The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Russians Stop Buying Finnish Cottages as Ruble's Value Falls

By The Moscow Times

February 02, 2015



Russians have practically stopped buying second homes in Finland as the sharp devaluation of the ruble against the euro erodes their buying power, Finnish news broadcaster Yle Uutiset reported on Monday, citing Finnish real estate agencies.

The ruble has fallen 40 percent against the euro since last summer, hammered by Western sanctions over Moscow's role in the Ukraine crisis and the fall in the price of oil, Russia's top export.

Some Russians have even begun selling their cottages in Finland as the pressure of rising inflation back home eats away at their real wages.

"We've already noticed a trend among Russians, that they are no longer buyers, but sellers," Yle Uutiset quoted realtor Ari Punnonen as saying.

Finland has some of the closest ties with Russia among European Union countries and stands to lose heavily from sanctions and the recession looming over Russia's economy. Finland, home to retailer Stockmann and communications company Nokia, counts on Russia for about 10 percent of its export sales. Russians tourists, meanwhile, spend nearly 2 billion euros ($2.27 billion) annually in Finland, according to news agency Reuters.

Original url:
https://www.themoscowtimes.com/2015/02/02/russians-stop-buying-finnish-cottages-as-rubles-value-falls-a43473