

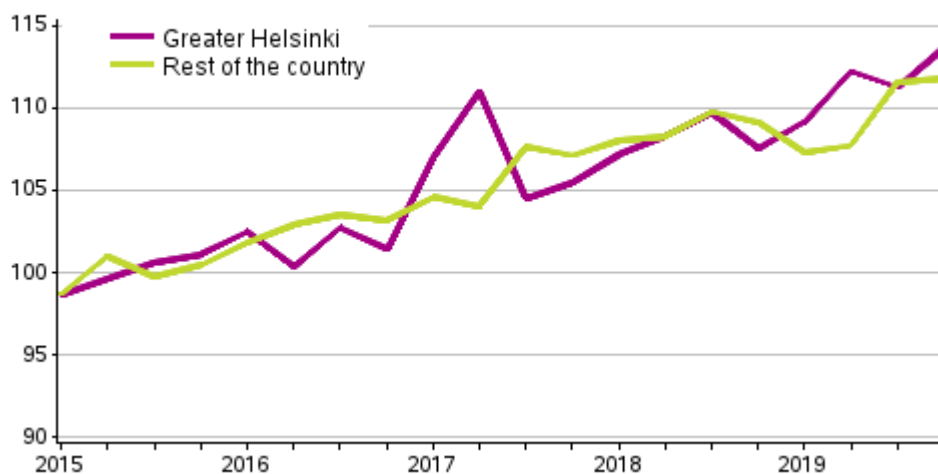
Prices of dwellings in housing companies

2019, 4th quarter

Prices of new dwellings in housing companies have risen compared to 2015 most in Espoo, least in Vantaa

Prices of new dwellings in housing companies rose last year by 1.9 per cent from 2018. In Greater Helsinki, prices went up by around three per cent and in the rest of the country by nearly one per cent. These data derive from the revised statistics on prices of new dwellings in housing companies

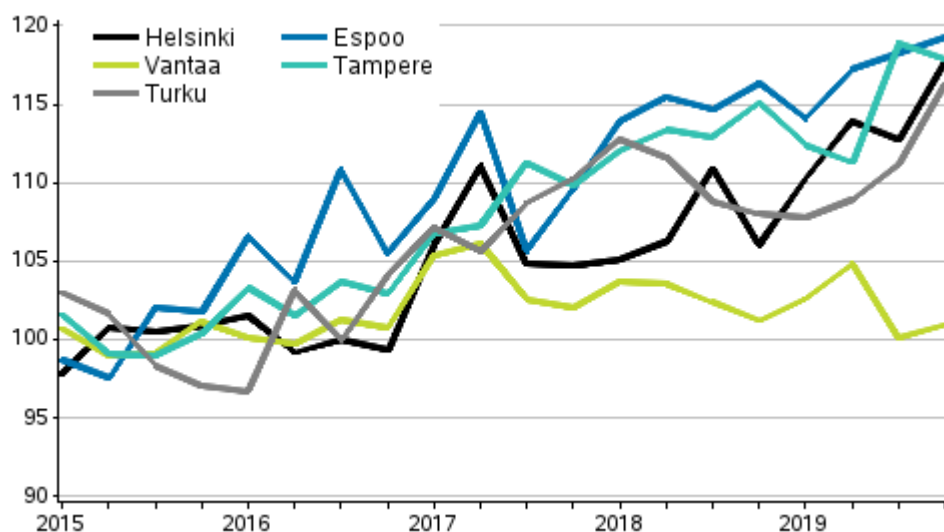
Development of prices of new dwellings in housing companies by quarter, index 2015=100



In the last quarter of 2019, prices rose in Greater Helsinki by 5.7 per cent from the corresponding period of 2018 and in the rest of Finland by 2.4 per cent. Compared to the third quarter, they rose in Greater Helsinki by 2.1 per cent and remained unchanged elsewhere in Finland.

Compared to 2015, prices of new dwellings have risen on average by a little over 10 per cent in the whole country. Of large towns, prices have risen particularly in Espoo, by 17 per cent. Prices have gone up by 10 to 15 per cent in Helsinki, Tampere and Turku. In Vantaa, the prices have remained almost unchanged.

Development of prices of new dwellings in housing companies quarterly in large towns, index 2015=100



The average price per square metre for a new one-bedroom dwelling in a block of flats located on own plot was EUR 7,452 in Helsinki, EUR 4,769 in Tampere and EUR 4,992 in Turku. The average price per square metre for a new one-bedroom dwelling located on rented plot was EUR 6,044 in Helsinki, EUR 4,334 in Tampere and EUR 3,978 in Turku.

Prices of new dwellings, 2019

Area	Index 2015=100	Yearly change, %	Price, EUR/m ² of new one-bedroom dwellings in block of flats on own plot	Price, EUR/m ² of new one-bedroom dwellings in block of flats on own plot on rented plot
Whole country	110.5	1.9	5,096	4,327
Greater Helsinki	111.6	3.1	6,517	5,213
Rest of the country (whole country- Greater Helsinki)	109.6	0.7	4,197	3,842
Helsinki	113.6	6.1	7,452	6,044
Espoo-Kauniainen	117.6	2.2	6,185	4,916
Vantaa	102.1	-0.6	4,896	4,049
Tampere	115.1	1.5	4,769	4,334
Turku	111.0	0.6	4,992	3,978
Jyväskylä	110.5	1.3	4,182	.
Oulu	109.5	-3.5	3,909	3,345

. = less than 20 transactions

The data on new dwellings in blocks of flats are based on information on the transaction prices of the largest building contractors and real estate agents. More information is available on changes in the statistics on new dwellings in housing companies and their results in the Tieto&trendit blog and article (in Finnish) to appear on 31 January 2020 and in the section on changes in these statistics. More detailed price data on dwellings in housing companies are available at stat.fi/til/ashi/tau_en.html.

Price data for old dwellings in housing companies [are not published](#) for the time being.

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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. Data concerning new dwellings are published quarterly and annually. The statistics contain data classified by area and type of building for the examined period 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 Digital and Population Data Services Agency also used for the statistics.

New dwellings: The data of the price statistics are based on the price monitoring data of the Central Federation of Finnish Real Estate Agencies, as well as data from Statistics Finland's own data collecting. The data include information on transactions in new dwellings reported 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 prices per square metre published in the price statistics on old dwellings in housing companies are weighted geometric means of prices per square metre (EUR/m²). Prices per square metre for new dwellings are calculated so that the total sum of purchased dwellings in the category examined is divided by the total sum of floor areas.

Floor area of dwelling: The area of a dwelling, i.e. a residential dwelling is the floor area that is limited, on the one hand, by walls surrounding the dwelling, on the other hand, by the main walls and the surfaces of building parts in the inside of the dwelling necessary for the whole building. The floor areas of auxiliary spaces (utility space, walk-in wardrobe, etc.), bathroom, hobby room, fireplace room, sauna in a 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 residential dwelling. Garage, cellar, sauna space in unfurnished basement, unheated storage space, balcony, porch, veranda, vestibule and unoccupied attic spaces are not included in the floor area of a residential 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, in the two previous years or later that is sold for the first time. Due to differences in source data, new and old dwellings may include some of the same dwellings, which may cause overlapping when calculating the total number of transactions.

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: The number of transactions in old dwellings includes Housing Finance and Development Centre ARA dwellings and HITAS dwellings. They are not included in the calculations of indices and prices per square metre. In new dwellings HITAS dwellings are included in the numbers, indices and prices per square metre.

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. On the basis of the price index, it is possible to follow the change in dwelling prices compared to different periods, that is, how much more or less a typical dwelling costs now than earlier. Because the composition of dwellings sold at different times is not the same, the calculation of the index aims to separate genuine price development from price changes caused by the characteristics of the dwellings sold. The base period for the indices of old dwellings in housing companies are 1970, 1983, 2000, 2005, 2010 and 2015. The base year period for new dwellings are 2005, 2010 and 2015.

Real price index: Describes the change in real prices compared to the index base period. 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.

Point figure: Point figure is a change quantity used in price indices, which expresses the price, average price or index of the comparison period relative to the price, average price or index of the base period. The point figure of the base period is usually denoted by the number hundred. For example, if the point figure of a commodity at a certain point in time is 105.3, the price of the commodity has risen by 5.3 per cent compared to the base time period.

Distribution parameters:

Q1 (lower quartile) = 25% of the observations arranged in size order remain below the value in question.

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

Q3 (upper quartile) 75% of the observations arranged in size order remain below the value in question.

Number of transactions: In old dwellings, this describes the number of transactions in old dwellings in housing companies in the area. The data on the number of transactions will become revised and the final data for the current year are published in the release concerning the first quarter of the following year. The number of transactions also includes transactions of price controlled HITAS dwellings and Housing Finance and Development Centre ARA dwellings in the area, which are not included in index calculations and prices per square metre. In new dwellings, the number of transactions covers around 80 per cent of the transactions in new dwellings. The data on numbers of transactions in new dwellings do not as a rule become revised, but if Statistics Finland receives a significant amount of information after the publication, the data can be revised. The numbers of transactions include price controlled HITAS dwellings in the area. HITAS dwellings are also included in index calculations for new dwellings as they cannot be reliably separated from the data. The numbers of new dwellings before 2018 are not fully comparable with newer data.

Classifications:

Old dwellings in housing companies:

In the monthly statistics 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. The Greater Helsinki area comprises Helsinki, Espoo, Vantaa and Kauniainen, which in the statistics is included in Espoo.

The annual and quarterly statistics use different area combinations, such as Greater Helsinki, satellite municipalities around Greater Helsinki, regions and urban sub-areas. The urban sub-areas are formed of postal code areas using price level and location as the criteria. Detailed regional division available [at link](#).

New dwellings in housing companies:

The regional division used in the statistics on new dwellings is less detailed than that used for the statistics on 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 complies with the division into major regions used in the Consumer Price Index. The area categories of the index published are the whole country, Greater Helsinki, rest of Finland, and major regions Southern Finland, Western Finland, Eastern Finland and Northern Finland. In addition to these, indices are published for the biggest towns (Helsinki, Espoo, Vantaa, Tampere, Turku, Oulu, Jyväskylä).

Prices per square metre for new dwellings are published on the annual level according to urban sub-areas as well. Urban sub-areas are formed for new dwellings by combining the sub-areas used in the regional classification of old dwellings. The area categories were formed anew in Helsinki, Espoo, Vantaa and Jyväskylä based on the prices per square metre for new dwellings because the classification of old dwellings is not as such suitable for new dwellings. Classification used: [at link](#)

Prices per square metre are also published in new dwellings for major regions without the biggest towns. On the annual level, prices per square metre are published by major region according to the urban-rural classification of the Finnish Environment Institute for inner urban areas and for other areas. For example, prices per square metre in the area of Eastern Finland are published separately for the sub-areas of Jyväskylä, and for the rest of Eastern Finland area divided into inner urban areas and other areas. For example, the central areas of Jyväskylä and Kuopio belong to the inner urban areas of Eastern Finland. The urban-rural classification will be updated in 2020 and the data will be revised after that according to the new classification

2. Methodological description

The statistics on the prices of dwellings in housing companies describe the unencumbered prices per square metre of dwellings in housing companies and changes in them. The statistics include both unencumbered prices per square metre calculated as averages directly from the data and the price index for dwellings in housing companies that describes the change in prices.

The price index aims at answering the question how much more or less a typical dwelling in a housing company now costs compared with before on the basis of the total number of actual transaction prices. Because the composition of dwellings sold at different times is not the same, monitoring average price changes is not sufficient. For example, the relative shares of different types of dwellings among sold dwellings may vary from quarter to quarter. When calculating the index, the so-called hedonic method is used, where the aim is to separate the genuine price development from price changes caused by dwelling characteristics at different points in time with the help of data classification and regression analysis.

Classification: Because the location, type of building and number of rooms are the most important price determinants, the composition of sold dwellings is first standardised by classifying these variables. The regional classification has been constructed so as to be geographically meaningful and as homogeneous as possible in respect of price levels of dwellings. In the regional classification, larger cities have been divided into several sub-areas and smaller municipalities, where only few transactions take place, have been combined. Within areas, dwellings in a housing company are divided by type of building into two categories: blocks of flats and terraced and detached houses. Dwellings in blocks of flats have been classified further by the number of rooms into one-room dwellings, two-room dwellings and dwellings with three or more rooms. Terraced houses have been divided by the number of rooms into two categories: dwellings with fewer than three rooms and dwellings with at least three rooms.

Regression model and quality adjustment: The used classification does not, however, homogenise the data sufficiently, because inside a class, dwellings differ from another in terms of micro-location, floor area, year of completion, and so on. The price data on old dwellings contain data on the year of completion, floor area, and location of the dwelling on the postal code level. The price data of new dwellings include

information on area, ownership form of plot (whether the dwelling is located on own or rented plot) and location of the dwelling. With the help of the regression model, these data are used to quality adjust for changes in the composition of the data between the base and reference periods.

An example of a quality adjustment: during the statistical quarter the dwellings in a certain area have, on average, a larger floor area than the dwellings in the base period. In the quality adjustment, the index is revised upwards as otherwise the lower price per square metre caused by the larger floor area would erroneously be interpreted as a drop in prices. If there is no difference in the floor areas of the dwellings sold during the statistical quarter compared to the base period, no quality adjustment is needed.

The index point figure for the whole country is derived by aggregating the index class-specific price changes and the quality adjustments with the so-called log-Laspeyres index formula. The weights for old dwellings are derived as value-shares of the stock of dwellings in housing companies in 2015.

A more detailed methodological description of old dwellings in housing companies has been published in Statistics Finland's Studies series (Koev, Eugen: Combining classification and quality adjustment in constructing a House Price Index. Helsinki, Statistics Finland, Studies series (2013)).

The price index of new dwellings in housing companies differs somewhat from the calculation of the price index of old dwellings in housing companies. The quality standardising method is similar, but the index is calculated using the Törnqvist index formula. In new dwellings in housing companies, quality standardised price changes are weighted together with the value shares of new dwellings sold in the basic and comparison periods. In quality standardisation, use is made of the dwelling's floor area, the location of the dwelling and whether the dwelling is located on rented or own plot.

The base period is the previous year and the actual index series is calculated by chaining the index into a time series whose base year is 2015=100.

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, after the data are supplemented, include 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. Supplementing of the data is also affected by whether the data have been reported on time and whether the electronic questionnaire has been used in reporting.

The price statistics on new dwellings is based on data collected from the biggest real estate agents and building contractors. The data cover approximately 80 per cent of sold new dwellings. The data can be revised if Statistics Finland receives a significant amount of information after the publication time.

The price indices of old and new units in housing companies and the published prices per square metre include dwellings on both own and rented plots. The price indices and prices per square metre of old units in housing companies do not include price controlled HITAS dwellings. Prices per square metre for new dwellings in housing companies are published separately for dwellings located on rented plot and own plot and the ownership form of plot is taken into consideration in the quality standardisation of the index.

The results of the statistics describe the housing company share market 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. Therefore, the development of prices should always be examined in the longer term and not only for a certain time period.

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 of old dwellings in housing companies become revised](http://tilastokeskus.fi/til/ashi/rev_en.html)

(http://tilastokeskus.fi/til/ashi/rev_en.html) 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 percentage point either way for the whole country. The revision is larger for smaller geographical areas. The average revision in quarterly statistics amounts to 0.2 percentage point either way for the whole country.

It is not recommended to use the latest month's number of transactions of old dwellings in housing companies when describing the activeness of trading; it rather describes the reliability of the price index and price per square metre in the latest time period. If only a few transactions are known, a couple of deviating cases may affect significantly the average price for an area.

The numbers of transactions in the latest months should be examined over a longer period than one month. Particularly in summer months, the number of transactions in the latest release of the monthly statistics may remain lower than usual and become revised in the coming months.

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. More information about the key figures of the statistics are given in the Tieto&trendit blog (in Finnish).

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.

4.2. Preliminarity of the statistics

When the quarterly statistics on old dwellings in housing companies are published, they cover approximately two-thirds of all transactions made in the latest quarter. The latest monthly statistics contain around 50 per cent of all transactions. Statistics Finland receives the remainder of the data later as soon as they are accumulated in 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. The data on old dwellings published by Statistics Finland's are based on the Tax Administration's asset transfer tax statements. 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. The data for the annual statistics cover nearly all private transactions and the transactions carried out through real estate agents. .

For example, the data published by the Union of Real Estate Agencies in Finland (KVKL) are based on the dwelling transaction data reported by the largest real estate agents and building contractors. The data covers 70 to 80 per cent of transactions in old dwellings, in addition to which the material contains data on real estate transactions and transactions in new dwellings. The price index of dwellings in old blocks of flats published by KVKL differs from that published by Statistics Finland, for example, in terms of quality standardisation and the calculation method of the index. The aim of the price index published by Statistics Finland is to describe the price development of the entire dwelling stock, while the aim of KVKL's index is to describe the price changes in completed transactions.

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.

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.

From the beginning of 2015, the quality adjustment models and the weights used in the index calculation of both old and new dwellings in housing companies were updated. In terms of the calculation of old dwellings in housing companies, the procedure for checking prices was also updated. The monthly indices of old dwellings in housing companies, as well as the quarterly and annual indices of old and new dwellings in housing companies, have been backcasted from the year 2010 taking these changes into account. Due to the changes, the backcasted indices can to some extent differ from previously published indices. Most differences are generated in regions where the number of observations is low. For the whole country, the differences are small.

The calculation of the numbers of transactions of old dwellings in housing companies was renewed in the beginning of 2016. In the renewal, the joint use of transaction data and various register data was improved, as a result of which transactions of old dwellings in housing companies can be differentiated in future better than before from the transactions of new dwellings. The methodological renewal also has an impact on the yearly published transaction sum data of old dwellings in housing companies, and on the quarterly published prices per square metre by post code. In future, data according to the new method are used for these. Comparable time series have been produced with the renewed method on all the data to be published.

From the beginning of 2018, the quality adjustment models and the weights used in the index calculation of old dwellings in housing companies were updated. In this connection, the checking methods for prices and surface areas were updated. The review procedure of observations included in index calculation was harmonised with the calculation of the numbers of transactions that was renewed in 2016. In addition, the new base year 2015=100 was taken into use. The calculation method for prices per square metre was changed in aggregation from the arithmetic mean to the geometric mean, which caused differences compared with previously published data, especially at aggregate level.

The price statistics on new dwellings were revised in 2020. In the revision, the data were supplemented retrospectively with new information, price review procedures were updated, the calculation methods of price index and prices per square metre were renewed and the publication level of the statistics was specified so that data are published in the following for the biggest towns as well. The new base year 2015 was introduced in the statistics. The results differ from those published previously due to the changes mentioned above. In addition to the statistics on prices of dwellings in housing companies, Statistics Finland releases data on the price development of single-family houses and single-family house plots in the quarterly statistics on real estate prices.

7. Coherence and consistency

In addition to the statistics on prices of dwellings in housing companies, Statistics Finland releases data on the price development of single-family houses and single-family house plots in the quarterly statistics on real estate prices. The prices of dwellings in housing companies and single-family houses are included in the indices of owner-occupied housing prices delivered to Eurostat (Council Regulation (EC) No. 93/2013). The indices of owner-occupied housing prices are published on Eurostat's website.

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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