

PIK Group To Build Affordable Housing Jointly With State

By [The Moscow Times](#)

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PIK Group, one of Russia's largest home-builders, will partner with the government to build nearly 2 million square meters of housing in Perm and Omsk as part of a national priority project to provide affordable housing, Vedomosti reported Monday.

In an early example of the government's public-private partnership (PPP) initiative applied to the construction industry, PIK Group, the Mortgage Lending Agency (AIZhK) and the Federal Agency for Construction and the Housing and Utilities Sector have signed two agreements to build on land belonging to PIK.

Under what PIK's president Pavel Poselenov termed pilot schemes, 976,000 square meters of housing will be constructed in Perm, and about 1 million square meters of residential space in Omsk.

The company will sell half of the housing at 20 to 30 percent below the market price, which is

currently 30,000 rubles (\$910) per square meter on average. The remaining half will be sold at market rates, Poselenov said.

Investment in each of the projects is estimated at 40 billion rubles. It is not yet clear how much of the cost PIK group itself will bear, but the company will carry none of the costs of engineering infrastructure, Poselenov said.

The government's affordable housing program aims to construct 25 million square meters of living space in the next five years and sets a maximum price of 30,000 rubles per square meter on their sale.

A similar agreement was also reached in the Yaroslavl region between AIZhK, Gosstroj and KORTROS, a property development company belonging to Viktor Vekselberg's Renova Group.

KORTROS will build 240,000 square meters of low-rise accommodation in the outskirts of Yaroslavl, selling the space at 30,000 rubles (\$910) or 80 percent of the local market price per square meter.

AIZhK estimates demand for the three projects at 11,277 apartments. Taking an average apartment size of 40 square meters, that is about 450,000 square meters.

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