

July Sees Surge in Cottage Rentals

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Demand for an affordable cottage for rent outside Moscow jumped by almost 50 percent in July from the previous month as Muscovites were trying to escape the scorching heat, according to a recent study.

Cottage rentals normally decline in the summer months because people tend to rent countryside retreats for the hot season in March and April. But this July saw a threefold year-on-year increase in demand for country houses, MIEL-Arenda said in a study.

Suffering from sustained exposure to Russia's worst heat wave in half a century, tenants started showing explosive activity in the middle of July, the study said. People were looking for cottages at least 30 kilometers away from Moscow.

“We link the July surge in demand exclusively to the weather conditions,” the company said in an e-mailed comment.

Most people were after houses in the price range of \$1,000 to \$3,000 per month, while

demand for more expensive cottages sank, the study said.

The jump in demand was largely driven by an increasing number of inquiries for short-term leases of two weeks to two months.

The demand exceeded supply by 7.5 percent, pushing prices up 23 percent, the study said.

Prices for cottages varied from 10,000 rubles to as much as 750,000 rubles (\$330 to \$24,600) per month as of Aug. 1, depending on the region and distance from Moscow, according to MIEL-Arenda.

Muscovites' growing affluence was more responsible for the surging demand than the weather, said Alexander Rykov, marketing director of the suburban real estate department at Penny Lane Realty. City residents feel more financially secure as the economic crisis abates, he said.

The majority of tenants are Russian families, with foreigners accounting for just a tiny part of clients, said Vladimir Yakhontov, managing partner at MIEL's department for suburban real estate.

Foreigners usually prefer to rent a house in cottage communities, which allow them to live in a suburb and enjoy better environmental conditions than in the city, he said.

While most pay for the rentals themselves, some are managers at foreign companies that rent cottages for their staff or people who want to evaluate the conditions of living in a cottage before buying one, Yakhontov said.

Things seem to have gotten back to normal in August, as tenants' activity is on the decrease compared with July, analysts at both companies said. In addition, heavy acrid smoke from peat bog fires around Moscow killed much of the desire to spend time close to them, Rykov said.

"The smog lowered renters' desire to look for a home in the Moscow region, where the smog was ... rather thick," he said.

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