

Institutional Changes in the Russian Market of Land and Real Estate

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SUMMARY

The formation of the land and real estate market in a context of institutional changes is the most urgent topic of the study for countries with developing economies, having both theoretical and practical significance. In Russia, due to the difference in the economic purposes of objects of market transactions, until recently, the land market and the real estate market were studied separately (though with consideration of their interconnection and interaction), despite the fact that the worldwide experience has long considered the land market as a segment of the real estate market in general.

It is well known that the development of the land and real estate market depends on a number of factors and institutions of economic and non-economic nature, including legislation, political system, social structure, culture, education and science, national peculiarities, family and society, and many others. A feature of the Russian economy is the choice of a model that would allow making qualitative changes in the institutional environment for a relatively short period of time.

The development of institutional institutions takes place at different levels - macrolevel, meso level, microlevel, and all this should be aimed at optimizing the institutional environment of the national real estate market. However in the regional and local real estate markets a special role is assigned to such institutional actors as organizations that regulate land management and land use, property inventory, create a real estate cadastre, zoning areas and issue lands, register real estate and transactions with it, carry out insurance and taxation of real estate, as well as perform many other functions.

It should be particularly noted that one of the most important conditions at all stages of the life cycle of real estate (from the creation and development of real estate to its liquidation) is the most

favorable institutional support, which is understood by us as the process of creating institutions protecting the interests of owner and minimizing the transaction costs. It is also important at this point that institutional support allows for each subject to obtain up-to-date, reliable and cheap market information. It is difficult to imagine the practical implementation of the effective institutional changes in the real estate market without such opportunities.

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