

Russian Mortgage Lending Surged By Over 30 Percent in 2014 Despite Economic Slowdown

By [The Moscow Times](#)

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Despite an uptick in demand in March thanks to a 20 billion ruble (\$390 million) package of state subsidies aimed at lowering interest rates, mortgage lending this year will only reach half of last year's levels, Metrium Group said.

The number of mortgages issued in Russia surged to more than 1 million last year, even as an economic slowdown began to strike borrowers, the Vedomosti newspaper reported, citing data from the Central Bank.

The number of mortgages granted in 2014 surged 22.8 percent from the previous year, while the total volume of mortgage lending in monetary terms rose 30.3 percent to 1.7 trillion rubles (\$33 billion), the report said.

This could seem a contradiction given the economic slowdown and high inflation that struck

Russia last year, but the real estate market in fact benefited in some ways from the oncoming crisis — at least in the short term.

Many Russians accelerated their real estate buying plans early in the year in an effort to safeguard their savings from the devaluation of the ruble currency. A similar boom followed in November and December as the ruble took a second, more severe nosedive.

Russian mortgage lending then plummeted by half in the first two months of this year compared to the same period in 2014 as high interest rates cut off demand, according to real estate firm Metrium Group.

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