



Policy Snapshot: *Land leasing*

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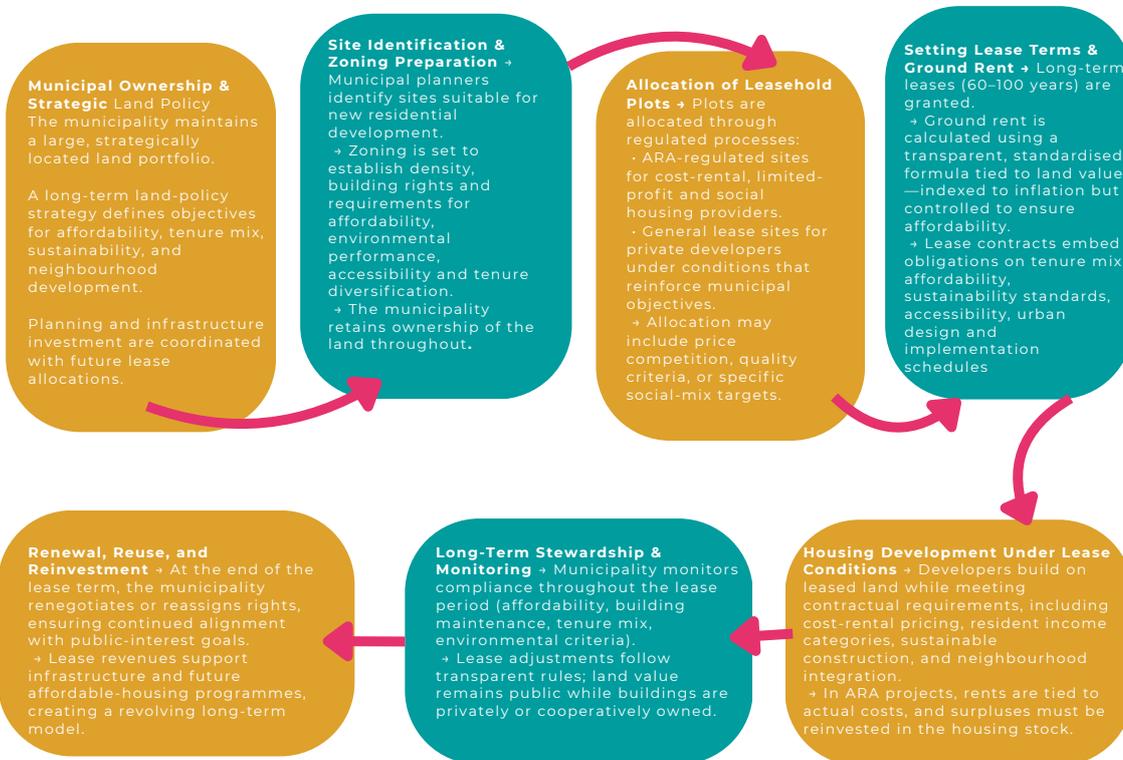
WHAT IS LAND LEASING?

Public land leasing separates land ownership from land use, allowing municipalities to retain control while leasing plots to developers or households on long-term (60-100 years) leases. Ground leases channel publicly created land value back to the community, prevent speculation and enable stable, cost-based housing. Widely used in **Helsinki**, the mechanism locks affordability into land while supporting mixed-tenure, well-located neighbourhoods.

WHY ARE THEY USED?

Public land leasing is used to retain public ownership while enabling development, preventing land-price inflation, and embedding affordability through lease conditions. It ensures stable, predictable land costs for cost-rental and cooperative housing and channels publicly created land value back into community uses.

HOW DO THEY WORK IN PRACTICE?



WHERE ARE THEY USED IN EUROPE?

Within the **Netherlands** a number of municipalities own and issue land on long leases. The municipality of **Amsterdam** owns around 80% of the land within its boundaries and leases much of this out to be used for both market and social housing, while Rotterdam and the Hague also operate land lease systems.

Public land leasing in the Netherlands is underpinned by justifications relating to the realisation of planning goals without recourse to the use of planning regulation, the provision of affordable housing, the ability to capture land value uplift for the public purse, and the principle that land value uplift should accrue to the community rather than to private landowners. The popularity of land leasing has declined in recent years, in part due to planning reforms that have introduced inclusionary zoning, and in part following political debates as to the fairness of a dual system in which some land can only be leased while the rest can be bought.





WHERE ARE THEY USED IN EUROPE? (CONTINUED)

Land leasing in **Finland** works by retaining municipal land ownership while granting long-term, regulated leases that embed affordability, tenure mix, and sustainability into every stage of development and stewardship.

Within Finland, public land leasing operates most comprehensively in Helsinki, where the municipality owns 70–80% of residential land and grants long leases (60–100 years) to cost-rental associations, cooperatives and regulated ownership providers.



Land leased development in Helsinki (Source: Lawson, 2024)

The model stabilises prices, prevents speculation, and embeds affordability within land policy.

Standardised contracts are used to specify land rent formulas, affordability obligations, and tenure mixes, enabling the municipality to steer neighbourhood design, density and social mix while preventing speculative gains.

Other Finnish cities such as **Tampere** and **Turku** use similar systems, reflecting a strong national tradition of municipal land stewardship.

WHAT ARE THE RELATIVE STRENGTHS AND WEAKNESSES?

Strengths	Weaknesses
<ul style="list-style-type: none"> Retains public ownership and long-term control of strategic land. Prevents speculative inflation by fixing predictable lease rents. Embeds affordability, tenure mix and sustainability criteria contractually. Provides stable municipal income streams for reinvestment. Enables coherent phasing of development with infrastructure provision. 	<ul style="list-style-type: none"> Requires municipalities to own or acquire substantial land portfolios. Lease renegotiation and valuation processes can be complex. Political pressure may emerge to privatise high-value land assets. Implementation depends on strong administrative and legal capacity.

Where can I learn more?

- O'Brien, P., Earley, A., O'Hara, L. and Lawson, J. (2026, forthcoming) Land Policy Instruments for the Provision of Social and Affordable Housing https://equalhouse.eu/media/Publications/Making_Housing_Affordable/EH%20Land%20Report_PD_F.pdf
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- Ploeger, H. and Bounjouh, H. (2017) The Dutch urban ground lease, Land Use Policy, 63, 78-85. doi.org/10.1016/j.landusepol.2017.01.005



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