

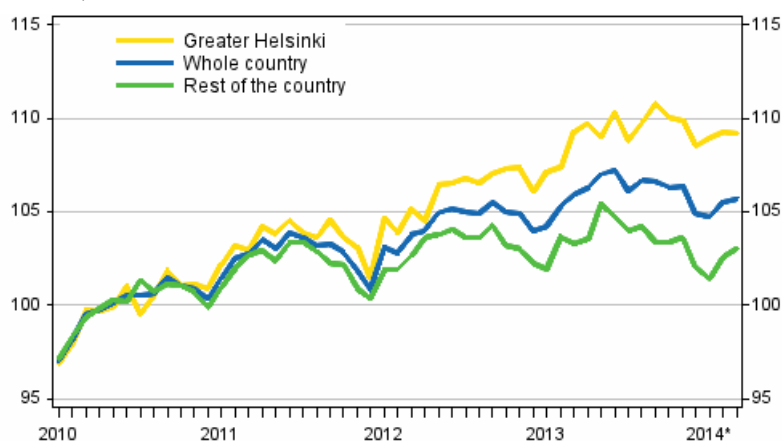
Prices of dwellings in housing companies

2014, March and 1st quarter

Prices of dwellings in housing companies rose slightly in March

According to Statistics Finland's preliminary data, prices of dwellings in old blocks of flats and terraced houses went up by 0.2 per cent in the whole country from February to March. In Greater Helsinki, prices remained almost unchanged and in the rest of the country they rose by 0.4 per cent. Compared with the corresponding period of the previous year, prices fell by 0.2 per cent in the whole country. In Greater Helsinki, prices remained almost unchanged and in the rest of the country they went down by 0.3 per cent.

Development of prices of old dwellings in housing companies by month, index 2010=100



*Preliminary data for the year 2014

In March 2014, the average price per square metre of an old dwelling in a housing company was EUR 2,175 in the whole country, EUR 3,468 in Greater Helsinki and EUR 1,668 elsewhere in the country.

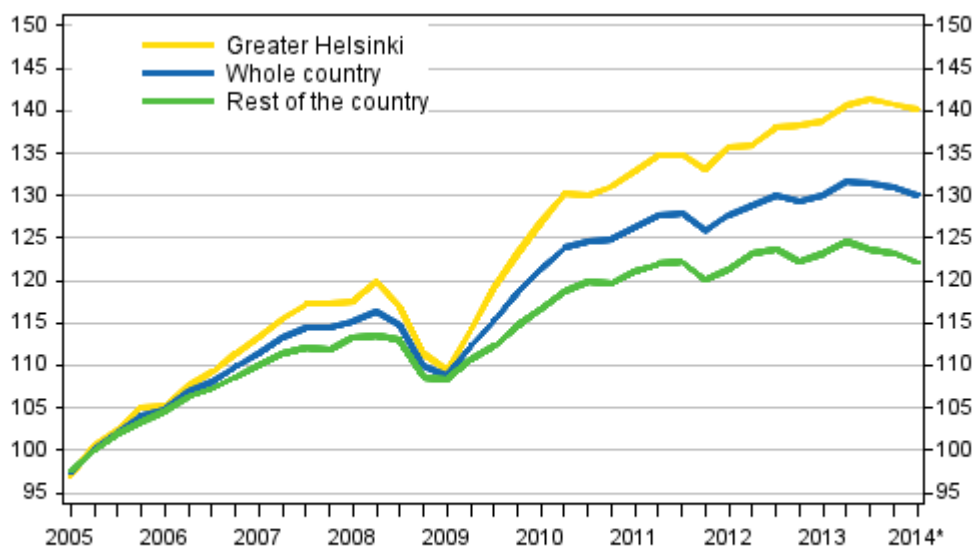
When the monthly statistics on prices of dwellings in housing companies are published they cover approximately 40 per cent of all transactions made in the latest statistical month. The monthly data become

revised during the following months so that the final data for the year are published in the release concerning the first quarter of the following year. For further information about data revisions, see a separate tables.

Prices of dwellings in housing companies in the first quarter

In the first quarter of 2014, prices of old dwellings fell in the whole country by 0.7 per cent from the previous quarter. Prices went down by 0.4 per cent in Greater Helsinki and by 1.0 per cent in the rest of Finland. Compared with the corresponding period of 2013, prices remained more or less unchanged in the whole country. In Greater Helsinki, prices went up by 0.9 per cent, whereas in the rest of Finland they fell by 0.8 per cent.

Development of prices of old dwellings in housing companies, index 2005=100



*Preliminary data for the year 2014

In the January to March period, the average price per square metre of an old dwelling in a housing company was EUR 2,267 in the whole country, EUR 3,547 in Greater Helsinki and EUR 1,689 elsewhere in the country.

Prices of new dwellings in blocks of flats and terraced houses rose by 3.3 per cent from the previous quarter in the whole country. Prices went up by 5.6 per cent in Greater Helsinki and by 2.1 per cent elsewhere in Finland.

Compared with the same period in 2013, prices of new units in housing companies rose by 2.1 per cent in the whole country. Prices went up by 4.9 per cent in Greater Helsinki and by 0.6 per cent elsewhere in Finland. The average price per square metre of new units in housing companies was EUR 3,524 in the whole country, EUR 4,902 in Greater Helsinki and EUR 3,028 in the rest of the country.

The results of the monthly and quarterly statistics show deviations because the monthly statistics are produced by a less detailed regional division and have a different weight structure than the quarterly statistics. The base year of the quarterly index is 2005.

Annual statistics for 2013

In 2013, good 67,300 transactions of old dwellings in housing companies were completed in the whole country. The number of transactions fell by 11.7 per cent in the whole country from the previous year. In Greater Helsinki, the number of transactions decreased by 14.8 per cent and in the rest of the country by 10.6 per cent. Last year, the average price per square metre of old dwellings in housing companies was EUR 2,269 in the whole country, EUR 3,546 in Greater Helsinki and EUR 1,692 elsewhere in the country.

From 2012, prices of old dwellings in housing companies rose by 1.6 per cent in the whole country. Prices went up by 2.5 per cent in Greater Helsinki and by 0.9 per cent elsewhere in Finland.

Last year, the total sum of housing transactions was close on EUR 10.0 billion, which was about EUR 1.3 billion less than in 2012. Slightly over one-third of the transactions in the whole country were made in the region of Uusimaa and their value was nearly one-half of the total sum.

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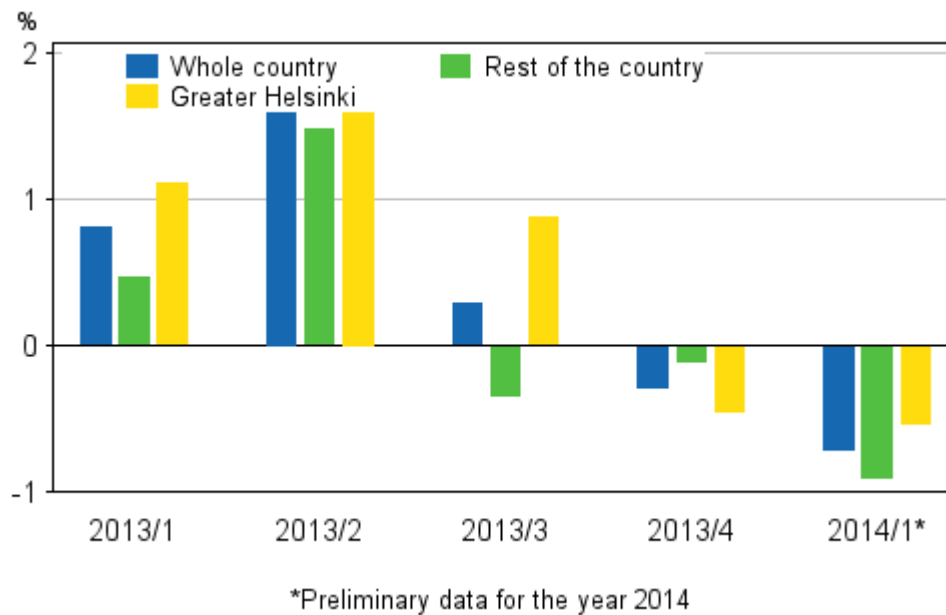
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1. Prices of old dwellings in blocks of flats fell in the January to March period

According to preliminary data, the prices of old dwellings in blocks of flats fell by 0.7 per cent in the whole country compared to the previous quarter. Prices went down by 0.5 per cent in Greater Helsinki and by 0.9 per cent in the rest of Finland. Compared with the corresponding quarter of 2013, prices rose by 0.9 per cent in the whole country. In Greater Helsinki, prices rose by 1.6 per cent and in the rest of the country they remained nearly unchanged.

Figure 1. Quarter-on-quarter changes in prices of dwellings in old blocks of flats



Viewed by type of apartment, prices of one-room flats increased by most from the previous quarter in the rest of the country. Prices of one-room flats rose by 1.9 per cent in the rest of the country and by 0.4 per cent in Greater Helsinki. Over the same period, prices of two-room flats rose by 0.5 per cent in Greater Helsinki but decreased by 1.0 per cent in the rest of the country. Prices of three-room and larger flats went down by 1.2 per cent both in Greater Helsinki and in the rest of the country.

In the first quarter of 2014, the average price per square metre of an old dwelling in a block of flats was EUR 2,393 in the whole country, EUR 3,678 in Greater Helsinki and EUR 1,682 elsewhere in the country.

Prices of new dwellings in blocks of flats went up by 4.2 per cent from the previous quarter in the whole country. Prices went up by 8.3 per cent in Greater Helsinki and by 1.4 per cent elsewhere in Finland. Examined by major region, prices grew by most in Eastern Finland, by 12.0 per cent. In Northern Finland prices fell by 6.5 per cent and in Southern Finland by 1.0 per cent. Compared with the corresponding period of 2013, prices of new dwellings in blocks of flats went up by 2.6 per cent in the whole country. In Greater Helsinki, prices rose by 6.8 per cent and in the rest of Finland they remained nearly unchanged. Examined by major region, prices rose by most in Eastern Finland, by 10.2 per cent. Prices fell by 0.5 per cent in Western Finland.

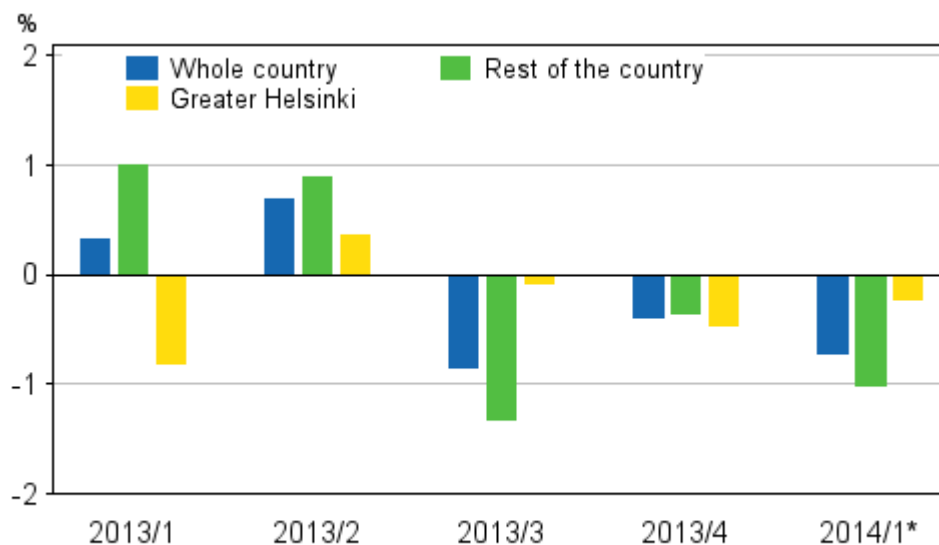
In the first quarter of 2014, the average price per square metre of a new dwelling in a block of flats was EUR 4,005 in the whole country, EUR 5,402 in Greater Helsinki and EUR 3,354 elsewhere in the country.

Prices of dwellings in old blocks of flats went up in 2013 by an average of 2.7 per cent in the whole country from the previous year. In Greater Helsinki, the rise amounted to 3.9 per cent and in the rest of the country to 1.4 per cent. In Greater Helsinki, the price per square metre of an old dwelling in a block of flats was EUR 3,688 and in the rest of Finland EUR 1,684.

2. Prices of old dwellings in terraced houses fell in the January to March period

According to preliminary data, prices of old dwellings in terraced houses fell by an average of 0.7 per cent from the previous quarter in the whole country. Prices went down by 0.2 per cent in Greater Helsinki and by 1.0 per cent in the rest of Finland. Compared with the corresponding period of 2013, prices of old dwellings in terraced houses went down by 1.3 per cent in the whole country. Prices went down by 0.4 per cent in Greater Helsinki and by 1.8 per cent in the rest of Finland.

Figure 2. Quarter-on-quarter changes in prices of dwellings in old terraced houses



*Preliminary data for the year 2014

In the first quarter of 2014, the average price per square metre of an old dwelling in a terraced house was EUR 2,094 in the whole country, EUR 3,290 in Greater Helsinki and EUR 1,698 elsewhere in the country.

Prices of new dwellings in terraced houses rose by 1.9 per cent from the previous quarter in the whole country. In Greater Helsinki, prices fell by 0.7 per cent, while in the rest of Finland they went up 2.9 per cent. Prices rose by most in Eastern Finland, by 12.1 per cent. Prices fell by 1.4 per cent in Western Finland. Compared with the corresponding period of 2013, prices of new dwellings in terraced houses rose by an average of 1.3 per cent in the whole country. Prices went up by 0.3 per cent in Greater Helsinki and by 1.6 per cent elsewhere in Finland.

In the first quarter of 2014, the average price per square metre for a new dwelling in a terraced house was EUR 2,898 in the whole country, EUR 3,843 in Greater Helsinki and EUR 2,669 elsewhere in Finland.

Prices of old dwellings in terraced houses remained unchanged in the whole country in 2013 compared with the previous year. In Greater Helsinki, prices fell by 0.3 per cent and in the rest of Finland they rose by 0.2 per cent. In Greater Helsinki, the price per square metre of an old dwelling in a terraced house was EUR 3,270 and in the rest of Finland EUR 1,703.

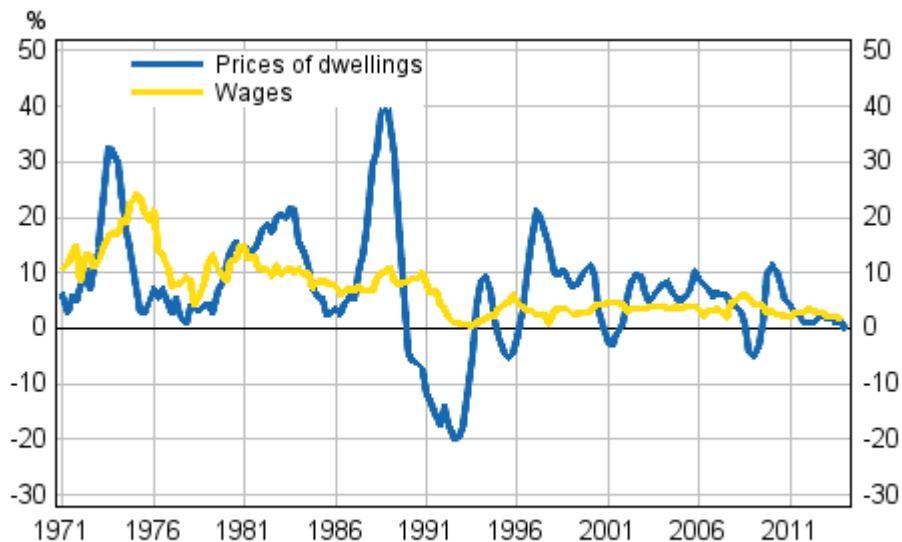
These data derive from the statistics on the prices of dwellings compiled by Statistics Finland from the Tax Administration's data. The preliminary data cover roughly two-thirds of completed transactions in old dwellings in blocks of flats and terraced houses. The data on new dwellings in blocks of flats are based on information on the transaction prices of the largest building contractors and estate agents. More detailed price data on dwellings in housing companies are available at http://tilastokeskus.fi/til/ashi/tau_en.html

3. Changes in prices of dwellings and in earnings level

The price development of dwellings has varied much within the last 40 years or so. During the overheating of the housing market, prices rose by over 40 per cent in the last quarter of 1988 compared with the previous year. Correspondingly, during the recession of the early 1990s, prices of dwellings fell by as much as 20 per cent from the year before. From 1996 dwelling prices rose up to the middle of the year 2008, with the exception of the year 2001. The outbreak of the international financial crisis in autumn 2008 slowed down the housing market and prices fell by five per cent from the third quarter of 2008 until the first quarter of 2009. From the middle of 2009 onwards, prices of dwellings have continued to grow again. The rise in dwelling prices has clearly slowed down from year 2011.

Over the same time period changes in wages and salaries have been more moderate than changes on the housing market, except for the mid-1970s, when the earnings level rose by over 20 per cent per year due to the great inflation. Over the 2000s wages and salaries have gone up yearly by an average of 3.6 per cent. The average annual rise in prices of dwellings has been a little less than one percentage point faster, which has undermined the purchasing power of wages and salaries on the housing markets.

Figure 3. Year-on-year changes in prices of dwellings and in wages and salaries 1971–2014, 1st quarter*



*Preliminary data for index of wages and salary earnings in the year 2013

Appendix tables

Appendix table 1. Unencumbered average prices per square metre of old dwellings in housing companies, March 2014¹⁾

Area	Price, euro/m ²	Index (2010=100)	Monthly change, %	Yearly change, %	Number
Whole country	2 175	105,7	0,2	-0,2	2 632
Greater Helsinki	3 468	109,2	-0,1	-0,1	642
Rest of the country (whole country - Greater Helsinki)	1 668	103,0	0,4	-0,3	1 990
Satellite municipalities ²⁾	2 236	105,8	2,6	2,4	132
Southern Finland	2 557	106,8	-0,1	-0,6	1 396
Western Finland	1 712	104,1	0,3	0,9	680
Eastern Finland	1 524	104,4	2,8	2,7	302
Northern Finland	1 511	99,6	0,4	-2,4	254
Helsinki	3 829	112,5	0,7	0,8	359
Espoo-Kauniainen	3 304	104,0	-1,9	-2,4	145
Vantaa	2 609	104,6	-0,3	-0,2	138
Tampere	2 263	105,3	-0,2	3,3	169
Turku	1 875	105,0	-1,2	-1,4	112
Oulu	1 819	100,3	2,3	-0,6	111

1) Preliminary data

2) Satellite municipalities = Hyvinkää, Järvenpää, Kerava, Kirkkonummi, Nurmijärvi, Riihimäki, Sipoo, Tuusula and Vihti

Appendix table 2. Unencumbered average prices per square metre of blocks of flats, March 2014¹⁾

Area	Price, euro/m ²	Index (2010=100)	Monthly change, %	Yearly change, %
Whole country	2 277	107,9	0,2	0,4
Greater Helsinki	3 492	111,0	-0,4	-0,1
Rest of the country (whole country - Greater Helsinki)	1 683	104,7	0,8	0,8
Satellite municipalities ²⁾	2 102	109,5	7,2	6,3
Southern Finland	2 620	108,9	-0,2	-0,7
Western Finland	1 786	105,9	1,2	3,7
Eastern Finland	1 618	107,2	2,1	6,3
Northern Finland	1 581	100,4	-0,6	-2,4
Helsinki	3 835	112,8	-0,3	-0,1
Espoo-Kauniainen	3 172	106,8	-0,8	-0,3
Vantaa	2 439	105,9	-0,7	0,2
Tampere	2 259	106,0	-1,0	3,9
Turku	1 829	106,7	-1,4	-1,8
Oulu	1 831	102,3	4,2	1,0

1) Preliminary data

2) Satellite municipalities = Hyvinkää, Järvenpää, Kerava, Kirkkonummi, Nurmijärvi, Riihimäki, Sipoo, Tuusula and Vihti

Appendix table 3. Unencumbered average prices per square metre of terraced houses, March 2014¹⁾

Area	Price, euro/m ²	Index (2010=100)	Monthly change, %	Yearly change, %
Whole country	2 017	102,1	0,2	-1,2
Greater Helsinki	3 408	104,5	0,7	-0,2
Rest of the country (whole Country - Greater Helsinki)	1 649	100,9	0,0	-1,7
Satellite municipalities ²⁾	2 354	103,0	-0,7	-0,5
Southern Finland	2 443	102,8	0,1	-0,4
Western Finland	1 613	101,5	-0,9	-2,8
Eastern Finland	1 400	100,4	3,6	-2,2
Northern Finland	1 440	98,8	1,4	-2,3
Helsinki
Espoo-Kauniainen	3 433	101,5	-2,9	-4,3
Vantaa	2 879	102,8	0,3	-0,7
Tampere	2 273	103,6	1,7	1,8
Turku
Oulu	1 799	97,4	-0,5	-3,0

1) Preliminary data

2) Satellite municipalities = Hyvinkää, Järvenpää, Kerava, Kirkkonummi, Nurmijärvi, Riihimäki, Sipoo, Tuusula and Vihti

Appendix table 4. Unencumbered average prices per square metre of old dwellings in housing companies, February 2014¹⁾

Area	Price, euro/m ²	Index (2010=100)	Monthly change, %	Yearly change, %	Number
Whole country	2 192	105,5	0,8	0,2	4 269
Greater Helsinki	3 508	109,3	0,3	1,8	1 050
Rest of the country (whole country - Greater Helsinki)	1 675	102,6	1,1	-1,1	3 219
Satellite municipalities ²⁾	2 213	103,1	2,2	-0,9	300
Southern Finland	2 582	106,9	0,8	0,8	2 336
Western Finland	1 740	103,7	0,6	-0,2	1 140
Eastern Finland	1 450	101,6	0,2	-2,8	361
Northern Finland	1 535	99,2	1,7	-2,3	432
Helsinki	3 912	111,7	0,0	1,3	633
Espoo-Kauniainen	3 228	106,0	2,0	2,2	226
Vantaa	2 686	104,9	-0,9	3,0	191
Tampere	2 290	105,5	-0,5	1,2	297
Turku	1 995	106,3	1,5	-0,6	250
Oulu	1 772	98,1	2,2	-2,8	205

1) Updated preliminary data

2) Satellite municipalities = Hyvinkää, Järvenpää, Kerava, Kirkkonummi, Nurmijärvi, Riihimäki, Sipoo, Tuusula and Vihti

Appendix table 5. Unencumbered average prices per square metre of old dwellings in housing companies, January 2014¹⁾

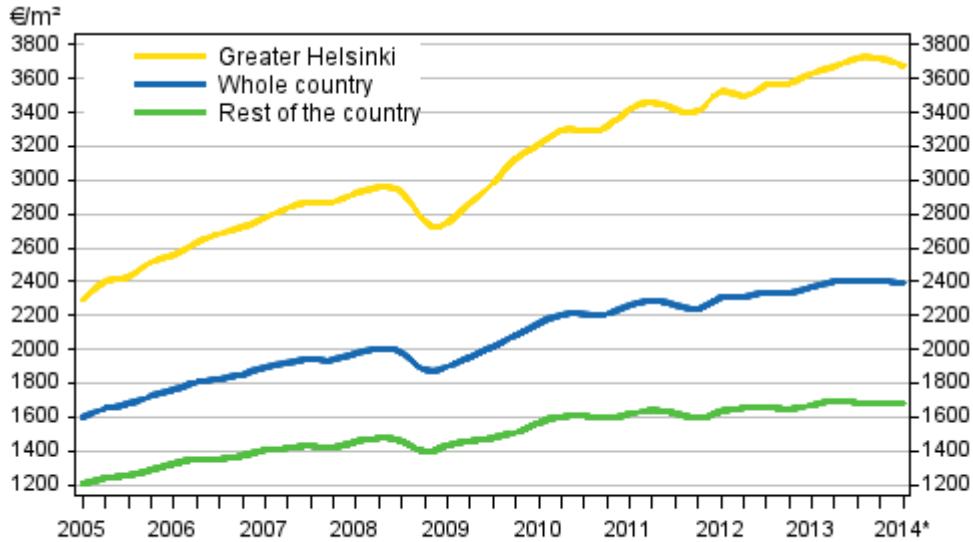
Area	Price, euro/m ²	Index (2010=100)	Monthly change, %	Yearly change, %	Number
Whole country	2 218	104,7	-0,1	0,5	4 089
Greater Helsinki	3 598	109,0	0,4	1,7	1 023
Rest of the country (whole country - Greater Helsinki)	1 677	101,4	-0,6	-0,5	3 066
Satellite municipalities ²⁾	2 165	100,9	-1,5	-2,2	263
Southern Finland	2 616	106,1	0,1	0,6	2 323
Western Finland	1 777	103,1	-0,2	-0,2	1 006
Eastern Finland	1 479	101,4	-2,0	1,4	396
Northern Finland	1 473	97,6	-0,7	0,6	364
Helsinki	4 066	111,8	0,4	2,7	615
Espoo-Kauniainen	3 237	104,0	-1,5	-1,1	233
Vantaa	2 695	105,8	3,4	2,0	175
Tampere	2 356	106,1	1,0	1,2	257
Turku	1 912	104,7	1,2	0,9	211
Oulu	1 689	96,0	-1,9	-1,2	145

1) Updated preliminary data

2) Satellite municipalities = Hyvinkää, Järvenpää, Kerava, Kirkkonummi, Nurmijärvi, Riihimäki, Sipoo, Tuusula and Vihti

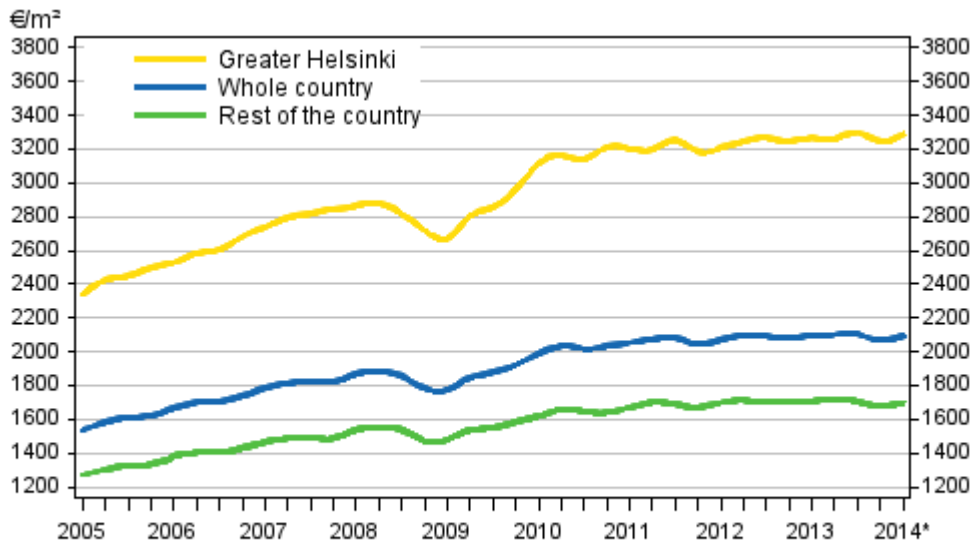
Appendix Figures

Appendix figure 1. Average prices per square meter of dwellings in old blocks of flats



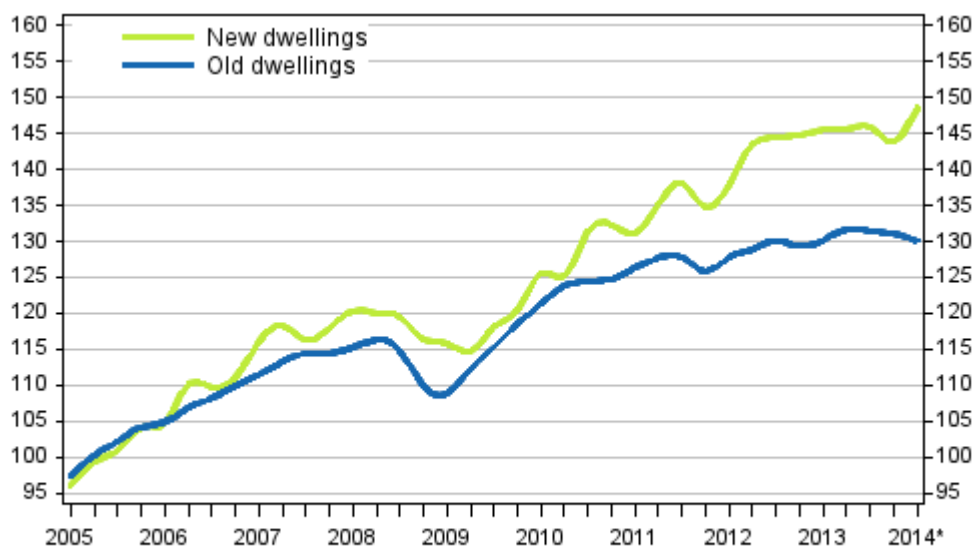
*Preliminary data for the year 2014

Appendix figure 2. Average prices per square meter of dwellings in old terraced houses



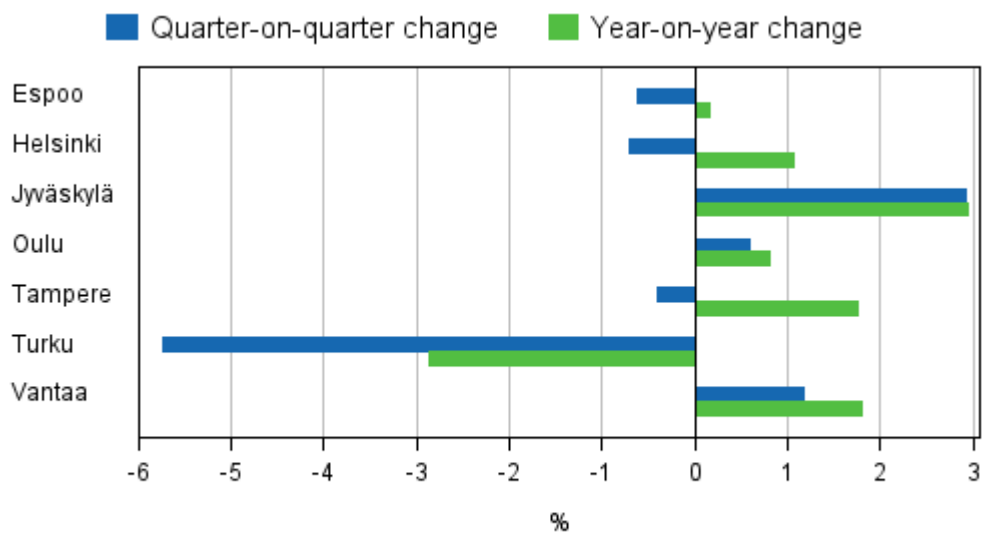
*Preliminary data for the year 2014

Appendix figure 3. Price development of old and new dwellings from 2005



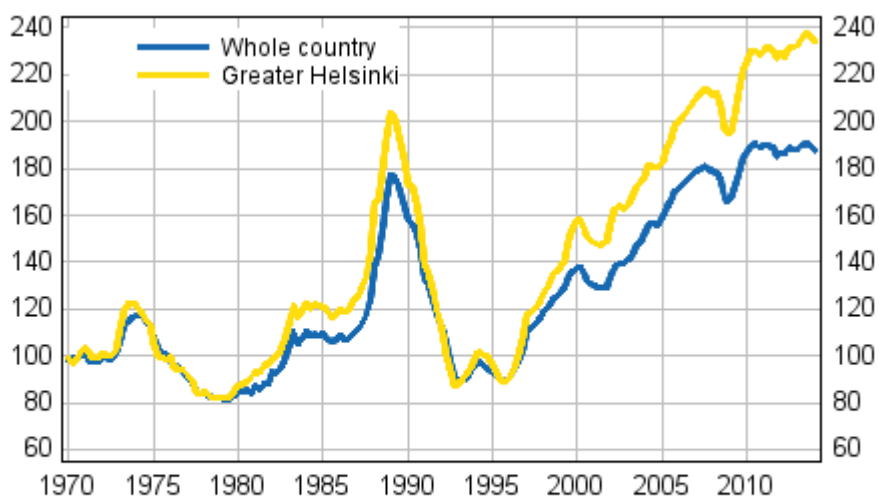
*Preliminary data for the year 2014

Appendix figure 4. Changes in prices of dwellings in major cities, 1st quarter 2014*



*Preliminary data for the year 2014

**Appendix figure 5. Real Price Index of dwellings in old blocks of flats
1970=100***



*Preliminary data for the year 2014

Revisions in these statistics

The data of the statistics have become revised according to the table below. For more information about data revisions, see Section 3 of the quality description.

Revisions to data on monthly changes in prices of dwellings in housing companies, monthly statistics¹⁾

Area and reference time		Monthly change, %		Revision, percentage point
		Latest release 28.4.2014	1st release	
Whole country	11/2013	0,1	0,0	0,1
	12/2013	-1,4	-1,3	-0,1
	01/2014	-0,1	-0,5	0,4
	02/2014	0,8	0,5	0,3
Greater Helsinki	11/2013	-0,2	-0,4	0,2
	12/2013	-1,2	-1,0	-0,2
	01/2014	0,4	-0,5	0,9
	02/2014	0,3	0,7	-0,4
Rest of the country	11/2013	0,2	0,3	-0,1
	12/2013	-1,6	-1,6	0,0
	01/2014	-0,6	-0,5	-0,1
	02/2014	1,1	0,3	0,8

1) The 1st release refers to the time when data for the reference period were released for the first time. The revision describes the difference of monthly change percentages between the latest and first release

Revisions to data on annual changes in prices of dwellings in housing companies, monthly statistics¹⁾

Area and reference time		Annual changes, %		Revision, percentage point
		Latest release 28.4.2014	1st release	
Whole country	11/2013	1,4	1,0	0,4
	12/2013	0,9	0,7	0,2
	01/2014	0,5	0,3	0,2
	02/2014	0,2	-0,1	0,3
Greater Helsinki	11/2013	2,3	1,9	0,4
	12/2013	2,3	2,3	0,0
	01/2014	1,7	1,5	0,2
	02/2014	1,8	2,0	-0,2
Rest of the country	11/2013	0,6	0,3	0,3
	12/2013	-0,2	-0,5	0,3
	01/2014	-0,5	-0,6	0,1
	02/2014	-1,1	-1,7	0,6

1) The 1st release refers to the time when data for the reference period were released for the first time. The revision describes the difference of yearly change percentages between the latest and first release.

Revisions to data on quarterly changes in prices of dwellings in housing companies, quarterly statistics¹⁾

Area and reference time		Quarterly change, %		Revision, percentage point
		Latest release 28.4.2014	1st release	
Whole country	1/2013	0,6	0,7	-0,1
	2/2013	1,2	1,0	0,2
	3/2013	-0,2	-0,2	0,0
	4/2013	-0,3	-0,1	-0,2
Greater Helsinki	1/2013	0,5	0,9	-0,4
	2/2013	1,3	0,6	0,7
	3/2013	0,6	0,6	0,0
	4/2013	-0,5	-0,3	-0,2
Rest of the country	1/2013	0,7	0,5	0,2
	2/2013	1,2	1,3	-0,1
	3/2013	-0,8	-0,9	0,1
	4/2013	-0,2	0,1	-0,3

1) The 1st release refers to the time when data for the reference period were released for the first time. The revision describes the difference of quarterly change percentages between the latest and first release.

Revisions to data on yearly changes in prices of dwellings in housing companies, quarterly statistics¹⁾

Area and reference time		Annual change, %		Revision, percentage point
		Latest release 28.4.2014	1st release	
Whole country	1/2013	1,8	1,9	-0,1
	2/2013	2,2	2,1	0,1
	3/2013	1,0	1,1	-0,1
	4/2013	1,3	1,4	-0,1
Greater Helsinki	1/2013	2,3	2,7	-0,4
	2/2013	3,4	3,1	0,3
	3/2013	2,4	2,5	-0,1
	4/2013	1,8	1,9	-0,1
Rest of the country	1/2013	1,4	1,3	0,1
	2/2013	1,2	1,2	0,0
	3/2013	-0,1	-0,1	0,0
	4/2013	0,9	1,1	-0,2

1) The 1st release refers to the time when data for the reference period were released for the first time. The revision describes the difference of yearly change percentages between the latest and first release.

Quality Description: Prices of dwellings in housing companies

1. Relevance

1.1 Information content and purpose of use

The statistics on prices of dwellings in housing companies describe the unencumbered prices per square metre of old dwellings in housing companies, and monthly, quarterly and annual changes in them. For new dwellings data will be published quarterly and annually. The statistics contain data classified by area and type of building for the examined month and for a longer time period. The purpose of the statistics is to provide information about price development on the housing market.

1.2. Concepts, classifications and data

The data and the data suppliers:

Old dwellings: The data of the statistics on dwelling prices are based on the price information gathered by the Finnish Tax Administration for asset transfer tax calculation purposes. Additionally, the Tax Administration's Register of Real Estate Property and Statistics Finland's data on the dwelling stock that are based on the Population Register Centre's Register of Buildings and Dwellings are also used for the statistics.

New dwellings: The data of the statistics on dwelling prices are based on the information Statistics Finland receives via a private price monitoring service about transactions in new dwellings made by the largest real estate agents and building contractors. The monthly statistics do not contain information on new dwellings due to the scarcity of statistical data.

Used concepts:

Dwelling: A dwelling refers to a room or suite of rooms that is equipped with a kitchen, kitchenette or cooking area and is intended for year-round habitation.

Price per square metre of dwelling: The statistics are compiled from data on unencumbered prices, in other words, prices inclusive of the debt portion. The published price concept is price per square metre (EUR/m²).

Floor area of dwelling: The floor area (m²) of a dwelling is calculated from the inner surfaces of the walls enclosing it. The floor areas of auxiliary spaces (utility space, walk-in wardrobe, etc.), bathroom, hobby room, fireplace room, sauna in dwelling, washroom and changing room, and rooms used as working space if no hired employees work in them are also included in the floor area of a dwelling. Garage, cellar, sauna space in unoccupied basement, unheated storage space, balcony, porch, veranda, vestibule and unoccupied attic space are not included in the floor area of a dwelling.

First home: First-time dwelling transactions include those that are entitled to the exemption from the asset transfer tax for first-time homebuyers (www.vero.fi).

Old/new dwelling: An old dwelling refers to a dwelling that has not been completed in the examined year or the year before it. Respectively, a new dwelling refers to a dwelling completed in the statistical reference year or the year before it that is sold for the first time.

Type of building: The dwellings in the statistics are classified into blocks of flats and terraced houses according to type of building. The data on terraced houses also include detached houses whose tenure is based on ownership of housing company shares.

Type of financing: Dwellings financed with ARA subsidised housing loans and price controlled HITAS dwellings are not included in the non-subsidised dwelling category used in the statistics.

Number of rooms: A room is defined as a space with one or more windows that has a floor area of at least seven square metres and mean height of at least two metres. A hall, porch, bed recess or other similar space is not regarded as a room. Kitchen is not included in the number of rooms. Dwellings with at least

three rooms are classified into room number category 3h+. In the monthly statistics data are not published by number of rooms due to the scarcity of statistical data.

(Nominal) price index: Describes the change in prices compared to the base period of the index concerned. In the annual and quarterly indices the base periods are for old dwellings 2005, 2000, 1983 or 1970 and for new dwellings 2005, in the monthly index the base period is 2010.

Real price index: Describes the change in real prices compared to the index base period. In the annual and quarterly indices the base periods are for old dwellings 2005, 2000, 1983 or 1970 and for new dwellings 2005, in the monthly index the base period is 2010. The real price index is derived by dividing the point figure of the nominal price index for the area with the point figure of the Consumer Price Index for the whole country in the corresponding time period and base year.

Distribution parameters:

Q1 (lower quartile) = 25% of the observations remain below.

Med (median) = Middle observation when the observations are arranged in size order.

Q3 (upper quartile) = 75% of the observations remain below.

Classifications:

Annual and quarterly statistics:

Regional division, old dwellings: The statistics use diverse area combinations, such as Greater Helsinki Area, satellite municipalities around the Greater Helsinki Area, regions and urban sub-areas. The Greater Helsinki Area comprises Helsinki, Espoo, Vantaa and Kauniainen, which in statistics is included in Espoo. The satellite municipalities are Hyvinkää, Järvenpää, Kerava, Kirkkonummi, Nurmijärvi, Riihimäki, Sipoo, Tuusula and Vihti. Regions are defined according to the decision of the Council of State. The urban sub-areas are formed of postal code areas using price level and location as the criteria. Details of the used regional classifications are appended to this publication and can be found on Statistics Finland's website.

Regional division, new dwellings: Due to the low number of transactions, the statistics on the prices of new dwellings are compiled according to a less detailed regional division than the statistics on the prices of old dwellings. The classification used in the statistics on the prices of new dwellings also takes into consideration the needs of the Consumer Price Index, hence the regional classification uses the division into major regions. The area categories are Whole country, Greater Helsinki, Rest of Finland (the same as with old dwellings, Whole country exclusive of Greater Helsinki), Rest of Uusimaa (exclusive of Greater Helsinki) and major regions Southern Finland, Western Finland, Eastern Finland, and Northern Finland.

Monthly statistics:

Regional division: The area categories are: Whole country, Greater Helsinki, Rest of Finland (Whole country exclusive of Greater Helsinki), Satellite municipalities (Hyvinkää, Järvenpää, Kerava, Kirkkonummi, Nurmijärvi, Riihimäki, Sipoo, Tuusula, Vihti), Helsinki, Espoo-Kauniainen, Vantaa, Tampere, Turku, Oulu and major regions Southern Finland, Western Finland, Eastern Finland, and Northern Finland.

2. Methodological description

The calculation method of the index for prices of dwellings in housing companies 2005=100 combines the classical approach based on classification of data and regression analysis (so called hedonic method). The index aims at answering the question how much more/less a typical dwelling in a housing company costs now compared with before on the basis of the total number of actual transaction prices. For this reason, monitoring average price changes will not necessarily provide an adequate answer, since average prices also change because the composition of dwellings sold at different times is not the same. For example, the relative shares of different types of dwellings may vary from quarter to quarter. The method helps to distinguish better than before the real price development from price changes caused by dwelling characteristics in different time period.

Because location, type of building and number of rooms are the most important price determinants, the composition of sold dwellings is first standardised for these variables by classification. The regional classification has been constructed so as to be geographically meaningful and as homogeneous as possible

in respect of price levels. In the statistics on old dwelling prices the largest municipalities are divided into several sub-areas, and the smallest municipalities where few transactions take place have been combined. In the statistics on new dwelling prices the regional classification has been formed according to six sensible geographical entities because due to the low number of observations in the data a more detailed classification cannot be used. In respect of both old and new dwellings, the dwellings within an area have been stratified by type of building into dwellings in blocks of flats, and dwellings in terraced and detached houses. Dwellings in blocks of flats have been classified further by number of rooms into dwellings with one room, dwellings with two rooms and dwellings with three or more rooms. Dwellings in terraced houses have been divided by number of rooms into two categories — dwellings with fewer than, and dwellings with at least three rooms.

The used classification does not necessarily homogenise the data sufficiently, because factors affecting price, such as micro-location, floor area, year of completion, and so on, are not controlled for by the classification. The price data of old dwellings contains information on the location of the dwelling on postal code level and on age and floor area. The price data of new dwellings contains information on the location of the dwelling on postal code level and on floor area. With the help of the regression model this information is used to adjust for changes in the composition of the data between the base and reference periods. The quality adjustment means the following: if in a statistical quarter dwellings in a certain area are on average older than in the base time period, the index must be adjusted upwards, because the lower price due to the higher age of dwellings would otherwise be erroneously interpreted as a price fall. A more detailed methodological description is published in Statistics Finland's Research Reports series (Koev, Eugen: Combining Classification and Hedonic Quality Adjustment in Constructing a House Price Index. Helsinki, Statistics Finland, Research Reports (2013)).

The overall index point-number for the whole country is obtained via aggregated price changes in every index class and price adjustments so called log-Laspeyres formula. The weights for old dwellings are derived as value-shares of stock of apartments in 2005. Respectively, the weights of new dwellings are the consumption expenditure weights of dwellings purchased in 2005.

3. Correctness and accuracy of the data

3.1. Reliability of the statistics

The statistics on the prices of old dwellings are based on the Tax Administration's asset transfer tax data, which cover the transactions of all dwellings whose tenure is based on ownership of housing company shares. All transactions of old housing company dwellings are not included immediately in the statistics, because the purchaser is allowed two months to pay the asset transfer tax. Many purchasers pay the tax faster than this and in transactions intermediated by real estate agents the tax is paid at the time of transaction.

The statistics on the prices of new dwellings are based on data obtained from the largest real estate agents and building contractors and the data are final when first published.

The statistics describe the housing company share market by area relatively reliably. However, the number of included transactions should be taken into consideration. If few transactions have been made, a couple of deviating cases may affect the average price for an area significantly.

3.2. Accuracy of the statistics

Cases with missing information about transaction prices or floor area, or with exceptionally high or low price due to contract within family or error in data entry are not accepted into the statistics. The acceptable ranges of prices per square metre by area are defined yearly for old and new dwellings.

[The price data become revised](#) over the year so that the final data for the year are published in the release concerning the first quarter of the following year. On the average, the revision in monthly statistics on prices of dwellings amounts to 0.3 per cent either way for the whole country. The revision is larger for smaller geographical areas. The average revision in quarterly statistics amounts to 0.2 per cent either way for the whole country.

3.3. Use of the parameters of the statistics

Because the price index takes into account changes in the distribution of year of completion, floor area and location of dwellings sold at different points in time, and their effects on prices, the average prices of the statistics vary differently from the price index. The price index and the average price are each useful measures for different situations.

The *price index* endeavours to measure as accurately as possible how much more/less an average dwelling in a housing company costs now than it did before. The *average price*, in turn, describes the prevailing price level for sold dwellings without considering whether they are older, newer, larger or smaller than dwellings sold before.

4. Timeliness and promptness of published data

4.1. Publication frequency and measurement period of the statistics

The statistics on prices of dwellings in housing companies are published monthly, quarterly and annually. Monthly data are released one month from the end of the statistical reference month and quarterly data are released simultaneously with the data for the last month of each quarter. Quarterly data are statistically more reliable than monthly data and contain more detailed information by area. The annual statistics are published in connection with the statistical release for the first quarter of the year following it. The annual statistics are published in connection with the statistical release for the first quarter of the year following it.

4.2. Preliminarity of the statistics

When the statistics are published they cover approximately two-thirds of all transactions made in the latest quarter. The latest monthly statistics contain around two-fifths of all transactions. Statistics Finland receives the data on the remainder as they arrive at the Tax Administration.

Monthly and quarterly data are updated retrospectively in connection with each release so that the final data for the statistical year are published with the data for the first quarter of the year following it.

5. Accessibility and transparency of the data

A latest statistical release will be published from the statistics on Statistics Finland's web pages on the publication date of the statistics on prices of dwellings. Data concerning dwelling prices can also be found on Statistics Finland's web pages and database service. The essential metadata have been described in this document, which is incorporated into the publication of statistics on dwelling prices in housing companies. This document is also available on Statistics Finland's web pages.

These statistics cover only dwelling transactions in housing company shares. Especially out of the Greater Helsinki area, there are numerous real estate transactions that are not included in these statistics. Statistics Finland publishes a separate price index on real estate prices. Data on real estate transaction prices by municipality are available from the National Board of Survey.

6. Comparability of the statistics

6.1. Comparability with other data

When these statistics are compared with data from other producers the source of the basic data should be considered. Statistics Finland's data derive from the Tax Administration's comprehensive files, and thus cover exhaustively all completed transactions.

In January 2013, combinations of register data were updated. This increases the number of transactions by around three to five per cent on the annual level compared with earlier years.

6.2. Comparability over time

Data compiled from the Tax Administration's asset transfer tax data are available on prices of old dwellings in housing companies quarterly starting from the year 1987. Older data are available going back to 1970. Data provided by real estate agents are available for the period 1970 to 1986 and the used classification is much less detailed. As regards new dwellings, the time series based on data provided by real estate agents have been calculated quarterly from 2005 onwards.

7. Coherence and consistency

In addition to the statistics on prices of dwellings in housing companies, Statistics Finland releases quarterly statistics on real estate prices. Besides the data published by Statistics Finland, real estate agents, credit institutions and banks also publish information concerning dwelling prices and their development.

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Source: Prices of dwellings in housing companies. Statistics Finland