

Cadastral Value of Moscow Real Estate to Rise 10%

By [The Moscow Times](#)

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Cadastral value of land, which determines its tax rate, will rise next year, with commercial land seeing the greatest increase. **Denis Abramov**

The cadastral value of real estate in Moscow will be raised by an average of 10 percent starting Jan. 1, with the biggest hikes planned for office space and the lowest for recreational zones, the city's property chief said.

The assessment of cadastral value, which is used as the basis for calculating property tax, will depend primarily on the proximity of land to the city center and transportation links, head of City Hall's property department Vladimir Yefimov said, Vedomosti reported.

The changes are primarily driven by a rise in market price of commercial real estate of between 10 percent and 11 percent, Yefimov said last week. However, some industry insiders argued that the rate increases do not match market price fluctuations. The rent and sale prices of office and retail space in Moscow have not significantly changed, said Olesya Dzyuba,

deputy chief of research at real estate investment management company Jones Lang LaSalle.

The city may be looking for ways to boost budget revenues or to create incentives to build specific types of facilities, such as polyclinics, while stemming the growth of others, said real estate analyst Nikolai Bulychyov.

The cadastral value of office space will rise to 45,389 rubles (\$1,385) per square meter from 40,005 rubles per square meter. This 13 percent increase will be the highest among the various types of commercial real estate.

Retail space will be valued at 49,730 rubles per square meter, up from 44,560 rubles. Residential space will have a cadastral value of 58,593 rubles per square meter, compared to the current 53,679 rubles, while the value of recreational zones will rise to about 17,800 rubles per square meter from 12,575 rubles.

At the end of October, amendments to the Tax Code were approved making the cadastral value of real estate the basis for calculating property tax base, rather than inventory book value, which tend to be significantly lower.

City Hall will re-evaluate cadastral values annually, Yefimov said.

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