

Housing Still the 'Dream' and Frequently Out of Reach

By [The Moscow Times](#)

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Old and new residential buildings in Moscow. **Sergei Porter**

Affordable housing remains a dream for most Russian families, whose average monthly income is not enough for a mortgage to buy even a half of a two-bedroom apartment, according to research conducted by Finexpertiza consulting firm.

A survey by the Public Opinion Foundation, showed that a two-bedroom apartment is the "Russian dream," with 19 percent of citizens expressing their desire to improve their living conditions by purchasing such a property.

Based on the state statistics service's pricing for the third quarter of 2013, a 50-meter two bedroom apartment costs about 8 million rubles (\$244,000) in Moscow, 4 million rubles in St. Petersburg, 2.9 million rubles in Arkhangelsk and 3.6 million rubles on Sakhalin island in the North Pacific.

With a 15 percent deposit, a homebuyer would need to earn over 109,000 rubles (\$3,313) per month in Moscow, St. Petersburg and Sakhalin, or 88,000 rubles in Arkhangelsk, in order to service a 15-percent interest home loan over a 15-year term, without spending more than 40 percent of monthly income on repayments.

The state statistics service's data, however, indicate that the average monthly wages in these regions are much lower — 48,025 rubles in Moscow, 31,234 rubles in St. Petersburg, 37,460 rubles in Sakhalin and 23,949 rubles in Arkhangelsk.

Igor Zhigunov, deputy chairman from the City Mortgage Bank said that while the Finexpertiza research paints a good picture of home-loan affordability in Russia, quite often, buyers save up in order to make a larger down payment and borrow less, Vedomosti reported.

"It is important to note," Zhigunov said, "that the most purchase deals are connected to improving living conditions, and therefore the "old" property is used for the deposit."

Otherwise, Zhigunov added, most Russian's wouldn't even have enough money to service interest-free loans.

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