

# Ruble Devaluation Sees Russian Spending on Foreign Real Estate Plunge

By [The Moscow Times](#)

June 22, 2015



Russian spending on overseas real estate plunged in the first quarter of this year as a sharp weakening of the ruble slashed Russians' buying power, data published by the Central Bank showed.

In the first three months of the year, \$281 million was transferred abroad by Russians in real estate purchases, a drop of 42 percent from the \$484 million sent overseas in the first quarter of 2014, according to the data.

The fall came as Western sanctions imposed over the crisis in Ukraine and a steep decline in the price of oil, Russia's main export, stalled the country's economic growth and weakened the ruble, which plunged 40 percent against the U.S. dollar last year.

"Demand for purchasing property abroad dropped especially sharply at the start of 2015 due to the sharp ruble devaluation in the end of last year. People were discouraged and delayed purchases," Georgy Kachmazov, head of real estate agency Tranio, was quoted as saying in a

company press release.

Appetite for foreign real estate among Russians decreased in almost all segments of the residential property market, according to Tranio.

Russian spending on overseas real estate rose steadily from 2009, when the Central Bank began publishing figures, before peaking in the fourth quarter of 2013, when \$676 million was transferred out of the country in property purchases.

Last year Russians invested about \$2.05 billion in foreign properties, down from \$2.15 billion in 2013, according to the Central Bank.

Original url:

<https://www.themoscowtimes.com/2015/06/22/ruble-devaluation-sees-russian-spending-on-foreign-real-estate-plunge-a47580>