
Review of affordable housing in Finland 2026

April 2026

Finnish Affordable Housing Companies'
Federation – KOVA



SUMMARY

State-subsidised housing production underwent major upheavals in 2025 and 2026, as the functions of the former Housing Finance and Development Centre (ARA) were transferred to the newly established Centre for State-Subsidised Housing Construction (Varke), the State Housing Fund was incorporated into the state budget, and the new construction of right-of-occupancy dwellings was, in practice, discontinued. Nevertheless, state-subsidised housing production compensated for the decline in privately financed housing production in 2023–2025, accounting for nearly every second dwelling completed during those years.

Finland's public-sector debt situation rose to an alarming level in 2025, approaching the 90 per cent threshold. As interest-subsidy loans for state-subsidised housing have, since 2022, been included in general government EDP debt, the level of public debt also affects the production of new state-subsidised housing and major renovations.

In 2025, state-subsidised dwellings received a total of €170 million in supply-side housing subsidies, clearly less than in the previous year. By contrast, demand-side housing subsidies—although they too decreased from the previous year—amounted to more than €2.5 billion in 2025, meaning nearly fifteen times the amount allocated to supply-side support.

Rents in privately financed rental dwellings have risen over the past couple of years noticeably more slowly than rents in state-subsidised rental dwellings and the residence charges of right-of-occupancy dwellings. This is due to the abundant supply of privately financed dwellings and the fact that the latter are based on the cost-price principle, meaning that final housing costs directly reflect changes in maintenance and capital expenditure. Despite this, the average difference in rents and residence charges remains substantial, amounting to €670 million per year in total.

Finally, it must be noted that the situation in the construction sector remains highly challenging. In 2025, the number of new dwellings built fell to a record low, and the number of building permits issued was even lower. At the time of writing in spring 2026, no rapid improvements are in sight, and in many forecasts

expectations for the recovery of privately financed housing production have already been pushed to late next year. The state could help stimulate activity in the construction sector by increasing the interest-subsidy loan authorisation, the investment grant authorisation for special-needs groups, the production of right-of-occupancy housing, and renovation grants.

1. The interest-subsidy loan authorisation should be increased to €1.5 billion in 2026 and to €1.135 billion in 2027.
2. The new production of right-of-occupancy dwellings should be continued.
3. The investment grant authorisation for special-needs groups should be raised to at least €65 million for 2026 and 2027.
4. A temporary €50 million renovation grant should be allocated for the repair of residential buildings, with €20 million directed to state-subsidised housing providers and €30 million to housing companies and detached houses.
5. Housing structure transition areas should be designated, with €10 million per year over the next decade allocated to adjusting and stabilising the operations of state-subsidised housing stock and its owners in these areas.
6. A review should be launched on the future of financing for affordable housing.

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1. ABOUT THE AUTHOR

Finnish Affordable Housing Companies' Federation – KOVA is the industry association for nonprofit rental and right-of-occupancy housing organizations that operate on a cost price basis. It acts as an advocacy, service, and cooperation organization for its members. KOVA's members own normal rental apartments, rental apartments for special groups, or right-of-occupancy apartments

KOVA has 139 member organizations. Together, they permanently own over 340,000 rental and right-of-occupancy apartments, housing more than 500,000 people. KOVA's members operate in approximately 150 municipalities. KOVA's members own about 85 percent of the restricted normal state-subsidized rental apartments, around 70 percent of all restricted state-subsidized rental apartments, and approximately 85 percent of right-of-occupancy apartments in Finland. In 2026, KOVA's members will begin the construction of approximately 3,700 affordable rental and right-of-occupancy apartments.

KOVA represents long-term, stable, and secure owners and landlords of rental and right-of-occupancy apartments. It improves the operating conditions for rental and right-of-occupancy housing organizations by providing the best advocacy in Finland. KOVA's members ensure that even people with low incomes can afford quality and affordable housing.

2. INTRODUCTION

2.1 Population growth

Finland's population stood at nearly 5.7 million at the end of 2025.¹ According to Statistics Finland's 2024 population projection, the country will have around 6.1 million inhabitants in 2045 and approximately 6.5 million in 2070. It should be noted, however, that Statistics Finland's population projection is not a forecast in the strict sense, but rather a calculation showing what the population would be if demographic trends continued at the level observed in the base year. In other words, the birth rate, mortality and migration are assumed to remain constant. The projection assumes that Finland will experience net migration gains of 40,000 people annually from 2026 onwards. According to the preliminary population statistics, net immigration was around 35,000 persons in 2025.

In 2025, the total fertility rate of Finnish women was, according to preliminary data, 1.30 – the third-lowest figure in the country's statistical history.² The total fertility rate refers to the number of children a woman would give birth to during her lifetime if the fertility rates of that particular year remained constant throughout her life. Among the regions, the highest total fertility rate was recorded in Central Ostrobothnia (1.62) and the lowest in North Karelia (1.13). On average, total fertility rates in large cities are lower than the national average.

In 2024, there were 3.49 million people of working age in Finland (15–64-year-olds), representing 62 per cent of the population.³ According to the population projection, the working-age population will reach its peak (3.84 million) in the early 2050s. In 2024, Finland's economic dependency ratio was 133.⁴ This means that for every 100 employed people, there were 133 non-employed individuals – i.e. unemployed persons

¹ Statistics Finland, preliminary population statistics (12/2025).

² Statistics Finland's article on preliminary population statistics (available only in Finnish): <https://stat.fi/fi/uutinen/Maahanmuutto-vaeheni-reilusti-vuonna-2025-syntyvyys-nousi-hieman>.

³ Statistics Finland, population structure (2024).

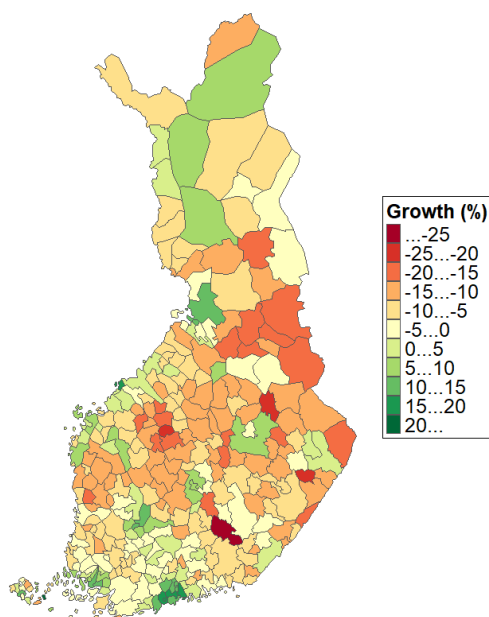
⁴ Statistics Finland, employment (2024).

or those outside the labour force, including children and pensioners. The dependency ratio has decreased slightly, as it was 143 in 2015 and 142 in 2020. In 2024, the lowest economic dependency ratios were found in Åland (110) and Uusimaa (114), and the highest in North Karelia (167) and South Savo (165).

When examining population growth by municipality, it is observed that between 2025 and 2035 the population is expected to decline in the majority of municipalities (see Figure 1). The population is projected to decrease in 234 municipalities and increase in 74. In many localities in eastern and central Finland, the population is forecast to fall by 10–20 per cent over just over a decade. However, in large cities, coastal areas and the north, population growth is expected in some areas. For example, the population is projected to grow significantly in Espoo (+17.9 %), Vantaa (+16.1 %), Tampere (+14.5 %), Helsinki (+12.0 %), Oulu (+10.3 %), Turku (+10.0 %) and Kuopio (+9.4 %).

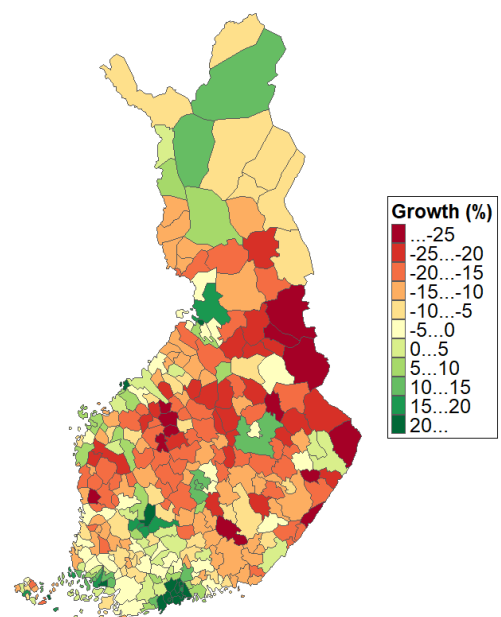
The municipal-level population projection for 2025–2045 presents a similar picture to that extending to 2035, although the contrast between different parts of the country is even more pronounced. The number of growing municipalities is slightly higher than in the shorter projection period, at 81. In the seven major cities mentioned above, population growth between 2025 and 2045 ranges from 14 to 31 per cent.

Population growth 2025-2035



Source: Statistics Finland, population projection (2024) and Statistics Finland, preliminary population statistics (12/2025)

Population growth 2025-2045



Source: Statistics Finland, population projection (2024) and Statistics Finland, preliminary population statistics (12/2025)

Figure 1: Population growth by municipality 2025–2035 and 2025–2045

The population forecast by the regional development consultancy MDI paints a picture of Finland's demographic development—marked by strengthening urban growth centres and declining rural municipalities—similar to that of Statistics Finland.⁵ However, MDI also incorporates changes in immigration into its various scenarios. According to MDI's forecast, immigration can have a significant impact on the size of the working-age population and on regional demographic trends, although even increased immigration will not, by 2040, substantially affect the declining number of school-age children or the sharply rising number of older people.

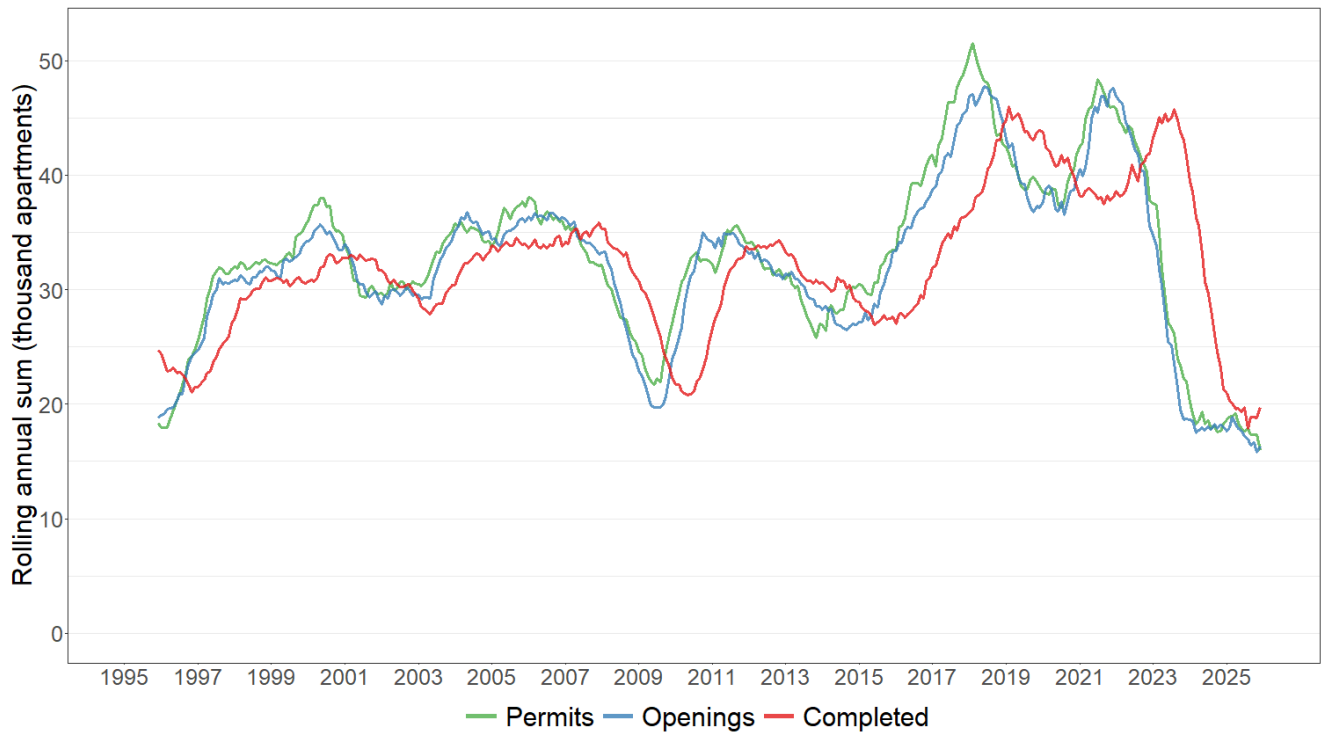
The forecast suggests that medium-sized cities in particular should focus on improving their ability to retain residents, as immigrants typically continue to relocate within the country to the largest cities. According to the report, one of the most important factors influencing retention is the availability of suitable housing solutions.

2.2 Residential construction cycle

Annual housing production in Finland was around 30,000–35,000 dwellings from the late 1990s to the mid-2010s. However, during the years of the financial crisis and the euro crisis, production fell to 20,000–25,000. Between 2017 and 2021, new housing construction accelerated to over 40,000 dwellings annually. This increase came to an end in 2022, when the combined effects of the COVID-19 pandemic and the war in Ukraine led to a rapid rise in inflation and interest rates.

In 2023–2024, housing starts amounted to around 18,000 dwellings, dropping to just over 16,000 in 2025. Building permits provide the best indication of future housing starts, as, as shown in Figure 2, housing starts and completed dwellings follow the volume of issued permits. A rough estimate of the time between the granting of a building permit and the completion of a residential building is about 1.5 years. In 2025, building permits were issued for fewer than 16,000 dwellings, the lowest figure in statistics dating back to 1995.

⁵ MDI's Population Forecast 2024. The announcement and link to the forecast can be found at (available only in Finnish): <https://www.mdi.fi/vilkastuva-maahanmuutto-painottuu-tyoikaisiin-ja-kiihdyttaa-suurien-kaupunkiseutujen-kasvua/>.



Source: Statistics Finland, building stock and new production (12/2025)

Figure 2: Granted building permits, housing openings and completed apartments monthly (1995–2025)

3. OVERVIEW OF THE FINNISH HOUSING MARKET

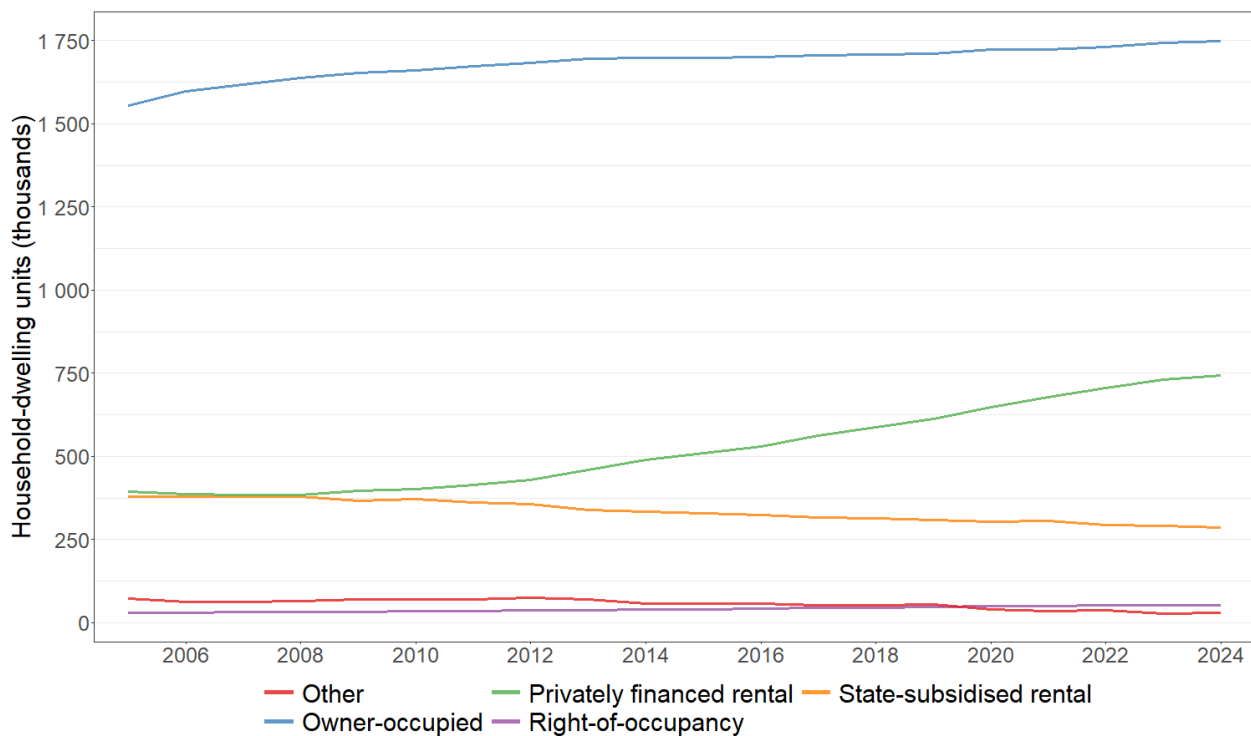
3.1 Dwellings and household dwelling units

The most significant change in Finland's housing structure over the past two decades has been the shift in rental housing towards the privately financed sector, as illustrated in Figure 3. In 2008, there were still approximately the same number of households, 380,000, living in both privately financed and state-subsidised rental dwellings. Since then, the number of households living in privately financed rental housing has increased by 93 per cent, while the number of those living in state-subsidised rental dwellings has decreased by 24 per cent.

In 2024, there were approximately 2.86 million households in Finland. Of these, 1.75 million, or 61 per cent, lived in owner-occupied dwellings. A total of 290,000 households, or 10 per cent, lived in state-subsidised rental dwellings subject to use and transfer restrictions.⁶ Privately financed rental dwellings, or former state-subsidised apartments released from use and transfer restrictions, housed 740,000 households, corresponding to 26 per cent. Just over 50,000 households, or around 2 per cent, lived in right-of-occupancy dwellings.

When measured by the dwelling population rather than by households, the relative shares of the different forms of tenure remain broadly the same, although the proportion of owner-occupiers within the total dwelling population is somewhat higher and, correspondingly, the proportion of those living in privately financed rental dwellings somewhat lower. This is due to the fact that the average household living in an owner-occupied dwelling is larger than average, whereas households in privately financed rental dwellings tend to be smaller than average.

⁶ Of these, approximately 70 per cent were state-subsidised standard rental apartments and around 30 per cent were state-subsidised rental apartments for special-needs groups.

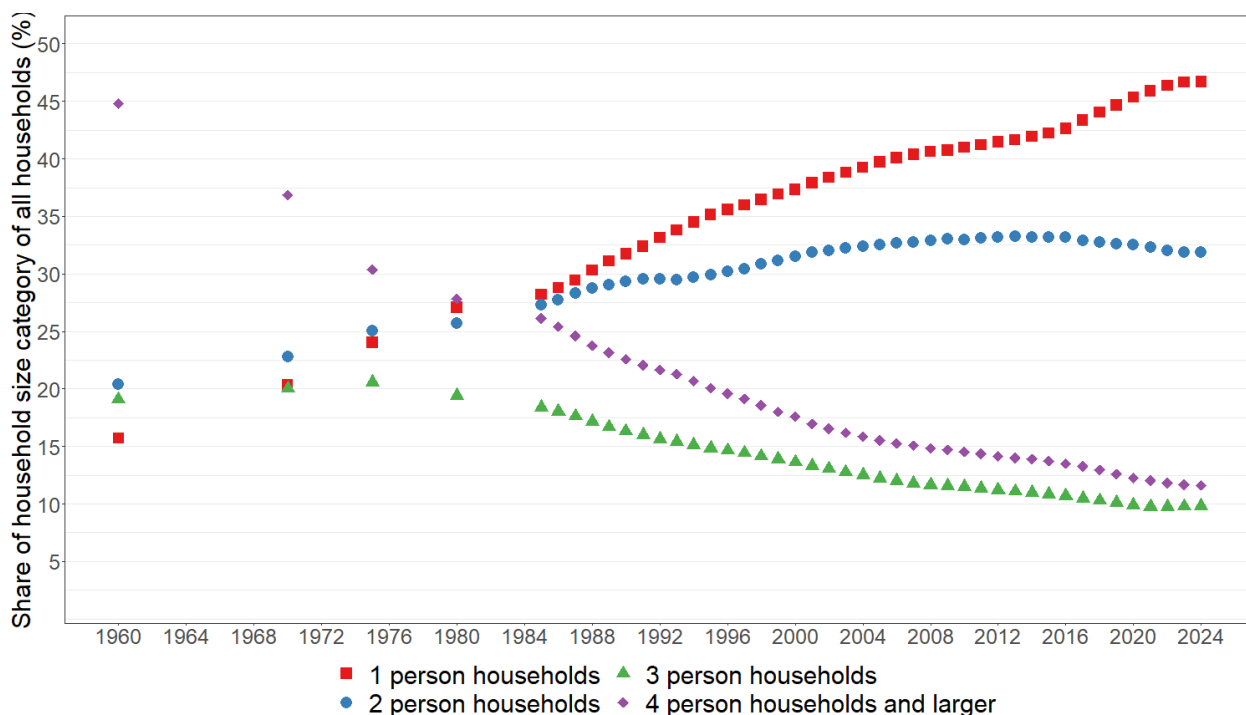


Source: Statistics Finland, dwellings and housing conditions (2024)

Figure 3: Household-dwelling units by tenure status annually (2005–2024)

Using the figures in Table 1 of the Appendix, a rough estimate of the theoretical size of Finland’s rental market can be calculated. A total of approximately €9.6 billion is paid in rent each year, of which €7.2 billion (74%) comes from the privately financed rental market and €2.5 billion (26%) from the state-subsidised sector. In addition, residence charges for right-of-occupancy dwellings amount to around €580 million annually.

Housing in Finland has long been characterised by a dramatic decline in average household size. In 1960, the average household size was 3.34 people. It was 2.99 in 1970, 2.64 in 1980, 2.42 in 1990, 2.21 in 2000, 2.07 in 2010, and 1.96 in 2020. By 2024, the average household size had fallen to just 1.92 persons—1.42 fewer than in 1960 (–43%) and 0.59 fewer than in 1990 (–21%). As illustrated in Figure 4, the decrease in average household size has been driven particularly by the strong growth in the share of one-person households and the corresponding decline in households with at least four people. Naturally, this has led to increased demand for smaller dwellings at the expense of larger ones.



Source: Statistics Finland, dwellings and housing conditions, households by size and the average household size 1960–2020 and Statistics Finland, dwellings and housing conditions (2024)

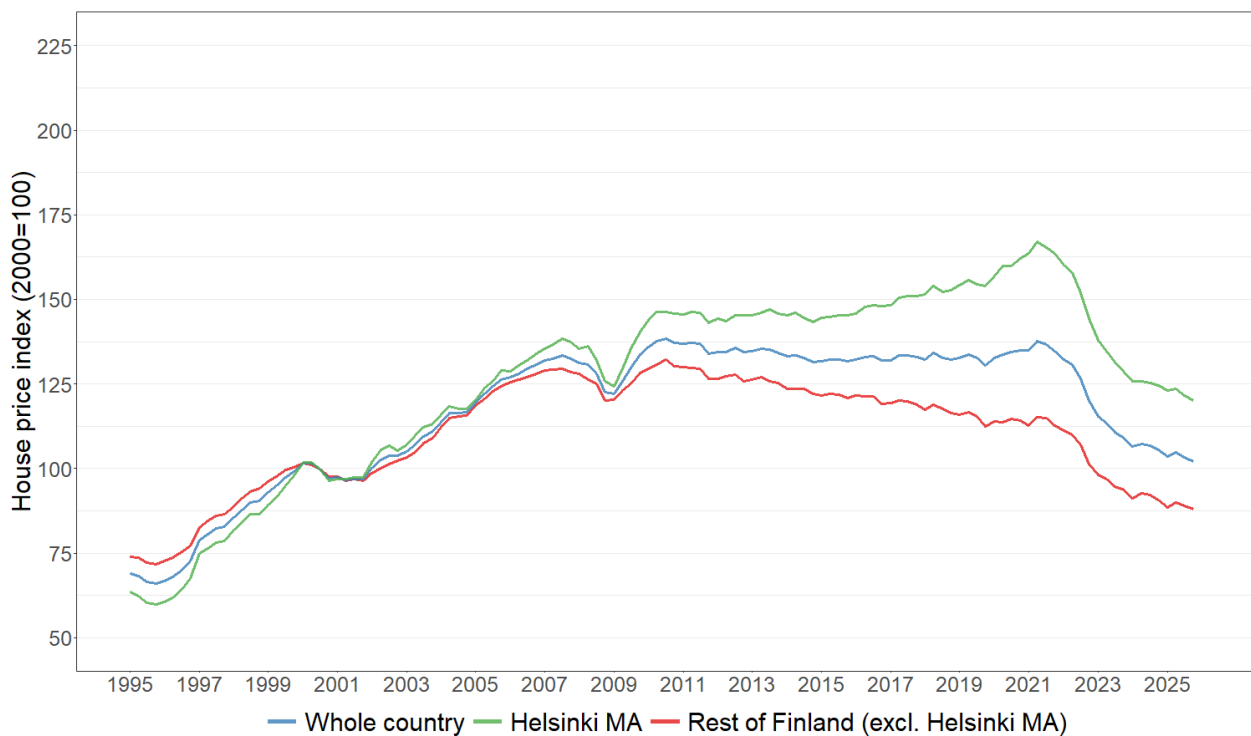
Figure 4: Annual share of household size categories of all households (1960–2024)

The number of vacant dwellings in Finland has grown significantly since the early 2000s. In 2000, there were 298,000 vacant dwellings, but by 2024 the number had risen to 540,000.⁷ The number of vacant dwellings has increased in both state-subsidised and privately financed housing. In 2024, 13 per cent of state-subsidised dwellings nationwide were vacant, compared with 16 per cent of privately financed dwellings.

3.2 House price trends

There has been a significant regional divergence in the real, inflation-adjusted prices of old (secondary-market) condominium apartments, particularly when examining the period between the financial crisis and the war in Ukraine (see Figure 5). Before the recent price decline, the real prices of old apartments in the Helsinki metropolitan area had risen by an average of 60 per cent since 2000. In the rest of the country, the increase was only about 15 per cent. Recent price developments have, however, narrowed this gap slightly. When the entire period of the 2000s is taken into account, the prices of old apartments in the Helsinki metropolitan area are 20 per cent higher in 2025 than in 2000. Outside the metropolitan area, real prices have fallen by over 10 per cent between 2000 and the end of 2025.

⁷ Living environment information service Liiteri (2024).



Source: Statistics Finland, prices of dwellings in housing companies (Q4/2025)

Figure 5: Real house price index of old apartment buildings quarterly (1995–2025)

3.3 Rental trends and regional differences

A similar pattern of regional divergence can also be observed in the rental market. In Figure 6, however, the rental market is examined according to the financing model of the dwelling. The difference in real monthly rents between privately financed and state-subsidised rental apartments was still €2.2 per square metre in 2015, but this gap has increased to €3.1 per square metre in 2025. The difference has therefore grown by 39 per cent over the decade. This development holds even when recent price trends are taken into account, as rents for state-subsidised apartments have risen clearly faster than those for privately financed rental dwellings.

The uneven rental developments between state-subsidised and privately financed rental dwellings in the past couple of years can be seen in Figure 30 of the Appendix.⁸ In privately financed rental apartments, rent increases have been more moderate. This development is mainly due to the fact that privately financed rents are determined by market forces based on supply and demand. By contrast, the recent strong inflation and

⁸ This rental index aims to account for differences in housing quality to ensure reliability in comparisons over time. In contrast, statistics on average rents per square metre do not take the varying characteristics of dwellings into consideration.

interest rate developments have been reflected almost directly in the rents of state-subsidised dwellings.

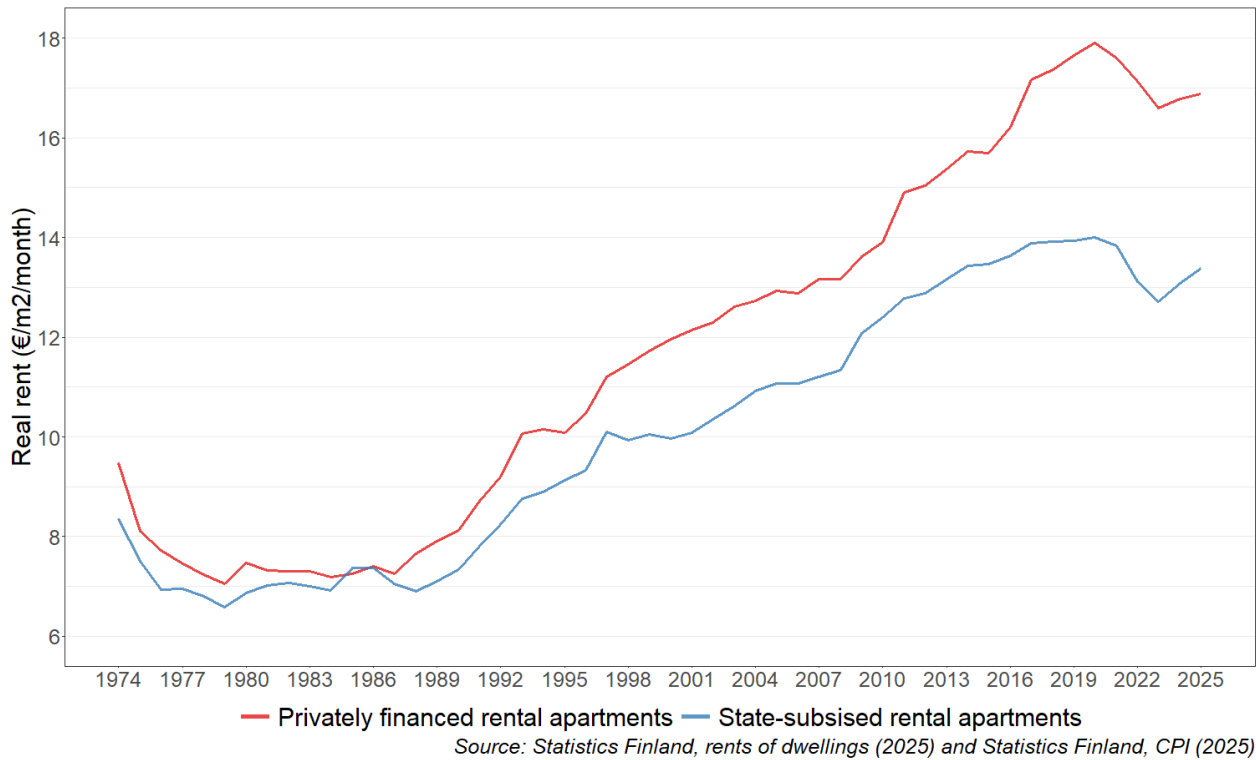


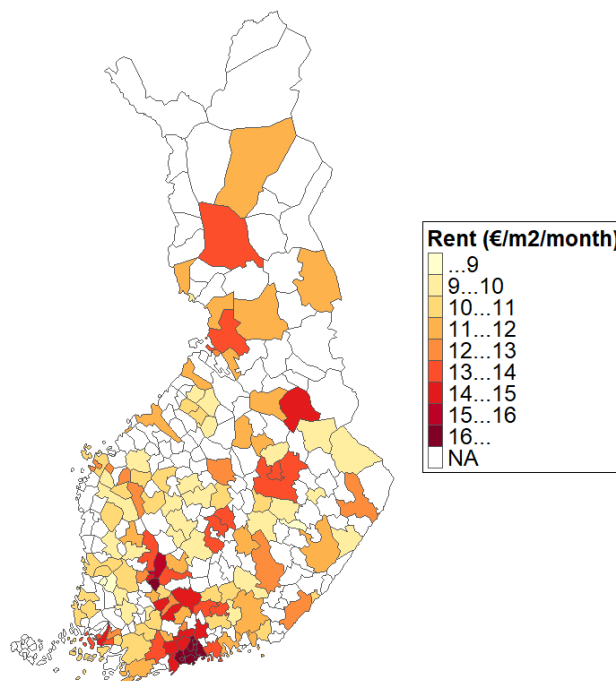
Figure 6: Average rent in 2025's money annually (1974–2025)

The increase in rents for state-subsidised dwellings has been particularly rapid in the Helsinki metropolitan area. One reason is that loan amounts are higher there than in the rest of the country, which means that interest expenses form a larger share of total costs. The equalisation mechanism used in the state-subsidised housing production system also pushes rents upwards in the metropolitan area, because more new construction and major renovation investments are carried out there than elsewhere in Finland. On the privately financed side, by contrast, there has recently been a considerable oversupply of rental apartments in the metropolitan area. This has slowed the rate of rent increases.

Figure 7 shows that, according to Statistics Finland's rental statistics for the final quarter of 2025, the average rent per square metre is highest in the major cities. The highest average square-metre rent for privately financed rental apartments is in Helsinki

(€21.4).⁹ Among the other major cities, the average rent is also higher than the municipal median, which represents the midpoint of the rent distribution and stands at €11.9 per square metre. The cities where rents exceed this level include Espoo (€19.1), Vantaa (€18.5), Tampere (€16.6), Turku (€16.0), Jyväskylä (€14.9), Kuopio (€14.8), Oulu (€14.3) and Lahti (€14.1).

However, outside this group there are many municipalities where the average rent is as much as half lower. In addition, almost half of all Finnish municipalities fall entirely outside the scope of the analysis, mainly because the number of observations, meaning rental agreements, is too small. In these excluded municipalities, the rent level is likely to be below the median.



Source: Statistics Finland, rents of dwellings (Q4/2025) and own calculations

Figure 7: Average rent of privately financed rental apartments (2025)

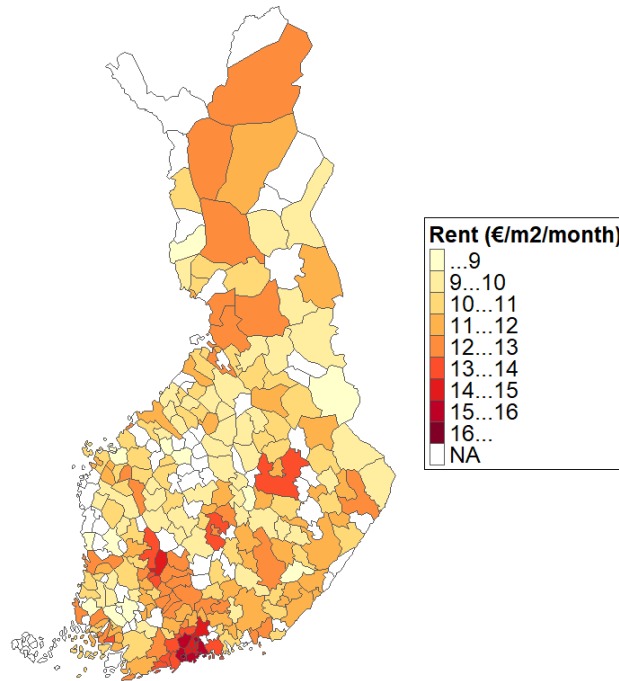
⁹ Statistics Finland publishes rental data at the postal-code-area level and categorised by the number of rooms. The data is based on rents reported by rental housing companies and on the housing allowance register of Kela (Social Insurance Institution of Finland). However, if there are fewer than 20 observations in a given postal code area, rental information is not published. The average rent level by municipality is calculated using the number of rental dwellings in each postal code area as a weight. Preference is given to the rents of one-bedroom apartments. If these are not available, the rents of studio apartments are used, and as a third option, the rents of two-bedroom and larger apartments.

Figure 8 presents the municipal square-metre rents of state-subsidised rental apartments.¹⁰ The highest monthly rent per square metre among the major cities is found in Espoo (€15.3) and Helsinki (€15.2). Other major cities also have rents above the municipal median rent of €10.9 per square metre. These cities include Vantaa (€14.6), Tampere (€14.0), Jyväskylä (€13.4), Kuopio (€13.0), Turku (€12.9), Lahti (€12.8) and Oulu (€12.2). By contrast, in many areas of eastern and central Finland located outside the larger cities, the rents for state-subsidised dwellings fall below the median.

The average residence charge for right-of-occupancy dwellings in 2026 is €13.93 per square metre nationwide.¹¹ Residence charges have increased by 1.7 per cent since 2025 and by 20.6 per cent since 2022. It should be noted, however, that right-of-occupancy dwellings are found mainly in the largest cities, where rent levels are also higher than the national average. In 2026, the average rent for state-subsidised rental apartments for special-needs groups is €15.29 per square metre. The relatively high average rent reflects the varying housing needs of these special-needs groups.

¹⁰ The rental statistics of the Centre for State-Subsidised Housing Construction are based on rental data from households receiving the general housing allowance from Kela (Social Insurance Institution of Finland). Municipal-level rental data is published only if there are at least ten observations from the municipality. In this review, the rents of all types of state-subsidised rental apartments, regardless of the number of rooms, are examined together.

¹¹ KOVA's statistical survey (2026).



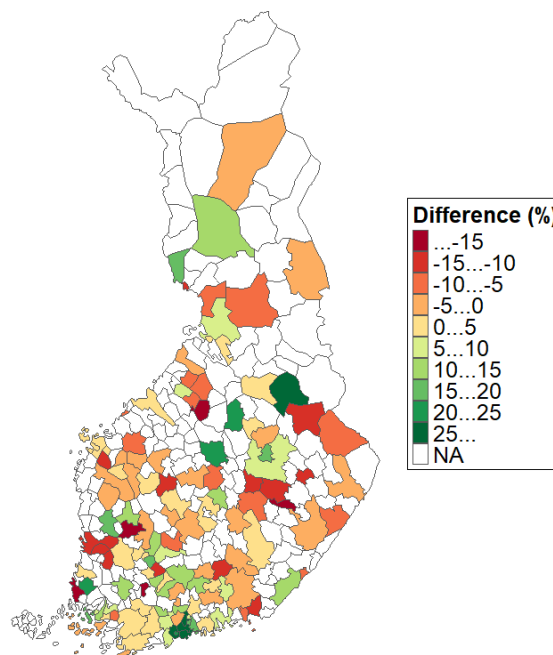
Source: Varke, rents of households receiving general housing allowance (11/2025)

Figure 8: Average rent of state-subsidised rental apartments (2025)

Next, the two previous analyses are combined, and Figure 9 examines the rent difference between privately financed and state-subsidised rental dwellings by municipality. The median municipal difference is 1.2 per cent. The largest differences between the two financing models are found in the Helsinki metropolitan area: Vantaa (46%), Espoo (43%) and Helsinki (36%). Significant differences are also observed in Turku and Tampere, where the difference is 12 per cent in both cities. In Oulu (7%), Kuopio (6%) and Lahti (4%) the difference is more moderate, while in Jyväskylä the difference between the financing models is very small at 1 per cent.

Outside the major cities, however, there are several municipalities where the average rents of state-subsidised dwellings are higher than the average rents of privately financed dwellings. It is important to note that even though Statistics Finland's rental statistics include rental data beyond that of households receiving housing allowances, small municipalities may have very few such observations. In any case, the rental data for small municipalities may be based on a limited number of observations. It should also be emphasised that this comparison can be made for less than half of all Finnish municipalities, meaning that large parts of the country remain completely outside the scope of this analysis.

It is interesting to observe these differences in the rental market. In the privately financed sector, rents outside the main growth centres are pushed down by the imbalance between supply and demand, in practice by a lack of demand. At the same time, high repair and maintenance costs, which place a burden on the large and ageing building stock, prevent rents for state-subsidised dwellings from decreasing. In total, 84 per cent of tenants live in a municipality where, according to the previous comparison, a state-subsidised rental apartment is more affordable than a privately financed rental apartment.



Source: Statistics Finland, rents of dwellings (Q4/2025), Varke, rents of households receiving general housing allowance (11/2025) and own calculations

Figure 9: Difference in rent between privately financed and state-subsidised rental apartments (2025)

Using the figures in Table 1 of the Appendix, it is also possible to calculate the theoretical total difference between the rents of privately financed rental dwellings and the rents and residence charges of state-subsidised rental and right-of-occupancy dwellings. The total rent difference is approximately €567 million per year, and the total residence-charge difference is around €106 million per year.¹²

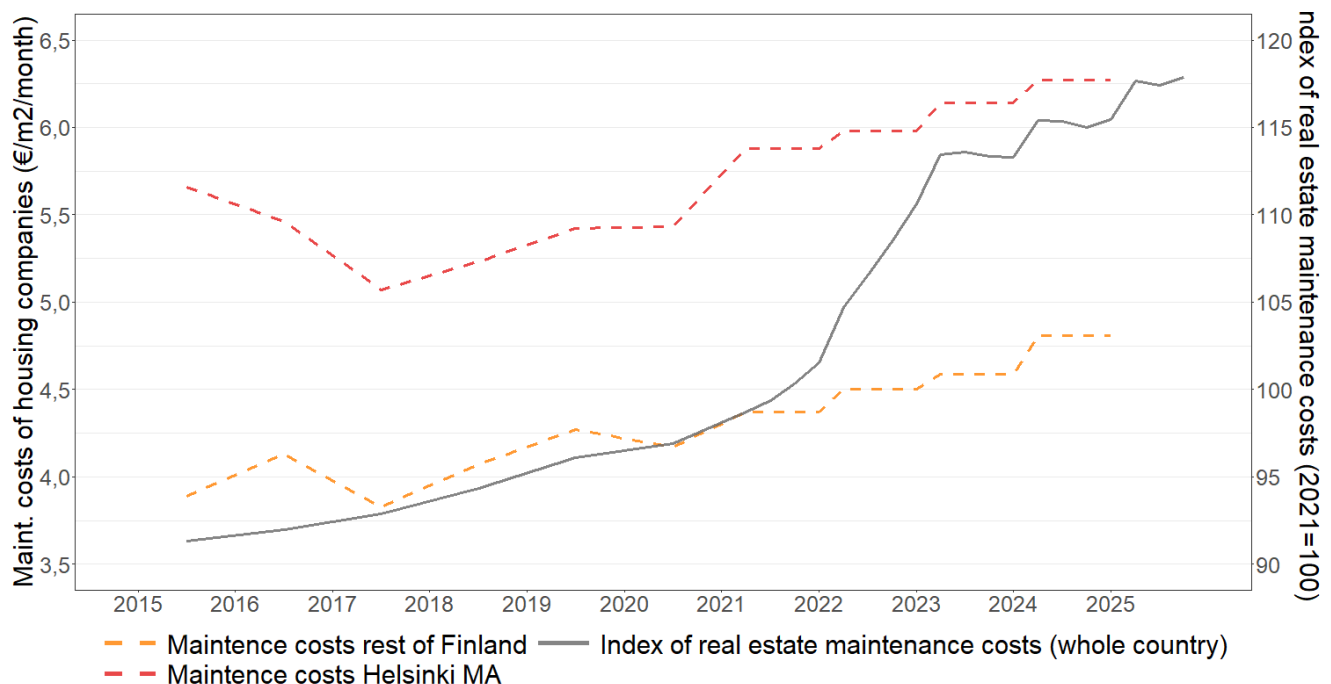
¹² The total annual difference has been calculated by multiplying the average difference by the average dwelling size and by the number of dwellings. The average rent difference is €3.08 per square metre, the average size of a state-subsidised rental dwelling is 53.6 square metres, and the state-subsidised rental stock consists of 286,000 dwellings. The average residence-charge difference is €2.55 per square metre, the average size of right-of-occupancy dwellings is 65.4 square metres, and the stock of right-of-occupancy dwellings consists of 53,000 units.

4. HOUSING AFFORDABILITY

4.1 Costs of housing

Housing costs can be divided into four main components. The first component is the price of land, which is influenced by zoning, location and the availability of plots. The second component is construction costs, which consist of material prices, labour and construction-related regulation. The third component is financing costs, which depend on interest rates and loan conditions. The fourth component consists of running costs, meaning maintenance costs such as heating, water, property maintenance and building repair costs. This subsection examines the ongoing costs of housing. Other factors affecting housing costs are discussed in Section 7.

Between 2022 and 2024, housing maintenance costs increased at an exceptionally rapid pace, particularly due to the rise in energy prices caused by the war in Ukraine and the acceleration of inflation. Figure 10 presents the average maintenance costs of housing companies in the Helsinki metropolitan area and elsewhere in Finland, and both have increased clearly. The rise in costs is even more evident in the cost index for property maintenance. At least for now, however, the cost increases appear to have slowed or even levelled off.



Note. Index of real estate maintenance costs annually 2015-2020 and quarterly 2021-2025.
Source: Statistics Finland, finance of housing companies (2024) sekä Statistics Finland, index of real estate maintenance costs (Q3/2025)

Figure 10: Maintenance costs of housing companies annually and index of real estate maintenance costs in apartments buildings quarterly (2015–2025)

4.2 Definitions of affordable housing

In 2024, housing costs accounted for an average of 24.8 per cent of households’ disposable income. Figure 11 shows that in 2004 the corresponding share was 20.2 per cent. The trend has been similar across all income groups, although the increase in the proportion of income spent on housing has been particularly pronounced at the lower end of the income scale. In 2024, households in the lowest income quintile spent 39.3 per cent of their disposable income on housing. This is almost ten percentage points more than two decades earlier. Among all households, the share of disposable income spent on housing in 2024 was highest for those living in rented accommodation (34.5%) and lowest for owner-occupiers (18.7%).

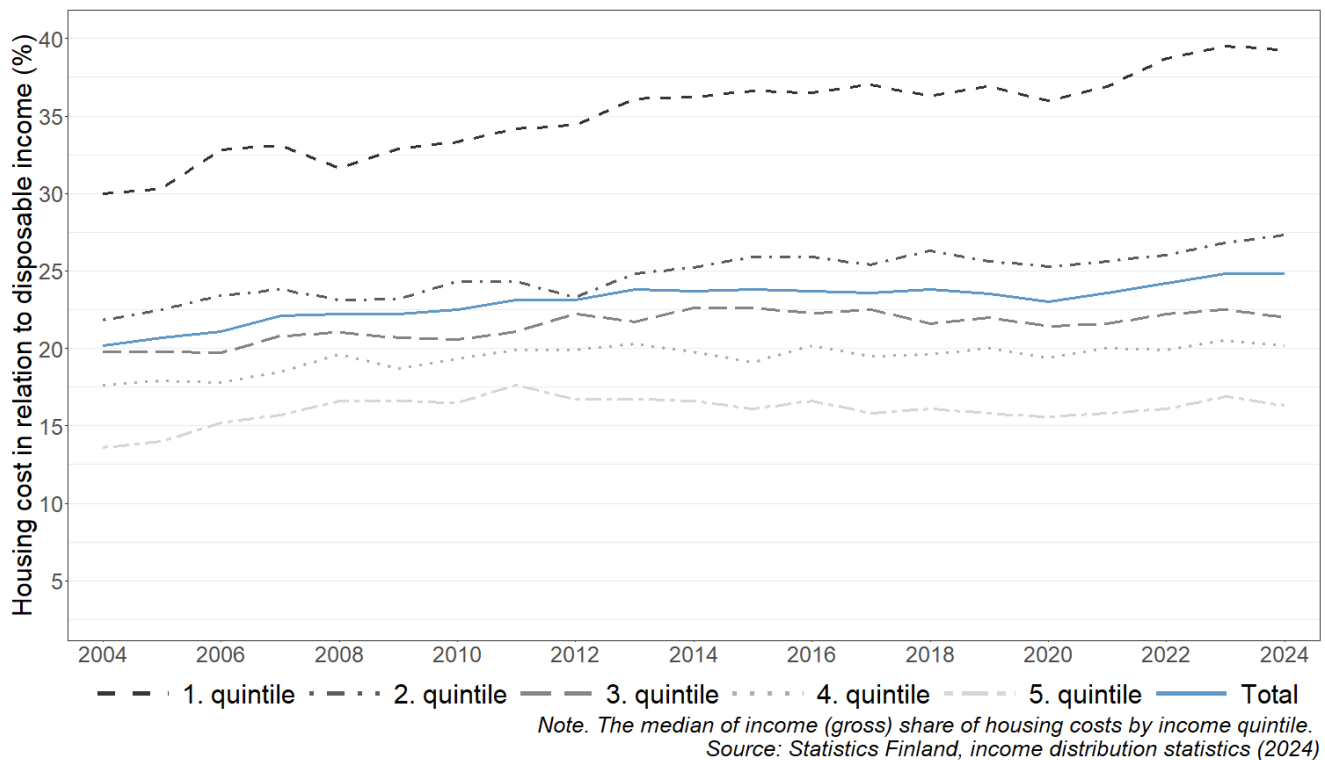


Figure 11: Housing cost in relation to households’ disposable income by income quintile annually (2004–2024)

Eurostat and the OECD define housing as affordable when no more than 40 per cent of a household’s disposable income is spent on it.¹³ On the other hand, for example the

¹³ Eurostat’s definition can be found at https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:Housing_cost_overburden_rate&lang=en.

Department of Housing and Urban Development (HUD) in the United States uses a threshold of 30 per cent as the definition of affordability.¹⁴

According to Eurostat's definition, 4.7 per cent of Finns face excessive housing costs.¹⁵ The differences between forms of tenure are, however, considerable. Among owner-occupiers without housing debt, 1.4 per cent have excessive housing costs, and among owner-occupiers with housing debt the share is 1.8 per cent. In privately financed rental housing, 12.3 per cent of residents face excessive housing costs, while among residents of state-subsidised rental dwellings the corresponding share is clearly lower at 8.8 per cent.

The concepts of affordable housing and social housing are often confused. In general, affordable housing refers to housing that is reasonably priced in relation to income, particularly for low- and middle-income earners.¹⁶ The price level is often below market rates, and affordable housing can be provided by either private or public organisations.

Social housing, on the other hand, typically refers to publicly supported housing targeted more specifically at low-income households and special-needs groups. The housing cost is clearly below market level, and the model may include income and asset limits as well as elements linked to social welfare. Similar features can, however, appear in affordable housing schemes as well. Social housing is typically provided by non-profit organisations, municipalities and the state.

In Finland, state-subsidised housing production is generally referred to as affordable housing. It also contains features of social housing, such as housing for special-needs groups, municipality-specific asset limits and, once again from 2025 onwards, income limits. Income limits were removed from state-subsidised housing for the last time in 2018. In addition, municipally owned organisations are among the largest providers of

¹⁴ HUD's definition for affordable housing can be found at

https://www.hud.gov/program_offices/comm_planning/affordable_housing_barriers.

¹⁵ Eurostat (Housing cost burden, 2025) deducts any housing allowances from both housing costs and disposable income when calculating the housing cost burden. After these deductions, the adjusted housing costs are compared to the adjusted disposable income to determine the burden.

¹⁶ For example, see the definitions of affordable and social housing of New South Wales, Australia:

<https://www.facs.nsw.gov.au/providers/housing/affordable/about/chapters/how-is-affordable-housing-different-to-social-housing>.

affordable housing. Finland's state-subsidised housing system is characterised by specific use and transfer restrictions.

5. AFFORDABLE HOUSING IN FINLAND

5.1 State-subsidised housing model

State-subsidised affordable housing in Finland can be considered to have begun in 1949, when the Housing Construction Delegation (Arava) was established with the aim of providing low-interest loans for housing production. The main reasons for establishing Arava were post-Second World War reconstruction, the resettlement of populations from territories ceded during the war, and the early stages of urbanisation.

Since 2008, responsibility for state-subsidised housing production and the development of the housing stock has rested with the Centre for State-Subsidised Housing Construction, Varke. Until February 2025, the organisation operated under the name Housing Finance and Development Centre of Finland (ARA). State-subsidised dwellings are typically built using government-backed interest subsidies and supplementary guarantees. In the first year of the loan, the state covers 90 per cent of the interest costs that exceed the self-financing interest rate.¹⁷ Loans can cover up to 95 per cent of construction and acquisition costs.¹⁸

Until the end of 2025, the interest subsidies for loans granted by the Centre for State-Subsidised Housing Construction were paid from the State Housing Fund (VAR). VAR was dissolved at the beginning of 2026, and interest subsidies and grants are now paid directly from the state budget.

There are both long-term (40 years) and short-term (10 years) interest-subsidy loans. In addition, it is possible to receive an investment grant for rental dwellings intended for special-needs groups. The grant can cover between 15 and 50 per cent of the approved

¹⁷ The compensation percentage, however, decreases linearly. For example, in a 40-year interest-subsidy loan for new construction, the subsidy decreases by 2.25 percentage points each year until, in loan year 40, the compensation is only 2.25 per cent.

¹⁸ Since February 2026, student housing projects classified as special-needs housing have been eligible to apply interest-subsidy loans covering up to 100 per cent of the approved costs.

investment costs.¹⁹ The purpose of the investment grant is to reduce the housing costs of special-needs groups, whose housing requirements may be very expensive.

The state-subsidised housing production system operates on the cost-price principle. This means that the rents of rental dwellings and the residence charges of right-of-occupancy dwellings must not exceed the actual maintenance and capital costs of the dwellings. In addition, the landlord may prepare for necessary future renovations by adding 1–2 euros per square metre per month to the rent. A one-off right-of-occupancy fee is also paid for a right-of-occupancy dwelling to the owning organisation, amounting to 15 per cent of the acquisition cost of the dwelling.

Rental and right-of-occupancy dwellings that have been built or renovated with state support are subject to statutory use and transfer restrictions. Restrictions on rental dwellings are time-limited, while those on right-of-occupancy dwellings are permanent. The restrictions apply to the use of the dwellings, the selection of residents and the determination of rents and residence charges. It is also possible to build dwellings using only a state supplementary guarantee, known as a guarantee loan. These dwellings are usually not classified as state-subsidised dwellings because the restrictions attached to them are much more limited.²⁰

An essential feature of the state-subsidised housing production system is the equalisation mechanism, which allows rents and residence charges to be partly balanced within a rental or right-of-occupancy community. The purpose of this mechanism is to prevent unreasonable increases in housing costs, for example due to new construction or renovation work. Equalisation makes it possible to spread the repair costs of an individual property across all the properties within the community.

¹⁹ Investment grants for special-needs groups can support the housing of the elderly, people with intellectual disabilities, individuals with severe disabilities, mental health rehabilitees, substance abuse rehabilitees, the homeless, individuals on the autism spectrum, youth requiring special support, and students.

²⁰ A comprehensive list of the restrictions of interest-subsidy apartments can be found at (available only in Finnish) <https://ohjeet.varke.fi/fi/k-ytt-ja-luovutusrajoitukset-ja-muutokset-niihin/v9/korkotukilainoitettuasuntokohteet-rajoitusten-tar> and the restrictions of guarantee loan apartments can be found at (available only in Finnish) <https://ohjeet.varke.fi/fi/k-ytt-ja-luovutusrajoitukset-ja-muutokset-niihin/v9/takauslainat-rajoitusten-tarkistuslista>.

The objective of state-subsidised housing production is to provide affordable housing for low- and middle-income households and to reduce regional segregation.²¹ State-subsidised housing production also enables people on lower and middle incomes to move to growth centres for work, which improves economic efficiency by reducing labour-market mismatch and increasing employment.

Segregation is addressed by ensuring a diverse range of housing is built in residential areas. In addition, the resident-selection process within the state-subsidised housing system aims to ensure that dwellings are allocated to those who need them most while also avoiding an overly uniform resident population. Providing affordable housing for low- and middle-income households is also a question of equality, since everyone should have the right to a high-quality home.

5.2 State-subsidised apartments

State-subsidised dwellings can be divided into four categories. Normal state-subsidised rental apartments include rental dwellings built under either the long-term or short-term interest-subsidy scheme and are not intended for any specific special-needs group. Rental dwellings for special-needs groups, by contrast, are built for particular groups such as students or older people. Right-of-occupancy dwellings are considered an intermediate form between renting and owning. Both rental dwellings for special-needs groups and right-of-occupancy dwellings are built under the long-term interest-subsidy scheme. All of the above categories are subject to use and transfer restrictions. In addition, some dwellings built with state support have been released from these restrictions, either because the restriction period has expired or because an exemption has been granted.

There are approximately 406,000 state-subsidised dwellings currently subject to use and transfer restrictions.²² Of these, 235,000 are normal state-subsidised rental apartments, 116,000 are rental apartments for special-needs groups and 56,000 are right-of-occupancy dwellings.²³ The share of normal state-subsidised rental dwellings

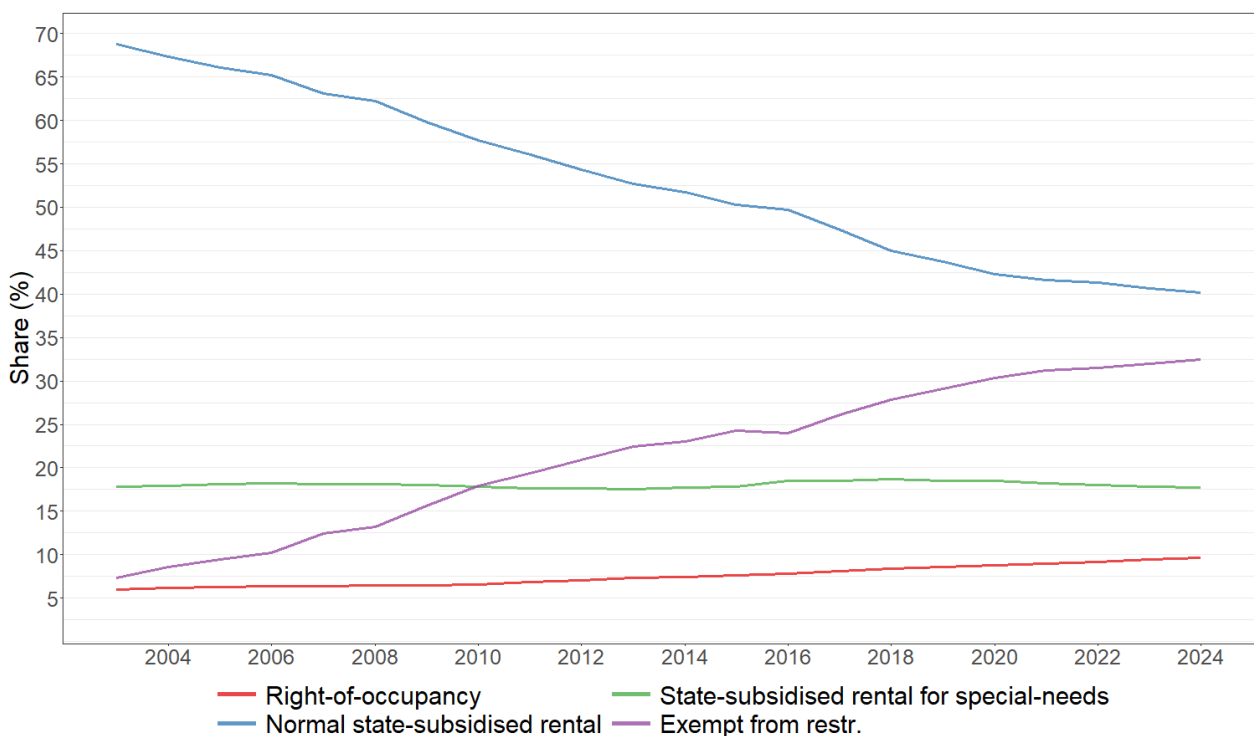
²¹ A comprehensive review commissioned by the Ministry of the Environment on households living in affordable housing in 2022 can be found at (available only in Finnish) <https://valtioneuvosto.fi/-/1410903/valtioneuvoston-asuntokannan-asukasrakennetta-selvitetty>.

²² The figures presented here on the number of dwellings and housing providers are based on data from the Centre for State-Subsidised Housing Construction.

²³ If all dwellings built with state support are considered, including those that have been released from use and transfer restrictions, their total number is nearly 620,000. Of these, approximately 411,000 are normal

within the restricted stock has been clearly declining during the 2000s, as shown in Figure 12. In 2003, the share was nearly 70 per cent, but by 2024 it had fallen to around 40 per cent. At the same time, the share of dwellings released from restrictions has increased from just under 10 per cent to over 30 per cent. The share of right-of-occupancy dwellings has also seen a slight increase and now accounts for nearly 10 per cent of state-subsidised dwellings.

In the 2000s, an average of approximately 7,300 state-subsidised dwellings per year have been released from use and transfer restrictions or granted an exemption, taking into account that some of the exempted dwellings had a demolition permit at the time of exemption and have therefore likely been demolished afterwards.²⁴ This development is explained by the fact that the majority of the state-subsidised housing stock was built in the 1970s, 1980s and 1990s. The number of dwellings released from restrictions has, however, decreased from the peak levels of 2007–2017, and in the 2020s the annual number of state-subsidised dwellings released from restrictions or granted an exemption has averaged around 5,900.



Source: Living environment information service Liiteri and Varke (2024) and own calculations

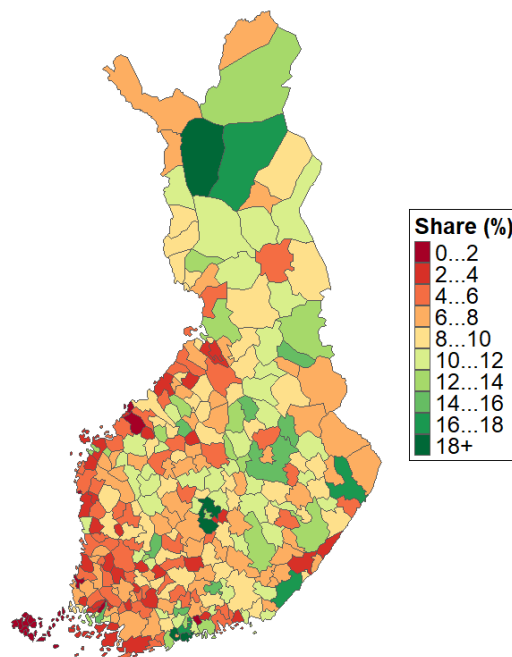
state-subsidised rental dwellings, around 149,000 are rental dwellings for special-needs groups, and about 57,000 are right-of-occupancy dwellings.

²⁴ Living environment information service Liiteri (2024).

Figure 12: State-subsidised apartments by type of usage annually (2003–2024)

In 2024, state-subsidised dwellings subject to use and transfer restrictions existed in all 292 municipalities in mainland Finland.²⁵ The largest numbers of state-subsidised dwellings are found in the biggest cities: 81,000 in Helsinki, 29,000 in Espoo, 23,000 in Vantaa, 22,000 in Tampere, 20,000 in Turku, 17,000 in Jyväskylä, 16,000 in Oulu, and 11,000 in both Kuopio and Lahti. Figure 31 in the Appendix presents the number of state-subsidised dwellings subject to restrictions by municipality.

When the number of state-subsidised dwellings is examined as a proportion of the entire housing stock in each municipality, the picture is somewhat different, as shown in Figure 13.²⁶ The share is highest in the major cities and in eastern and northern Finland, and lowest in western Finland. The share of state-subsidised dwellings is 20 per cent in Helsinki, 18 per cent in Espoo, 17 per cent in Vantaa, 14 per cent in Tampere, 15 per cent in Turku, 19 per cent in Jyväskylä, 13 per cent in Oulu, and 15 per cent in both Kuopio and Lahti.



Source: Living environment information service Liiteri and Statistics Finland, dwellings and housing conditions (2024)

Figure 13: Share of state-subsidised apartments of all apartments by municipality (2024)

²⁵ Source for the state-subsidised apartments by municipality: Living environment information service Liiteri and Varke (2024).

²⁶ Here the sources are Living environment information service Liiteri and Statistics Finland Tilastokeskuksen dwellings and housing conditions -aineistot vuodelta 2024, joten luvut eivät ole täysin vertailukelpoisia liitteen kunnittaisia asuntomääriä esittävän kuvion kanssa.

There are several hundred organisations that own dwellings built with state support, although the exact number depends on the calculation method used. More than one hundred organisations own over 500 dwellings. Most of the largest operators in state-subsidised housing production are municipally owned companies, although some non-profit foundations also own and develop state-subsidised housing projects. The largest operator is Helsingin kaupungin asunnot Oy, which owns around 48,000 normal state-subsidised dwellings subject to use and transfer restrictions, corresponding to 12 per cent of the total.

State support is also used to build affordable housing for special-needs groups. The largest target groups include older people, individuals with intellectual disabilities, mental-health rehabilitees, young people and students. Figure 14 presents the annual number of new special-needs dwellings. Over the past twenty years, approximately 1,000 to 2,000 dwellings for older people have been built annually, although in 2025 only 400 such dwellings were started due to the exceptionally low investment-grant authorisation. The number of student dwellings has traditionally varied between 400 and 2,900 per year, but this number also plummeted in 2025. Of the special-needs housing production in 2025, 45 per cent consisted of dwellings intended for people who are long-term homeless or have varying degrees of disabilities.

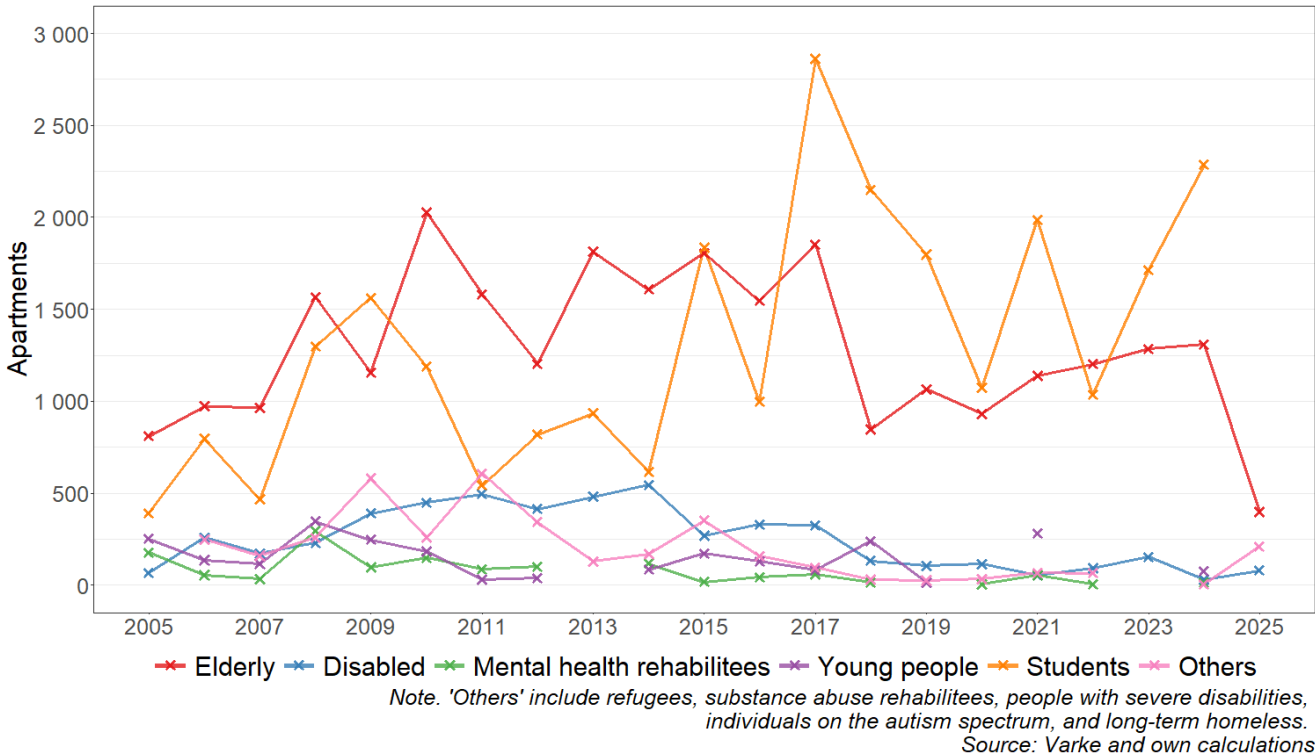
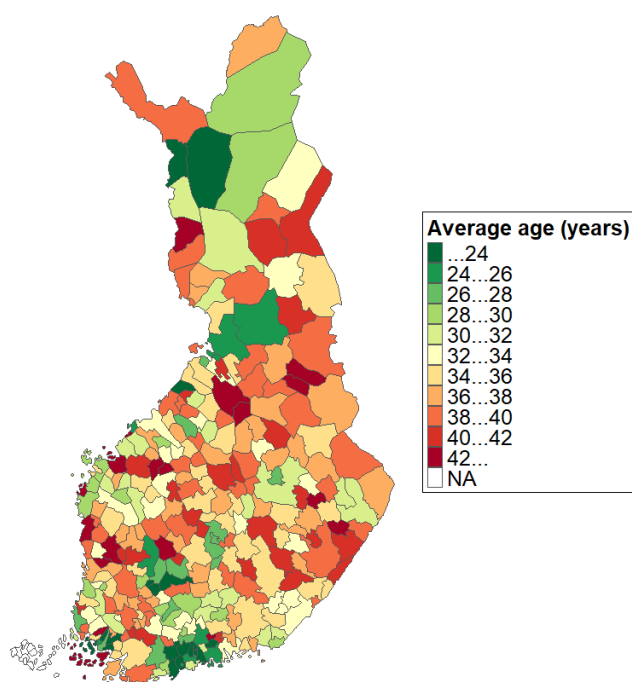


Figure 14: Housing openings of apartments for special-needs groups annually (2005–2025)

5.3 Affordable housing stock

The average age of state-subsidised residential buildings in 2025 is 34.8 years, and the median age is 35.7 years. Figure 15 presents the average age of these buildings by municipality. On average, smaller municipalities have older buildings, although it should be noted that the number of buildings in these municipalities is much lower, which means that a single building can have a relatively large impact on the average age. Among the larger cities, the newest state-subsidised residential buildings are in Espoo, with an average age of 22.8 years, while the oldest are in Helsinki, with an average age of 30.4 years.

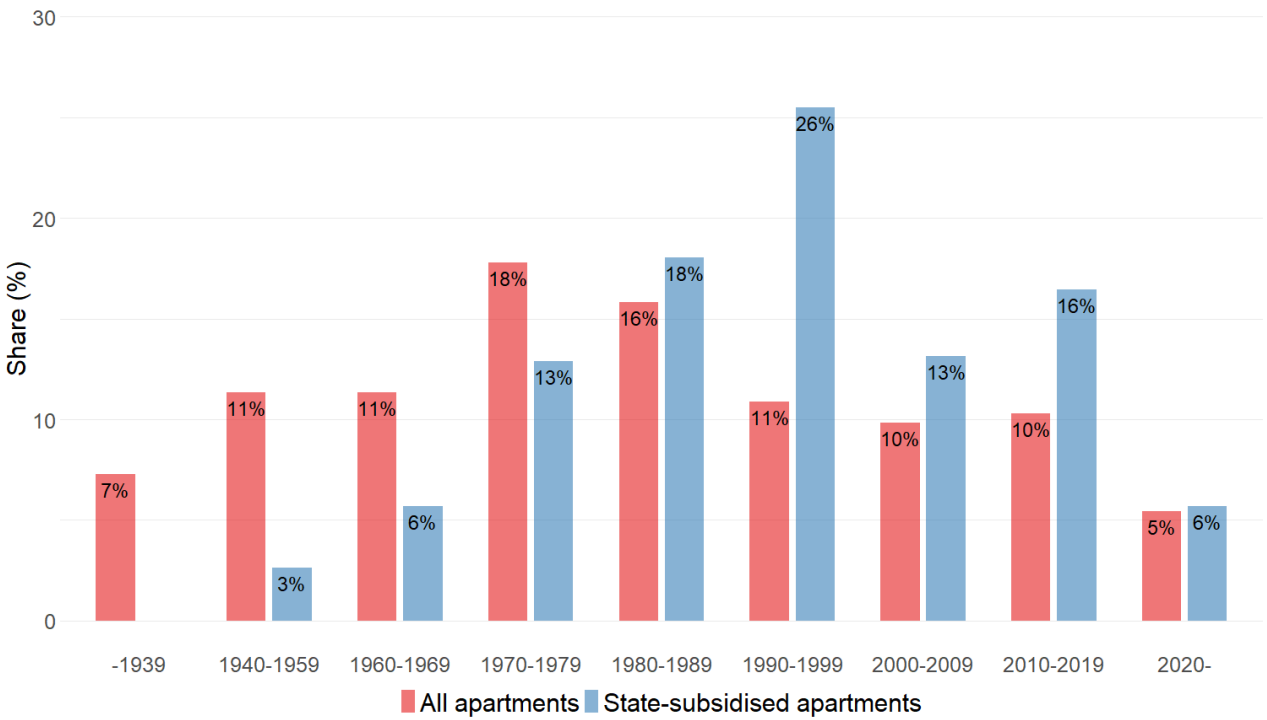


Source: Varke and DVV

Figure 15: Average age of state-subsidised apartments (2025)

The majority of state-subsidised dwellings have been built in the 1980s and 1990s. Figure 16 presents the distribution of all dwellings and state-subsidised dwellings by decade of construction. In this context, state-subsidised dwellings include normal state-subsidised rental apartments, rental apartments for special-needs groups and right-of-occupancy dwellings. Of all state-subsidised dwellings, 26 per cent were built in the 1990s, 18 per cent in the 1980s and 16 per cent in the 2010s. Nine per cent were built in the 1960s or earlier.

Of Finland’s total housing stock, 30 per cent was built before 1970. Dwellings built in the 1970s account for 18 per cent, and those built in the 1980s for 16 per cent of the stock. Between the 1990s and the 2010s, approximately 10 per cent of the total housing stock was built in each decade, and half of this amount has been built during the 2020s. The state-subsidised housing stock is therefore, on average, clearly newer than the overall housing stock. On the other hand, a considerable proportion of the state-subsidised stock was also built in the 1990s.



Source: Statistics Finland, dwellings and housing conditions (2024)

Figure 16: Apartments by construction decade (2024)

Figure 17 presents the room-type distribution of the state-subsidised housing stock. Among rental dwellings, the majority, 48 per cent, are one-bedroom apartments. Studio apartments account for 27 per cent and two-bedroom apartments for 19 per cent. In right-of-occupancy dwellings, larger apartments are more common. Of these dwellings, 42 per cent are one-bedroom apartments and 30 per cent are two-bedroom apartments. In addition, apartments with four rooms or more make up 20 per cent of the right-of-occupancy stock. In 2025, the average floor area of a state-subsidised rental dwelling among households receiving the general housing allowance from Kela was 53.6 square metres, and the average floor area of a right-of-occupancy dwelling

was 65.4 square metres.²⁷ The average size of a privately financed rental dwelling was 48.7 square metres.

For comparison, among privately financed rental dwellings in Finland, studio apartments account for 35 per cent, one-bedroom apartments for 44 per cent, two-bedroom apartments for 15 per cent and larger apartments for 5 per cent. State-subsidised rental dwellings are therefore, on average, clearly larger in terms of the number of rooms than privately financed rental dwellings. In the total housing stock, 15 per cent of dwellings are studios, 29 per cent are one-bedroom apartments, 22 per cent are two-bedroom apartments and 33 per cent have four rooms or more.²⁸



Source: Statistics Finland, dwellings and housing conditions (2024)

Figure 17: Rental and right-of-occupancy apartments by the number of rooms (2024)

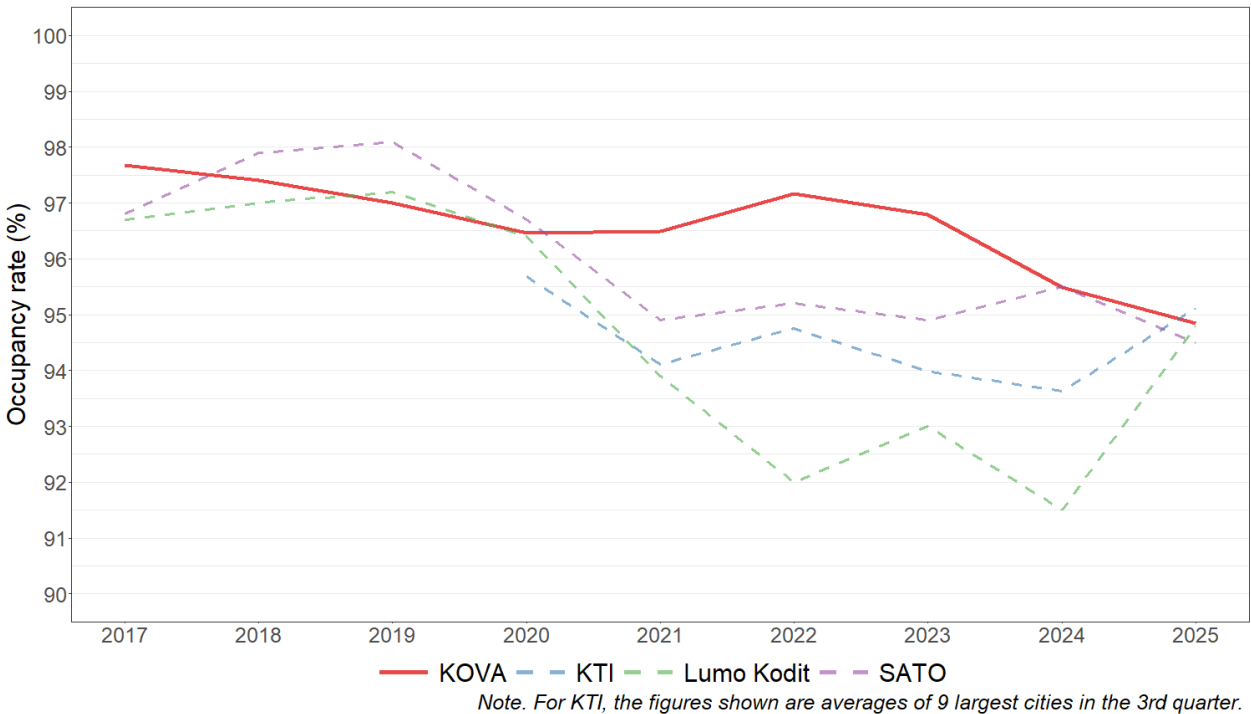
Table 1 in the Appendix provides a summary of the different forms of housing tenure. The share of single-person households is highest in privately financed rental dwellings, at 44 per cent. Among households living in state-subsidised rental dwellings, 37 per cent live alone, compared with 26 per cent in right-of-occupancy dwellings and 16 per cent in owner-occupied dwellings. Conversely, 48 per cent of households in

²⁷ Kela (Social Insurance Institution of Finland), information service, general housing allowance (2025).
²⁸ Statistics Finland, dwellings and housing conditions (2024).

owner-occupied dwellings consist of at least three people. The corresponding share is 42 per cent in right-of-occupancy dwellings, 38 per cent in state-subsidised rental dwellings and 27 per cent in privately financed rental dwellings.

5.4 Demand for affordable housing and the rental market

Figure 18 presents the financial occupancy, or letting, rates of rental dwellings owned by state-subsidised operators (KOVA) and privately financed operators. Among privately financed rental operators, the figures include Lumo Kodit Oyj (formerly Kojamo Oyj), SATO Oyj and the average for the nine largest cities reported by KTI Finland. Before the pandemic, occupancy rates for both state-subsidised and private operators were close to 97 per cent. Between 2022 and 2024, occupancy rates declined for all operators, although the decline was more moderate for state-subsidised organisations than for privately financed ones. The occupancy rate of KOVA’s member organisations was around 94.8 per cent in 2025, which represents a decrease of roughly three percentage points compared with 2017.



Note. For KTI, the figures shown are averages of 9 largest cities in the 3rd quarter. Source: KOVA’s statistical survey (2018-2026), Lumo Kodit Oyj annual reports (2017-2025), SATO Oyj annual reports (2017-2025) and KTI Finland’s property market reviews

Figure 18: Occupancy rates of rental apartments (2017–2025)

In the annual rental market review published by the Centre for State-Subsidised Housing Construction, municipalities are categorised according to an index that reflects

how tight the local rental market is.²⁹ The faster the population growth, the higher the occupancy rate of state-subsidised dwellings, the lower the resident turnover in these dwellings, the lower the share of vacant state-subsidised dwellings, and the greater the rent difference between privately financed and state-subsidised rental apartments, the tighter the market is. In this review, only normal state-subsidised rental dwellings are examined.

According to the most recent review from spring 2025, no municipality is classified as having a tight rental market situation. However, seven municipalities are assessed as having a fairly tight rental market, and these municipalities together account for 28 per cent of Finland's total population. A balanced market situation prevails in 51 municipalities, home to 29 per cent of the population. Oversupply or slight oversupply is observed in 177 municipalities, whose combined population share is 40 per cent. The tightest market conditions are found in the large cities. Approximately 3.9 per cent of dwellings are vacant (2.2% in the Helsinki metropolitan area), and the average turnover rate is 20.5 per cent (13.9% in the metropolitan area).

Varke similarly assesses the market situation for right-of-occupancy dwellings. The latest review is from autumn 2025.³⁰ The tighter the market situation in a municipality, the smaller the number of redeemed right-of-occupancy dwellings (that is, dwellings no longer used as right-of-occupancy units), the greater the difference between the residence charge and the privately financed rent level, the stronger the population change, and the lower the turnover rate of right-of-occupancy dwellings.

For right-of-occupancy dwellings, no municipality is classified as having a tight market situation. Three municipalities are assessed as having a fairly tight situation, and these municipalities contain 29 per cent of all right-of-occupancy dwellings. A balanced market situation prevails in 33 municipalities, where 65 per cent of right-of-occupancy dwellings are located. Oversupply or slight oversupply is observed in 12 municipalities, which together contain 6 per cent of the right-of-occupancy stock. Vacant

²⁹ The spring 2025 rental market review of the Centre for State-Subsidised Housing Construction can be found at the following address (available only in Finnish): <https://www.varke.fi/fi/tilastot-ja-julkaisut/asuntomarkkinat/vuokra-asuntojen-markkinakatsaukset/vuokra-asuntomarkkinat-2025>.

³⁰ The autumn 2025 right-of-occupancy market review of the Centre for State-Subsidised Housing Construction can be found at the following address (available only in Finnish): <https://www.varke.fi/fi/tilastot-ja-julkaisut/asuntomarkkinat/asumisoikeusasuntojen-markkinakatsaukset/asuntomarkkinakatsaus-asumisoikeusasunnoista-2025>.

right-of-occupancy dwellings account for approximately 3.7 per cent of the stock (4.1

6. TYPES OF HOUSING SUBSIDIES

per cent in the Helsinki metropolitan area), and 4.3 per cent of the dwellings are rented out (4.2% in the metropolitan area). The average turnover rate is 15.0 per cent (13.0% in the metropolitan area).

6.1 Public sector support for housing

In 2025, total government expenditure amounted to €90.1 billion.³¹ Society provides substantial support for housing through both demand-side and supply-side subsidies. Demand-side subsidies refer to financial support paid to residents to help cover their housing costs, while supply-side subsidies refer to forms of support directed at housing producers. Demand-side housing subsidies include the general housing allowance, the housing allowance for pensioners, housing costs covered through basic social assistance, the student housing supplement, the housing assistance for conscripts and mortgage-interest tax deductions³². The most significant supply-side subsidies are the interest subsidy on interest-subsidy loans and the investment grant for special-needs groups.

Figure 19 presents the development of the most significant housing subsidies in the 2000s in 2025 euros. One of the most notable changes during this period has been the substantial increase in expenditure on the general housing allowance, rising from around €730 million in 2000 to approximately €1.68 billion in 2024.³³ In 2025, the amount of general housing allowance paid fell to €1.23 billion. The reintroduction of the

³¹ The annual budget tables of the Ministry of Finance can be viewed at (available only in Finnish): <https://vm.fi/budjetin-taulukot#tulotjamenot2015>.

³² For the calculation of the mortgage-interest deduction and the first-time homebuyer mortgage-interest deduction, it has been assumed that all deductible mortgage-interest expenses have been fully offset in capital-income taxation, and that the capital-income tax rate for all individuals is 30 per cent.

³³ The majority of students were transferred from the student housing supplement to the general housing allowance for the period 2017–2025, which increased the expenditure on the latter by approximately €300 million annually.

student housing supplement for almost all students increased expenditure on this item from €15 million in 2024 to around €165 million in 2025.

In addition, the amount of basic social assistance paid to cover housing costs increased by just over €100 million in one year and totalled €460 million in 2025. The housing allowance for pensioners has grown from €360 million in 2000 to around €650 million in 2025. In total, €2.53 billion in demand-side housing subsidies was paid in 2025.³⁴ This corresponded to 2.8 per cent of all government expenditure.

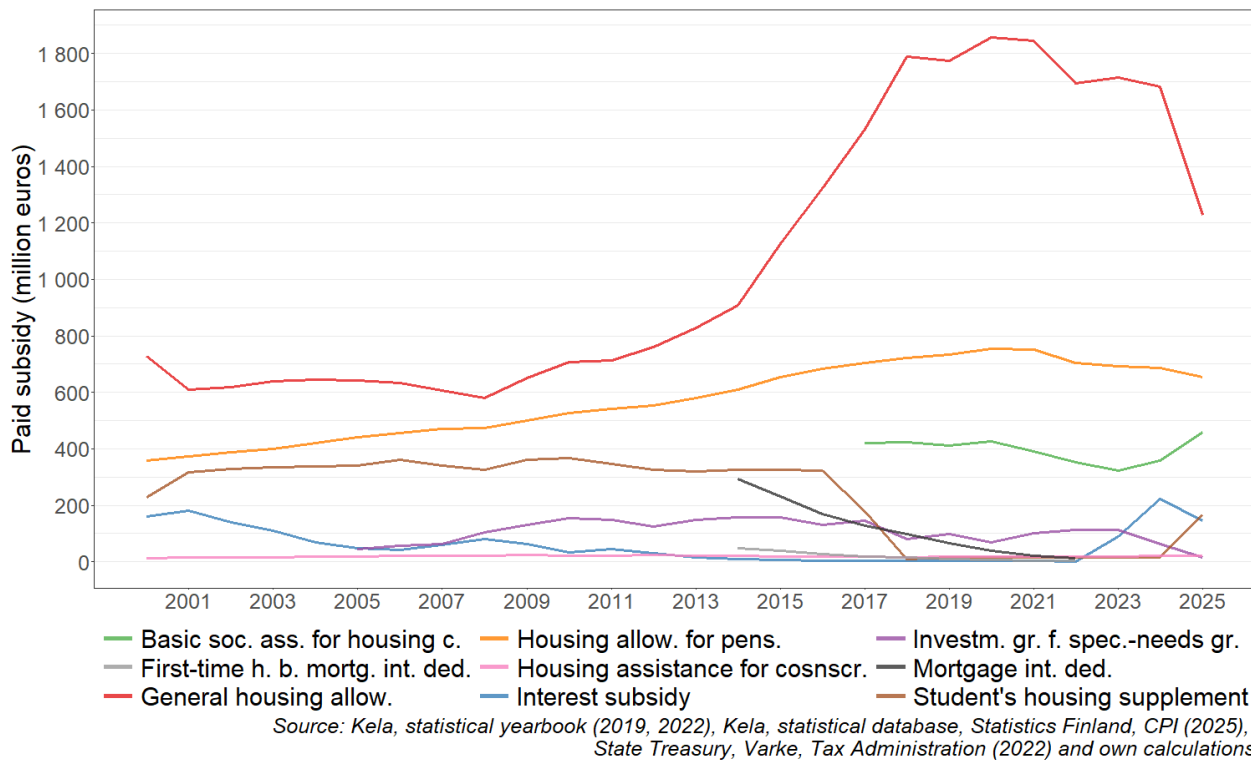


Figure 19: Housing benefits in 2025's money annually (2000–2025)

Interest subsidies for interest-subsidy loans amounted to just over €140 million in 2025, and investment grants for special-needs groups totalled €15 million. The interest expenses of interest-subsidy loans increased in 2023–2024 due to the rise in reference rates but fell again in 2025. The level of investment grants for special-needs groups also dropped from the earlier level of around €100 million as a result of the reduction in the investment-grant authorisation.

³⁴ This does not take into account, for example, the capital gains tax exemption for individuals who have lived in their owned dwelling for at least two years.

Municipalities can support affordable-housing providers indirectly, for example by leasing municipal land at below-market rates or by granting subsidies for land leases. Municipalities can also ease planning requirements, such as reducing parking-space obligations for state-subsidised residential buildings. Parking requirements set out in local detailed plans are based on actual parking needs, which are typically lower in the state-subsidised housing stock, partly because of the lower average income levels of residents compared with those living in privately financed housing.

Other forms of support that municipalities may provide to state-subsidised housing operators include capitalising a municipally owned company, granting low-interest loans or loan guarantees, or assuming responsibility for the lease of commercial premises located within an affordable housing development. However, there are no statistics available on the scale of these potential indirect subsidies.

State-subsidised housing organisations may also receive other forms of public support, including demolition and recovery grants, demolition, restriction and recovery accords, and guarantee compensations related to the state supplementary guarantee. The use of all these instruments increased between 2019 and 2023 and declined again in 2024–2025, although the annual variation is relatively large. In the 2020s, the average annual amounts have been as follows: demolition grants €4.9 million, recovery grants €0.7 million, demolition accords €1.7 million, restriction accords €0.1 million and recovery accords €0.7 million.³⁵

Guarantee compensations related to the supplementary guarantee have averaged €3.4 million per year in the 2020s, although none were paid in 2024 or 2025.³⁶ In total, supply-side housing subsidies amounted to approximately €170 million in 2025. This represents about 6.8 per cent of the total amount paid in demand-side housing subsidies and just under 0.2 per cent of overall government expenditure.

When the total rent and residence-charge difference between the privately financed and state-subsidised housing stocks presented in Section is taken into account,

³⁵ Financial statements of the State Housing Fund.

³⁶ The interest-subsidy loan portfolio for rental and right-of-occupancy housing amounted to €20.9 billion at the end of 2025. The annual guarantee compensations have therefore accounted for less than 0.02 per cent of the loan portfolio (State Treasury).

approximately €670 million, the calculated difference-to-cost ratio is 3.95. In other words, every euro spent on supply-side subsidies produces €3.95 in rent or residence charge difference in favour of state-subsidised dwellings.

However, demand-side and supply-side subsidies are not mutually exclusive, because a resident living in a state-subsidised interest-subsidy dwelling can also receive, for example, the general housing allowance. As noted earlier, in 2025 Kela paid a total of €1,228 million in general housing allowance and €653 million in the housing allowance for pensioners. Figure 20 presents the distribution of these subsidies by housing tenure type. Of the general housing allowance, 72 per cent (€890 million) was paid to households living in privately financed rental dwellings, 30 per cent (€365 million) to those living in state-subsidised rental dwellings, and 1 per cent (€16 million) to households living in right-of-occupancy dwellings.³⁷

Similarly, of the housing allowances for pensioners, 43 per cent (€279 million) was paid to households living in privately financed rental dwellings, 28 per cent (€185 million) to those living in state-subsidised rental dwellings, and around 2 per cent (€15 million) to households living in right-of-occupancy dwellings.³⁸

³⁷ Kela (Social Insurance Institution of Finland), information service. The presented percentage shares (and euro amounts) exceed 100 per cent because €44 million in general housing-allowance benefit payments was returned to Kela in 2025.

³⁸ Kela (Social Insurance Institution of Finland), information service, housing allowance for pensioners (2025).

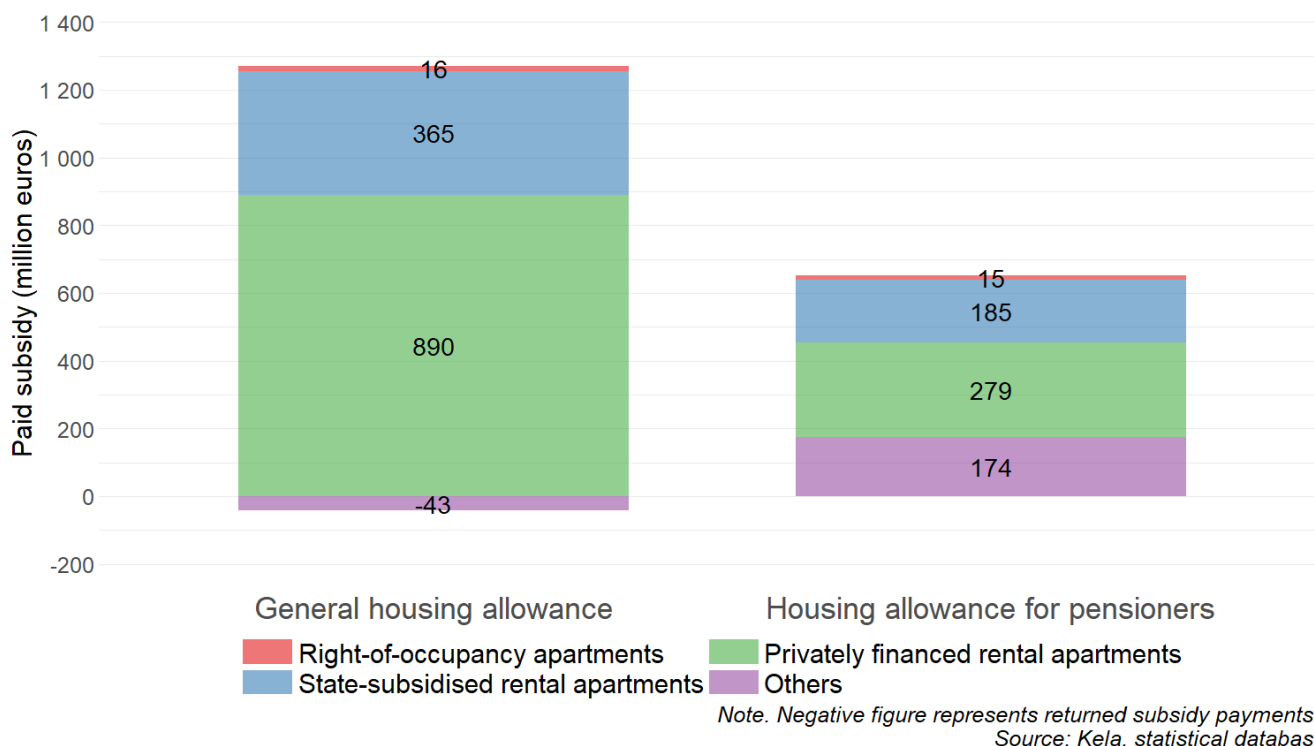


Figure 20: Paid general housing allowance and housing allowance for pensioners by tenure type 2025

According to Kela’s statistics, in 2025 a total of 70,000 households living in state-subsidised rental dwellings, 3,000 households living in right-of-occupancy dwellings and 167,000 households living in privately financed rental dwellings received the general housing allowance. In 2024, there were 286,000 permanently occupied state-subsidised rental dwellings, 53,000 right-of-occupancy dwellings and 743,000 privately financed rental dwellings.³⁹ Consequently, nationwide, roughly 24 per cent of households living in state-subsidised rental dwellings, around 6 per cent of those living in right-of-occupancy dwellings and about 23 per cent of those living in privately financed rental dwellings received the general housing allowance.

6.2 Interest-subsidy loan stock and general government debt

The interest-subsidy loan portfolio of housing organisations, excluding guarantee loans, amounted to €20.8 billion at the end of 2025. The loan stock has more than doubled in just over ten years and has nearly tripled in fifteen years. The highest volumes of new interest-subsidy loans within the eight-year review period were drawn in 2024 and 2025. In 2025, the gross increase in the interest-subsidy loan portfolio, meaning new

³⁹ Statistics Finland, dwellings and housing conditions (2024).

loan withdrawals, totalled approximately €2.3 billion. It is important to note that interest-subsidy loans are typically drawn down later than the loan decision made by Varke. This means that some of the loan withdrawals related to interest-subsidy loan decisions made in 2024 were only carried out in 2025.

In 2025, repayments of interest-subsidy loans, meaning the gross reduction in the loan portfolio, amounted to approximately €300 million. On average, interest-subsidy loans were repaid at a rate of around €360 million per year in 2018–2025, although the annual amounts have varied somewhat. In the State Treasury’s forecast for 2026–2030, the average annual repayment of interest-subsidy loans is estimated to be around €340 million, though this figure does not take into account the repayments of interest-subsidy loans drawn after 2025.

The nominal gross debt of Finland’s general government, known as EDP debt (Excessive Deficit Procedure), amounted to €248.4 billion at the end of the fourth quarter of 2025.⁴⁰ EDP debt corresponded to 86.6 per cent of gross domestic product.⁴¹ Since 2022, interest-subsidy loans and certain guarantee loans intended for the new construction and major renovation of housing organisations, which carry a state supplementary guarantee and were previously excluded from the general government debt ratio, have been included in Finland’s EDP debt.⁴²

Statistics Finland’s change was based on dialogue with Eurostat, the EU’s statistical authority, and on the interpretation of Eurostat’s statistical standards. The grounds for the change were twofold. First, it was recognised that the public sector exercises clear control over dwellings built with interest subsidies, since a large share of these dwellings are managed by municipally owned organisations. Second, the terms of interest-subsidy loans impose significant restrictions on the subsidised dwellings, including restrictions on use, transfer, distribution of returns, resident selection and rent determination.

⁴⁰ Statistics Finland, general government debt by quarter (Q4/2025).

⁴¹ In the calculation of the EDP debt ratio, the denominator is seasonally adjusted and working-day-adjusted quarterly GDP at current prices, calculated over the four most recent quarters.

⁴² Statistics Finland’s change notification on the subject can be found at: <https://stat.fi/en/revisionrelease/cl4wd9qcogezr0bvwlrq28hxt>.

At the end of 2025, the total amount of housing-organisation interest-subsidy and guarantee loans included in EDP debt was €21.1 billion.⁴³ Approximately 73 per cent of this related to rental housing and 27 per cent to right-of-occupancy housing. When broken down by purpose, around 84 per cent of the interest-subsidy loan portfolio included in EDP debt was for new construction, 14 per cent for major renovations and less than one per cent for acquisitions. Figure 21 presents the ratio of Finland’s general government EDP debt to GDP. At the time of the statistical change, based on the figures for the end of 2021, the EDP debt ratio would have been 6.0 percentage points lower without the interest-subsidy and guarantee loans of housing organisations. This difference has increased since then and, based on the figures for the third quarter of 2025, stood at 7.4 percentage points.

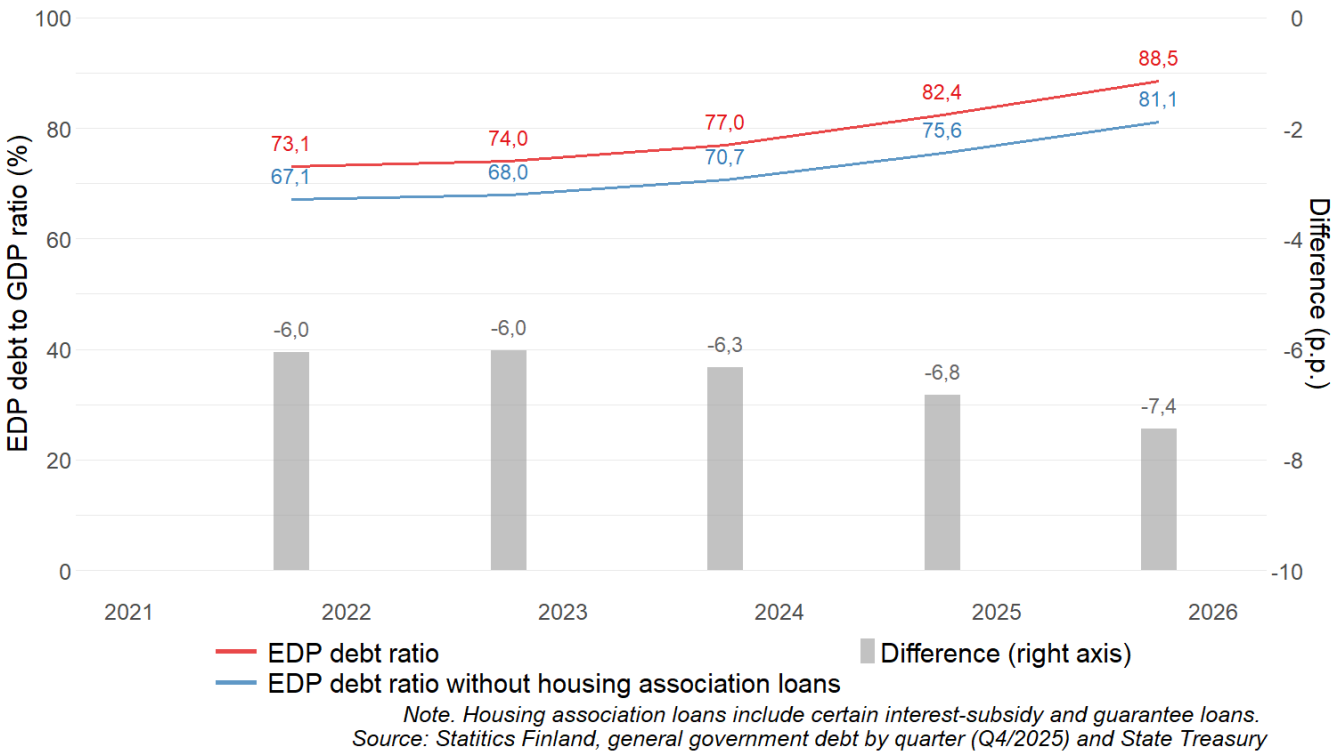


Figure 21: General government debt to GDP ratio at the end of the year (2021–2025)

⁴³ The source for the amount of interest-subsidy and guarantee loans to housing organisations is the State Treasury. Interest-subsidy loans granted to housing organisations for major renovations (under Act 205/1996), which do not carry a state guarantee, are not included in general government EDP debt (these amounted to €67 million in Q4/2025). Approximately €282 million in guarantee loans are included in general government EDP debt (Arava loans converted into guarantee loans and interest-subsidy loans whose interest-subsidy has been terminated), but rental-housing construction loans granted under Act 856/2008 or housing-company renovation loans granted under Act 941/2014 are not included. Arava loans (€1.51 billion in Q4/2025) are also excluded from EDP debt, as they are direct loans from the state to the borrower and therefore do not involve separate state guarantees.

7. CONSTRUCTION AND FINANCE

The construction sector is one of the largest sectors of the economy. Figure 22 shows that construction in Finland has traditionally accounted for nearly 13 per cent of gross domestic product, with residential construction making up almost 6 per cent. The sector has been experiencing a downturn for several years, and in 2025 construction accounts for approximately 10 per cent of gross domestic product and residential construction for about 4 per cent. For comparison, in 1990 construction accounted for nearly 17 per cent and residential construction for more than 7 per cent of Finland's gross domestic product, so the decline has been substantial, particularly in relation to that period.

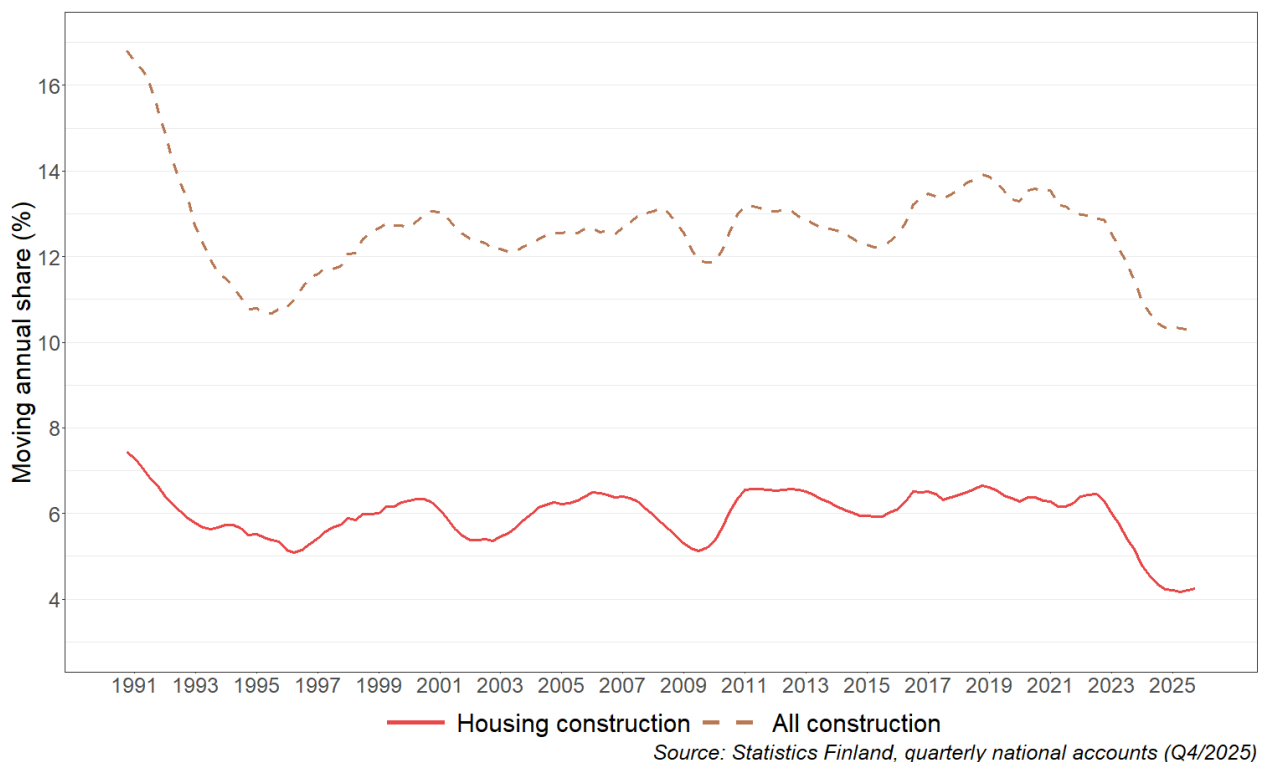


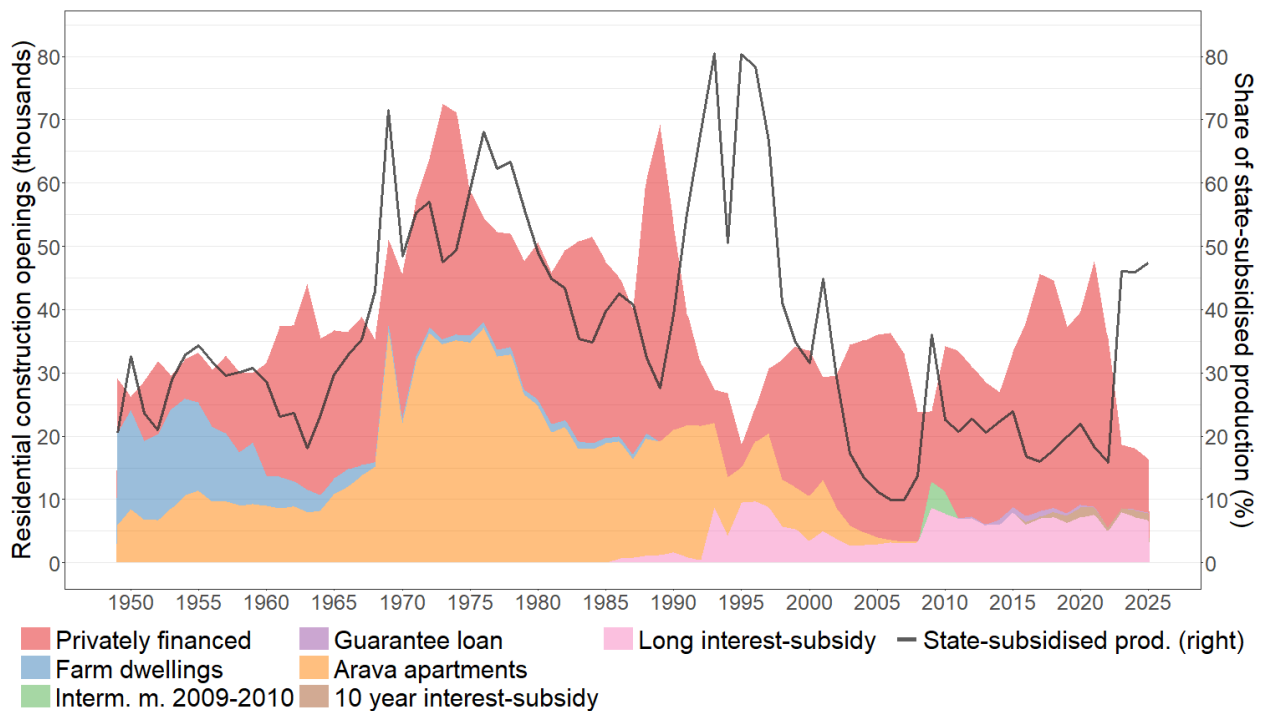
Figure 22: Housing construction's share of GDP quarterly (1990–2025)

7.1 Housing production after the Second World War

In Chapter 2, Finland's housing production was examined from the perspective of the current economic cycle. This section broadens the view to cover the entire post-war period. Finland's housing production can be divided into seven categories according to the form of financing. These categories are privately financed dwellings, residential buildings on farms, Arava dwellings, the interim-model dwellings from 2009–2010, dwellings financed with government loan guarantees, and dwellings built with

short-term (10 years) or long-term (40 years) interest subsidies. Among these, Arava dwellings and dwellings built under the short- and long-term interest-subsidy schemes are counted as state-subsidised housing.

The peak years for Finland’s housing production were 1973, 1974 and 1989, when annual housing starts were at a level of around 70,000 dwellings. Figure 23 shows that privately financed housing production is highly cyclical and fluctuates strongly in line with economic conditions. While housing starts were close to 70,000 dwellings in 1989, the number collapsed to 18,000 in 1995. State-subsidised housing production compensated for this decline: more than 82 per cent of new housing starts in 1995 were state-subsidised dwellings. In 1989, the share of state-subsidised housing had been less than 28 per cent.



Note. State-subsidised production includes arava-apartments as well as long and short interest-subsidy loan apartments.
 Source: Varke, Statistics Finland, building stock and new production (12/2025) and own calculations

Figure 23: Annual housing openings by the mean of financing (1949–2025)

A similar phenomenon occurred during the financial crisis, although in a somewhat milder form. In 2006, the share of state-subsidised housing production was at its lowest level in history, at 10 per cent, but it rose to over 36 per cent in 2009. A similar development can be observed in 2023–2025, when the share of state-subsidised production increased to nearly 50 per cent following the decline in privately financed production.

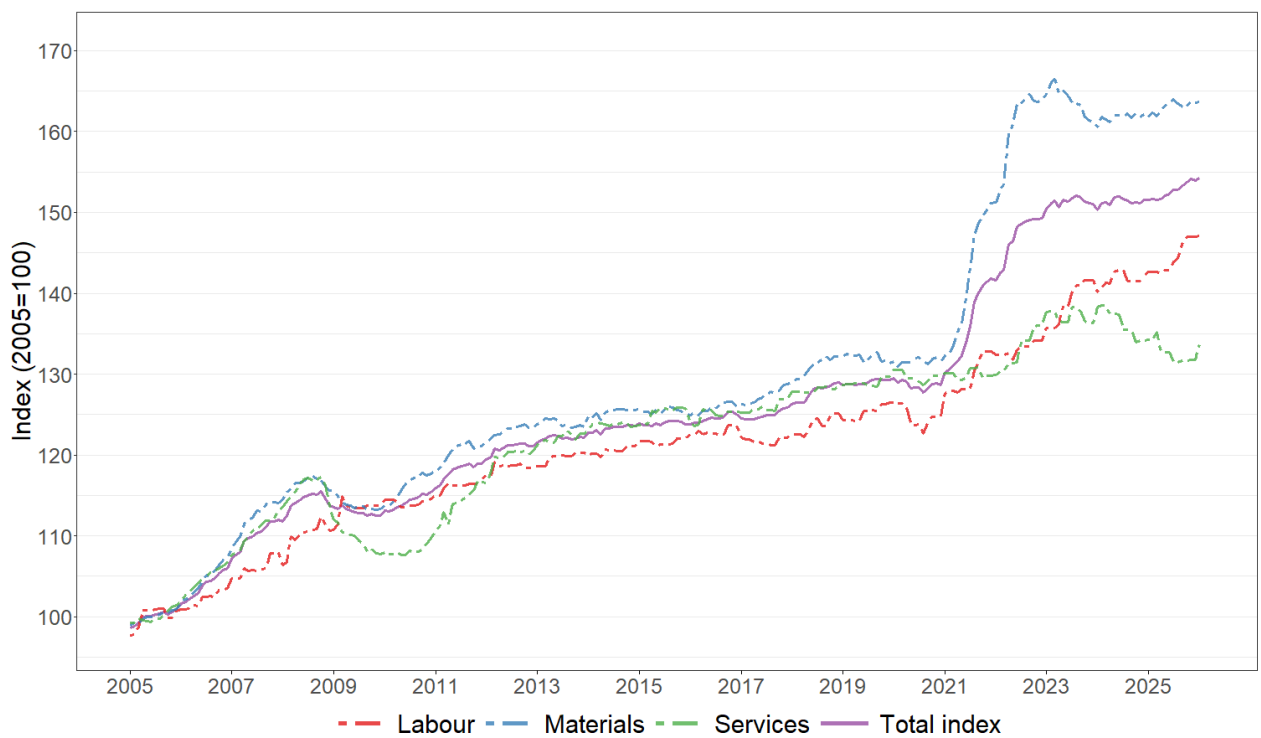
The share of state-subsidised housing production out of all housing starts has varied between 10.0 per cent (in 2006) and 82.1 per cent (in 1995) during the period 1949–2025. Over the entire period, the average share has been 36.5 per cent. In the 2000s, the share of state-subsidised production decreased, and the average share has been 23.7 per cent.

The interim model of 2009–2010 was created alongside traditional state-subsidised production as a counter-cyclical tool, but it lasted no more than two years. In its wake, new instruments were developed: dwellings financed with government loan guarantees, where the state does not pay interest subsidies but provides a supplementary guarantee only, and the current short-term interest-subsidy model. With this 10-year interest subsidy, approximately 23 per cent of the normal state-subsidised rental dwellings built between 2016 and 2025, and about 11 per cent of all state-subsidised dwellings built during the same period, have been constructed.

In 2025, construction began on 7,800 state-subsidised dwellings. Of these, 2,400 were right-of-occupancy dwellings (30 per cent), 1,800 were rental dwellings for special-needs groups (22 per cent), 2,500 were normal state-subsidised rental dwellings built under the long-term interest-subsidy scheme (32 per cent), and 1,100 were normal state-subsidised rental dwellings built under the short-term interest-subsidy scheme (14 per cent). In addition, just over 100 guarantee-financed dwellings were started, although these are not counted as state-subsidised housing production in this context because the restrictions attached to them are relatively limited.

7.2 Construction cost and contractors

Construction costs have a significant impact on construction demand, and these costs have risen sharply in recent years. Figure 24 presents the overall construction cost index and its sub-indices. The steepest increase has been in material inputs, although the strongest rise in these costs came to an end, at least temporarily, in 2023. The overall index, however, which has increased by about 54 per cent from its 2005 level by early 2026, has not correspondingly declined from its peak. Compared with 2015, the overall index has risen by approximately 25 per cent, labour costs by around 21 per cent, material inputs by about 30 per cent and services by roughly 6 per cent.



Source: Statistics Finland, building cost index (01/2026)

Figure 24: Building cost index and its components monthly (2005–2026)

A similar pattern emerges when examining the real price of state-subsidised new housing production in Figure 25. The acquisition costs include both construction costs and either the purchase of the plot (own plot) or the rent paid during the construction period (leased plot). In 2025, the average construction cost of state-subsidised new housing production is slightly over €3,500 per square metre of residential floor area. The price has decreased for three consecutive years to almost the level observed before the pandemic.

Plot-inclusive acquisition costs have also decreased, and in 2025 the acquisition cost of a state-subsidised project located on an owned plot is slightly above €4,000 per square metre of residential floor area. Of the state-subsidised dwellings built between 2005 and 2025, 50 per cent have been constructed on owned plots and 50 per cent on leased plots. In the Helsinki metropolitan area, leased plots are more common, with 39 per cent of state-subsidised housing projects built on owned plots and 61 per cent on leased plots.

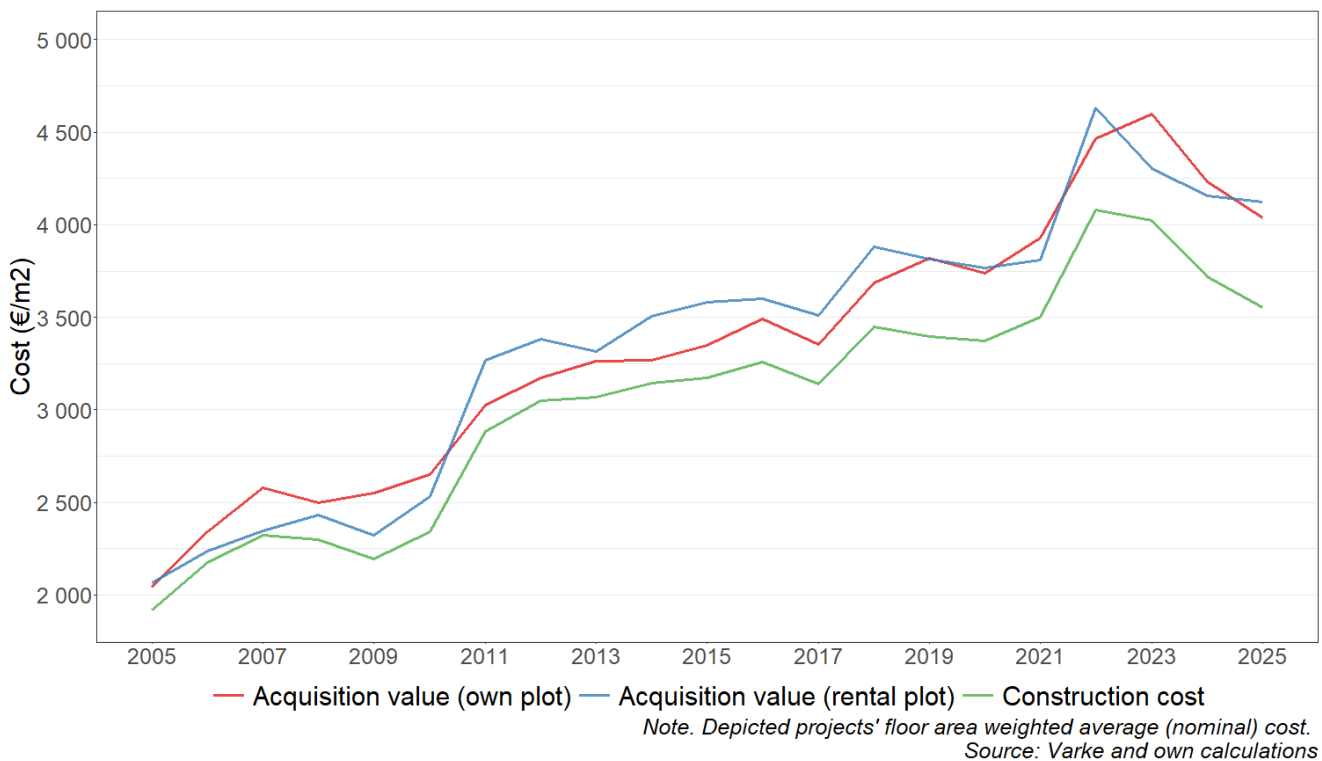
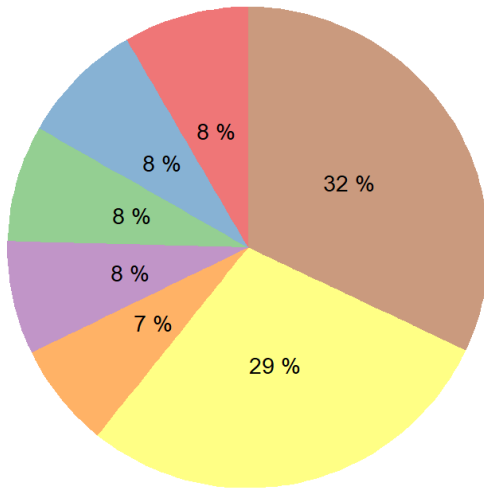


Figure 25: Construction cost of state-subsidised apartments in Finland annually (2005–2025)

The construction of state-subsidised housing is spread across a wide range of contractors, as shown in Figure 26. Of the nearly 130,000 state-subsidised dwellings started between 2005 and 2025, five construction groups accounted for approximately 39 per cent: Lujatalo, Skanska, NCC, YIT and Hartela. Both Lujatalo and Skanska were responsible for just over 8 per cent of the production. The largest 15 construction groups acted as the main contractor in around 68 per cent of the state-subsidised dwellings built during this period. In total, more than 300 different main contractors have been involved in state-subsidised housing projects, although this number depends to some extent on the calculation method used. Approximately 77 per cent of projects were carried out as competitive contracts and around 23 per cent as negotiated contracts.

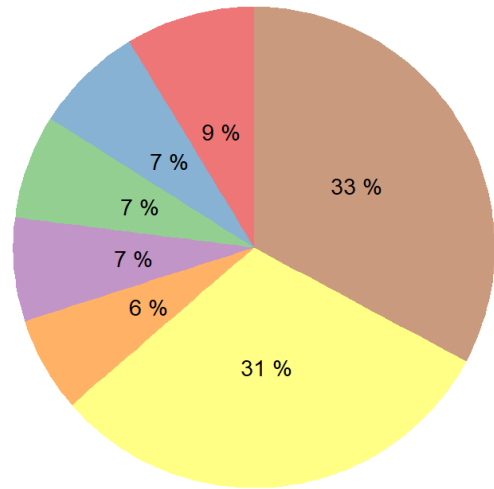
Years 2005-2025



Lujatalo NCC Hartela Others
Skanska YIT Ranks 6-15

Note. Ranks 6-15 include the following corporations: Jatke, Pohjola Rakennus, Peab, Varte, SRV, Lemminkäinen, Arkta, Lapti, Fira, Rakennuspetäjä.
Source: Varke

Years 2016-2025



Lujatalo YIT Pohjola Rakennus Others
Hartela Jatke Ranks 6-15

Note. Ranks 6-15 include the following corporations: Skanska, Peab, NCC, Varte, Lapti, Tencon, Pajala, SRV, Fira, Jalon.
Source: Varke

Figure 26: Market shares of the main contractors in new state-subsidised housing construction

In the projects started between 2016 and 2025, the five largest construction groups accounted for approximately 36 per cent of state-subsidised new housing production, which amounted to around 73,000 dwellings in total. During this period, the Jatke and Pohjola groups have entered the group of the five largest main contractors in state-subsidised housing production, and Lujatalo’s share has risen to nearly 9 per cent. More than 150 different main contractors have been involved in building state-subsidised housing during this time.

7.3 Finance

State-subsidised dwellings are primarily built with government interest subsidies and supplementary guarantees. However, the actual financing must be obtained from an external source. The largest single financier of state-subsidised new housing production and major renovations is Municipality Finance Plc (MuniFin). Since the financial crisis, MuniFin’s share of new interest-subsidy loans has varied annually between 73 and 97 per cent, with an average share of 85 per cent.⁴⁴ Entering the 2020s, its share has increased, as between 2020 and 2025 it ranged between 76 and 97 per cent, with an average of 88 per cent of all interest-subsidy loans granted each year.

⁴⁴ The annual market-share figures for Municipality Finance Plc have been obtained from Varke.

Housing organisations are also clearly the largest customer segment for MuniFin, accounting for 52 per cent of its portfolio.⁴⁵ Smaller financiers of state-subsidised housing projects have included Svenska Handelsbanken Plc, the OP Financial Group, the Savings Bank Group and pension funds, although the most significant of these, Svenska Handelsbanken, has in practice already exited the Finnish market.

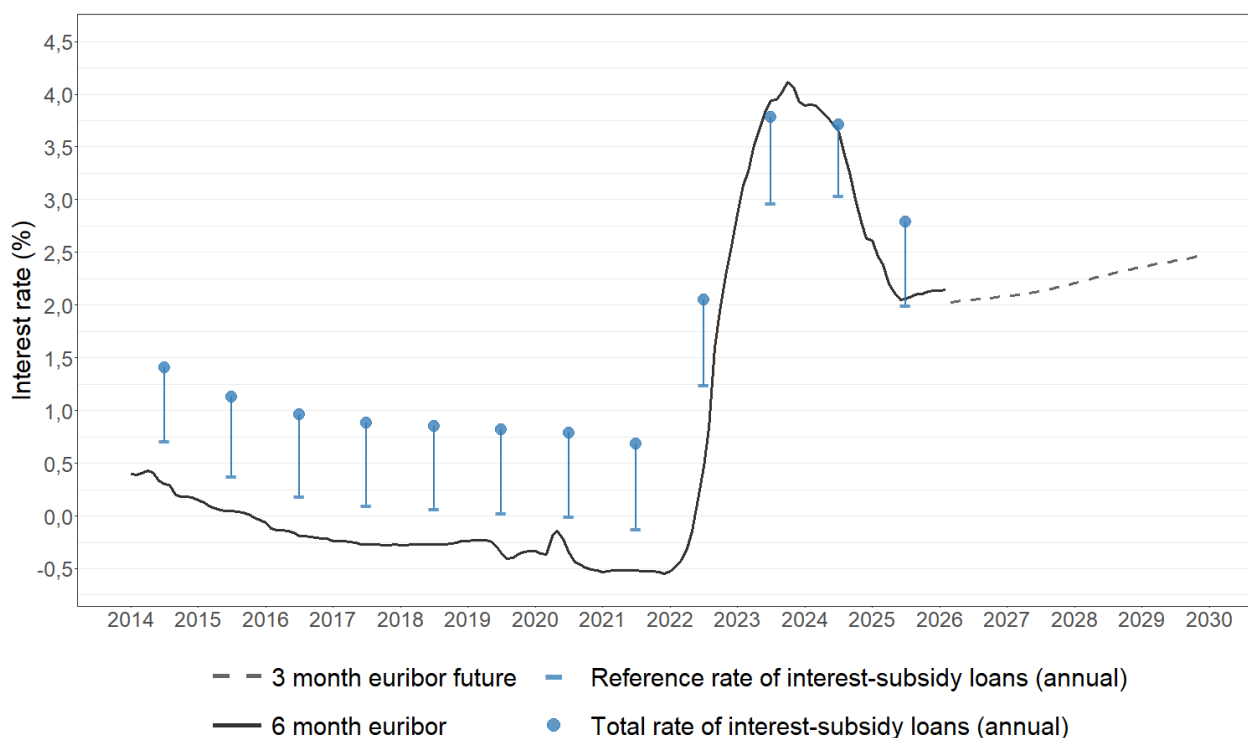
From the beginning of 2024, the self-financing interest rate for new interest-subsidy loans granted for long-term subsidised rental and right-of-occupancy housing projects has been 2.3 per cent. For short-term subsidised rental housing projects, the self-financing interest rate is 2.5 per cent. Of the interest-subsidy loan portfolio, approximately 65.7 per cent is tied to Euribor rates.⁴⁶ The six-month Euribor is the most common reference rate, to which 54.9 per cent of loans are tied. The twelve-month Euribor accounts for 9.5 per cent of loans. Fixed-rate loans or loans tied to reference rates longer than one year account for 16.6 per cent of the interest-subsidy loan portfolio.

Figure 27 presents the monthly average development of the six-month Euribor from the financial crisis to the current year. It also includes the three-month Euribor futures curve up to the end of the decade, which is typically considered to best reflect market expectations of future interest rate developments. The average total interest rate and reference rate for interest-subsidy loans to housing organisations are shown on an annual basis.

Market interest rates rose sharply in 2022–2023 but began declining almost as quickly from mid-2024 onwards, as shown in Figure 26. The decline levelled off at around two per cent, and rates have remained close to that level for roughly a year leading into spring 2026. There are both upward and downward risks in Euribor forecasts, including slowing economic growth in the euro area and further geopolitical tensions. The average reference rates of interest-subsidy loans to housing organisations have naturally followed the development of Euribor rates. Their average margin has been around 0.7–0.8 percentage points.

⁴⁵ Municipality Finance Plc's 2025 financial statements. Of MuniFin's loan portfolio for housing organisations, 46 per cent has been granted to municipally owned entities and 54 per cent to other non-profit housing providers.

⁴⁶ The source for the interest-rate fixings is the State Treasury.



Source: Bank of Finland (02/2026), Chatham Financial (03/2026) and State Treasury

Figure 27: Average interest rates by month (2008–2029)

8. INTERNATIONAL COMPARISONS: COST OF HOUSING IN EUROPE

Next, Finland’s housing system is compared briefly with international peer countries through both public housing expenditure and housing costs. A more extensive overview of the housing policies and systems of European countries can be found, for example, in reports published by Housing Europe.⁴⁷

Figure 28 presents the ratio of house prices to disposable household income on the horizontal axis, and the ratio of house prices to rents on the vertical axis, in European OECD countries.⁴⁸ Across all countries, there is a fairly strong positive relationship between these two indicators: the higher (or lower) house prices are relative to disposable income, the higher (or lower) the ratio of house prices to rents tends to be.

⁴⁷ The country reports for 2025 can be found at:

<https://www.housingeurope.eu/state-of-housing-in-europe-2025-trends-in-a-nutshell/>.

⁴⁸ Both mentioned are indexed so that the year 2015 is assigned the value 100.

In Finland, the ratio of house prices to disposable household income is the lowest among the countries compared, meaning that housing is the most affordable in relative terms. On the other hand, Finland also has the lowest ratio of house prices to rent levels. In other words, rents in Finland are notably high relative to property values.

In Italy, both the price-to-income ratio and the price-to-rent ratio are similar to those in Finland. In countries such as Ireland and Austria, house prices are slightly lower relative to rents, but especially when compared to Finland, house prices relative to disposable income are clearly higher. In Portugal, by contrast, the ratio of house prices to disposable household income is the highest among the countries included, as is the ratio of house prices to rent levels. The situation in the Netherlands is somewhat similar to that in Portugal, although house prices there are not quite as high relative to income and rents.

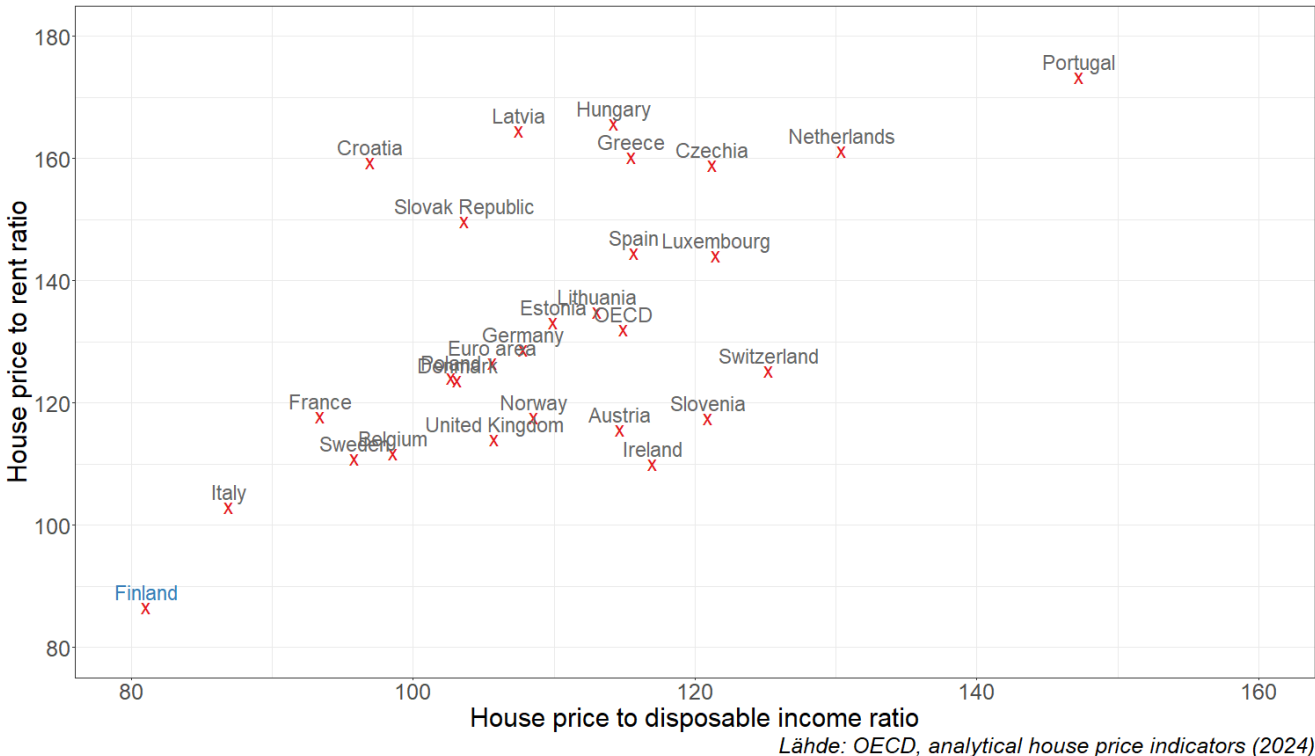
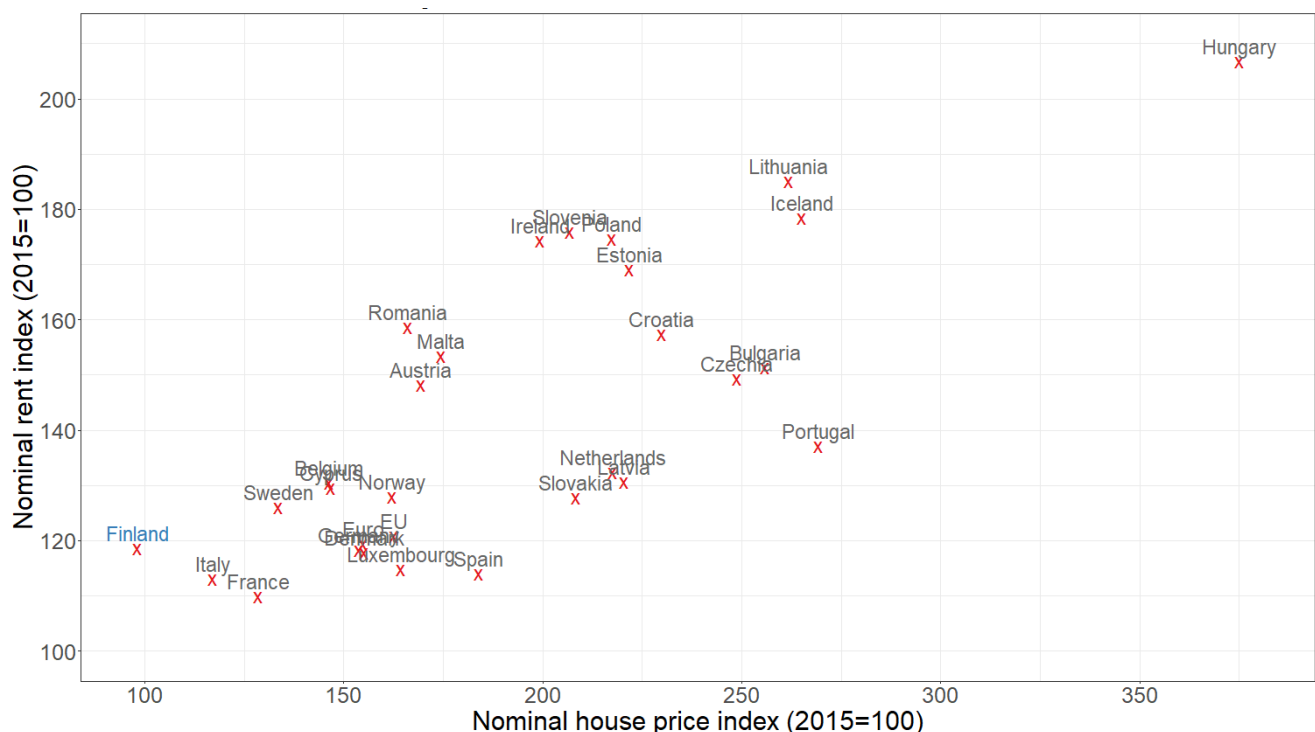


Figure 28: House price to income ratio and house price to rent ratio in European countries (2024)

On the other hand, in Finland the development of the nominal house price index from 2015 to the third quarter of 2025 has been the weakest in Europe, at -1.7 per cent, as shown in Figure 29. Nominal rents, however, have increased by 18.6 per cent, which is faster than in seven other countries, including Italy, France, Spain and Denmark, and almost at the same pace as the average increase in the EU and the euro area. Finland is

also the only European country where rents have risen more than house prices over the past decade.

Overall, there is, as expected, a positive relationship between the development of house prices and rents. In Eastern Europe, both have increased strongly since 2015, while in Western Europe the growth has been more moderate. Clear exceptions to this include Iceland and Ireland, and, in terms of house price development, Portugal. In the Netherlands, rent increases have been relatively modest, but house prices have risen significantly. In Austria, the situation is somewhat opposite, as rents have increased almost as much as house prices.



Lähde: Eurostat, house price and sales index (Q3/2025) sekä Eurostat, harmonised index of consumer prices (09/2025)

Figure 29: Change in nominal house price and rent indices in European countries between 2015 and 2025

9. OUTLOOK AND RECOMMENDATIONS

Finally, future prospects are assessed. The future of affordable housing and the phenomena influencing it are examined first. This is followed by an evaluation of the means through which the future of affordable housing in Finland can be secured.

The Technical Research Centre of Finland (VTT) has examined the need for housing construction between 2025 and 2045.⁴⁹ Between 2000 and 2024, approximately 32,600 dwellings were built annually in Finland, although the number has varied considerably from year to year. According to VTT's trend forecast, the annual housing production requirement for 2025–2045 is 31,000 dwellings. The trend forecast uses the Ministry of Finance's population growth projection, which is more moderate than the projection by Statistics Finland presented in this review. Using the latter projection, VTT estimates that the housing production requirement would be 35,800 dwellings per year.

In VTT's forecasts, the increase in housing production needs is based not only on natural population growth and immigration but also on the continued rise in the number of single-person households, the declining preference for institutional care among older people and the earlier transition of young people to independent living. In the forecasts, the 14 largest cities account for approximately 85–86 per cent of the total housing production requirement. The forecasts also indicate that the greatest need for housing production will occur between 2030 and 2035, after which it will decline.

9.1 Future of affordable housing

Several factors challenge the future of affordable housing. The divergence in housing demand between regions makes it difficult to meet demand, especially considering that many municipalities with declining populations have a significant but ageing stock of state-subsidised housing. Inflation, as well as changes in the prices of construction materials and energy, complicate long-term planning for affordable-housing providers and increase pressure to raise rents and residence charges. In addition, the cost and availability of financing may become problematic, particularly in a highly concentrated market. Availability of finance is especially challenging in smaller municipalities, where there is also a considerable repair backlog.

Perhaps the greatest challenge is, in a sense, the lack of long-term stability in housing policy. The interest-subsidy loan authorisation varied between €1.75 billion and €2.25 billion in 2020–2025 but based on current information it will fall to €1.135 billion

⁴⁹ Vainio, T. (2025). Housing production need 2025–2045. The Technical Research Centre of Finland (VTT). VTT Technology No. 435. ISSN 2242-122X. DOI: 10.32040/2242-122X.2025.T435. URL (available only in Finnish): <https://doi.org/10.32040/2242-122X.2025.T435>.

in 2026 and only €500 million in 2027. This signifies a substantial reduction in state-subsidised new housing production and in major renovations of such dwellings.

Furthermore, the investment-grant authorisation for special-needs groups has been reduced to only €15 million for 2025–2027 (as of spring 2026), compared with €63 million in 2024 and €120 million in 2023. Since housing projects for disabled people and those who are long-term homeless have been promised protection, this reduction in authorisation effectively means that, for example, no investment grants will be available for housing projects for older people. On the other hand, student housing production is being supported by allowing a 100 per cent loan-to-value ratio, which removes the need for an equity contribution, previously covered in many cases by investment grants.

Cuts to the interest-subsidy authorisation are often justified with counter-cyclical housing-production policy. When privately financed housing construction was at a standstill in 2023–2025, state-subsidised housing construction was increased. Correspondingly, it is hoped that privately financed production will begin to recover strongly in 2026–2027, allowing state-subsidised production to be reduced. However, in spring 2026, the prospects for a near-term recovery in privately financed housing construction still appear highly uncertain.

The State Housing Fund (VAR) was incorporated into the state budget from the beginning of 2026. This may make the implementation of counter-cyclical housing policy more difficult in the future, because if the volume of state-subsidised housing production needs to be increased in the next downturn, the funding would have to come from cuts in other state expenditure or from higher taxes. This problem could, however, be avoided by establishing a new off-budget fund.

9.2 Recommendations

At the time of writing, in spring 2026, housing production starting in Finland in 2026 is expected to remain at an historically low level, at around 15,000 dwellings. Affordable housing production continues to compensate for the significant shortfall left by privately financed production this year, although its share will fall to around 30 per cent compared with the previous year. On the other hand, there is currently a shortage of plots suitable for affordable housing production, which is slowing down construction.

Privately financed housing production is not expected to pick up substantially before 2027.⁵⁰ The interest-subsidy loan authorisation for state-subsidised housing production is €1.135 billion in 2026 and only €500 million in 2027, which will naturally reduce the volume of state-subsidised housing production accordingly.

1. From the perspective of the construction sector, it would be very well-justified to keep the interest-subsidy loan authorisation at €1.5 billion in 2026. If the current downturn becomes prolonged, it may lead to more long-term problems as construction companies face bankruptcy, which would slow the start of new production even if market conditions were favourable. The outlook for housing production in 2027 is particularly concerning, as the interest-subsidy loan authorisation will fall to an exceptionally low level. This would require privately financed production to be operating at full capacity, which is highly unlikely. For this reason, increasing the interest-subsidy loan authorisation to €1.135 billion in 2027 is recommended.

The investment grant for special-needs housing production in 2025 was only €15 million, which was one eighth of the level recorded two years earlier. Housing projects for disabled people and those who are long-term homeless have been promised protection, which in practice means that no investment grants remain for other special-needs groups. The reduction in the investment-grant authorisation further exacerbates the already difficult situation in the construction sector and makes it harder to develop housing for the most vulnerable people. Although a 100 per cent loan-to-value ratio is permitted for student-housing projects, removing the need for an equity contribution that investment grants have traditionally been used for, the housing needs of older people will likely remain unmet.

2. The investment-grant authorisation for special-needs groups should be increased by €50 million for both 2026 and 2027, bringing the total annual authorisation to €65 million. This would make it possible to launch housing projects for older people, for example. Population ageing is not slowing in Finland, and the housing needs of older people will therefore continue to grow.

⁵⁰ Construction 2026–2027: Spring 2026. Ministry of Finance. Publications of the Ministry of Finance 2026:11. ISSN: 1797-9714. URL (available only in Finnish): <https://julkaisut.valtioneuvosto.fi/items/a7b4eb72-5b03-42ea-9b3f-f66afec91feb>.

No new interest-subsidy loans are granted for right-of-occupancy housing production after 2025. However, the Ministry of the Environment's 2024 review failed to identify any viable intermediate model between renting and owning.⁵¹ This suggests that the right-of-occupancy system is the best available option between rental and owner-occupied housing. Around 100,000 Finns currently live in right-of-occupancy dwellings.

3. The production of right-of-occupancy dwellings should continue beyond 2026 in order to ensure diverse housing options for people at all income levels.

In addition to new construction, major and other renovations make up a significant part of activity in the construction sector. At the same time as the construction sector is struggling, the repair backlog in residential buildings continues to grow, and environmental and energy-efficiency requirements are increasing the renovation burden on property owners. Renovation activity is being held back not only by household uncertainty but also by a cost level that remains significantly higher than a few years ago.

4. A temporary €50 million renovation grant should be introduced, with €20 million allocated to operators owning state-subsidised housing and €30 million to housing companies and detached houses. The granting of support should be influenced by the energy-efficiency impact of the proposed renovation.

Finland's housing market is strongly divided, especially with regard to future prospects, between areas of population growth and areas of population decline. This division is also reflected among the operators that own state-subsidised housing. In areas with declining populations, the existing rental housing stock—largely built in the 1970s to the 1990s—may no longer match current demand. This can lead to low occupancy rates, resulting in financial challenges and pressure to raise rents.

5. It would be appropriate for the Ministry of the Environment to designate housing-structure transition areas, where special measures would be targeted to stabilise the housing market and support the restructuring of operators that own

⁵¹ Brotherus, J., & Kuronen, M. (2024). Study of an Interim Housing Model in the Largest Urban Districts. Publications of the Ministry of the Environment 2024:33. ISSN: 2490-1024. URL: <https://julkaisut.valtioneuvosto.fi/handle/10024/165836>.

state-subsidised housing. This would require €10 million per year over the next decade.

The question of financing affordable housing will continue to challenge future governments, particularly as interest-subsidy loans for long-term state-subsidised housing production are counted as part of general government debt.

6. It is recommended that an assessment be launched on alternative financing models for affordable housing, so that the current statistical treatment of interest-subsidy loans as part of general government EDP debt does not prevent essential investment in new affordable-housing production or major renovations in the future.

APPENDIX

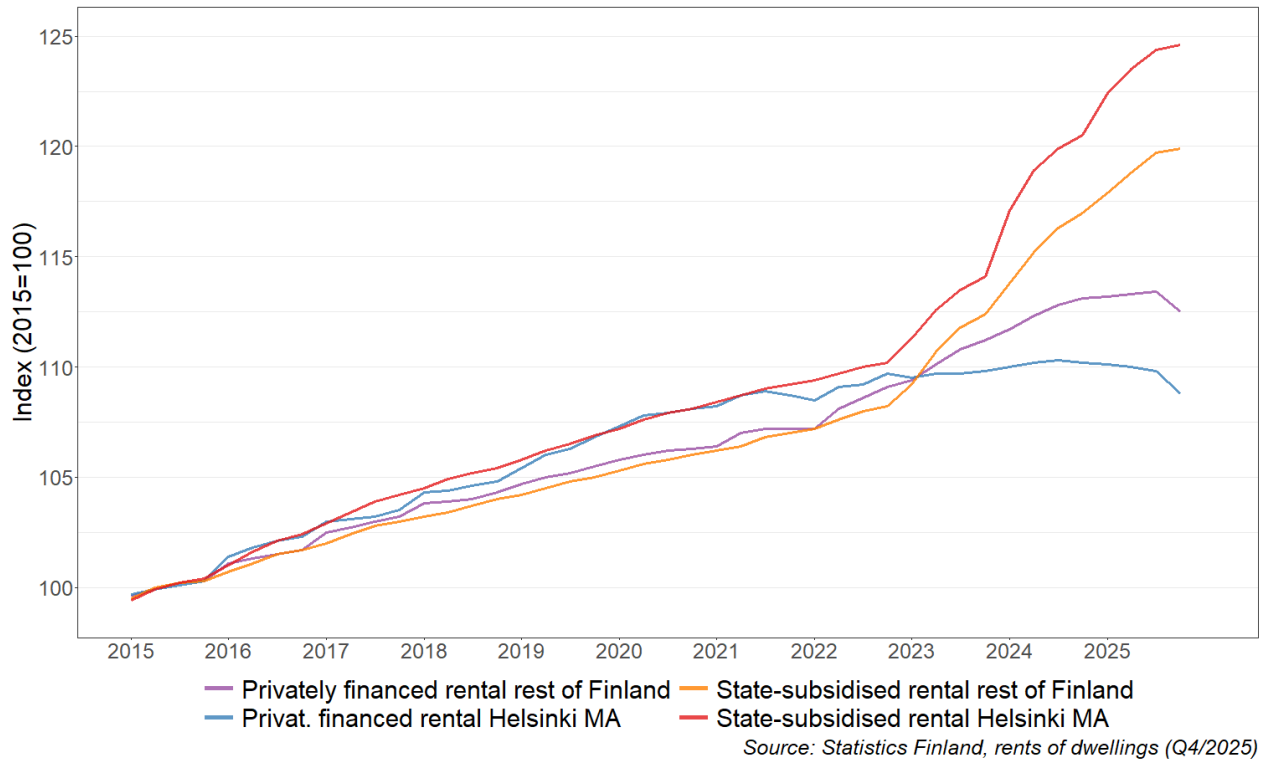
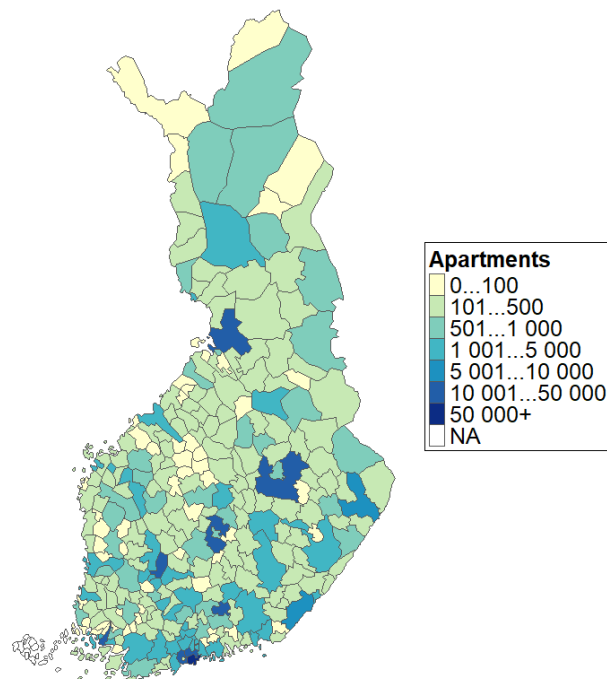


Figure 30: Rental index quarterly (2015–2025)

Table 1: Comparison of housing tenure types in Finland

	Owner-occupied dwellings	Share	Privately funded rental dwellings	Share	State-subsidised rental dwellings	Share	Right-of-occupancy dwellings	Share
Number of residents	3 749 000	69 %	1 127 000	21 %	481 000	9 %	100 000	2 %
Household size								
- 1 person	615 000	16 %	500 000	44 %	179 000	37 %	26 000	26 %
- 2 persons	1 331 000	36 %	327 000	29 %	119 000	25 %	32 000	32 %
- 3 persons	612 000	16 %	132 000	12 %	73 000	15 %	17 000	17 %
- 4+ persons	1 191 000	32 %	169 000	15 %	111 000	23 %	25 000	25 %
Number of apartments	1 749 000	62 %	743 000	26 %	286 000	10 %	53 000	2 %
Number of rooms								
- 1 room	76 000	4 %	262 000	35 %	78 000	27 %	4 000	8 %
- 2 rooms	345 000	20 %	326 000	44 %	137 000	48 %	22 000	42 %
- 3 rooms	444 000	25 %	114 000	15 %	55 000	19 %	16 000	30 %
- 4+ rooms	882 000	50 %	39 000	5 %	15 000	5 %	11 000	20 %
- Unknown	3 000	0 %	2 000	0 %	1 000	0 %	0	0 %
Building type								
- Detached or semi-detached	1 005 000	57 %	34 000	5 %	2 000	1 %	3 000	5 %
- Row house	243 000	14 %	76 000	10 %	46 000	16 %	11 000	22 %
- Block of flats	490 000	28 %	615 000	83 %	229 000	80 %	39 000	74 %
- Others	11 000	1 %	19 000	3 %	9 000	3 %	0	0 %
Average size of apartment	81,0		48,7		53,6		65,4	
Average price								
- Acquisition value (€/m2)	2 487							
- Rent (€/m2/month)			16,48		13,40			
- Residence charge (€/m2/month)							13,93	

Note. The figures are presented with a precision of thousands. Here, the space (" ") is used as the thousand separator and the comma (",") as the decimal separator.
 Source: Statistics Finland, dwellings and housing conditions (2024), Statistics Finland, rents of dwellings (Q4/2025), Statistics Finland, prices of dwellings in housing companies (Q4/2025), Kela (Social Insurance Institution of Finland), statistical database, general housing allowance (2025) and KOVA's statistical survey (2026)



Source: Varke and DVV

Figure 31: Number of state-subsidised apartments by municipality (2025)