

# No secrets in real estate

**R**EAL ESTATE deals have never been secret in Finland.

Anyone can secure information on them, through research at local courts where legal confirmation of possession is granted.

Additionally, many municipalities have had their own unofficial registers on accomplished deals.

To make this information more easily accessible, the Finnish Parliament enacted a special law in 1980: Act on the Register and Statistics of Real Estate Deals (Act 552/1980, Laki kiinteistöjen kauppahintarekisteristä ja kauppahintatilastosta). This legislation came into effect on 1 July 1981.\*

The general purpose of this legislation is to provide authorities and other potential buyers and sellers of real estate with correct information on the market situation, especially on prices. Previously, it often happened that agreements were based more on hearsay, and this was probably one reason for the quite steep rise in land prices.

**'Real estate deals  
have never been secret  
... the register is  
computerised and up-to-date'**

The register of real estate deals is kept by the National Board of Survey, with branch offices in 12 provinces (counties). All real estate deals in Finland must, by law, be done in the presence of a certain kind of notary public who submits, for each deal, a special information form to the surveying authorities (and taxation authorities, as well).

The form contains information on some facts which can influence the selling price, e.g. whether the seller and buyer are relatives; whether there are buildings upon the piece of land concerned, and (if yes) the kind of buildings; whether the land was in planning or rural areas, etc. (planning areas are those with approved detailed town plans).

The register itself is computerised and kept up-to-date with about four weeks delay. Information on individual deals, or lists of specially chosen sets of deals, can be ordered by anybody. The choice can be made very freely. For example: all deals made in 1983-84 concerning one-family houses in district X of town Y.

## LAND PRICE INDEX

### Part 3: FINLAND

The cost of this service is now four to seven Finnish Marks (£0.5 - 0.9) per deal, depending on the size and kind of the order. The subscriber can choose between simple computer lists of deals, or full copies of original information forms.

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**A**CCORDING to the act, the National Board of Survey must periodically publish essential statistics on the basis of this register.

Two annual registers have been published so far. The one for 1983 contains 43 tables and 12 figures. The tables give information by types of real estate and by types of areas.

The main types of areas are planning (urban) areas and rural areas. Both of them are examined by

municipalities (461), provinces (12) and the whole state.

There are also separate tables for the number and scope (area) of deals and for actual prices.

Statistics by municipalities are given for the kind of real estate which is traded. In practice, this means unbuilt lots for one-family houses in planning areas, and built and unbuilt lots for summer houses (on the shore).

Many tables first give the number of deals and the mean of the land areas concerned. For prices, the following information is given: mean, median, minimum, maximum and standard deviation.

The user should treat these statistical facts with caution, because all factors affecting the price cannot be seen in the published material. For example, the amount of timber in forest is not recorded, even if it has the major impact on the price.

These statistics give a good general view of the real estate market, and thus provide a sound starting point for reliable valuation, and the use of econometric models will now be possible.

The published statistics tell, among other things, facts for the whole of Finland as summarised in the table below.

**'According to the  
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As the land area of Finland is about 305 000 sq.km's, the statistics show that 2% of land area changes owner yearly.

The sum of purchase prices in 1983 was 10.8bn Finnish Marks (£1.3bn). The rise in total prices over 1982 was 19%, which is partly explained by the growth of the market (number of deals grew by 3% and area by 5%) and partly by inflation (10-11%).

\*"Real estate" in Finland means land and eventual buildings on it. Therefore deals concerning apartments in blocks of flats are not covered by this act. To sell a share of stocks in this kind of housing corporation is seen as a deal of movable property, and that is less controlled.

Changes of ownership	1982	1983	Change
Number	71,281	73,518	+ 2,237 (3%)
Area (hectares)	582,720	612,529	+ 29,809 (5%)