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More Russians Saving to Buy Apartments as Ruble Slide Continues

By The Moscow Times

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More Russians want to save money for real estate.

The number of Russians wanting to save for real estate rose by 8 percent to 33 percent in the fourth quarter of last year, a poll found.

The poll, published last week by the state-run Russian Public Opinion Research Center (VTsIOM), asked respondents: "What are you currently saving for, or what would you save for if you could?" The answers highlight the breakneck ruble devaluation's effect on Russians over the past year.

Savers have rushed to put their cash into tangible assets while sanctions, recession fears and falls in the price of oil, Russia's main export, have halved the ruble's value against the U.S. dollar.

Devaluation accelerated toward the year's end, with the ruble plunging one-quarter to the

dollar between in the three months before the poll was conducted on Dec. 6. Since then, it has fallen a further 17 percent.

Besides saving for the purchase of a house or apartment, the most popular answers included saving for incidental expenses (22 percent) and saving for a rainy day (22 percent).

November and December saw a boom in retail and property sales in Russia as people raced to lock their cash into devaluation-proof items. A Central Bank decision to hike interests rates to 17 percent to defend the currency also drove demand for real estate, as buyers rushed to get mortgages before loan rates were raised.

"After the Central Bank's decision to hike the key rate, people have been literally queuing to buy property," Maria Litinetskaya, the head of real estate firm Metrium Group, told the Moscow Times in December.

The VTsIOM poll was conducted between Dec. 6 and 7 among 1,600 people in 132 towns across 46 Russian regions. The margin of error did not exceed 3.5 percent.

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