

## Helsinki City tenants are satisfied with their housing but problems exist

### Council housing on the defensive

In many European countries today, council housing finds itself on the defensive. Construction of council housing has stopped increasing and the stock has, in fact, started decreasing. Some council dwellings have been privatised. At the same time, council housing has increasingly become a housing form for weaker and socially excluded people, which has implied growing problems.

The background factors are that the authorities are withdrawing from their responsibilities for housing, that demand has decreased and that housing production has decreased. This development has implied both old and new housing problems. Those problems that necessitated rent regulations and the construction of council houses after the war still remain, albeit to a lesser extent, and new problems have arisen.

### More than a hundred thousand council tenants

It is almost a hundred years since the city had its first council dwellings built. This happened in response to the housing shortage during the First World War. These dwellings were built by the Social Welfare Council in the districts of Vallila and Hietaniemi and along Kirstinkatu street to help homeless people living in attics, basements and sheds.

In the 1940s, after the Second World War, the city started building council houses vigorously. Thanks to laws on the construction of rented housing with state funding (referred to as arava housing in Finland) and to state housing loans, dwellings were built to compensate for the housing shortage caused by, among other factors, the evacuation of one-tenth of the country's population after the war. In the 1950s, the City of Helsinki had around 5000 new rented dwellings built. Council housing construction was liveliest in Helsinki in the 1970 and the first half of the 1990s, when over a thousand dwellings were built annually. The circumstance that these dwellings were built in response to a housing shortage can be seen in the size of, especially, blocs of flats built in the 1960s and 1970s. The great majority of the city's council dwellings are located in blocks of flats.

In late 2003, the City of Helsinki owned 56,000 rented dwellings housing over 100,000 Helsinki citizens. 43,000 of these dwellings are located in arava council houses, for which inhabitants are selected among a housing queue according to certain income criteria. Every sixth dwelling (18%) in Helsinki is a council dwelling. In Helsinki's neighbours Espoo and Vantaa, this proportion is 12% and 11%. In early 2002, the aggregate number of arava rented dwellings was 59,000 (20%) in Helsinki, 17,300 (18%) in Espoo and 16,600 (20%) in Vantaa.

### Many poor, few rich people

The city's council dwellings are primarily inhabited by low-income earners or people who have no regular income. In 2001, the average net income per household among council tenants was only

around €1,350 a month. Only one household in six made more than €2,500 a month. Against this background we may state that the city's rents, which are lower than market rents, benefit those who need this support most.

But nevertheless, and considering the low income of the tenants, council rents are relatively high in, especially, the newest and the large dwellings. On average, more than one-third of council tenants' income goes to the rent. Tenants with a higher income have started moving away from council houses, when other alternatives have become more accessible thanks to the low interest level and the long repayment schedules for housing loans. But due to their low or irregular income, the majority of council tenants have no real opportunity to choose any other form of housing.

### **Working or retired inhabitants**

Among the tenants of the city (the reference persons of the households), every second goes to work, whereas one-third are retired. Almost one in ten is jobless, and among these, the majority represent the least fortunate, i.e. those enjoying only the basic unemployment benefit.

In every tenth of the city's council dwellings, some other language than the two indigenous languages in Helsinki, i.e. Finnish or Swedish, is spoken. And reckoned by tenant, the immigrant proportion is even greater, since immigrant families are often bigger than Finnish families. There are certain council houses with a greater immigrant proportion than ten per cent.

### **New inhabitants with acute housing needs**

Around half of the city's tenants have moved to their present dwelling from some other council dwelling.

The most important reason for moving to a council dwelling was that the previous dwelling was too small. Another important reason was, plain and simple, an acute need for housing. The most important reasons for such an acute situation was eviction or expiry of rental contract, uncertainty about future housing or simply lack of a home of your own. To every tenth, too high housing costs were the reason for moving.

### **People like the city's council dwellings**

Among Helsinki City's council tenants, the majority are satisfied with their housing. Four respondents in five were quite or very pleased with their own block of flats. Only eight per cent said they were displeased with their housing. Thus, the city's rented housing has strong support among the tenants.

The age and social background of tenants influenced their attitude. The older the inhabitant and the house and the more modest their social background, the more pleased people were. The oldest among the council houses are usually calm, they have a nice neighbourhood, and the rent is reasonable. But even in the newest houses, many are quite pleased.

### **Annoying rent raises**

Compared with the overall rent level in Helsinki, council houses are cheap. In 2002, the average monthly rent of freely financed rented dwellings in Helsinki €11.42 per square metre, versus €7.65 in council houses. There are, however, great differences between houses. Council rents are highest

in inner Helsinki (€10.18/sq.m./month) and lowest in Myllypuro district (€6.33/sq.m./month). Even in one and the same housing company, rents may vary.

A clear majority (57%) of council tenants thought their rent was fair. Every fourth were discontented. Only four per cent were very discontented. But according to respondents, rents have become less fair over the last few years. City employees living in council dwellings, in particular, were more displeased with the rent than others. Rents of many such dwellings have been raised rapidly and almost reach market levels today.

### **Council houses in good shape – but problems exist**

Although a considerable proportion of council tenants had noticed slighter shortcomings in tidiness or neighbour behaviour, four in five thought their staircases and yards were tidy, and they had not noticed any essential damage or more serious disturbances. Even fewer had noticed more serious problems such as public drinking, night-time noise, disturbing youth gangs or sales or abuse of narcotics. Every eighth had noticed public drinking, every tenth night-time noise and every sixteenth use or sales of narcotics. Many of the freely formulated responses emphasised that untidiness and disturbances should be corrected urgently in order for the houses to remain nice to live in.

### **Disturbances have not accumulated**

The problems of the city's council houses have not accumulated locally to any greater extent. There are untidy and unquiet houses both in western and eastern Helsinki. A lesser degree of accumulation can be seen in the eastern and north-eastern suburbs. Unquiet and untidy houses may lie next to tidy and calm houses. There are no clear problem areas – but certain problematic houses or staircases exist. However, responses suggested that problems are accumulating and getting worse.

### **Safe council houses – but hold on to your belongings**

Two-thirds of respondents felt totally or quite safe in their houses and near environment. Every tenth felt insecure themselves or on their children's behalf. However, common storage rooms such as attics and bicycle sheds were not considered safe: one-third of respondents did not think you could safely store your belongings there.

One-quarter of respondents had, at some stage, considered moving to a more quiet neighbourhood. The more untidy and unsafe a neighbourhood, the more inclined people were to move away – also depending on their age, family situation and social status. Families with children and better educated people were more inclined than others to move away, and so were foreign immigrants. People living in a tall blocks of flats were more inclined to move away than those living in low blocks of flats.

### **Prolonged problems – worse problems**

In those houses where inhabitants thought there were many social disturbances, problems seemed to be getting worse. Only in rare cases had the situation turned for the better. In quiet houses, the situation had either remained unchanged or changed for the better. In houses with only a little disturbances, the situation had remained status quo in the sense that change for the better was as common as change for the worse.

## **Why these problems?**

Obviously, problems in the city's council houses are not primarily caused by the houses or the housing form but by the inhabitants and their personal problems. But nevertheless, the architecture and the environment of the houses – and their management – do play a certain role in the occurrence of problems.

When its inhabitants get older, a council house tends to become more quiet and people like it better. The rule is that the older a house and its inhabitants, the more calm it is. A growing proportion of families with children and single-parent families implies increasing disturbances. Houses built before 1960 had least disturbances. The council estate on Siilitie, for example, which used to be regarded as problematic, has over the years become one of the most popular estates. But sometimes it may take a long time for the reputation of an area to improve, as the case of Jakomäki clearly shows. Neither the social position of the inhabitants nor their education or income influenced the occurrence of disturbances when the age of the inhabitants was standardised.

The height or type of the houses and the number of dwellings in them may contribute to the occurrence of disturbances. As a rule, the taller and more massive a house, the more disturbances and damage. In tall council houses people are more anonymous, and the intervention threshold is higher even in serious cases of disturbance. In large council houses, inhabitant turnover is greater and disturbances more likely than in smaller council houses.

## **Maintenance is important**

As a rule inhabitants are quite content with the maintenance of their houses. However, the management companies did receive some criticism, mostly due to slow maintenance and repairs, slow reaction to disturbances and (in some houses) uncooperative staff. Every sixth respondent expressed this kind of complaints. There were clear difference between management companies.

Many of the freely formulated responses, too, expressed similar discontent. In spite of complaints from the inhabitants, maintenance and repairs had, in some cases, been neglected and serious disturbances left uncorrected.

## **High rents no guarantee of comfort**

High rents did not always guarantee a high standard of housing. On the contrary: the higher the rent, the more complaints there were about disturbances. This paradox is partly explained by the fact that many of those who pay their rent themselves cannot afford living in the dwellings that have the highest rent. To income benefit recipients high rents are no obstacle – the housing benefit takes care of that. Furthermore, those who go to work usually have a better readiness to find other alternatives.

If council houses are supposed to remain attractive to active people, i.e. those who go to work and pay their rent themselves, rents should be kept at a reasonable level.

## **Need for more space or too high a rent reasons for moving**

The great majority of council tenants have no plans to move away. Only every fourth had considered moving away within the next five years. The most important reason for moving was the need for more space. Another was too high a rent. Because council rents are lower than market

rents, the large family flats are too expensive to many young families. Among other reasons for moving away there are divorces, studies or other personal reasons.

A less common reason for moving away, expressed by every fifth among those wanting to move, was that the neighbourhood was felt disturbing or unfit as a growth environment for your children. A safe and quiet environment was emphasised by, in particular, those having a higher education, higher income or small children. Such opinions were expressed by many foreign immigrants, too.

For the social structure of the council houses it is a problem that people with a higher education and/or income want to move away.

The type, size and height of their house, too, influenced many. Those living in tall and massive council houses wanted to move to a quieter place more often than others. Large blocks of flats have more disturbances than small ones.

### **Challenges to council housing**

In recent years, low interest rates and long instalment schedules for housing loans together with reduced support for social housing production have reduced the competitiveness of council housing on the housing market. Increasing numbers of council tenants have been able to take loans and buy themselves a flat of their own. Meanwhile, the authorities of the city have been forced to allocate more and more dwellings to people needing rehabilitation. And for foreign immigrants, their first permanent address is almost always one of the city's council houses.

The fact that council dwellings have increasingly become the housing form for people with a low income, low education or special properties puts pressure on maintenance and housing services. There are examples of failures to respond to these challenges.

Council housing today threatens to become increasingly a housing form for the socially excluded. If a process of social descent begins, it is hard to interrupt and for this reason, problems should be prevented.

Good ways of preventing problems are, primarily, to keep rents attractive to income earners, to provide maintenance and repairs properly and in time, keep up a dialog between inhabitants and management and – which is often overlooked – co-ordinate housing production and dwelling allocation regionally. These aspects are discussed in greater detail in the chapter about discussion and conclusions.

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