

# Ruble Fall Spurred Russian Mortgage Lending Up 33 Percent in 2014

By [The Moscow Times](#)

February 12, 2015



A pedestrian walks past the Central Bank headquarters in Moscow.

The value of mortgage loans issued in Russia rose by 33 percent in 2014, according to Central Bank data, as a collapse in the value of the ruble spurred Russians to use their savings to buy real estate.

Russians had taken out 3.5 trillion rubles (\$53.7 billion) of mortgages by the end of 2015 compared to 2.6 trillion rubles (\$39.7 billion) a year earlier, Central Bank figures show.

The rapid depreciation of the Russian currency stoked demand for mortgages in 2014 as property became a safe haven for rubles, alongside foreign currency and durable goods like cars and electronics. The ruble fell over 40 percent to the U.S. dollar in 2014.

Russians have traditionally been wary of large housing loans, but mortgages have steadily grown in popularity since becoming available following the fall of the Soviet Union. About one

third of all real estate deals currently involve mortgages, according to the Agency for Housing Mortgage Lending.

The boom in mortgage lending comes despite the Central Bank hiking interest rates six times last year amid rising inflation, including an emergency 6.5 percentage point rise in December.

Mortgage lending, which has quadrupled in Russia over the last five years, increased by 36.8 percent in 2013 and 35.7 percent in 2012, according to data from the Central Bank.

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