

Housing to Rebound in the Suburbs

By [The Moscow Times](#)

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A slowdown in construction and shortage of high-quality new housing on the market in the areas surrounding Moscow slowed the market there in the first quarter of the year, Dmitry Tsvetkov, director of suburban real estate at Penny Lane Realty, said in a statement Monday.

"As in the first quarter of 2010, 95 percent of properties newly put up for sale were in villages where the buyer has the right to choose the builder," Tsvetkov said.

"However, while there were about 40 of those last year, this year there were 17," Tsvetkov continued.

He said the shrinking market shows a decrease in interest among both developers and buyers. That situation is now turning around, he said, but the effects of renewed buyer interest would only be felt in the second half of the year. The market for property within the city would recover first, he said.

The interest rate on mortgages for suburban housing is falling, Penny Lane crediting director

Roman Stroilov said in the same statement. The rate fell from 16.4 percent in the first quarter of last year to 15.7 percent in the same period this year.

Nordea, Sberbank, Rosevrobank and VTB 24 were the most active credit providers. Sberbank offered the most advantageous program — a 30-year credit at 9.8 percent interest in rubles with a 15 percent initial payment.

Stroilov said other credit organizations are expected to enter that market as more properties become available and the crediting process becomes simpler.

Penny Lane general director Georgy Dzagurov said, "the company spends 10 times more effort today [as compared with before the financial crisis] to attain the level of return that we seek."

Dzagurov added that more smaller properties, accessible to the middle class, are needed on the market.

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