



AEB REAL ESTATE DAY 2015

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yitgroup.com

Why it's still worth to stay in Russia

Why to stay in Russia?

- To protect current business, investments and jobs
- Market creates new opportunities for developers and investors
 - Existing building stock at very weak condition
 - Plot and real estate prices declining
- Consumers funnel savings to new homes
- Government subsidizes mortgage loans for homeowners

How to stay in Russia!

- Developing new concepts in relation to consumer demand and urbanization
- Renovating old buildings
- Rezoning existing plots
- Cooperation with local investors and mortgage lenders
- Utilizing local subcontractors and raw material suppliers
- Adjusting operations to the economy and market condition
- Attracting “new” players entering from Asia and the Middle East

But, key demand drivers in Russia intact

Decreasing family sizes

→ Increasing number of households

Internal migration, from 10 000 to 100 000 people per year in cities where YIT operates, purchasing power concentrates to main cities (over 500.000 inhabitants)

Developing mortgage market

Only 23 sq. m. per capita

Poor quality of existing housing stock

Growing *lower middle class* with greater purchasing power

Political support for housing development – even in crisis

**Together
we can
do it.**