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Expropriation in Finland

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Grounds for expropriation

- ❑ In principle, an expropriation permit granted by the Council of State is needed.
 - Mainly concerns expropriations of power lines, natural gas pipelines, conservation areas and undeveloped land (approx. 20 - 30 permits per year)
- ❑ Expropriations of highways require a road plan approved by the Finnish Transport Agency
- ❑ Expropriations of streets, parks and other common areas in cities and towns are done directly on the basis of the local detailed plan
- ❑ The right to expropriate reliction areas, jointly owned areas and parts of plots are decided by the law itself (ipso jure) in the expropriation procedure

Who is responsible for performing expropriations?

- ❑ The vast majority of expropriations are done by a cadastral surveyor employed by the National Land Survey, usually accompanied by two trustees (cf. laymen at a court of law)
- ❑ Cadastral surveyors employed by the major cities perform in total approx. 10 expropriations of parts of plots

Matters handled in an expropriation procedure

- ❑ The property to be expropriated is established in detail (map + terrain)
 - ❑ The moment of taking possession (takeover) is decided
 - ❑ Compensations are determined
 - ❑ A new real property unit is formed
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- ❑ When the expropriation concerns a reliction area or a part of a plot, the right to expropriate is also decided

Who expropriated and how much was expropriated in 2016?

- State 170 expropriation procedures (18%)
 - Municipalities 100 procedures (11%)
 - Energy companies 30 procedures (3%)
 - Private customers 650 procedures! (68%)
 - Total 950 procedures
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- Parishes and federations of municipalities also occasionally expropriate

State expropriations

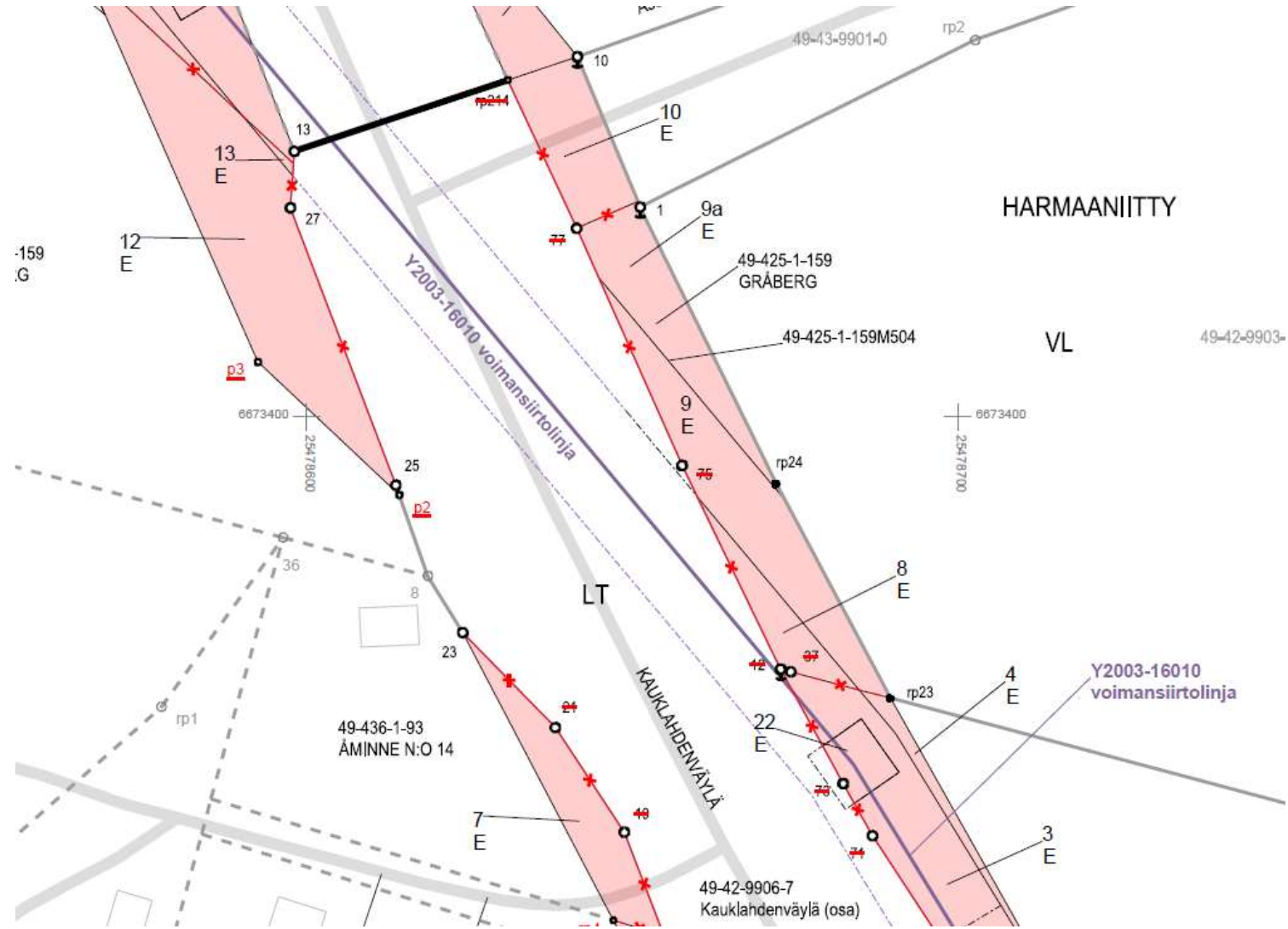
- ❑ 90% (150) of procedures applied for by the State are expropriations of highway areas
- ❑ 5-10% (10-15) are expropriations of conservation areas
- ❑ 0-5% (0-5) are expropriations of railway areas

- ❑ Occasionally the object of the expropriation is a plot for a public building or an area to be used for national defence purposes
- ❑ When an area is expropriated to the State, it is always expropriated so that it becomes the property of the State

Road survey

- ❑ Largest compensations and expropriation areas
- ❑ Compensations 5–10 million euros per year, 1,000–1,500 properties
- ❑ Most working hours spent on expropriations involve road surveys
- ❑ Almost all areas used for highways are expropriated, only a very small number of voluntary purchases
- ❑ The system is effective, economical and fair
- ❑ During the expropriation procedure various types of compensation are decided: in addition to compensation for the expropriated property, also compensation for harmful effects caused by construction (harmful effects on the landscape, noise) and damages

Map of Road Survey



Municipal expropriations

- ❑ Street areas (approx. 40% of municipal expropriations)
 - the majority of street areas become municipal property on the basis of the local detailed plan and compensations are agreed
- ❑ Parks or recreational areas (30%)
- ❑ Other, such as plots for public buildings (schools, daycare facilities, sports halls) and areas below ground level for e.g. underground trains or cables
- ❑ Streets and parks are always expropriated with ownership, areas below ground level with right of use

Expropriations by energy companies

- ❑ Majority (approx. 80%) for overhead power lines
- ❑ Also expropriations for natural gas pipelines

- ❑ For cables and pipelines only a **right to use** is expropriated, the property owner does not change

Expropriations by private individuals

- ❑ The majority – 550 procedures per year – expropriations of reliction areas, see presentation by Kalle Konttinen for more information!
- ❑ Approx. 80 procedures concerning the expropriation of jointly owned areas (landing places for boats, gravel areas, peat bogs with turbary rights, flax retting sites, etc.)
- ❑ In addition, approx. 20 expropriations of parts of plots in areas with a local detailed plan

Compensation

- ❑ Usually, the most important part of an expropriation procedure is to determine the compensation to be paid
- ❑ In Finland, the principle of full compensation applies, usually according to market value, no “emotional” compensations
- ❑ Comparison with e.g. Sweden:
 - ❑ Sweden 1.25 x market value, Finland 1.00 x market value
 - ❑ In Sweden, compensation is subject to ordinary taxation
 - ❑ In Finland, the compensated party pays taxes on only 20% of the amount (tax rate 30%)
- ❑ Compensations are determined ex officio

Reasons for expropriation

- ❑ Nearly all highway and power transmission lines areas are expropriated (effective, fair)
- ❑ In other cases, disagreements on price are the most common reason for expropriation
- ❑ Other reasons
 - ❑ General reluctance to convey land etc.
 - ❑ The landowner cannot be reached (the owner or the owner's location is unknown or he/she is unreachable)
 - ❑ When the property is owned by the estate of a deceased person or is a jointly owned area, it has many owners > difficult to agree on conveyance

Duration, appeals, publicity

- ❑ An expropriation procedure usually takes 6–12 months (if it ends before construction is complete)
- ❑ 10 – 20 % of expropriations are appealed in court, in the first instance to the land court and if right of appeal is granted, to the Supreme Court
- ❑ In each court, the appeal process takes approx. 1 year

- ❑ Some expropriation cases gain a lot of publicity...

More information

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