

YEKATERINBURG AGGLOMERATION: ANALYSIS OF THE CITY-PLANNING AND REAL ESTATE MARKET SITUATION IN THE SEGMENT OF APARTMENT BUILDINGS IN VERKHNYAYA PYSHMA

Anna Loginova⁵³⁸
Stanislav Pridvizhkin⁵³⁹

DOI: <https://doi.org/10.31410/eraz.2018.817>

Abstract: *The article gives a brief description of the city of Verkhnyaya Pyshma, satellite-city of Yekaterinburg, Russia. The demographic situation in this city is analyzed and the dynamics of the population is estimated. The article describes the existing municipal programs of the improvement the urban environment, as well as master plan of the city. The article presents an analysis of the real estate market situation in the segment of apartment buildings. Based on the materials given in the article, conclusions were drawn about the current city-planning and market situation for apartment buildings in Verkhnyaya Pyshma.*

Keywords: *Yekaterinburg agglomeration, demographic situation, real estate market, construction volume, apartment buildings.*

The object of study of the article is the city - Verkhnyaya Pyshma, which applies to the northern part of Yekaterinburg agglomeration.

Agglomeration (from Lat. agglomerare—to incorporate, to accumulate) is a compact location, a grouping of urban settlements united by intensive production, labor, cultural, social and recreation links. [1]

The aim of the article – make an analysis of the current city planning and real estate market situation in Verkhnyaya Pyshma and primarily in the market of multi-apartment buildings.

CHARACTERISTICS OF THE CITY

Verkhnyaya Pyshma, a city-satellite of Yekaterinburg, with a population of 69117 people. Adjoins to the Yekaterinburg from the north (the distance between city-centers is about 14 km). Verkhnyaya Pyshma is located on the eastern slope of the Middle Urals, at the source of the Pyshma River. Vicinity of the regional center, developed transport system provide the evolution of new enterprises and services sector. The leading element in the economy of the urban district is the industry, which is represented by 15 large and medium-sized industrial organizations of various industrial orientations. Verkhnyaya Pyshma is a base city of the Ural Mining and Metallurgical Company. Various municipal programs of Verkhnyaya Pyshma help it to be a rapidly developing, modern city of the Sverdlovsk region.

⁵³⁸ Federal State Autonomous Educational Institution of Higher Professional Education “Ural Federal University named after the first President of Russia B.N. Yeltsin”, Yekaterinburg, Russian Federation

⁵³⁹ Federal State Autonomous Educational Institution of Higher Professional Education “Ural Federal University named after the first President of Russia B.N. Yeltsin”, Yekaterinburg, Russian Federation

For example, on December 26, 2017, the program "Formation of a modern urban environment in the territory of the urban district of Verkhnyaya Pyshma for 2018-2023" was adopted as part of the priority project "Organization a Comfortable Urban Environment". [3] The main goal of this program is to improve the comfort and safety of living conditions and recreation of citizens in the city district. The objectives of this program include improving the level of landscaping of public and private (yard) areas in the city, as well as increasing the involvement of interested citizens and organizations in the implementation of actions to improve the territory of the urban district.

On May 29, 2017, a new master plan for the city of Verkhnyaya Pyshma was adopted. The purposes of the master plan in the region of territorial planning of the development of the city of Verkhnyaya Pyshma are: creating conditions for the growth of the quality of life, the city's economy and its investment attractiveness; reorganization of engineering, transport and social infrastructures; rational nature management, and environmental improvement. Within realization of these purposes, according to the new master plan, by the year 2034 in Verkhnyaya Pyshma there are plans to build more than eighteen new educational institutions, including general education and pre-school, the Tour Theater, the Palace of Technical Creativity, the Palace of Sambo, the Palace of Water Sports, the Department of judges, the Children's Art School, a cycle school and ski-track complex, an agricultural market. [2]

The program of the housing construction provided by the master plan. The projected population of by 2034 is accepted equal 110 thousand people. It is planned to decompact the residential development, as well as to improve the living conditions of citizens, in particular, to increase the average housing provision from 22.1 m² per person to 30 m² per person. New construction will be presented by private residential houses and medium and multi-story sectional residential buildings. The total amount of projected housing for the period till 2034 will be 3300.3 thousand m². New housing construction according to the plan is located on the demolition of the existing old and emergency housing stock and on free from building areas.

Also on September 14, 2017, the decree of the Government of the Sverdlovsk Region on the approval of the multipurpose program "Development of the Urban District of Verkhnyaya Pyshma" for 2017-2022" was formed. The main purposes and objectives of this program are: the development of the urban district infrastructure; modernization of objects of education, health system, physical culture, sports and youth policy; creation of conditions for reformation of housing infrastructure according to the quality standards that provide comfortable living conditions; increase the level of housing provision by increasing the volume of housing construction.

These programs create favorable conditions for the purchase of real estate in a modern city with a developed infrastructure and the availability of workplaces in a vicinity of the regional center.

DYNAMICS OF THE CITY POPULATION

According to the Federal State Statistics Service of the Sverdlovsk Region, Table 1, it is possible to see that the general demographic situation has positive trends.

Table 1. Population of Verkhnyaya Pyshma

	Population (on January, 1)								
Year	2009	2010	2011	2012	2013	2014	2015	2016	2017
Population	58405	59749	59700	60662	62588	64113	65781	67674	69117

Table 1 is compiled on the basis of data published on the website of the Federal Statistics Service of the Sverdlovsk region.

Table 2. Dynamics of the population of Verkhnyaya Pyshma

Population\Year	2009	2010	2011	2012	2013	2014	2015	2016	2017
Actual, man	58405	59749	59700	60662	62588	64113	65781	67674	69117
Plan, man	-	-	-	-	-	-	66298	68483	70668
Implementation of indicators							-517	-809	-1551
Actual increase, man	305	1074	-49	962	1926	1525	1668	1893	1443
Natural increase, man		-	-	254	214	304	299	13	-
Inflow of population, man				2293	3394	3230	3114	3465	-
Outflow of population, man				1250	1398	1584	1845	1771	-
Indicator of migration growth				1043	1996	1646	1269	1694	-

The planned indicators in Table 2 were compiled on the basis of the Master Plan of urban district V. Pyshma for the period 2014-2034, and the actual ones based on data published on the website of the Federal Statistics Service of the Sverdlovsk Region.

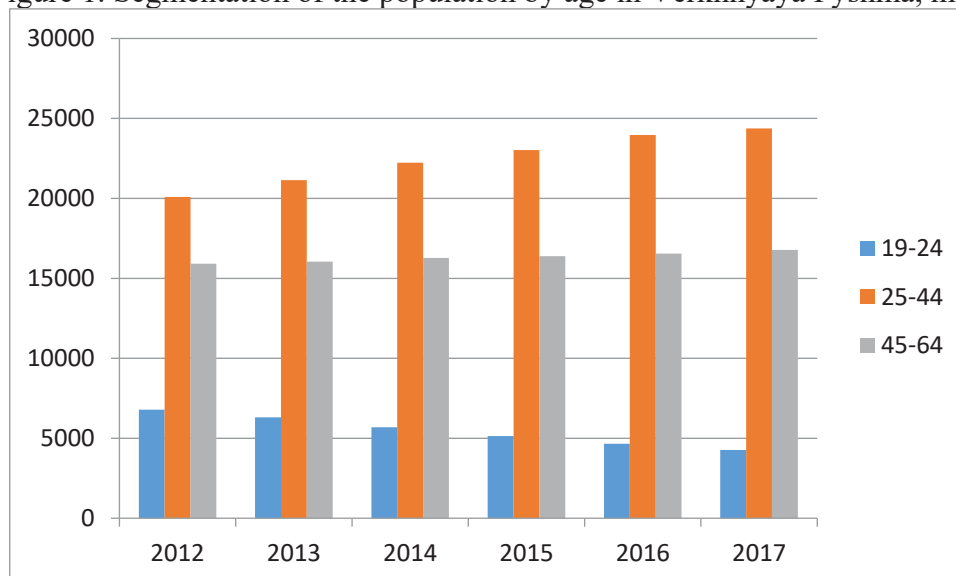
Analyzing the data of Table 2, it is possible to draw a conclusion that, according to the results of 2015-2017, the planned indicators for population growth are not fulfilled, although there is a general positive trend towards an increase. Also, the indicator of natural increase, as well as the indicator of migration growth, has a positive dynamics.

Table 3. Segmentation of the population by age in Verkhnyaya Pyshma.

Age/Year	2012	2013	2014	2015	2016	2017
19-24, man	6785	6313	5687	5136	4657	4269
% of total population (19-24)	11,2%	10,1%	8,9%	7,8%	6,9%	6,2%
25-44, man	20089	21138	22230	23019	23962	24378
% of total population (25-44)	33,1%	33,8%	34,7%	35%	35,4%	35,2%
45-64, man	15913	16044	16279	16385	16549	16781
% of total population (45-64)	26,2%	25,6%	25,4%	24,9%	24,5%	24,3%

Table 3 is compiled on the basis of data published on the website of the Federal Statistics Service of the Sverdlovsk region.

Figure 1. Segmentation of the population by age in Verkhnyaya Pyshma, man.



Based on the dynamics of the population by age, the number of people in the age of 18-24 years is steadily decreasing during the last six years, while the number of people in the age categories 25-44, 45-64 is steadily increasing. Although, if one look at the percentage ratio of the age category 45-64, to the total number of the population of the corresponding year, it is possible to see that the number of people of this age is decreasing. A positive factor for the development of housing construction is the increase the share of citizens aged 25-44, the most active participants in the housing market. Therefore, this shows a qualitative improvement in the demographic situation on account of a positive migration flow. That, allows builders to follow the current trends in the development of large cities: to conduct complex building by multi-stores apartment buildings.

Table 4. Working-age number of people

Year	2012	2013	2014	2015	2016	2017
Man (on January, 1)	38437	38809	39224	39409	39919	39947

Also, Table 4 was formed according to the Federal Statistics Service of Sverdlovsk Region, from the table it can be seen that the number of people of working age is kept approximately at the same level, in relation to previous periods.

From Table 2, it can be seen that the indicator of natural population increase has a positive value, therefore, citizens have the need to improve housing conditions by purchasing for children separate from their parents' flats or purchasing apartments of a larger area.

Loginova Anna Alekseevna
 Master's Degree student of
 the Department of Pricing in
 Construction and Industry,
 Federal State Autonomous
 Educational Institution of
 Higher Professional
 Education "Ural Federal
 University named after the
 first President of Russia B.N. Yeltsin",
 Yekaterinburg, Russian Federation



CONSTRUCTION VOLUME

Table 5. Put into use, thousands of sq.m, in Verkhnyaya Pyshma

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
The volume of apartment housing put into use	37,00	56,89	64,21	73,58	27,69	87,58	98,86	63,89	143,02	94,12	119,16
The volume of private housing put into use	28,07	27,5	25,8	21,98	25,68	32,99	57,8	42,87	70,43	51,9	48,74

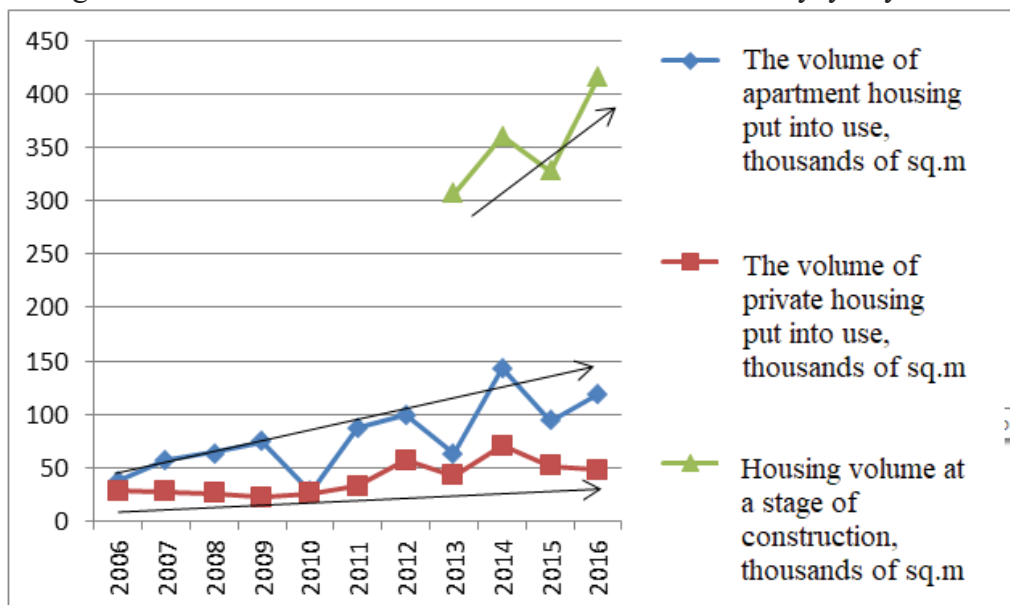
Table 5 is compiled on the basis of data published on the website of the Federal Statistics Service of the Sverdlovsk region.

Table 6. Housing volume at a stage of construction, thousands of sq.m, Verkhnyaya Pyshma

	I half year 2013	II half year 2013	I half year 2014	II half year 2014	I half year 2015	II half year 2015	I half year 2016	II half year 2016	I half year 2017
Housing volume at a stage of construction	134	173	181	179	169	159	170	246	231
Per year	307		360		328		416		-

Table 6 is given according to the data of the chief analyst of the Ural'skaya palata nedvizhimosti (Ural Chamber of Real Estate), Khorkov M.I.

Figure 2. The volume of real estate construction in Verkhnyaya Pyshma.



Drawing the graph (Figure 2), based on the data in Table 5 and Table 6, one can see that the volume of apartments and private housing in the city Verkhnyaya Pyshma is kept at a stable level. Also, one can see that the volume of housing at a stage of construction saves positive dynamics.

Table 7. The average price of 1 sq. m at the secondary housing market in Verkhnyaya Pyshma, rub/ sq.m

Year	2009	2010	2011	2012	2013	2014	2015	2016	2017
Average price per 1 sq.m	40500	40034	44247	52746	58016	60704	60297	55678	53536

Table 7 is given according to the data of the chief analyst of the Ural'skaya palata nedvizhimosti (Ural Chamber of Real Estate), Khorkov M.I.

From 2009 to 2015, the real estate market in Verkhnyaya Pyshma saw an increase in the cost per square meter, in 2014 and 2015 peak levels were achieved, and since 2016 there has been a decrease in the cost per square meter, which leads cost to the price level of 2012. The fall of prices, possibly caused not by the specific situation on the real estate market in Verkhnyaya Pyshma but with the general crisis, that affected not only the construction industry but also many areas of economic activity. Because of crisis the consumer ability of the population decreased slightly, which led builders and sellers, to the decision to correct the prices for realizable real estate objects. The given data can be seen in Table 7. Despite the sharp drop, which amounted to 8.28% of the maximum values, there is a tendency to stabilize the cost per square meter.

The market of Verkhnyaya Pyshma is highly competitive. The proof is the implementation of the construction projects of the multi-apartment buildings by a wide range of developers (more than 5 represent local companies and operate only in the market of Verkhnyaya Pyshma, 3 projects are implemented by small developers working in different municipalities and 3 large Yekaterinburg developers: the Pravoberezhny ASC, the Astra GC and the YIT IC), carrying out various municipal programs that create favorable conditions for the purchase of real estate in a modern city with a developed infrastructure; the developing industry of the city, and, consequently, the workplaces increase; domination of natural and migratory population increase; gradual stabilization of prices level for the real estate. The above factors create a positive dynamic for investment in the construction complex of the selected satellite city of Yekaterinburg.

It is also possible to draw a conclusion, that at positive dynamics of development of an economic situation in the Russian Federation the markets of the satellite cities (in particular the V. Pyshma's market) will synchronously develop with the market of the regional center – (Yekaterinburg). Moreover, with a slowdown of economic growth, the housing markets of satellite cities (for example, in the city V. Pyshma) will have a negative price dynamics, as remote areas of the megalopolis and a weak positive dynamics in increasing the input of new housing.

Stanislav Viktorovich Pridvizhkin

Doctor of Economics, Professor, Federal State Autonomous Educational Institution of Higher Professional Education "Ural Federal University named after the first President of Russia B.N. Yeltsin", Yekaterinburg, Russian Federation.



REFERENCES

1. Azriyan, A. N. (Ed). Bolshoy ekonomicheskiy slovar. 5-e izd. dop. i pererab [Big economic dictionary: 5th revised and corrected edition]. Moscow: Institut novoy ekonomiki Publ., 1280. (P.11)
2. Master plan of the city district of Verkhnyaya Pyshma for the period 2014-2034
3. Programma «Formirovaniye sovremennoy gorodskoy sredy na territorii gorodskogo okruga Verkhnyaya Pyshma na 2018-2023 gody» [The Program "Formation of a modern urban environment in the territory of the urban district of Verkhnyaya Pyshma for 2018-2023"]
4. Postanovleniye Pravitelstva Sverdlovskoy oblasti ob utverzhdenii kompleksnoy programmy «Razvitiye gorodskogo okruga Verkhnyaya Pyshma» na 2017-2022 gody» [The decree of the Government of the Sverdlovsk Region on the approval of the multipurpose program "Development of the Urban District of Verkhnyaya Pyshma" for 2017-2022"]
5. Pridvizhkin S.V. Formirovaniye lokalnykh rynkov zhilya v prostranstve krupneyshikh gorodov. Avtoreferat dissertatsii na soiskaniye uchenoy stepeni doktora ekonomicheskikh nauk [Formation of local housing markets in the space of the largest cities. Abstract of dissertation for the degree of Doctor of Economics] / Yekaterinburg, 2007.
6. Upravleniye federalnoy sluzhby statistiki po sverdlovskoy oblasti [Governance of Federal State Statistics Service of Sverdlovsk region]. Website- <http://sverdl.gks.ru/>
7. Analiticheskiy otdel Uralskoy Palaty Nedvzhimosti [Analytical Department of the Ural Chamber of Real Estate]. Website -<http://upn.ru/>
8. The official website of the government of the Sverdlovsk region -<http://www.midural.ru/>
9. The official website of the administration of the urban district of Verkhnyaya Pyshma - <http://movp.ru/>