

# Russia's New-Build Home Sales to Fall in 2026, State Housing Agency Says

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Sergei Ilnitsky / EPA / TASS

Russia's housing market avoided the downturn many analysts had feared last year, but state housing agency Dom.RF [expects](#) sales of newly built homes to fall sharply in 2026 as mortgage subsidies are tightened.

Dom.RF forecasts sales of new housing at 21-22 million square meters worth 4.5-4.6 trillion rubles (\$55.4-\$56.6 billion) in 2026. That would be down about 15% by volume and 10% by value from 2025.

Final data for 2025 have not yet been released, but preliminary estimates show sales broadly matched 2024 levels despite record-high interest rates and the cancellation of a nationwide subsidized mortgage program.

About 25-26 million square meters were sold last year compared with 25.3 million in 2024, while sales value rose 9% to 5-5.2 trillion rubles (\$61.5-\$64.0 billion) from 4.7 trillion rubles (\$57.8 billion).

Dom.RF said the expected decline reflects stricter rules for the government's family mortgage program, which dominated the market last year. Around 70% of new homes were purchased with mortgages, many under the subsidized scheme.

Under current rules, families with a child under seven or with two minor children can take out mortgages at a fixed rate of 6%.

But the government plans to introduce differentiated rates based on family size, cutting rates to 4% for families with three children while raising them to as much as 12% for families with one child. The legislation could be adopted early this year, a lawmaker [said](#).

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Dom.RF [estimates](#) that nearly 3 million families could be excluded from the program, as more than half of Russian families have only one child.

Sberbank estimates that raising the rate from 6% to 12% would lift monthly payments to around 54,000 rubles (\$664) from 32,000–34,000 rubles (\$394–\$418), potentially pushing some borrowers above permitted debt-to-income limits, first deputy CEO Kirill Tsaryov has [said](#).

Additional tightening is planned. From February, the Finance Ministry will cut compensation paid to banks for issuing subsidized mortgages by 0.5 percentage points, reducing their profitability.

Families will also be [limited](#) to one subsidized mortgage, whereas both spouses can currently take out loans.

Anticipation of the changes triggered a surge in mortgage lending late last year. Dom.RF said demand for family mortgages jumped in the fourth quarter as buyers rushed to secure loans before new rules take effect.

In December alone, banks issued about 150,000 mortgages worth roughly 735 billion rubles (\$9.0 billion), the highest monthly total since June 2024, the final month of the now-scraped nationwide subsidized mortgage scheme.

Dom.RF warned that this front-loaded demand would weigh on sales this year.

The surge helped the market avoid a slump in 2025 after developers initially relied on installment sales before mortgage lending recovered, Dom.RF said.

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Looking ahead, Dom.RF analysts said the housing market's performance in 2026 will depend largely on how quickly the Central Bank cuts its key interest rate.

Lower rates would support demand for market-priced mortgages and reduce borrowing costs for developers, who rely heavily on project financing.

Rate cuts in the second half of 2025 also prompted some households to move savings out of bank deposits and into property.

The Central Bank has [said](#) slower inflows into term deposits were accompanied by increased investment in securities and real estate.

Surveys conducted by the Public Opinion Foundation for the Central Bank show real estate remains one of Russians' preferred investment options, second only to deposits at Sberbank.

In December, 42% of respondents [named](#) Sberbank deposits as the most reliable investment, compared with 29% for real estate. The two options were tied at 29% as the most profitable.

Natalia Orlova, chief economist at Alfa Bank, [said](#) those figures reflect reality, noting that a significant share of household savings continues to flow into property.

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