

*free to publish 8<sup>th</sup> January 2025 at 6:00*

## Regional comments SKVL housing market forecast 1/2025

### Helsinki, inner city

Housing sales are expected to pick up especially in spring 2025.

Trading on the Töölö-Kallio axis has picked up slightly compared to early 2024, but general uncertainty, such as interest rate developments and the geopolitical situation, is slowing down purchasing decisions. However, buyers are cautious about considering deals, as prices are perceived as bottomed out. In the inner city, there is plenty of supply, but demand is still somewhat lower. Even minor deficiencies or overpricing prevent deals from happening. However, demand for high-value family homes and smaller apartments with good transport connections has picked up in recent months.

The supply of apartments in Lauttasaari is plentiful. Buyers consider their decisions for a long time, visit several screens. Renovation projects will significantly slow down sales, but lower interest rates will help lower housing companies' capital charges, which will speed up sales in the future.

The mood in the housing market is expectant. There is a desire and need for a change of apartment, but the decisions are delayed. Seniors' interest in new accessible apartments has grown, but the demand for small apartments has remained weaker than expected. First-time homebuyers are often looking for larger two-room or three-room apartments. Many suburbs in Helsinki in the 50s and 60s are particularly interesting due to their good planning, and major renovations are beginning to be carried out in them. The value of apartments in good condition in these areas will increase rapidly in the next few years.

The housing market in the rest of **Helsinki** is improving:

**1. Price level and sellers' expectations:**

- Sellers stick to high price expectations, even if buyers are not willing to pay the requested amounts. For example, differences of EUR 5,000–10,000 have prevented deals from taking place.
- Sellers do not always understand the significance of interim money and its impact on the transaction.

**2. Buyer behavior:**

- First-time homebuyers have brought some movement to the market and chains.

**3. Current trading situation:**

- In October, the market showed signs of picking up, but since then it has been quieter for the rest of the year.
- Demand in the inner city and value areas has started to recover, but in weaker areas demand is still somewhat slower.

**4. Negotiations between sellers and buyers:**

- In recent months, buyers have started to make faster purchasing decisions, which is a slight positive development.
- Sellers are more willing to negotiate prices, which can make trading easier in the future.

**5. The role of banks:**

*free to publish 8<sup>th</sup> January 2025 at 6:00*

- Access to financing has become stricter, which limits buyers' opportunities, especially in renovated projects where the collateral does not consider the increase in value.
- **First-time homebuyers and low-income families, who make up a significant share of demand, are particularly affected.**

To sum up, Helsinki's housing market remains calm, but the recovery in demand in the inner city and value areas, as well as accelerated purchasing decisions, give hope for a clear improvement in the situation. Realistic pricing of sellers and relaxation of banks' financing conditions would be crucial for the market to pick up.

## Espoo

Espoo's housing sales look stable in certain areas, but there are clear priorities in supply and demand:

### 1. Family dwellings and detached houses:

- Family dwellings (detached, terraced and semi-detached) in the price range of EUR 500,000–800,000 are popular.
- The demand for family apartments of 80–110 m<sup>2</sup> in good condition exceeds supply.
- Detached houses and properties that are less than 10 years old are of interest to buyers. A good renovation history of housing companies increases sales opportunities, while risk structures raise doubts among buyers.

### 2. Smaller apartments:

- The demand for one-room and two-room flats has grown, especially as rental residents move to owner-occupied dwellings due to lower interest rates.

### 3. Seller activity:

- Sellers' willingness to sell has increased. Many have been waiting for the right moment, and now we see the opportunity to sell and buy in the same market before possible price increases.
- Banks today offer high-income earners overlapping so-called bridge loans, which makes it easier to buy a new home before selling the old one. Loan decisions now arrive in Espoo faster in as little as a week or two.

### 4. Market trends:

- New construction is perceived as risky, which reduces its attractiveness among buyers.
- **The demand for older properties is increasing** if they are well maintained.
- In Espoo, stable but steady trading can be seen without significant changes in the market situation.

To sum up, the market in Espoo is diverse, but correct pricing is still crucial for successful sales.

## Vantaa

*free to publish 8<sup>th</sup> January 2025 at 6:00*

- **Clear signs of awakening.** Good new ready-made ones are sold, there will soon be a shortage of them. New apartments that are too expensive for the market remain unsold. Construction begins, and more affordable apartments than the demand are produced, and their sales begin to take place.
- Relatively new detached houses, low housing costs and the **proximity of the airport** increase demand.

In Vantaa, especially in the Tikkurila/Viertola areas, demand has improved slightly, but the decision is still being considered a little.

## Central Uusimaa

- **Trade status:** First-time homebuyers are still active, and investors are starting to take an interest in the market.
- **Destinations:** There is demand for single-family homes, but general presentations attract very few people in December. The number of private screens has also decreased.
- **Fluctuations in time:** October was active and there were a lot of trades in November, but in December the market has slowed down considerably.

## Western Uusimaa

### General market situation:

- **Trade recovers:**
  - Towards the end of the year, buyer activation has clearly increased. Pent-up demand begins to unravel, and buyers are encouraged to make decisions.
  - Trade is carried out well, especially in high-quality and well-maintained properties, but there is too little supply in these.
- **Impact of banks:**
  - Long processing times for banks slow down trading, which particularly affects first-time homebuyers, who have nevertheless been active in the market.

### Regional findings:

- **Vihti:**
  - Trade is good, but there is a shortage of properties in good condition. There would be more buyers than supply.
- **Kirkkonummi:**
  - Sales of detached houses and terraced, semi-detached and semi-detached houses with yards are good, especially in dwellings built in the 2000s.
  - The store is positively affected by the shelter of the home and yard as well as good living areas.
  - In Veikkola in Kirkkonummi, there is steady demand for family apartments worth EUR 400,000–500,000 that are less than 10 years old. Veikkola attracts due to the lower price per square meter, larger plots, the nearby Nuuskio National Park and good connections.
  - Negative effects on the transaction are caused, for example, by uncertainties in the heating form, poor financial situations of the company, bankruptcies of the developer and high considerations.
- **Lohja:**

*free to publish 8<sup>th</sup> January 2025 at 6:00*

- The rest of the year has been very quiet. Demand for detached houses is expected to recover in the coming year.
- **Hanko:**
  - Most of the buyers come from the Helsinki metropolitan area and are looking for either a second home or an everyday home for those working in neighbouring municipalities.
  - Investors have become more active, and the season in Hanko traditionally starts in February and March.
  - Supply is good, and a positive buying mood has been visible at the end of the year.

## Summary

In the real estate market in Western Uusimaa, sales are good in certain areas and properties, especially in Vihti and Kirkkonummi. There is a shortage of homes in good condition and shelter, even if there are buyers available. In Lohja, the end of the year has been quiet, but in Hanko the market is becoming more active in the traditional way as the season at the beginning of the year approaches. Long processing times for banks continue to slow down trading, but encouragement from buyers and the unwinding pent-up demand create a positive outlook for 2025.

## General view in Uusimaa:

- **2015 and newer single-family and semi-detached houses:** These properties move well on the market if they are priced realistically.

## Conclusions:

- There are clear regional differences in housing sales in Central and Western Uusimaa: demand is strong in the Vihti area, but the Lohja area is very quiet.
- First-time homebuyers keep the market moving to some extent, but the slowness of banks slows down trading.
- The influence of the season is clearly visible, as the silence at the end of the year is widespread, especially in December.
- Correct pricing is still key to successful transactions, especially for newer single-family house projects.

This situation reflects the fact that the early part of the year may bring activity to the market as buyers and sellers settle into the new situation.

## Järvenpää:

- **Challenges:** Supply is too plentiful, creating a challenging market situation.
- **Impact:** Oversupply leads to buyers being able to choose longer, leading to longer selling times and increased competition among available homes.

## Eastern Uusimaa

### Market trends and overview in Porvoo:

#### 1. Interest rates and financing:

- Interest rates are falling, but banks remain troublesome lenders. This makes it difficult to close a deal, especially for buyers who also need a loan for renovation.

*free to publish 8<sup>th</sup> January 2025 at 6:00*

- Sales of single-family houses requiring renovation are still very weak, as buyers do not have the financial leeway to cover renovation costs.

## 2. Buyer behavior:

- Buyers' readiness to bid has improved. Many buyers have been "ready to buy" for a long time, but the courage to close the deal has been lacking until now.
- This trend may indicate positive developments in the spring market, as lower interest rates and the recovery in demand strengthen.

## 3. Holiday rentals:

- The demand for holiday homes recovered significantly in autumn 2024 compared to the beginning of the year. This indicates seasonal variability and, in particular, targeted demand.

### Loviisa:

- **Market situation:** Home sales surprised with their liveliness just before Christmas. Transactions were even made for items that had been on sale for a long time.
- **Special feature:** The Loviisa market seems to have picked up, at least momentarily, although general silence has prevailed elsewhere.

### Conclusions Eastern Uusimaa:

On the other hand, the housing market in Eastern Uusimaa shows signs of picking up, such as an increase in Loviisa and an increase in demand for holiday homes. Lower interest rates may create better conditions for spring 2025, but banks' financing practices and buyers' financial constraints remain significant slowdowns.

Correctly priced properties in good condition may fare better in the spring market, but sales of properties requiring renovation will remain more challenging.

## The situation of the housing market in Turku and the rest of Southwest Finland

### Small apartments (1-2 rooms)

- **Rental apartments:** Moves slowly, but normally compared to the traditional time. The screens have few visitors, but they generate applications at a high percentage.
  - Affordable and well-priced small apartments are of most interest.
  - Cuts in housing allowances will reduce the demand for small apartments.
  - Original and dilapidated apartments are less in demand, because there are many options on the market that are in good condition.
  - There are plenty of new properties available, which makes the market favorable for the tenant.
  - Landlords are flexible on terms such as security deposits and first month's rent.
- It is almost impossible to sell studios and two-room apartments of less than 40 m<sup>2</sup> from houses built after 2015.
  - Densely built areas, such as the Port and Duke's Corner, are considered less interesting and relatively high in terms of relative prices.
  - There are few buyers on the screens, and decision-making is slow.

### Large and high-quality apartments

*free to publish 8<sup>th</sup> January 2025 at 6:00*

- **Rental properties:** Premium properties move well because the tenants are solvent buyers, but the supply is limited. Rental income is low, so such apartments enter the market only in special situations.
- **Sale apartments:** The supply of large apartments in blocks of flats and terraced houses that require renovation is limited and challenging to sell. The terms of bank financing for renovation costs are a significant obstacle.

### General state of the market

- **Turku:** The market is slowly getting underway, where both sellers and buyers are still waiting for the situation to improve. Banks' slowness in the financing process slows down trade significantly.
  - Investors have become more active in small apartments, but there is too little supply of large blocks of flats and detached houses.
  - Good demand in the city centre area, but in Raisio and Mynämäki the market is slower, and prices are low.
  - Sellers expect prices to rise, which increases sales times.
- **Naantali:** Detached houses move well.
- **Salo and the rest of Southwest Finland:** In Salo, the market is difficult due to the deteriorating job situation and poor zoning decisions. First-time homebuyers are afraid to commit, and banks have limited lending for the rest of 2024.

### Summary

There are clear challenges in the housing market in Southwest Finland. Small rental apartments and large high-quality apartments are in demand, but the market situation is slow, especially on the sales side. Buyer caution, bank financing practices and competition in the tenant market have a significant impact on both rental and sales dynamics. However, demand in Naantali and Turku city centre shows local recovery, while the Salo market is quieter for the time being.

### Tampere and the rest of Tampere Region

- **Evidence and decision-making:**
  - There are a fair number of visitors to the screens, but decision-making is difficult for customers.
  - Sales times are long and deals progress slowly.
  - The situation is perceived as confusing, which confuses both sellers and buyers.
- **Investor housing:**
  - Small apartments in the centre of Tampere do not attract investors, even though now would be a good time to buy as housing prices have fallen and rental income has improved (over 5%).
  - The "hype" about investing in housing two years ago has disappeared, and the media is emphasizing rented housing.
  - Investors' emotional attitude and lack of media attention prevent the market from activating, even if this is an opportune time to make low-cost trades.
- **The role of banks:**
  - The operations of banks slow down trade and are considered problematic. Bank officials continue to question prices and comment on technical estimates, making it difficult to sell a home.
- **Hot areas:**

*free to publish 8<sup>th</sup> January 2025 at 6:00*

- Certain areas of Tampere as well as Lempäälä and Pirkkala are in high demand, especially among families.
- There is an active search for housing in these areas.

### Rest of Pirkanmaa

- **Ylöjärvi:** Families with children are looking for homes in the area, but there is very little supply of apartments built in the 2000s.

### Summary

The housing market in Tampere is calm, but sales have picked up slightly. Investors have not become active, even though there are good opportunities for the market to exploit. Hot areas, such as certain parts of Tampere, Lempäälä and Pirkkala, attract family buyers, but elsewhere demand is moderate. The role of banks in slowing down trade and general market uncertainty prevent the markets from fully recovering.

### Oulu

- **General situation:**
  - Trade is quiet, but in autumn 2024 demand increased significantly.
  - Making purchasing decisions is slow, even though the screens are running well.
  - Buyers for affordable housing can be found quickly, but interest wanes after the first few days. The first offers are often the best.
  - Although interest rates have fallen, many do not have the financial resources to make trades due to the depletion of financial buffers.
- **Destinations:**
  - There is good demand for newer terraced houses, semi-detached houses and detached houses.
  - New single-family homes in sparsely populated areas are particularly sought after.
- **Forecast:**
  - The year 2025 looks better but is not expected to be a peak year.
  - Supply is low, and new production will not begin to ease the situation until 2026–2027.

### Rest of Northern Finland

- **Holiday rentals:**
  - Sales of holiday homes in fell destinations (e.g. tourist centers) have clearly increased since October 2024.
  - The end of 2024 was excellent, and in early 2025 trade volumes seem to remain at a good level.
- **Forest trade:**
  - There are plenty of forest sites on offer. Buyers choose the best, and worse or overpriced items remain unsold.
- **Rovaniemi:**
  - There is historically little supply in the housing market.
  - Sales of old homes are well underway, but demand is limited by low supply.



*free to publish 8<sup>th</sup> January 2025 at 6:00*

- The demand for company housing has increased, especially for seasonal workers. The demand for rental housing is also high, but the supply is limited.
- Sellers of owner-occupied dwellings are looking for rental apartments, but due to a lack of supply, the transition periods for possession have stretched to up to three months.
- **Demand is supported by** growth in tourism, educational institutions, public administration and **increasing defence-related jobs and investments.**

### Summary

In Oulu, housing sales have picked up, but economic uncertainty and the melting of savings in recent years are slowing down growth. There is a clear demand for affordable and nearly new housing. In Northern Finland, the holiday home market is growing strongly, especially in fell destinations. In Rovaniemi, the market suffers from a lack of sales properties, even though demand is high. The impact of universities, tourism and defence-related investments is clearly visible in Rovaniemi, while market recovery is progressing more slowly in Oulu.

## Housing market situation in South Savo

### Cottage shop

- **Market situation:**
  - Cottage sales have stabilised after the price spike during the pandemic years, and the price level has returned to the pre-pandemic level.
  - The rise in interest rates has not had as strong an impact on cottage sales as on housing sales.
  - The vast majority of demand is directed to:
    - For summer cottages with their own beach.
    - In the price range of less than 100,000 euros.
    - Destinations whose driving time from the Helsinki metropolitan area is less than 2.5 hours.
    - We wish for the west shore and a separate lakeside sauna.

### Detached houses

- **Funding challenges:**
  - Single-family houses without shores outside the town plan area are very challenging in terms of financing. Banks set strict conditions regarding collateral and solvency.
- **Demand:**
  - There would be significantly more demand for detached houses in good condition and renovated, but the supply does not meet the needs.
  - Single-family houses from the 2000s are particularly needed in the Mikkeli area.

### Rental apartments

- **Pieksämäki:**
  - The construction of the wind farm has increased the demand for rental apartments, which has activated investors in the area.

### General market situation



*free to publish 8<sup>th</sup> January 2025 at 6:00*

- **Impact of banks:**
  - The slowness of banks has distressed both buyers and sellers, slowing down trade considerably.

### Summary

Cottage sales in South Savo are at a stable level, and especially affordable cottages with their own shores attract buyers from the Helsinki metropolitan area. The single-family house market suffers from tight financing and a lack of suitable properties, especially in the Mikkeli area. In Pieksämäki, the demand for rental apartments is growing with the wind farm project, and investors have become more active. The slowness of banks slows down the activity of the entire market, which is a significant challenge in the region.

## Situation of the real estate market in Southeast Finland

### General market situation

- The year has been livelier than in the previous year, although the early part of the year took a dip due to the spike in the abolition of tax exemptions for first-time homebuyers.
- Trade volumes are at a reasonable level, and the year is positive compared to the previous year.

### Regional disparities and demand

- **South Karelia:**
  - Demand and prices are polarizing:
    - Fairly new (2000-2015) properties in the centre of Lappeenranta and on the lakeshores attract interest and retain their prices.
    - Prices for older properties in remote areas and suburbs continue to fall.
  - Old single-family homes are challenging to sell due to financing problems.
  - Single-family houses of the 2000s and younger are most in demand.
  - The demand for small apartments with 2-3 rooms will increase in the early part of the year due to the spike in divorces.
  - The Lappeenranta market is stable but still challenging, especially the slowness of banks affects the smooth flow of trading.
- **Kotka-Hamina:**
  - There is uncertainty in the region, especially expectations of battery plant investments affect market dynamics.
  - There is a great need for rental apartments of all sizes on Kotkansaari.

### Challenges

- Financing problems for old single-family houses hamper sales throughout the region.
- When it comes to the prices of new properties, the views of builders and the market do not meet, which makes sales more difficult.
- The slow pace of banking services slows down housing sales, especially for young families and first-time homebuyers.

### Summary

The housing market in Southeast Finland is at a reasonable level, but there are large regional differences. In South Karelia, relatively new properties located in central locations are in demand, while the prices of older and remote destinations are falling. The demand for rental apartments is strong on Kotkansaari, but

*free to publish 8<sup>th</sup> January 2025 at 6:00*

uncertainty about battery factory investments casts a shadow over the markets in the area. The slowness of banks and financing problems make it difficult to trade, especially in the case of old single-family houses.

## Situation of the housing market in Central Finland

### General situation

- **Market uncertainty:**
  - In the Jyväskylä region, consumer uncertainty is reflected in purchasing decisions, which is due to weak employment news and general caution.
  - The situation will improve slowly with the fall in interest rates, but the impact will be moderate for the time being.
- **Impact of banks:**
  - Banks' processing times are very long, which slows down housing sales. It often takes more than a month from the offer to the deal.
  - Bank congestion causes problems in reviewing loan terms, making trading challenging.

### Supply and demand

- **Oversupply:**
  - There is still some oversupply of most apartment types, and the same properties have been for sale for a long time.
  - Properties with rental plots are in a challenging situation, as the city's rents have risen significantly.
- **Demand:**
  - The most interesting are fairly new single-family houses built between 2010 and 2020 as well as larger terraced house type projects.
  - Energy efficiency and changes in heating systems are emphasised in the attractiveness of apartments.
- **Price development:**
  - Houses built in the early 2000s are already considered outdated in terms of their technical service life, which depresses their prices.
  - The weakening of the employment situation in the Äänekoski and Suolahti areas has decreased demand and affected the price level.

### Summary

The housing market in Central Finland, especially in Jyväskylä, is in a slow recovery phase. Buyers are cautious, and banks' long processing times and delays related to loan terms make trading difficult. Oversupply and long selling times weigh on the market, especially in older houses and properties with rental plots. Demand is concentrated on newer detached houses and energy-efficient sites. Changes in the region, such as upgrades to heating modes and job losses, have a significant impact on market dynamics.

## Situation of the housing market in Ostrobothnia

### South Ostrobothnia

- **Demand:**

*free to publish 8<sup>th</sup> January 2025 at 6:00*

- Older and more affordable housing, such as reasonably priced terraced houses and detached houses, move well.
- **Financial problems:**
  - Banks are reluctant to grant mortgages, even to two working buyers.
  - Investors often face negative credit decisions.
  - Getting loan negotiation times from banks takes too long, and processes are slow. This delays trade and causes problems in financial chains, for example.
- **Market challenges:**
  - Strict lending policies are the main obstacle to market recovery and the situation has gone on for too long without any visible improvement.

### Central Ostrobothnia

- **Impacts of large-scale industrial projects:**
  - In the Kaustinen and Kokkola areas, large-scale industrial projects have increased the demand for rental apartments.
  - It is hoped that this positive impact will also be reflected in housing sales during 2025.

### Ostrobothnia

- **Economic areas:**
  - The Vaasa-Korsholm area is experiencing its best year since 2020, and the market situation is excellent.
- **Price development:**
  - In Vaasa, average housing prices have risen, but this is largely due to the sale of detached houses and apartments in good condition and fairly new.
- **Sales and demand:**
  - Apartments in good condition move, but the sale of renovation sites is more challenging.

### Summary

The housing market in South Ostrobothnia suffers from the banks' strict lending policies and slow processes, which makes trading difficult, even though there is demand for affordable housing. In Central Ostrobothnia, large-scale industrial projects have a significant impact on the rental market, and it is hoped that this will also extend to housing sales soon. In the Vaasa-Korsholm area of Ostrobothnia, the market is strong, but the rise in prices is concentrated in properties in good condition, while apartments requiring renovation are sold at significantly lower prices.

### Lahti and the rest of Päijät-Häme

#### General market situation

- **The market picks up:**
  - In the Lahti-Hollola area, the number of shops and display visitors has increased towards the end of 2024. The pace of transactions is accelerating, but buyers are still cautious, and it takes time to make decisions.
  - In Hollola, the market is clearly recovering.
- **Uncertainty and negotiations:**

free to publish 8<sup>th</sup> January 2025 at 6:00

- In the Bay Area, trade is active, but negotiations are often lengthy due to the caution and uncertainty of buyers.

### Special features of the Lahti housing market

- **Apartments in blocks of flats:**
  - In Lahti, there is too much supply of small apartments in blocks of flats (1-2 rooms), which leads to oversupply and falling prices.
  - However, there is a shortage of large apartments in blocks of flats (at least 4h+k).
- **Impact of the rental market:**
  - The overconstruction of Lahden Talot's rental apartments in recent years has created a significant oversupply of rental markets, especially small apartments.
  - Overconstruction has led to private landlords not being able to find tenants for their apartments, and many small apartments have been put up for sale.
  - The apartment building complexes sold by Lahden Talo to investors have entered the market as individual apartments at a lower price, which depresses the price level in general.

### Situation in Päijät-Häme

- **The pace is accelerating:**
  - The real estate market in the region is more active and trading shows clear signs of recovery.

### Summary

The housing market in Päijät-Häme is showing signs of recovery, and especially in the Lahti and Hollola areas, trading has picked up towards the end of 2024. In Lahti, the market for apartments in blocks of flats is polarised: in small apartments, oversupply depresses the price level, while there is a shortage of larger apartments. Oversupply in the rental market has a direct impact on the sales market, especially small apartments. Market development in Päijät-Häme looks positive, although buyers' caution continues to slow down sales.

---

### Further information:

**Jussi Mannerberg**  
CEO of the Association of Finnish Real Estate Agents (SKVL)  
tel. 050 339 6214, [jussi.mannerberg@skvl.fi](mailto:jussi.mannerberg@skvl.fi)

*Association of Finnish Real Estate Agents SKVL. Cooperation for a safe exchange of housing. SKVL member companies work throughout the country to promote reliable and fair real estate brokerage. We are Finland's oldest and largest housing sales network, with nearly 500 offices and nearly 1600 local experts in housing sales.*