constituent entity of the Russian Federation	**Markup, % of final housing cost (2019)**	**Markup, % of final housing cost (2023)**	**Increase, % (+/-)**	**Constituent entity of the Russian Federation**	**Markup, % of final housing cost (2019)**	**Markup, % of final housing cost (2023)**	**Increase, % (+/-)**
1	2	3	4	5	6	7	8
Nenets Autonomous Okrug	n/a	51.94%	-	Kursk Region	24.81%	53.38%	28.58
Sevastopol	n/a	52.39%	-	Kaliningrad Region	24.74%	53.23%	28.49
Republic of Tyva	n/a	54.45%	-	Penza Region	22.56%	50.85%	28.29
Magadan Region	n/a	21.73%	-	Republic of Karelia	22.22%	50.43%	28.21
Jewish Autonomous Region	n/a	32.05%	-	Novosibirsk Region	27.15%	54.61%	27.47
Chukotka Autonomous Okrug	n/a	-70.48%	-	Pskov Region	12.76%	40.11%	27.35
Kamchatka Territory	-40.73%	45.54%	86.27	Republic of Adygea	0.27%	27.59%	27.32
Kabardino-Balkarian Republic	-35.04%	30.80%	65.84	Novgorod Region	22.19%	49.35%	27.16
Altai Republic	9.72%	65.41%	55.69	Arkhangelsk Region without autonomous districts	26.31%	53.09%	26.77
Krasnodar Territory	4.62%	59.83%	55.21	Sakhalin Region	32.43%	57.87%	25.44
Vladimir Region	8.07%	55.88%	47.81	Udmurt Republic	24.03%	49.44%	25.41
Republic of Kalmykia	-5.46%	41.83%	47.30	Kirov Region	29.94%	55.34%	25.40
Ryazan Region	9.31%	56.49%	47.18	Tyumen Region without autonomous districts	27.42%	52.73%	25.31
Tambov Region	-2.65%	44.29%	46.9	Tver Region	19.39	43.48%	24.08

			4		%		
Republic of North Ossetia – Alania	5.65%	50.21%	44.56	Republic of Mordovia	23.34%	46.67%	23.34
Transbaikal Territory	7.73%	51.66%	43.93	Kaluga Region	30.20%	53.10%	22.89
Komi Republic	17.62%	61.13%	43.52	Belgorod Region	23.82%	46.55%	22.73
Omsk Region	14.72%	57.94%	43.22	Volgograd Region	14.06%	36.38%	22.31
Mari El Republic	11.76%	53.64%	41.89	Sverdlovsk Region	31.26%	53.23%	21.97
Ivanovo Region	10.28%	52.03%	41.75	Perm Territory	24.48%	45.19%	20.70
Vologda Region	11.17%	50.84%	39.67	Republic of Sakha (Yakutia)	22.47%	43.15%	20.68
Rostov Region	14.93%	52.73%	37.80	Yaroslavl Region	29.90%	50.23%	20.34
Chelyabinsk Region	22.29%	59.10%	36.81	Kurgan Region	26.32%	46.62%	20.30
Republic of Khakassia	12.83%	48.67%	35.85	Orenburg Region	29.52%	49.66%	20.14
Krasnoyarsk Region	19.76%	55.55%	35.79	Republic of Crimea	26.07%	45.72%	19.65
Khabarovsk Territory	14.59%	50.01%	35.42	Smolensk Region	18.67%	38.16%	19.49
Khanty-Mansiysk Autonomous Okrug – Yugra	9.13%	43.79%	34.66	Stavropol Territory	28.51%	47.54%	19.03
Kostroma Region	17.86%	51.84%	33.98	Moscow Region	44.29%	62.30%	18.01
Bryansk Region	18.66%	51.54%	32.88	Republic of Bashkortostan	40.30%	55.11%	14.81
Tomsk Region	25.56%	58.18%	32.62	Samara Region	38.83%	53.10%	14.27
Leningrad Region	16.98%	49.51%	32.53	Republic of Dagestan	42.13%	55.13%	13.00
Yamalo-Nenets Autonomous Okrug	6.22%	38.66%	32.44	Chechen Republic	37.82%	50.77%	12.95
Amur Region	22.30%	53.81%	31.51	Astrakhan Region	36.04%	48.43%	12.39
Voronezh Region	23.15%	54.41%	31.26	Lipetsk Region	20.49%	30.94%	10.45
Republic of Buryatia	17.75%	48.56%	30.81	Republic of Tatarstan	31.55%	41.59%	10.04
Irkutsk Region	15.02%	45.77%	30.75	Primorsky Territory	41.82%	48.76%	6.95
Kemerovo Region	20.73%	51.26%	30.53	Saratov Region	32.26%	37.91%	5.65
Oryol Region	16.34%	46.70%	30.36	Saint Petersburg	56,08%	59,23%	3,15
Ulyanovsk Region	22.15%	52.47%	30.32	Tula Region	31.70%	32.67%	0.97
Nizhny Novgorod Region	24.36%	54.65%	30.30	Moscow	67.33%	57.11%	-10.23
Chuvash Republic	25.36%	55.59%	30.2	Karachay-Cherkess	-6.53%	-16.79%	-

			3	Republic			10.27
Altai Territory	28.16%	57.49%	29.33	Republic of Ingushetia	45.29 %	27.61%	-17.68

Only two constituent entities saw a decrease in developers' markup on real estate (excluding the Karachay-Cherkess Republic, where the initial markup was negative): the city of Moscow, where it dropped by 10.2 %, and the Republic of Ingushetia, with a decline of 17.7%.

4 DISCUSSION

The findings of this study reveal significant challenges in housing affordability across Russian regions, with the average resident needing 6.5 years to save for a newly built apartment and 4.5 years for secondary housing – indicators that exceed international benchmarks typically considered "affordable". These results suggest substantial housing cost burdens relative to income, particularly when measured against the widely accepted price-to-income threshold of 3 years (Mazáček, 2024). The observed deterioration in affordability between 2019 and 2023, coupled with developer markups averaging 49% in 2023 compared to approximately one-third in 2019, may indicate that demand-side stimulation through subsidized mortgage programs, rather than supply-side improvements, contributed to rising housing costs for low- and moderate-income households.

Regional disparities in housing affordability appear to be driven by multiple interconnected factors. Income variations between regions likely play a primary role, as evidenced by the contrast between the Republic of Crimea (584 USD average salary) and resource-rich autonomous districts (1,474 USD in Nenets). Market imbalances and supply constraints may amplify these income differences, as housing prices increase more strongly in response to demand in supply-constrained locations (Hilber and Schöni, 2022). Government policy effectiveness seems to vary considerably across regions, with only eight regions showing improved affordability in the primary market, suggesting that implementation of federal housing programs may face region-specific challenges.

The socio-economic consequences of persistently low housing affordability appear substantial. Demographically, extended periods required to save for housing may

contribute to delayed family formation and reduced birth rates among young households (Pilkauskas *et al*., 2023). Economically, high housing costs relative to income may constrain internal labor mobility and reinforce regional imbalances, as workers face barriers to relocating for employment opportunities. The concentration of construction activity in more profitable regions may further intensify spatial inequality. However, effective implementation of housing policy strategies remains challenging in diverse institutional contexts (Odoyi and Riekkinen, 2022), suggesting that addressing affordability requires not only adequate policy design but also sustained implementation capacity across different administrative levels.

5 CONCLUSION

Thus, in 37 Russian regions, the affordability of purchasing housing on the secondary market has either improved or declined by no more than 10%, whereas only 15 regions showed similar trends in the primary housing market. This disparity is largely due to the high markup imposed by developers: in 2019, the developer markup accounted for about one-third of the price of new housing; by 2023, it had risen to nearly half. In most regions, housing affordability for single individuals is decreasing both in the primary and secondary markets. This decline can undoubtedly discourage young people from starting families due to unresolved housing issues. On average, a young person in Russia needs to save for 4.5 to 6.5 years to buy a home, cutting expenses down to necessities. In some regions, this timeframe approaches or exceeds 10 years. Considering that young professionals often earn below the regional average due to lack of work experience, the actual time needed to save for property can be significantly longer. This situation presents serious risks for the country's demographic development. Therefore, ensuring housing affordability (especially for young people) must become a key priority of the national housing and construction policy.

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Authors' Contribution

All authors contributed equally to the development of this article.

Data availability

All datasets relevant to this study's findings are fully available within the article.

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