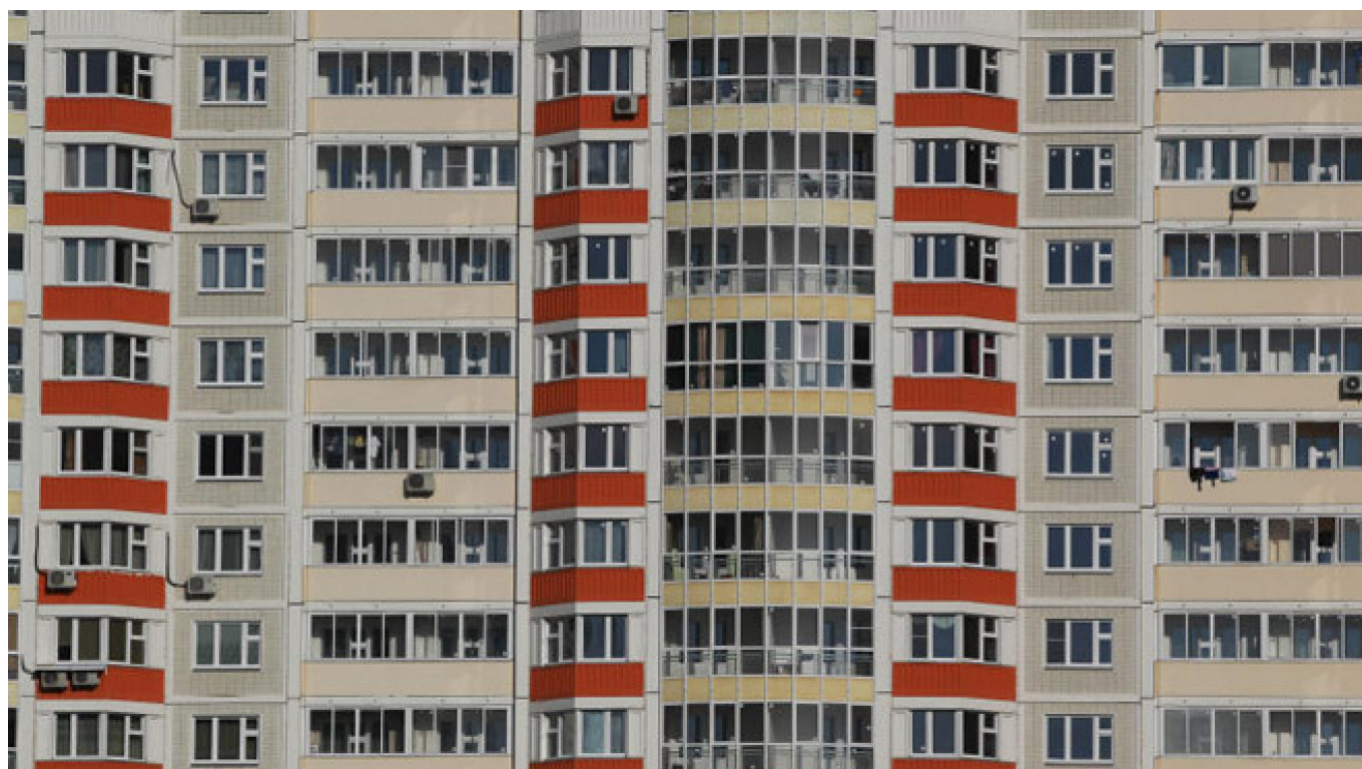


# Market for Used Moscow Apartments Falls 40%

By [The Moscow Times](#)

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Of the 8,373 apartments listed as sold in June, 74 percent were sold at a discount.

Nearly 40 percent fewer second-hand apartments were sold on the Moscow market in April-June this year than in the same period last year as high mortgage rates and falling salaries eviscerated demand, newspaper Vedomosti reported.

In the second quarter of this year, 27,056 apartments changed hands in Moscow, down from 44,841 in the same period last year, the report said, citing the Federal Service for State Registration, Cadastre and Cartography.

The steep drop was precipitated by high lending rates and falling real wages, a consequence of the high inflation that followed last year's 40 percent devaluation of the ruble to the U.S. dollar.

Mortgage rates soared in December after the Central Bank hiked its key rate to 17 percent in an

effort to stem the ruble's rout. The regulator has since lowered the rate to 11.5 percent as the ruble stabilized, but even this rate is still prohibitively high for many buyers.

Buyers are also battling a steep drop in real wages, which fell 8.8 percent in the first five months of the year compared to the same period in 2014, according to state statistics service Rosstat.

With demand for apartments falling, sellers are now increasingly willing to offer discounts, the report said, citing real estate analytics agency Inkom.

Of the 8,373 apartments listed as sold in June, 74 percent were sold at a discount, Inkom found. The average price for a square meter in a second-hand Moscow apartment in June stood at 196,300 rubles (\$3,500), the agency reported.

As money grows tighter, buyers are also favoring smaller, cheaper apartments over larger, more expensive homes, Oleg Repchenko, head of real estate analytic firm irn.ru, told Vedomosti.

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