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Mortgage Loans To Be More Than Halved in 2015 – Official

By The Moscow Times

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The Moscow region has one of the country's most robust private real estate markets.

Only about 800 billion rubles ($11.4 billion) will be issued as mortgage loans in Russia in 2015, less than half the amount issued last year, deputy chairman of the Moscow region government, German Yelyanushkin, told Interfax on Monday.

"Despite the statistics that say that 85 percent of apartments are being bought with mortgage loans, their [combined] ruble value is down more than half. If mortgage loans issued last year amounted to 1.8 trillion rubles, this year we expect a maximum of 800 billion rubles for the whole country," he said.

With the average weighted U.S. dollar rate in 2014 being 38.42 rubles, projected mortgage loans when measured in dollars will increase by more than 25 percent.

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The government subsidizes mortgage loans of the new housing market, keeping the rate at 12 percent, fractionally above the Central Bank’s key interest rate of 11.5 percent. For the secondary housing market, the rates start from 13 percent at the bigger banks and marginally higher in smaller ones.

Yelyanushkin said that only 1.8 million square meters of new multi-apartment housing were supplied to the region's market during the first half of 2015, down 30 percent from the same time last year.

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