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# Russian Homebuyers Struggle as Rising Prices Outpace Income Growth

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**Andrei Nikerichev / Moskva News Agency**

Russian homebuyers are finding it increasingly difficult to save for a mortgage down payment as housing costs rise far faster than wages, according to new data from Sberbank and state housing agency Dom.RF.

Only 8.3% of working Russians — roughly one in 12 — can save the required 20% down payment within two years, Sberbank deputy chairman Taras Skvortsov said.

The main barrier is no longer just high interest rates but the rapid rise in home prices, which has pushed the upfront cost out of reach for most buyers.

Sberbank estimates the average time needed to save for a down payment has nearly tripled in five years.

A worker earning the median wage now needs 6.2 years to accumulate 20% of the price of a 65-square-meter new-build apartment compared with 2.3 years in 2019.

The sharp increase in housing prices is closely tied to Russia's wide-reaching "preferential mortgage" programs.

The subsidized loans, initially offered at 6% interest and later at 8%, were available to almost anyone.

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That support fueled demand and pushed prices sharply higher, with the average cost per square meter roughly doubling over the past five years. Dom.RF's housing price index has risen 84.4% since early 2021.

Savings capacity varies dramatically across regions. In the Yamal-Nenets autonomous district, where average salaries are high thanks to the oil and gas industries, a median earner needs 2.9 years to save a down payment. The median earner in the Altai region, by comparison, needs 11.8 years.

The share of people who could save the needed amount within two years is lowest in Russia's major construction hubs — Moscow and its surrounding region (6.9%) and Krasnodar (6.6%) — and highest in Orenburg (19.2%), the Khanty-Mansi autonomous district (18.4%) and the republic of Komi (16.7%).

All state measures aimed at boosting demand have ultimately contributed to faster price growth, said Vladimir Teterin, senior director for bank ratings at Expert RA.

As a result, the programs' stated goal of improving housing affordability has been partly undermined.

According to the Urban Economics Institute, affordability in Russia — measured as the ratio of the price of a typical 54-square-meter apartment to a family's annual income — was at its strongest level in 2018-19.

The housing affordability index fell from 5.3 years in 2008 to 3.2 years in 2018-19 before rising again to 3.8 in 2022.

It eased to 3.3 last year and in the first half of 2025 returned to its lowest point in six years.

While real wages rose sharply in 2023 and early 2024, growth has slowed this year. Real incomes increased 4.4% in the January-August period, down from 9.1% in the same months of 2024, according to state statistics agency Rosstat.

Meanwhile, home prices, which lagged behind inflation in early 2025, have begun to accelerate again. New-build prices rose 1.2% in October and climbed 6.4% in the first 10 months of the year, outpacing inflation of 4.8%.

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