

Buy-to-let in Russia

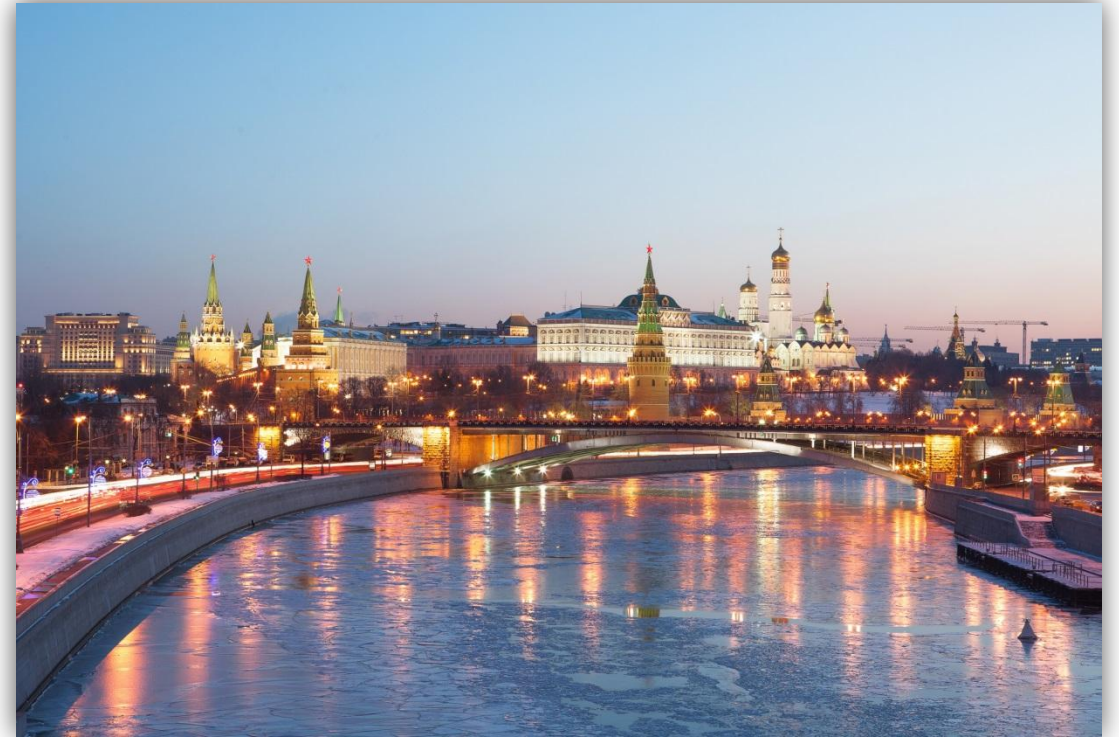
Moscow

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PONB-204

Why is it worth taking a mortgage in Moscow?

Moscow is developing rapidly, with every year the number of beautiful and modern houses is increasing. 58,000 apartments are being built annually in Moscow. About 5% of housing construction is in the Moscow region. Own housing is better than rented. The bank can reduce the financial burden, but the landlord does not. Mortgage payment will not increase. It is prestigious to have an apartment in Moscow, because it is the capital of Russia.



Typical example of a Russia buy-to-let*:

1)Purchase price	₽14,800,000	
2)Deposit (13,5%)	₽2,000,000	
3)Mortgage (86,5%)	₽13,320,000	
Monthly mortgage payment	₽115,989	9,1% 20-yr repayment
4)Rental income	₽85,000	@ 0,5% (conservative estimate)
Rent as a % of mortgage	115,6%	

*Everything is calculated approximately and may change at any time. A sharp decline in housing prices can happen. The borrower purchased expensive housing on a loan, and then there was a decrease in its real value. In this case, the borrower overpays for the purchased housing. Also the risks include the poor choice of bank and credit rate, lack of insurance.