

ASUKASVIESTI **1**

2024

LET'S INCREASE THE SORTING RATE TOGETHER

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LONG-TERM FINANCIAL MANAGEMENT IS PART OF RESPONSIBLE ACTIVITIES



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WE INFORM AND ADVISE TENANTS ON SORTING REGULARLY BOTH ONLINE AND THROUGH THE ASUKASVIESTI MAGAZINE.

IN January 2024, the Talouselämä magazine published a listing of the 15 largest foundations in Finland. VTS-kodit is also on the list. In Tampere, we currently provide a home for some 15,000 tenants, which is a respectable figure even on a national level.

The mission of VTS-kodit is to provide our tenants with a solid foundation for a good life. We responsibly rent, maintain and build high-quality and affordable homes for different life situations. It is important to us that our flats are more than just walls and a roof – they are homes that provide a foundation for a good life.

Although the rapid rise in prices in recent years has also forced VTS-kodit to increase rents, we have still kept our rent level well below the general market level with the help of long-term financial management and prudent savings measures.

Responsibility is a key part of the foundation's activities. We focus on social, economic and ecological responsibility alike. To provide an example, in this issue of Asukasviesti we will tell you about our objective of promoting waste sorting on our properties. The underlying reason for this is the recycling tar-

gets set by the EU, which we can only reach with the contribution of every Finn.

Nearly every property of VTS-kodit has a full waste sorting system, collecting everything from biodegradable and mixed waste to packaging materials and plastics. We inform and advise tenants on sorting regularly both online and through the Asukasviesti magazine. We also make the effort to reduce and sort waste here at the office.

One of our acts of responsibility is to provide young people living at VTS-kodit with the opportunity to experience paid employment every summer in cooperation with our green space maintenance partner. For many young people, the two-week summer job in green space maintenance is their first contact with working life. It is therefore important that the experience is a positive one.

Happy winter!

Satu Eskelinen
CEO, VTS-kodit

INTEREST IN VTS-KODIT HOUSING ON THE RISE

HAPPY New Year, dear Asukasviesti readers!

This winter has been exceptionally cold, with heavy snowfall. The long period of freezing temperatures has significantly increased housing costs, and the heavy snowfall has posed challenges for maintenance companies. A heartfelt thank you to all of those who take care of the wellbeing and safety of our tenants!

The outlook for housing construction has deteriorated in recent years. Due to the increase in costs and interest rates, the construction sector is in a difficult situation, with many new dwellings going unsold. The production of owner-occupied housing has almost stopped, as there are greater risks involved in the construction of new housing than before. For VTS-kodit, however, this challenging situation has also brought positive changes. Thanks to construction companies giving up reserved plots, VTS's chronic plot shortage has been alleviated. In fact, there are now more plots available than we prepared for in our annual plan.

Another positive aspect of 2023 for VTS-kodit has been the large number of housing applicants, which is directly mirrored in the foundation's utilisation rate and the result for the

financial year. It is great that interest in our flats has increased and that our reputation as a good lessor has been boosted. The most popular areas among applicants last year were Hervanta, Kaleva, Tammela, Härmälä and Viiala. The highest demand was for two-room flats, and more than half of the applicants applied for a flat alone.

The results of the employee wellbeing survey for VTS-kodit personnel in 2023 were also presented at the most recent board meeting. The results showed that wellbeing at work is almost at the same level as the previous year, but there were some minor changes observed.

From the board's point of view, it is important that VTS employees thrive in their work. The goals of challenging projects should not overly burden the employees. Supporting their ability to work and their wellbeing enhances both individual and organizational readiness in facing situations of change.

We wish you all a great and sunny spring!

Pekka Anttila
Chair of the Board



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IT IS GREAT THAT INTEREST IN OUR FLATS HAS INCREASED AND THAT OUR REPUTATION AS A GOOD LESSOR HAS BEEN BOOSTED.

SORTING SAVES THE ENVIRONMENT AND MONEY

According to the EU target, the sorting rate of municipal waste should be at least 55% by 2025. At VTS-kodit, the sorting rate is currently just under 40%. In other words, it is high time we increase the sorting rate together!

SORTING is an important act for the environment that conserves natural resources. Careful sorting also brings financial savings.

"In 2024, Pirkanmaan Jätehuolto's prices will rise by 12.9%. The costs of mixed waste in particular are now higher, as part of the price of biodegradable waste has been transferred to the price of mixed waste to promote sorting," says Development Engineer **Miska Pöyry** from VTS-kodit.

As waste management charges are part of the maintenance costs of properties, they also affect rents. In other words, the costs of waste management can be reduced through careful sorting and by reducing the amount of mixed waste. However, we can only achieve this if we all contribute.

INSTRUCTIONS ON SORTING PLASTIC

You can find instructions on sorting plastic packaging on the VTS-kodit website, for example. Pirkanmaan Jätehuolto's website also offers a convenient sorting search that allows you to search for sorting instructions with the product name.

• <https://www.vts.fi/asukkaalle/inenglish/recycle/>

• <https://pjhoy.fi/en/sortingsearch/>



Special focus on the sorting of biodegradable waste and plastics

The EU has set the target that the sorting rate of municipal waste should be at least 55% by 2025. In Finland, the sorting rate is still only about 40%, so there is still some way to go to reach this target. In summer 2023, Finland received an early warning from the European Commission on this subject.

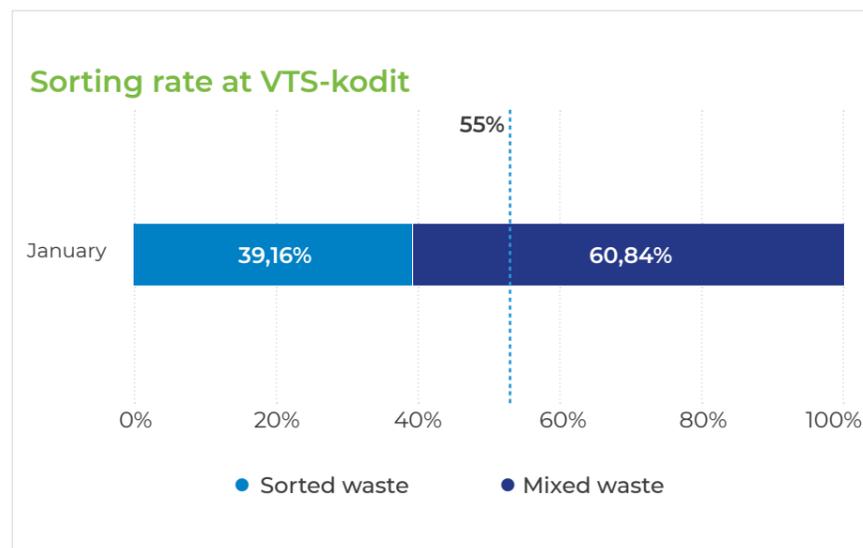
We Finns are active recyclers of packaging waste, such as cardboard, glass and metal. In this respect, we have already achieved the EU target that the recycling rate of packaging waste should be at least 65% by 2025.

However, we have much room for improvement in the sorting of

plastics and biodegradable waste. As much as one third of all waste that ends up in mixed waste should actually be sorted into biodegradable waste. The recycling rate of plastics is still only about 27% in Finland, even though the EU's target is a 50% recycling rate by 2025.

The best time to start is now

If sorting is not yet part of your routine, this is a good time to start. Nearly every property of VTS-kodit has a full recycling system, collecting everything from mixed and biodegradable waste to plastics and other packaging waste.



RENT INCREASES ARE DUE TO EXCEPTIONAL PRICE INCREASES



Juha Nuutinen
VTS-kotien talousjohtaja

RENT increases of 5.9% on average will enter into force at the beginning of March 2024. Understandably, many residents are upset about the increases. According to Statistics Finland, however, the VTS-kodit rent level is still around 23% lower than the general market level.

"The rent increases are a consequence of the exceptionally high price increases in real estate maintenance and renovation costs in recent years," sums up CFO of VTS-kodit **Juha Nuutinen**.

The underlying causes of the price increases include the energy crisis that began with Russia's invasion of Ukraine, among other things. The increase in costs is difficult for both the foundation and all tenants.

The foundation does not make a profit from rents

VTS-kodit is not a company but a foundation that operates on a cost rental basis. This means that VTS-kodit does not make a profit from renting flats and that rents are instead based on actual costs.

The largest expense item for VTS-kodit is the maintenance costs of the properties, which increased by around 6% in 2023, for example. Maintenance costs include heating, water, electricity, waste management, and cleaning and real estate maintenance services, among other things.



The increase in costs is difficult for both the foundation and all tenants.

"Real estate tax is also a surprisingly large item of expenditure for properties. Its price is out of our control," Juha states.

VTS-kodit does not compromise on necessary repairs

The price of renovation has also increased considerably in recent years. However, VTS-kodit has wanted to carry out the property renovations that are important to the foundation.

"Postponing repairs that are important for real estate maintenance and living would only bring short-term savings. It is a frighteningly short road that would lead

to problems in the future and weaken comfort of living in the long term," Juha reasons.

Instead of short-term savings, VTS-kodit invests in good and timely real estate maintenance and the development of the energy efficiency of the properties.

Savings from interest rate hedging and competitive tendering

"In recent years, the interest rate has increased sharply within an exceptionally short period of time. In previous years, we made good interest rate hedges that now allow us to curb the rise in interest expenses. Interest expenses have still risen by almost 50%, but without interest hedges, this increase in costs arising from interest expenses could be even more dramatically visible in the foundation's finances," Juha says.

In addition to interest rate hedging, VTS-kodit also seeks savings through active competitive tendering of procurements. We also closely monitor that our administrative costs do not increase more than the growth in renting operations.

Although the current economic situation poses challenges to all Finns, Juha points out that the future already looks a little brighter.

"At the moment, it looks like the increasing of prices has slowed down. If this trend continues, rent increases of this magnitude are not expected in the coming years."

LIVELY TENANT ACTIVITIES IN ANNALA



On Kaukametsänkatu, the New Year was celebrated at the property's campfire site with mulled wine and fireworks.

In Annala, the years of the COVID-19 pandemic halted tenant activities on Kaukametsänkatu and Pitkäniitynkatu. In the past year, tenant activities have been on a splendid rise again in both locations. The chairpersons of these properties' tenant committees explain how the resident activities were revitalised.

"IT all started with the BBQ hut. After that, more activities started to spring up," recalls **Mirka Kuusela**, Chair of the tenant committee of Kaukametsänkatu 1.

There was a BBQ hut on the property's yard, but there was no grill in it. At the initiative of the tenant committee, the BBQ hut was taken away in spring 2023 and a simple campfire site was built in its place. Soon, the campfire site became the heart of tenant activities.

"We would often start doing something together in the yard, and afterwards we would end up making an open fire and cooking sausages," Mirka says.

Joint yard work has become an integral part of tenant activities on Kaukametsänkatu. Among other things, tenant volunteers have built a table and chairs for children at the campfire site from leftover wood as well as a fence with supplies provided by VTS-kodit. The

concrete tiles found underground in the yard were used to build a patio.

"There's always something to be done in the yard. It naturally also provides the adults with things they can do together."

New tenants are included immediately

On Kaukametsänkatu, the tenants have also made an effort to involve new tenants in the community from the start.

"The tenant committee has remembered new tenants with small gifts and welcomed them. Additionally, I've usually gone to introduce myself in person and invited the new tenants to join the building's WhatsApp group," Mirka says.



It's important to meet people, talk with your neighbours and listen to what kind of activities the tenants want.

– Saana Hytönen

Saana Hytönen says that getting a dog has helped her get to know the neighbours. **Pulla** the dog has certain favourite neighbours that he must always greet in the courtyard.

Neighbourly help works well through the WhatsApp group. For example, tenants can ask the others in the group for advice on how to maintain their building's yard. Sometimes the tenants have organised yard cleaning bees to tidy up overgrown yards together.

"Many friendships have been forged through this, between children and adults alike. Together we have shared our joys and sorrows."

On Pitkäniitynkatu, activities started from a Christmas party

At Pitkäniitynkatu 2, located just a stone's throw away from Kaukametsänkatu, a tenant committee comprising four people was formed after a few years' break in au-

turn 2023. **Saana Hytönen** took up the role of chair.

"I had decided together with my good friend to become involved in the activities," Saana says.

The first event organised by the new tenant committee was a Christmas party. At best, the mulled wine, Christmas cookies and sausages attracted as many as 26 people. The event was held at the property's BBQ shelter.

"I think that it was a good achievement for our first event," Saana says, with a smile.

A good framework also facilitates tenant activities in the future

After a promising start, the tenant committee of Pitkäniitynkatu has

started to plan an Easter event and a yard cleaning bee for the spring. There are tenants of various ages living on the property, so the aim is to plan activities for both the children and the adults.

"At this point, it is important to consolidate the activities and create a framework for them. We should make the activities consistent. This will make it easy for the tenants to continue tenant activities in the future, even if the members of the tenant committee change," Saana muses.

Saana knows what she is talking about because she has a lot of experience in participating in the activities of a student union and student organisations, among other things. Similarly to tenant activities, events are also often organised with a small budget by volunteers in student activities.

"It's worth it to make an effort in the food offering, as people will come for the free food. Beyond that, the most important thing is free-form social interaction and getting to know other people."

Listen to the tenants

Do the chairpersons of Kaukametsänkatu and Pitkäniitynkatu have any tips to share with the other VTS-kodit locations for revitalising tenant activities?

"Go out and talk with your neighbours, as it always gives rise to all kinds of ideas. After that, you should also start implementing those ideas. With a little money and volunteer work, you can make miracles happen," Mirka says.

"The one and the same approach does not work everywhere. It's important to meet people, talk with your neighbours and listen to what kind of activities the tenants want," Saana adds.



BITING COLD WEATHER BROUGHT THE CHRISTMAS SPIRIT AT DOGHILL FAIRYTALE FARM

The traditional family event organised by VTS-kodit, Doghill Christmas, made the guests' toes curl from the cold and left a flush on their cheeks because the weather turned properly freezing in the evening.

THE freezing weather did not subdue the festive spirit, however, as the merry elves, lovely animals, workshops, games and songs in an idyllic old-time setting lent themselves to help people get into the spirit of things. As in previous years, the event was sold out in good time and there were more than 1,000 participants.

"A nice atmosphere prepares you for Christmas"

Kristiina Hanhisalo, who lives in Käräjätörmä, participated in Doghill Christmas with her daughter **Stella**. Kristiina has lived in VTS-kodit housing for twenty years. This was also not the first ti-

me that the Hanhisalo family have participated in the event at Doghill Fairytale Farm.

"We like this event. There's this nice spirit of togetherness here that prepares you for the coming Christmas. It's great that VTS organises these kinds of events for its tenants," Kristiina says.

For Kristiina, this Christmas was going to be memorable in any case, as it was the first time that she had the opportunity to spend Christmas at home with her family instead of at work.

"Before this year, I've always worked during Christmas. Now I particularly look forward to spending time together and enjoying Christmas peace."



Lassi the dog also received a piece of the event

At a workshop at Doghill Fairytale Farm, Kristiina's daughter Stella made a surprise present for the family's eight-year-old dog Lassi. Usually, the parents take care of walking Lassi, but sometimes Stella also takes part in walking the dog.

"Sometimes I also prepare food for Lassi and play with him. Lassi is an important part of our family," Stella says.

Even at Doghill Fairytale Farm, Stella was most interested in the

animals and liked to watch their peaceful lives.

Music got Vivian's leg moving

The audience enthusiastically took part in the games at Paw Theatre. **Vivian**, daughter of **Jani** and **Anna Lahtinen** who live on Sellaerikatu, wondered at everything that was going on for a while before her leg started to jiggle to the music.

"This is a very nice event. We also participated last year, but Vivian was still so small at the time that she might not have been able

to enjoy everything. Now she can walk independently, and after a small moment of timidness, she wants to explore every place," the parents say, with a laugh.

The family's son, **Daniel**, stayed behind to enjoy a night at home with his grandparents while the others went to seek Christmas spirit at Doghill Fairytale Farm.

"Animals and music. Those are two things that Vivian has always been interested in. And here you can find both. So far, Santa Claus is not the most important thing to her."