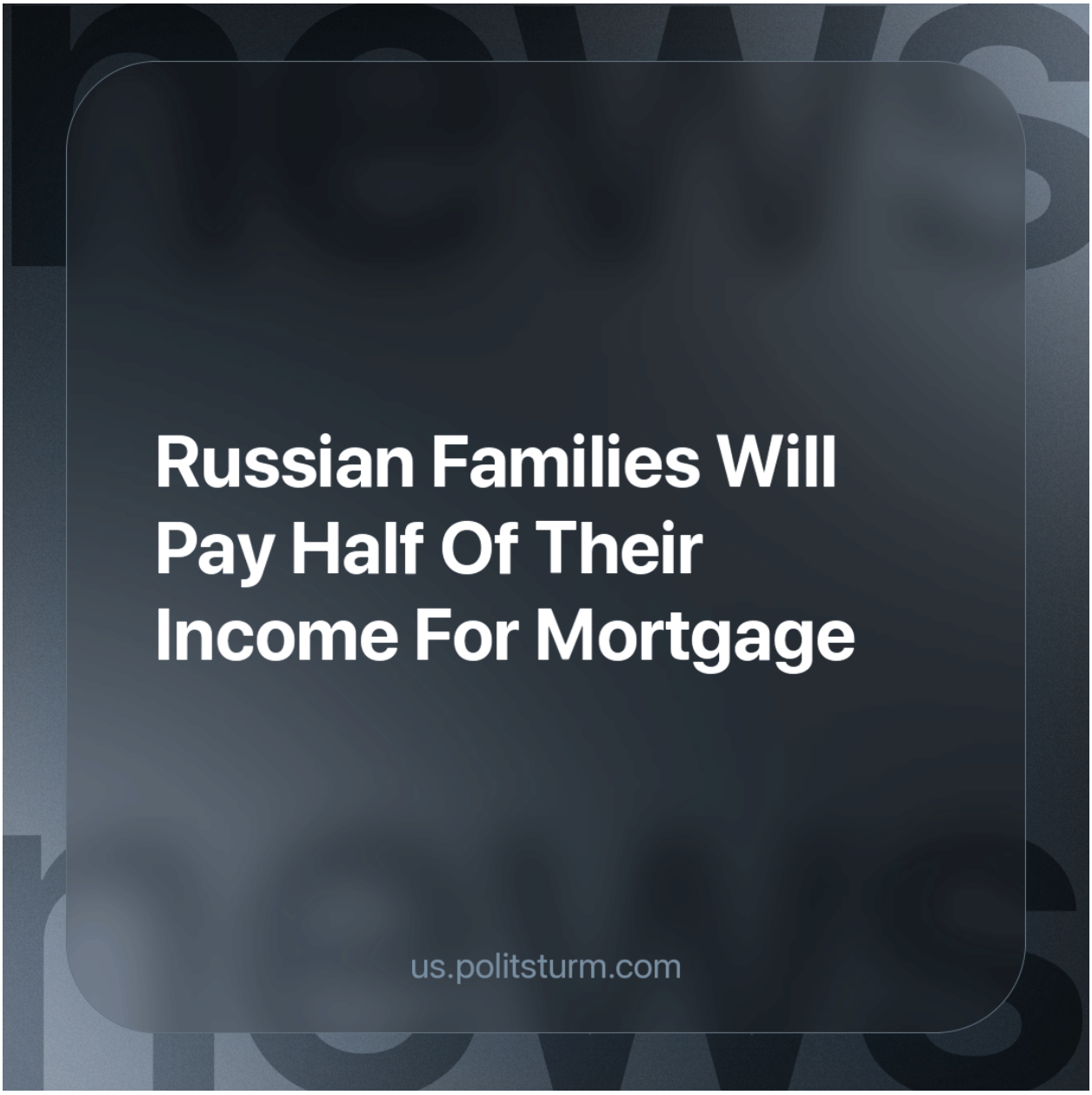
Russian Families Will Pay Half Of Their Income For Mortgage



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The increase in the key rate and the rise in the market rate have led to the average mortgage payment in million-population cities reaching 51% of a family's income, or 52.7 thousand rubles. These calculations were conducted by analysts from CIAN at the request of RBC-Real Estate.

Before the rise in the market rate, the average mortgage payment constituted 36% of a family's income or 37.4 thousand rubles. The most unaffordable mortgages at the beginning of the year were in Moscow and St. Petersburg. To pay off a housing loan in the capital, on average, 52% (117.7 thousand rubles) of the family's income was required, while in St. Petersburg, it was 51% (81 thousand rubles). In other major cities, mortgage payments did not exceed 50% of the combined income of two salaries. After the mortgage rate increased from 10% to 15%, the largest absolute increases were observed in Moscow (an increase of 48 thousand), St. Petersburg (an increase of 33 thousand), and Kazan (an increase of 24 thousand). The smallest increase was in Perm, Chelyabinsk, and Volgograd (an increase of 13-14 thousand).

Since the beginning of this year, approximately 400 thousand Russian families have been able to improve their housing conditions thanks to preferential mortgages, as reported by Russian President Vladimir Putin at a meeting on the development of the construction industry. However, even under favorable conditions, 40% of Russian families cannot take out a mortgage, as stated by the First Deputy Minister of Labor and Social Protection of the Russian Federation, Olga Batalina, at the Eastern Economic Forum.

The increase in mortgage rates leads to higher profits for banks but also exacerbates social inequality and makes housing less accessible for many families. A capitalist society based on the private appropriation of the results of collective labor cannot provide decent living conditions for all workers, whose hands create everything around us, as all profit goes into the pockets of the owners of the means of production.

Only socialism, whose main goal is not profit extraction but the satisfaction of human needs, can provide workers with fair wages and all necessary social goods. Only in this way can people have the opportunity to develop freely and comprehensively, rather than drowning in endless loans and mortgages.

Source: Central Trade Union Newspaper "Solidarity" - "Russians will be paying half of their family's income for mortgages", September 21, 2023.