EUROPEAN COURT OF HUMAN RIGHTS
COUR EUROPÉENNE DES DROITS DE L'HOMME

SECOND SECTION

DECISION

Application no. 47927/21
Birgit Helena GRAHAM and Others
against Finland

The European Court of Human Rights (Second Section), sitting on 3 February 2026 as a Chamber composed of:

Arnfinn Bårdsen*, President*,
Saadet Yüksel,
Jovan Ilievski,
Péter Paczolay,
Gediminas Sagatys,
Juha Lavapuro,
Hugh Mercer*, judges*,
and Dorothee von Arnim, *Deputy Section Registrar,*

Having regard to the above application lodged on 24 September 2021,

Having regard to the observations submitted by the respondent Government and the observations in reply submitted by the applicants,

Having deliberated, decides as follows:

THE FACTS

1. The case concerns a municipality's expropriation of the applicants' property and, in particular, the alleged insufficiency of the amount of the compensation awarded. In particular, the applicants claimed that their land had been expropriated not for a genuine public interest but for the city's financial gain, and that the compensation was below market value.

2. A list of the applicants, who are all Finnish nationals, is set out in the appendix. They were represented before the Court by Mr M.M. Häkkänen, a lawyer practising in Helsinki.

3. The Finnish Government ("the Government") were represented by their Agent, Ms K. Oinonen, of the Ministry for Foreign Affairs.

4. The facts of the case, as submitted by the parties, may be summarised as follows.

A. Background to the case

5. The applicants owned a piece of land measuring approximately 43.43 hectares in Vantaa, Finland. The local land use master plan for the area was valid until 9 July 2008 but also remained unchanged after that date. The plan designated approximately 25 hectares of the land for single-family housing, approximately 3.4 hectares for sports and recreational services, approximately 11.2 hectares for local recreation for the inhabitants of the town and for green belt areas, and approximately 3.7 hectares for public roads. There was no detailed local land use plan for the area at the time of the proceedings discussed below and no building permits had been issued.

6. In 2007 the applicants concluded a preliminary agreement to sell the land to a private construction company. The purchase price specified in the agreement was 13,307,997.60 euros (EUR) and the contract was open until 31 December 2010, with the possibility of an extension at the latest until 31 December 2011 if a detailed local land use plan was made. The agreement was not concluded.

7. In 2013-2014 the applicants began negotiations for the sale of the land in question to the city of Vantaa. The city offered approximately EUR 2,260,000 for the land. The applicants made a counteroffer of EUR 12,282,701.51. The negotiations did not lead to the conclusion of any agreement.

B. The expropriation of the land at issue

8. In 2015 the city of Vantaa applied to the Ministry of the Environment (*ympäristöministeriö, miljöministeriet*) for a permit to expropriate the property for the purposes of urban development. The city stated that the main purpose of the land use policy was to enable it to control construction and the land market. The main function of land management was to acquire land for future urban development needs. Another advantage of building on the city's own land was the channelling of land sales revenues to cover the costs of urban construction. The city also stated that it was committed to building new housing and supporting infrastructure projects. At the time, the city did not have a timetable for producing the detailed land use plan.

9. The applicants argued that the conditions for expropriation had not been met because the applicants were themselves carrying out the house-building project which the city was seeking to expropriate their land to implement. The city was only seeking financial gain as it had openly stated in its land policy documents that its goal was to ensure revenue from land sales by zoning city-owned land for development.

10. In 2016 the Ministry of the Environment granted an expropriation permit, and that decision became final on 14 November 2019. The Ministry designated the land in question for the purposes of, *inter alia*, building

residential housing and roads. The land in question was also well located in relation to the national road network and the railway station. The city had based its application on the argument that acquiring the land was preferable to obtaining the benefit of a land use contract, as it had the advantage of allowing construction to be scheduled and aligned with growth and service structure objectives. The Ministry also observed that the city had provided a report on the projected population, the supply of plots for detached houses, the available supply of plots for detached houses and whether it was adequate, and the city's commitment to the future provision of building plots. The Ministry was thus convinced that the land in question was needed for urban development. It noted that the city had tried to acquire the land through an agreed sale, but a significant difference of opinion on price had prevented that.

11. The applicants appealed against the Ministry's decision to the Helsinki Administrative Court (*hallinto-oikeus, förvaltningsdomstolen*), arguing, *inter alia*, that there was no general interest which would justify expropriation. The general interest did not require the city to control building or the land market. The city already had a lot of land. Furthermore, the city had announced that they would sell some of those plots of land later, which meant that those plots would not be used for public purposes. The negotiations for an agreed sale could not have been genuine because the terms offered by the city had been unreasonable.

12. On 29 March 2018 the Helsinki Administrative Court dismissed the applicants' appeal. The court accepted that land was needed for urban development. It held that the law did not limit the city's choice in how it managed its land. It found it irrelevant that the city might subsequently obtain revenue by selling plots of land with a particular designation under a detailed land use plan, since the acquisition of land and the disposal of plots were part of the exercise of land policy, which was within the city's remit. The disagreement over the purchase price had not prevented the expropriation of the land, as compensation was determined by a separate procedure.

13. The applicants appealed against the Administrative Court's decision to the Supreme Administrative Court (*korkein hallinto-oikeus, högsta förvaltningsdomstolen*).

14. On 14 November 2019 the Supreme Administrative Court dismissed the applicants' appeals. Referring to the Court's case-law, the Supreme Administrative Court held that the interference pursued a legitimate public-interest aim linked to urban development. It found no grounds to conclude that, as alleged in the appeal, the municipality's application for an expropriation permit was driven by an unjustified pursuit of financial gain which, having regard, *inter alia*, to the principle of protection of property enshrined by the Constitution of Finland, the European Convention on Human Rights and the case-law of the European Court of Human Rights, would have precluded the granting of the permit. It further held that the need

to acquire land could not be assessed solely on the basis of the land already possessed by the city, since future construction needs also had to be taken into account. It also held that the value of the land in question would be assessed under a separate procedure.

C. The Compensation procedure

15. On 4 March 2020 an expropriation committee made up of a land surveyor and two further surveyors appointed for their expertise set the amount of compensation at EUR 3,248,001. The committee stated that section 44 of the Expropriation Act required the value of property to be assessed as at the date when the decision to expropriate the land was taken (see paragraph 23 below). It further explained that the land in question was so-called "raw land", namely land situated within a zone that did not yet have a detailed plan but where it was likely that such a plan would be drawn up in the future. Because the land was designated for development in the master plan and its location was central, its value was slightly higher than average. The committee based its assessment on 17 comparable transactions, each of them involving the city as a buyer. The committee considered those transactions to be representative because in almost every comparable land purchase the city had been the buyer, there being only a couple of "raw land" purchases which the city had not been involved in.

16. On 30 March 2020 the city paid the compensation to the applicants and on the same date the title to the land was transferred from the applicants to the city.

17. On 30 October 2020 the Land Court (*maaoikeus, jorddomstolen*) dismissed the applicants' appeal against the committee's decision on the amount of compensation. The applicants had claimed that the amount of compensation should be increased from EUR 3,248,001 to EUR 13,307,997.60. The Land Court held that the value of "raw land" should be assessed on the basis of its potential value once developed as permitted under the future land-use plan. It also held that there was a Supreme Court precedent for finding that any increased development value should be taken into account when compensation was determined. However, the purchase price that the applicants had negotiated in their preliminary agreement with a private company in 2007 (see paragraph 6 above) was not relevant because it was based on an estimate of the price if a detailed local land use plan were brought in, that is, calculated as if the land had already been zoned for development.

18. The Land Court also observed that municipal land use policies had a significant impact on the valuation of "raw land". In the present case, the city had implemented its land policy by acquiring land before it had been zoned for development, with the possibility of expropriation if necessary. The Land Court found that investors and construction companies would therefore only

acquire "raw land" on an exceptional basis given that the city could offer building plots within development zones. The Land Court also referred to the explanatory report to the draft Expropriation Act, which had explained that abnormally high prices resulting from the monopoly-like scarcity of land could not be used as a basis for determining compensation. Instead, the fact that a municipality is active on the property market and has a lasting influence on the general price level through its activities was a factor which could be taken into account in determining the fair value of the property to be expropriated.

19. The Land Court found that the committee had applied the market approach, using various comparable land transactions in Vantaa as a basis for determining the appropriate amount. The fact that all of those transactions involved the city did not raise any issue precisely because such transactions were indeed representative. As to the other transactions referred to by the applicants, the Land Court observed that they dated from over ten years earlier and concerned land that was not similar to the land in question.

20. The Land Court further held that the purpose of the expropriation law was to safeguard the value of landowners' assets, rather than enabling the city to obtain economic benefit from any expropriation. In other words, it was not intended to distribute profits.

21. On 29 March 2021 the Supreme Court refused the applicants leave to appeal against the judgment of the Land Court.

RELEVANT LEGAL FRAMEWORK

A. The Constitution

22. The relevant provisions of the Finnish Constitution (*Suomen perustuslaki*, *Finlands grundlag*; Act no. 731/1999) read as follows:

Section 15
Protection of property

"(1) The property of all persons is protected.

(2) Provisions for the expropriation of property, for public need and with full compensation, are laid down in an Act."

B. The Expropriation Act

23. The relevant provisions of the Act on the Expropriation of Immovable Property and Special Rights (*laki kiinteän omaisuuden ja erityisten oikeuksien lunastuksesta*, *lagen om en lösen av fast egendom och särskilda rättigheter*; Act no. 603/1977) ("the Expropriation Act") reads as follows:

Section 29 § 1

"The owner of property which is to be expropriated has the right to full compensation for the financial losses caused by the expropriation."

Section 30 § 1

"Full compensation equal to the market price of the property to be expropriated must be determined for the property. If the market price does not correspond to the full loss suffered by the transferor, the assessment of compensation must be based on the income from the property or the sums invested in it."

Section 44

"The property must be valued as at the moment when the decision to expropriate was taken, or, if the applicant has obtained a right to take possession, the property must be valued as it was at the time that right was obtained.

Unless otherwise provided in the Expropriation Act, compensation for expropriated property must be determined in accordance with the value of the property when the decision to expropriate was taken."

C. The Land Use and Building Act

24. The relevant provisions of the Land Use and Building Act (*maankäyttö- ja rakennuslaki*, *markanvändnings- och bygglagen*; Act no. 5.2.1999/132) read as follows:

Section 99
Expropriation of land on the basis of an expropriation permit

"When the general need so demands, the appropriate Ministry may permit a local authority to expropriate land needed for the construction of social housing and related arrangements, or for other development planned by the municipality.

The appropriate Ministry may permit the implementation of a plan to expropriate land included in a regional plan, or to restrict the right to use the land, if that is required to implement the regional plan in order to meet the needs of the State, the region or the joint municipal board, or the common needs of the population of the municipality.

In addition, the Ministry may grant a local authority a permit to expropriate land designated in the local master plan as a road, or for housing development or the construction of related community buildings, where that expropriation is required for development according to the local authority's plan, or to expropriate land intended for an agency of the local authority or joint municipal board, or for other needs. Land available to be expropriated for housing development or related community construction may also include recreation or conservation areas."

Section 103
Expropriation procedure and determining compensation

"Unless otherwise provided elsewhere in this Act, the Act on Expropriation of Immovable Property and Special Rights ... shall be observed when there is an expropriation under this Act, or when the compensation for a transfer or restriction on land use as referred to in this Act is determined."

THE LAW

A. Alleged violation of Article 1 of Protocol No. 1 to the Convention

25. The applicants complained that the expropriation of their land had not been in the public interest, but rather for the city's financial gain. They also claimed that the amount of compensation awarded to them had not been reasonably related to the market value of their land. They relied on Article 1 of Protocol No. 1 to the Convention, which reads as follows:

> "Every natural or legal person is entitled to the peaceful enjoyment of his possessions. No one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law.
>
> The preceding provisions shall not, however, in any way impair the right of a State to enforce such laws as it deems necessary to control the use of property in accordance with the general interest or to secure the payment of taxes or other contributions or penalties."

1. The parties' submissions

(a) The Government

26. The Government submitted that the expropriation of the applicants' property had been justified as it had served the public interest and had been in accordance with the conditions provided by law within the meaning of Article 1 of Protocol No. 1 to the Convention. The land referred to in the application had been designated for housing development or related community construction purposes as required by section 99, subsection 3 of the Land Use and Building Act (see paragraph 24 above).

27. The Government observed that by having an active land policy and through land use planning local authorities could maintain a supply of plots of a sufficient quality and quantity for the construction of residential and commercial buildings, could respond to the need for commercial premises, and could ensure the equal treatment of landowners. Local authorities could implement land policy so as to ensure that plots designated in detailed local plans, municipal buildings, street networks and schools and day-care centres were available in a timely and cost-effective manner. They could also keep land prices at a reasonable level by transferring plots at rates commensurate with local demand. The availability of a sufficient and varied supply of land also promoted healthy competition in housing development and various other business sectors.

28. Lastly, the Government stressed that the compensation given to the applicants for the expropriation had been reasonably related to the market value of the land as at the time of the expropriation, and that objective criteria had been applied. They argued that the transactions used to determine the amount of compensation best represented the real market value. The applicants' estimate of the loss of value they had incurred was speculative

and based on their assumption that a land use plan would be drawn up for that land in future.

(b) The applicants

29. The applicants argued that the residential construction project planned for the expropriated land was of a commercial nature. The true purpose of the expropriation had been the unjustified pursuit of profit and not the public interest. In particular, they submitted that the city had avoided making a detailed local land use plan – which meant that building had been *de facto* prohibited – so that it could acquire their property as land with no development potential. The property could then later be sold at a profit after a detailed local land use plan had been made. The acquisition of the land without any real public interest reason had deprived the applicants of the increase in the value of the land. The legislation in question provided insufficient guarantees against such abuse. The applicants argued that this was proven by the fact that the city had started devising a detailed local plan for the expropriated land as soon as the expropriation had become final. The applicants had been ready to carry out the same construction project in 2007 (see paragraph 6 above) and the expropriation had therefore not been necessary. The city could also have obtained a sufficient interest in the land to build on it by other less intrusive means, for example by a land use agreement.

30. Lastly, the applicants argued that the compensation they had been awarded did not reflect the real value of the property as it failed to take into account the value of the development rights. Furthermore, the method of assessing the compensation due by looking at comparable sales did not reflect the real value. The value of the properties in those transactions had been subject to manipulation since the city, which had refused to make a detailed land use plan in order to keep the value of the land down, had been the purchaser.

2. The Court's assessment

31. The Court reiterates that Article 1 of Protocol No. 1 contains three distinct rules: the first rule, set out in the first sentence of the first paragraph, is of a general nature and enunciates the principle of the peaceful enjoyment of property; the second rule, contained in the second sentence of the first paragraph, deals with the deprivation of possessions and subjects it to certain conditions; the third rule, stated in the second paragraph, recognises that the States are entitled, among other things, to control the use of property in accordance with the general interest. These rules are not, however, unconnected: the second and third rules are concerned with particular types of interference with the right to the peaceful enjoyment of possessions and are therefore to be construed in the light of the principle laid down in the first

rule (see, for example, *Scordino v. Italy (no. 1)* [GC], no. 36813/97, § 78, ECHR 2006-V, *Kozacıoğlu v. Turkey* [GC], no. 2334/03, § 48, 19 February 2009, and *Ališić and Others v. Bosnia and Herzegovina, Croatia, Serbia, Slovenia and the former Yugoslav Republic of Macedonia* [GC], no. 60642/08, § 98, ECHR 2014).

32. In the present case, it is not in dispute that there has been a "deprivation of possessions" within the meaning of the second sentence of Article 1 of Protocol No. 1. The Court must therefore examine whether the disputed deprivation can be justified under that provision.

33. To be compatible with Article 1 of Protocol No. 1, a measure of expropriation must fulfil three conditions: it must be carried out "subject to the conditions provided for by law", which excludes any arbitrary action on the part of the national authorities; it must be "in the public interest"; and it must strike a fair balance between the owner's rights and the interests of the community (see, *Vistiņš and Perepjolkins v. Latvia* [GC], no. 71243/01, § 94, 25 October 2012).

(a) "Provided for by law"

34. The Court observes that, in the present case, it is undisputed that the legal basis of the expropriation met the first condition. The interference with the applicants' rights was provided for by law as it had a legal basis in the relevant provisions of the Land Use and Building Act and the Expropriation Act.

(b) "In the public interest"

35. As regards the issue of whether the interference was in the public interest, the Court observes that the domestic authorities stated that it was carried out for the purposes of urban development (see paragraph 8 above). The applicants challenged the legitimacy of the aim pursued by the disputed expropriation.

36. The Court reiterates that, because of their direct knowledge of their society and its needs, the national authorities are in principle better placed than an international judge to assess what is "in the public interest". Under the system of protection established by the Convention, it is therefore for the national authorities to make an initial assessment of whether there is sufficient public concern to justify the expropriation of private property. Here, as in other fields to which the safeguards of the Convention extend, the national authorities enjoy a certain margin of appreciation.

37. Furthermore, the notion of "public interest" is necessarily extensive. In particular, the decision to enact laws expropriating property will commonly involve consideration of political, economic and social issues. The Court finds it appropriate that the margin of appreciation available to a legislature in implementing social and economic policies should be a wide

one and will respect the legislature's judgment as to what is "in the public interest" unless that judgment is manifestly without reasonable foundation (see *Vistiņš and Perepjolkins*, cited above, § 106, *Former King of Greece and Others v. Greece* [GC], no. 25701/94, § 87, ECHR 2000-XII, *James and Others v. the United Kingdom*, 21 February 1986, § 46, Series A no. 98, and *Beyeler v. Italy* [GC], no. 33202/96, § 112, ECHR 2000-I).

38. Furthermore, the Court reiterates that having land purchase powers to implement a local land development plan (see *Skibińscy v. Poland*, no. 52589/99, § 86, 14 November 2006) and providing residential homes as part of State economic and planning policies which are intended to curb harmful property speculation have been found to fall within the notion of the public interest (see *Maria Azzopardi v. Malta*, no. 22008/20, § 60, 9 June 2022). Moreover, the subsequent privatisation of expropriated property or its transfer to a third party does not render the measure devoid of public interest given that the State has a wide margin of appreciation when implementing economic policies (see, for example, *Frendo Randon and Others v. Malta*, no. 2226/10, § 60, 22 November 2011, and *Gauci and Others v. Malta*, no. 57752/16, § 65, 8 October 2019).

39. The Court observes that the holding in reserve of property expropriated for future needs, even if it is held for a long period, does not necessarily constitute a breach of Article 1 of Protocol No. 1. However, a problem arises under that provision where the retention of the property in reserve for a long period cannot be justified by the public interest and where, during that period, the property substantially increases in value, the former owners being deprived of that. Article 1 of Protocol No. 1 obliges the Contracting States to protect individuals against the power to hold land reserves being used as tantamount to a municipal form of land speculation, to their detriment (see, for example, *Motais de Narbonne v. France*, no. 48161/99, § 21, 2 July 2002).

40. In the present case, the Government argued that the State needed the expropriated land for urban development. The location of the expropriated land had good road and railway connections and the city had provided a forecast of the population. The Court has no convincing evidence from which to conclude that these reasons were manifestly devoid of any reasonable basis (compare and contrast with *Volchkova and Mironov v. Russia*, nos. 45668/05 and 2292/06, § 118, 28 March 2017, and *Tkachevy v. Russia*, no. 35430/05, § 50, 14 February 2012). Furthermore, the Court finds that there is no indication that the city acquired the land without any real intention of achieving its development objectives within a reasonable timeframe, thereby depriving the applicants of an increase in the value of the land (compare and contrast with *Motais de Narbonne*, cited above, § 23).

41. The Court therefore accepts that the expropriation of the applicants' property was in the public interest.

(c) Proportionality of the impugned measure

42. As to the proportionality of the expropriation, the Court reiterates that the taking of property without payment of an amount reasonably related to its value would normally render the interference with private rights disproportionate (see *Scordino*, cited above, § 95), and that the amount of compensation has to be calculated on the basis of the value of the property at the date on which ownership of it was lost (see *Vistiņš and Perepjolkins*, cited above, § 111). Such value is intrinsically linked to the categorisation or designation of the nature of the land at that time, and not to any later designation attributed to it by State action (see *Maria Azzopardi*, cited above, § 62).

43. The Court accepts the premise that valuation for the purposes of compensation should be based on the value of the land at the time of the decision to expropriate and it observes that the land in this case was undeveloped at the time of the expropriation. The Court further observes that when fixing the amount of the compensation, the domestic authorities took into account the location, the local land use master plan and the likely prospect of a detailed local plan being made for the area in the future (see paragraphs 15 and 17 above). Moreover, in calculating the value of the land, the compensation committee (see paragraph 15 above) had used 17 other transactions as comparators. The Land Court explained why those transactions, in which the city had also been involved, were relevant and why the purchase price the applicants had negotiated in their preliminary agreement with a private company in 2007 (see paragraph 6 above) was not. The sales used by the committee as reference points had been as similar as possible in terms of location and designation under the general plan whereas the purchase price suggested by the applicants was based on a projected detailed land use plan which had not been created. The Court sees nothing unusual in the fact that it is mostly municipalities that buy "raw land", as the committee had stated happened in the applicants' case (see paragraph 15 above). The Court therefore does not find it problematic that the city was also the purchaser in the sales used as comparators.

44. In the Court's assessment, the applicants have not demonstrated that the State failed to take into account all the relevant factors when calculating the appropriate compensation (compare and contrast with, for example, *Bistrović v. Croatia*, no. 25774/05, § 44, 31 May 2007, and *Arsovski v. the former Yugoslav Republic of Macedonia*, no. 30206/06, § 61, 15 January 2013), notwithstanding their disagreement as to how the various factors were considered and ultimately weighed in the assessment, in particular on the point of the land use policy.

45. Moreover, having scrutinised the domestic decisions in the light of the applicants' arguments, the Court finds no basis for concluding that the compensation awarded for the expropriation of the property was unreasonable. It observes that, at the time of the expropriation procedure,

there was a partial master plan in force for the area, but no detailed plan, and that no building permits had been issued (see paragraph 5 above). While the Court does not question the applicants' submission that the land would have been more attractive to private purchasers had the city adopted a different land use policy, it accepts the Government's argument that the power to decide on the content of the relevant plans lay with the city and that the city sought to secure the availability of the area for construction activities in accordance with its general land use policy by acquiring ownership of the land. The Court finds no basis for concluding that the domestic authorities in the present case abused their discretion when setting the level of compensation based on a property valuation, having regard to the regulations in force at the time of the expropriation and the likelihood of a detailed local plan being made.

46. Accordingly, the Court finds that the State acted within its margin of appreciation and that the expropriation of the applicants' property did not place an excessive or disproportionate burden on them. It further considers that the impugned measure struck a fair balance between the protection of property and the requirements of the general interest and was therefore proportionate.

47. In view of the foregoing considerations, the Court concludes that the applicants' complaint under Article 1 of Protocol No. 1 to the Convention is manifestly ill-founded and that it must be rejected pursuant to Article 35 §§ 3 (a) and 4 of the Convention.

B. Alleged violation of Article 6 § 1 of the Convention

48. The applicants also complained that the expropriation proceedings did not allow them a fair hearing that would meet the requirements of Article 6 § 1 of the Convention because the city had artificially reduced the value of their land by refusing to make a detailed local land use plan.

49. Having examined all the material before it, the Court concludes that the issue complained about under Article 6 has already been examined above under Article 1 of Protocol No. 1 to the Convention. Accordingly, it does not give rise to a separate issue under Article 6 of the Convention.

50. This complaint must therefore also be rejected pursuant to Article 35 §§ 3 (a) and 4 of the Convention.

For these reasons, the Court, unanimously,

Declares the application inadmissible.

Done in English and notified in writing on 12 March 2026.

Dorothee von Arnim Deputy Registrar	Arnfinn Bårdsen President

APPENDIX

List of applicants:

No.	Applicant's Name	Year of birth/ registration	Place of residence
1.	Birgit Helena GRAHAM	1945	Sea Girt
2.	Ulla Elisabeth SARIN-SEPPÄNEN	1951	Helsinki
3.	Marie Charlotte SULLIVAN	1947	Mineola