

Consolidation Act on the Rent of Social Dwellings

An act to consolidate the Act on the Rent of Social Dwellings, cf. Consolidation Act No. 921 of 10 September 2004 as amended by section 2 of Act No. 330 of 18 May 2005, section 3 of Act No. 371 of 24 May 2005, section 37 of Act No. 585 of 24 June 2005 and section 2 of Act No. 1421 of 21 December 2005. Act No. 542 of 24 June 2005 (section 38) and Act No. 575 of 24 June 2005 (section 6) have not been incorporated into this Consolidation Act since these amendments will not come into force until 1 January 2007, cf. section 6 of Act No. 542 of 24 June 2005 and section 7 of Act No. 575 of 24 June 2005.

Part 1 *Scope of the Act*

1(1) This Act shall apply to the letting of:

- (i) Social dwellings belonging to social housing organisations;
- (ii) Social dwellings for the elderly belonging to municipal or county authorities, and
- (iii) Social dwellings belonging to independent organisations.
- (iv) Unsubsidised social care homes, cf. section 143 of the Act on Social Housing, etc.
- (v) Social dwellings intended for young persons and owned by an independent institution.

(2) This Act shall apply whether rent is payable in money or otherwise, e.g. by way of work.

(3) This Act shall not apply to the sub-letting of social dwellings falling within subsection (1) above.

(4) Social dwellings may consist of separate rooms. In this Act separate rooms shall mean one or several rooms without separate kitchen of which only the tenant and members of his household have the disposal.

2(1) This Act shall also apply to tenancy agreements covering premises used for residential purposes and premises used for non-residential purposes (mixed tenancies). Where a tenancy agreement covers both rooms for residential purposes and rooms for non-residential purposes, and such rooms are situated in separate physical units, Part 3 of this Act on rent determination and rent adjustment shall apply only to the rooms used for residential purposes.

(2) Notwithstanding the provision of subsection (1), a tenancy covering both a dwelling and a garage shall not be considered a mixed tenancy.

3(1) In this Act the housing organisations, municipal authorities, county authorities and independent organisations listed in section 1(1) shall be referred to as the landlord. The landlord shall exercise his rights and obligations under this Act in compliance with the rules on tenants' democracy set out in Parts 1 and 2 of the Act on Social Housing, etc. and in rules and regulations issued in pursuance thereof.

(2) In this Act the person who has entered into an agreement with the landlord in respect of rent of the dwellings specified in section 1(1) shall be referred to as the tenant.

4(1) The provisions of this Act cannot be derogated from by agreement between the parties unless otherwise provided by this Act.

(2) The non-mandatory provisions of this Act shall apply unless otherwise agreed by the tenant and the landlord or unless such provisions are deemed to be part of the tenancy agreement.

(3) For the letting of a transition dwelling, cf. section 63 of the Act on Social Housing, etc., the provisions of sections 39 and 40, Part 12, section 79(2) and sections 85 and 88 of this Act, may, subject to the municipal authority's or county council's approval, be dispensed with upon agreement between the landlord and the tenant. The parties may agree that, subject to a request from the municipal authority or county council, the landlord may terminate the tenancy agreement with effect from the time when a dwelling of a type comprised by the Act on Social Services is made available to the tenant. The parties may also agree that the premises shall not be improved according to the tenant's wishes, cf. section 37b of the Act on Social Housing, etc. The tenancy agreement shall state how long the dispensations agreed shall apply within a period of not more than two years from the beginning of the tenancy.

Part 2 *Tenancy agreements*

5(1) Tenancy agreements and any other agreements concerning the premises shall be executed in writing.

(2) Where the landlord and tenant wish to enable one another to exchange digital documents that can be made readable by conversion into characters and stored on permanent media, in cases where this Act lays down a requirement for written agreements, or where the Act prescribes a notice obligation between the tenant and landlord that cannot be appropriately fulfilled other than in writing, the parties shall enter into an agreement to this effect. Such agreement can be terminated without notice at any time. The parties may not agree to give the notices required pursuant to section 89 and section 90(2) as digital documents.

(3) The tenancy agreement shall state specifically the amount of rent payable and any known costs concerning the premises, other than the rent, payable

by the tenant. The known or estimated amount of each of the said costs shall be listed.

(4) The tenancy agreement shall specify any other costs relating to the premises that, at the time of entering into the tenancy agreement, the landlord knows that the tenant must pay to third parties other than the landlord.

(5) The landlord shall arrange for the tenant to receive the current maintenance rules and the rules and regulations governing the use of the residential part of the premises.

6(1) A tenancy agreement form shall mean a preprinted standard contract to be filled in as well as other contracts and contract addendums that have not been drafted specifically for the tenancy in question.

(2) The Minister for Social Affairs authorises forms after negotiating with national organisations of social housing landlords and national organisations of tenants representing social housing tenants. When the Minister for Social Affairs is authorising forms he or she may withdraw the authorisation of forms previously authorised. Where an unauthorised form is used, provisions imposing more onerous obligations or conferring less extensive rights on the tenant than those provided for by this Act shall be ignored.

(3) Provisions set out in authorised forms imposing more onerous obligations or conferring less extensive rights on the tenant than those provided for by this Act cannot be relied upon unless such provisions are printed in bold type or otherwise highlighted.

7(1) In connection with the letting of premises for residential purposes, the provision of such tenancies or the exchange of dwellings, receiving or charging a fine or other consideration from the tenant is not permitted, nor requiring the tenant to enter into another contract which is not part of the tenancy agreement. The landlord shall be entitled to require a person applying for a tenancy to pay a fee if such fee is otherwise provided for by statute.

(2) The provision of subsection (1) above shall not comprise consideration for an agreed sale of a business or consideration for arranging such sale.

(3) Any amounts paid in contravention of subsection (1) may be required to be repaid. Such amount shall carry interest from the due date for payment at an annual rate fixed under section 5(1) and (2) of the Act on Interest on Overdue Payments etc. In exceptional cases, the housing tribunal may direct that a higher or lower rate of interest shall be payable.

(4) Any breach of subsection (1) above shall be punishable by a fine or imprisonment for a term not exceeding four months unless a higher sentence is otherwise provided for by statute. Companies etc. (legal persons) may incur criminal liability subject to the provisions laid down in Part 5 of the Criminal Code.

8(1) Tenants' rights under the provisions of this Act shall be good against the world without registration. The same shall apply to agreements providing for prepayment of rent, deposit, etc. On termination of the tenancy, any proceedings to enforce the tenant's claims shall be commenced within one year from the date of termination.

(2) Where a tenant acquires more extensive rights by agreement, e.g. a right to reimbursement upon vacation under Part 8 hereof, the tenant may, unless otherwise agreed by the parties, demand registration of such agreement. The agreement so registered shall be subject to the largest possible public loans and any other charges and encumbrances on the register at the time of application for registration of the said agreement.

(3) Where the landlord fails to register the agreement within one week from the tenant's demand for registration, the tenant shall be entitled to register the agreement.

(4) Upon termination of the tenancy, the tenant shall cause the registered agreement to be removed from the register. Where the tenant fails to remove the agreement within one week from being required by the landlord to do so, the landlord shall be entitled to cause the agreement to be removed from the register.

Part 3

Rent determination and rent adjustment

9(1) Total rental income for the premises of a division shall at any time be fixed so that the division is able, on the basis of its revenues, to cover the necessary operating costs, including any prescribed contributions and transfers to reserves etc. pursuant to the provisions of the Act on Social Housing, etc.

(2) The rent amount for the dwellings of a division shall be fixed in accordance with the individual utility value of such dwellings.

(3) When the division comes into operation the rent and the apportionment of such rent to the individual tenants shall be subject to municipal authority approval once construction costs have been calculated and financing has been finally concluded.

(4) Any changes of the apportionment of rent shall be subject to municipal authority approval.

10(1) The rent shall be fixed every year on the basis of an operating budget for the coming year. Any rent increases necessary to fulfil the requirement set out in section 9(1) and any rent increases caused by changes of the rent apportionment, cf. section 9(4), shall be subject to three months' notice. Where the notice given in respect of a rent increase is too short, the tenant shall only be obliged to pay the increase as from the time when a correct notice would have taken effect.

(2) Rent increases caused by an increase of the operating costs of a division shall be apportioned so that the apportionment of the total rent to individual tenants is maintained, cf. section 9(2) hereof.

(3) Rent increases caused by improvements shall be subject to municipal authority approval. Where the rent increase within one accounting year does not exceed one per cent of the rent, such increase may be implemented without municipal authority approval.

(4) The rent increases set out in subsection (3) above shall be apportioned as specified in subsection (2), provided always that the improvements increase the utility value in the same proportion.

(5) The landlord shall notify individual tenants of such rent increase in writing by giving the notice specified in subsection (1) above. Such notification shall provide information on how the increase has been calculated, the reason for the increase and the amount of the increase stated in DKK per month.

(6) Where the landlord discovers that the written notification does not fulfil the requirements set out in subsection (1) or (5), the landlord shall forthwith notify all affected tenants. Such notification shall also include the information required. Where the notice given in respect of a rent increase is too short, the landlord shall inform the tenants of the resulting effects. The rent increases specified in subsection (3) above cannot take effect until the time of use. The landlord may make the necessary reservations in respect of municipal council approval.

(7) Where warranted by circumstances, the municipal council may order the landlord to increase or reduce the rent.

11 The decisions by the municipal council pursuant to section 9(3) and (4) and section 10(3) and (7) cannot be appealed against to any other administrative authority.

12 Any disagreement as to whether the notice given in respect of rent increases complies with the provisions in force, cf. section 10(1) and (5), shall be decided by the residents' complaints board.

13 The Minister for Social Affairs may lay down specific rules in respect of the matters set out in sections 9-12.

Part 4 *Possession of the premises*

14 The landlord shall make the premises available to the tenant in a reasonable state of repair and condition as from the agreed commencement of the tenancy, cf. section 25 hereof. Where the tenant is obliged to renovate the premises in full or in part upon vacation, the parties may agree that the premises will be made available to the tenant up to 14 days from the commencement of the tenancy unless an agreement has been made under

section 44(3) or section 93(3) hereof. When the tenant takes possession of the premises, the landlord shall prepare a possession report in collaboration with the tenant. The Minister for Social Affairs is authorised to lay down rules for such possession reports.

15 Where the premises are defective at the commencement of the tenancy, the tenant shall within two weeks of the commencement date inform the landlord of his intention to rely on the defect, cf. sections 18-20 hereof, to prevent the lapse of that right. Provided always that this shall not apply where the defect is not ascertainable when exercising reasonable care, or where the landlord has acted fraudulently.

16(1) Any disagreement as to whether the premises were defective at the commencement of the tenancy shall be decided by the residents' complaints board.

(2) The residents' complaints board may order the landlord to remedy such defect.

Part 5 *Defective premises*

17(1) Where the premises have not been completed at the time of the tenancy agreement, and where the date of possession has not been agreed upon, the tenant may terminate the agreement at any time until possession.

(2) Where the former tenant has not vacated the premises by the agreed date of possession, the tenant may claim a proportionate reduction of the rent in respect of the period during which he is not given vacant possession of the premises or any part thereof. Unless the situation is remedied without undue delay upon notification of the landlord, the tenant may terminate the tenancy agreement. In addition, the tenant may claim damages unless the landlord shows that the delay was beyond his control.

18(1) Where the premises are not in such a state of repair and condition at the time of possession or during the continuance of the tenancy agreement as the tenant is entitled to expect due to the nature of the legal relationship with the landlord and where the landlord fails to remedy the defect upon being given notice requiring such remedy, the tenant may remedy the defect at the landlord's expense. Where the defect relates to the supply of light, gas, heat, etc. to the premises, the tenant may gain access to the installations with assistance from the bailiff in order to remedy the defect.

(2) The tenant may claim a proportionate reduction of the rent for any period during which a defect reduces the value of the premises to the tenant.

19(1) Where the premises are defectives as described in section 18 and where the landlord fails to remedy the defect immediately or where such defect cannot be remedied within a reasonable period of time, the tenant may terminate the agreement if the defect is deemed to be material or the landlord has acted fraudulently.

(2) Where the defect has been remedied before the tenant terminates the tenancy agreement, the tenant may not subsequently rely on the defect as a ground for termination.

20 The tenant may claim damages where, at the time of the agreement, the premises did not contain certain qualities that must be assumed to be warranted, or where the landlord has acted fraudulently. The same shall apply where the premises are subsequently damaged due to the landlord's negligence, or where any other obstacle or impediment to the tenant's right of use arises on grounds for which the landlord is responsible.

21(1) Where the use of the premises is wholly or partly contrary to legislation, other government rules or regulations or to interests affecting the property in force at the time of the agreement, the tenant may claim a proportionate reduction of the rent as well as damages. The tenant may also terminate the tenancy agreement where the use is being significantly reduced, or where the landlord has acted fraudulently.

(2) Subsection (1) above shall not apply where the tenant knew that the use of the premises was wrongful, nor where any ignorance thereof is due to gross negligence on the tenant's part. Nor shall subsection (1) apply where the wrongful use caused no restrictions in the tenant's right of use, and the landlord remedies the defect upon demand.

(3) The provision of section 15 above shall apply to the defects set out in subsection (1) above.

22(1) Where a tenancy agreement is terminated prematurely owing to other interests in the property, apart from the cases set out in section 21 above, the tenant may claim damages from the landlord.

(2) Where the tenancy agreement is terminated prematurely due to an order issued by public authorities prohibiting the use by the tenant on grounds of health etc., the tenant shall only be required to pay rent until the effective date of the prohibition. If the prohibition restricts the use of the premises only in a non-material way, the tenant may only claim a proportionate reduction of the rent.

23(1) In case of destruction of the premises by fire or accident, the tenancy agreement shall lapse.

(2) Where a tenancy agreement lapses pursuant to subsection (1) above, the provisions of section 86(1) and (3) shall apply accordingly.

Part 6
Maintenance and restoration

24(1) The landlord shall keep the property and the premises in proper repair. All installations in the property, including drainage and the supplies of electricity, gas, water and heat, shall be kept in good and serviceable order.

(2) The landlord shall likewise be responsible for keeping the premises clean and for providing lighting for the property and access ways to the premises; also, the landlord shall be responsible for keeping pavement, courtyard, common areas and other common facilities clean.

(3) During the term of the tenancy the tenant shall maintain and, if required, replace locks and keys unless the parties agree that the landlord assumes the said obligation.

(4) The maintenance regulations cf. section 25(2), may provide that the tenant, notwithstanding the provisions of subsections (1) and (2), assumes the landlord's obligation to maintain and clean certain specified access ways and other areas adjacent to the premises and to maintain and clean outdoor woodwork and the like. Where the maintenance regulations do not include such provisions, the landlord may conclude an agreement with the individual tenant to the effect that the tenant assumes the said obligation.

25(1) The landlord shall decide whether maintenance during the term of the tenancy and renovation upon the tenant's vacation of the premises shall comply with the provisions set out in section 26 or section 27 hereof. Social housing organisations shall also decide whether the regulations for all divisions of the housing organisation shall be consistent. Regulations for the various dwelling types of an individual division may differ from each other.

(2) The landlord shall prepare maintenance regulations specifying the maintenance scheme covering the dwellings, cf. subsection (1) above. Also, the maintenance regulations shall specify the rules for maintenance during the term of the tenancy and for renovation upon the tenant's vacation of the premises etc. where section 26 or section 27 applies. Finally, the maintenance regulations shall include a detailed description of the state of repair and condition that the dwellings shall have upon the tenant taking possession. The maintenance regulations shall apply to all tenants notwithstanding any agreement to the contrary.

(3) The landlord may not require that when the tenant vacates the premises the state of repair and condition of the premises exceed the state of repair and condition of the premises when the tenant took possession.

(4) Notwithstanding the provisions of sections 26 and 27, the tenant shall pay all costs occasioned by a lack of maintenance resulting in the premises deteriorating or being damaged due to incorrect use, incorrect maintenance or reckless behaviour on the part of the tenant, members of his household or others to whom the tenant has granted access to the premises.

26(1) Where, pursuant to section 25(1), the landlord has made a decision to that effect, the tenant shall arrange for and pay any costs relating to the interior maintenance of the premises during the term of the tenancy, including whitewashing, painting, wallpapering and treatment of floors.

(2) When the tenant vacates the premises, normal renovation of the premises, including necessary whitewashing, painting and wallpapering of walls and ceilings as well as cleaning, shall be carried out at the tenant's expense. The landlord may decide that the tenant shall pay an amount fixed by the landlord corresponding to such normal renovation of the premises. The landlord shall, over a period of ten years or less of the tenant taking possession of the premises, gradually assume the tenant's expenses for normal renovation or payment of the amount for normal renovation. Where the tenant vacates the premises prior to the expiry of the said period, the tenant shall only pay the share not assumed by the landlord upon the expiry of the tenancy.

27 Where, pursuant to section 25(1), the landlord has made a decision to that effect, the tenant shall be responsible for all interior maintenance of the premises during the term of the tenancy, including whitewashing, painting, wallpapering and treatment of floors. The necessary funds shall be provided by the tenant paying an amount to the maintenance account for the premises. Such amount shall be determined by the landlord as an annual amount per square metre gross floor space. If necessary and if the costs can be covered by the maintenance account for the premises, the tenant may demand that maintenance of the premises be carried out in the form of whitewashing, painting, wallpapering and treatment of floors.

28(1) The landlord may decide that certain maintenance work falling within section 26(1) shall be carried out by the landlord.

(2) The costs for the work specified in subsection (1) hereof shall be paid by the landlord.

29 Any disagreement in respect of the fulfilment of the tenant's obligation to maintain and renovate pursuant to section 24(3) and (4), section 25(4) and section 26, cf. section 94, and about the statement of costs to be made pursuant to section 75p of the Act on Social Housing, etc. shall be decided by the residents' complaints board. Any disagreement about the statement of costs shall be brought before the residents' complaints board not later than two weeks after the tenant has received the statement.

30(1) Any disagreement in respect of the fulfilment of the landlord's obligation to maintain and renovate pursuant to section 27, cf. section 94, shall be decided by the residents' complaints board.

(2) The complaints board shall also decide any disagreement in respect of the landlord's obligation to maintain the premises pursuant to section 24, provided always that such maintenance work pertains to the individual premises or in close connection thereto.

(3) The complaints board may order the landlord to arrange for the carrying out of particular maintenance work.

31 The Minister for Social Affairs may lay down specific rules in respect of the matters set out in sections 24-30 above.

Part 7

Landlord's right to enter upon the premises

32 The landlord shall be entitled to enter upon or obtain access to the premises as and when the situation so requires.

33(1) The landlord may commence work on the premises by giving six weeks' notice where such work does not constitute a major inconvenience to the tenant.

(2) The tenant shall be entitled to three months' prior notice before the commencement of any other work.

(3) The landlord may carry out urgent repairs to the premises without notice.

34(1) Any work commenced by the landlord shall be carried out without interruption, with due consideration of the tenant's interests. The landlord shall carry out any post-completion repairs without delay.

(2) The residents' complaints board may set a time limit for the completion of individual work.

Part 8

Tenant's right to make installations in and improvements of the premises

35 The tenant shall be entitled to carry out ordinary installations in the premises unless the landlord proves that the property does not have sufficient electricity and drainage capacity for the installation in question. The tenant shall notify the landlord prior to making any such installation.

36(1) The tenant is entitled to place radio and television antennas on the property according to the landlord's instructions for the reception of radio and television programmes, but see subsection (2) hereof. Likewise, the tenant is entitled to establish a cable connection for the supply of radio and television programmes or access to electronic communication services for the property if the option for connection to cable TV or a similar shared network is available in the area. If several tenants wish to establish the same programme package or access to electronic communication services, they may decide to install the antenna or provide access to electronic communication services by way of a shared system.

(2) The tenant's right under subsection (1) hereof shall not apply where the landlord proves that such installation will damage the property or inconvenience other tenants. Nor shall this right apply where the tenant may have access to a desired programme either by way of the landlord's common television supply or through a shared antenna system established by the tenants.

(3) Where the tenant places an antenna on the property, the landlord may require the tenant to pay a reasonable deposit as security for any claims against the tenant caused by the antenna.

(4) If several tenants wish to establish a shared antenna on the property under subsection (1), the landlord may require the tenants to form an antenna society to be responsible for establishing and operating the shared antenna system. The antenna society must have an executive committee. The executive committee shall notify the landlord of the identities of its members so that the landlord may refer any questions concerning the antenna to the members of the committee, thereby discharging any liability whatsoever. The executive committee shall also submit a copy of the bylaws of the society to the landlord. The bylaws shall provide for the society to take out a liability insurance and an insurance against loss or damage to the system as well as for the society to pay the cost of removal of the system and reinstatement upon discontinuance of the society. The landlord may require the society to pay a reasonable deposit as security for any claims that the landlord may have against the society.

(5) In the event of material non-compliance with the duties listed in subsection (4) hereof, the landlord may require the removal of the shared antenna system and reinstatement.

(6) Subsections (4) and (5) shall apply, correspondingly, to the tenants' establishment of shared applications with access to electronic communication services.

37 The tenant shall be entitled to install aids etc. in pursuance of the provisions set out in section 102 of the Act on Social Services. The landlord may require that the tenant reinstate the premises upon vacation and that the municipal council guarantee the payment of reinstatement costs. The tenant shall notify the landlord prior to such installation.

38(1) The tenant shall be liable for any damage caused by installations carried out by the tenant under sections 35-37 hereof. The landlord may require the tenant to provide adequate guarantee for such liability either by way of insurance or otherwise.

(2) Where the tenant has installed his own antenna or has been connected to a shared antenna system under section 36(1), the landlord may require removal of the tenant's antenna and reinstatement upon the tenant's vacation of the premises.

39(1) The tenant shall be entitled to carry out improvements of the dwellings and to receive reimbursement on vacation for any documented costs incurred. This right shall not include white goods.

(2) Improvements shall be reasonable and appropriate. Such improvements shall not deprive the premises of their character of social housing or their character of being a dwelling suitable for elderly and disabled persons. If the division incurs special maintenance costs as a result of such works, the rent shall be increased accordingly.

(3) No reimbursement shall be payable for excessively energy-consuming installations.

(4) Reimbursement shall be payable by the landlord upon the tenant's vacation of the premises. The landlord may set off an amount corresponding to the tenant's obligations to the landlord against the amount of reimbursement.

(5) In case of re-letting the new tenant taking possession of the premises in which the previous tenant has carried out improvements shall pay the amount of the reimbursement to the landlord. When entering into the tenancy agreement the new tenant may choose to pay either the said expense in cash or a rent increase corresponding to the said expense.

(6) In addition to the improvements referred to in subsection (1) above, the tenant shall, without reimbursement, be entitled to move and remove non-bearing partitions and to establish partitions to the usual extent.

40(1) The landlord may permit the tenant to carry out works other than those specified in section 39 hereof.

(2) The provision of section 39(2) shall apply accordingly.

41 Any disagreement about the tenant's rights and duties according to the provisions of this Part and about the statement of costs to be made pursuant to section 75o of the Act on Social Housing, etc. shall be decided by the residents' complaints board. Any disagreement about the statement of costs shall be brought before the residents' complaints board not later than two weeks after the tenant has received the statement.

42 The Minister for Social Affairs may lay down specific rules in respect of the matters set out in sections 39-41, including the delimitation of such improvements etc. and the calculation of the amount of reimbursement.

Part 9
Payment of rent etc.

43 The landlord shall designate a place of payment in Denmark. Where no such place has been designated, rent shall be payable at the landlord's

business address in this country. Payment into a bank shall be deemed to constitute payment at the designated place of payment.

44(1) The rent shall be payable monthly in advance. When entering into a tenancy agreement in respect of which no lease premium is required, cf. section 46, the parties may agree that the tenant shall pay rent for a longer period, not to exceed three months. Rent for unsubsidised social care homes shall not be required to be paid for more than one month at a time.

(2) Where the due date for payment falls on a public holiday, a Saturday or the Danish Constitution Day, the due date shall be deferred to the next following weekday. Payment shall be deemed to be punctual if effected on or before the third weekday after the due date. If that weekday is a Saturday or the Constitution Day, payment on the following weekday shall be punctual.

(3) In case of termination by prior notice or expiry of a fixed-term tenancy, the tenant shall be liable to pay rent only for the period until termination. Where the tenant is obliged to renovate the premises in full or in part upon vacation, the parties may agree that the tenant shall pay for the period necessary for renovating the premises under the tenancy agreement unless the parties have entered into an agreement pursuant to section 14 or section 93(3) hereof. The tenant shall not be obliged to pay for any such period exceeding 14 days.

45 The landlord shall require the tenant to pay a lease premium to cover part of the financing of the property at the commencement of the tenancy. The landlord may demand payment of lease premium in respect of the following dwellings:

(i) Dwellings established by means of government subsidies pursuant to the Act on Social Housing, etc.

(ii) Dwellings established by means of government subsidies pursuant to the legislation on subsidies for housing construction and the construction of residential housing.

(iii) Dwellings established by means of government subsidies pursuant to the Act on Housing for Elderly and Disabled Persons.

(iv) Dwellings established by a social housing organisation by means of government subsidies pursuant to the Act on Urban Renewal.

46 For tenancy agreements in respect of which no lease premium is paid pursuant to the provisions set out in section 45 hereof, the landlord may demand payment of a deposit corresponding to up to three months' rent.

47(1) Where the tenant's rights in respect of the premises are extinguished, the landlord shall repay the lease premium or deposit paid by the tenant.

(2) The landlord shall be entitled to set off the tenant's obligations to the landlord against the amount specified in subsection (1) above, including any costs for the renovation of the premises on the tenant's vacation as required by the tenancy agreement.

(3) The tenant shall not be entitled to set off any claims against the landlord against his obligation to pay lease premium.

48 Where deemed that the lease premium pursuant to section 45 or deposit pursuant to section 46 is inadequate to cover reasonable costs for the renovation of the premises as required by the tenancy agreement, the landlord may increase such premium or deposit subject to municipal council approval. In case of re-letting the new tenant shall pay the increased lease premium or deposit to the landlord.

49 Payment of lease premium and deposit pursuant to sections 45 and 46 hereof shall constitute a money liability as between the parties, cf. section 90(1)(i) hereof.

50 Any disagreement in respect of the landlord's obligation to repay lease premium or deposit shall be decided by the residents' complaints board.

51 The Minister for Social Affairs may lay down specific rules in respect of the matters set out in sections 43-50 hereof.

Part 10 *Payment for heat and water etc.*

52(1) Where the landlord supplies heat and hot water and other services as listed in subsection (2) hereof, the landlord may claim reimbursement of costs incurred in respect of the tenant's consumption and a share of other costs. The landlord shall also be entitled to claim reimbursement of costs incurred in respect of the tenant's water consumption pursuant to the provisions of this Part where such consumption is apportioned on the basis of meters. Such costs shall not be included in the rent.

(2) Costs shall be stated in the consumption accounts. The landlord may include in the heat and hot water accounts only the cost of fuel consumption during the accounting period, including electricity and gas for heating. Where supplies are provided by a collective heat supply station, the landlord shall include the total cost in the accounts. Moreover, costs related to energy labelling and control, service and maintenance of technical systems, cf. the Act to Promote Energy Savings in Buildings, shall be included in the accounts. All costs relating to water supply, including water and drainage charges, may be included in the accounts. Any discounts etc. shall be credited to the accounts.

(3) Consumption accounts shall not be prepared where the landlord does not supply heat or hot water and where the tenant's water consumption is not calculated on the basis of a meter. The costs incurred as a result of the Act to

Promote Energy Savings in Buildings shall be apportioned in equal shares to the tenants of the property and shall be charged once a year.

(4) The tenant's contributions under subsections (1) and (3) shall constitute money liabilities as between the parties, cf. section 90(1)(i) hereof.

(5) Where the consumption accounts comprise both the costs of collective heat supply and water, and where it is impossible to coordinate the accounting years or settlement periods for the two services, cf. section 53(4), the landlord may choose to prepare separate water consumption accounts in pursuance of the provisions of this Part.

53(1) The consumption accounts shall specify the part of the tenant's total costs that relates to heat and hot water, including any costs incurred as a result of the Act to Promote Energy Savings in Buildings, and the part that relates to water. For each of the two costs the accounts shall also specify how the tenant's share of total costs has been calculated. The accounts shall further specify the date on which the landlord must receive final payment, cf. section 56(1), and the tenant's objection rights, cf. section 56(3) hereof. In the absence of such specifications, the accounts shall be void.

(2) The accounting period shall be 1 June to 31 May, but see subsections (3) and (4) below.

(3) Subject to six weeks' notice the landlord may direct that, in future, accounts shall be closed on another date. Any transitional accounting period shall not exceed 18 months.

(4) For properties supplied by a collective heat supply station the accounting year shall coincide with that of the heat supply station or with the reading period.

54(1) Heating costs and the costs incurred as a result of the Act to Promote Energy Savings in Buildings shall, at the landlord's discretion, be apportioned to the tenants of the property in accordance with usual calculation rules, either on the basis of heat distribution meters or according to gross floor space or volume.

(2) The landlord may require that the existing apportionment of heating costs be altered to the effect that future apportionment is undertaken on the basis of heat distribution meters. The landlord may also demand that future apportionment of water costs be undertaken on the basis of water distribution meters.

(3) Costs for hot water shall be apportioned to individual tenants at the landlord's discretion according to the number and type of hot water taps and the number of rooms or on the basis of suitable hot water distribution meters.

(4) The landlord may require that the existing apportionment of hot water costs be altered so that future apportionment is undertaken according to the

number or nature of hot water taps and the number of rooms or on the basis of suitable hot water distribution meters.

(5) Costs relating to the introduction of apportionment on the basis of meters as described in subsections (2) and (4) shall be deemed to constitute improvement costs.

(6) The landlord shall be entitled to implement the decisions under subsections (2) and (4) by giving six weeks' notice to expire on the first day of an accounting period. Where the apportionment method is altered to the effect that water costs are apportioned on the basis of distribution meters, the rent shall at the same time be reduced by an amount equivalent to the share of water costs included in the rent up to now.

55(1) Subject to six weeks' notice to expire on the payment date, the landlord may require the tenant to pay a charge on account towards the tenant's share of total consumption costs, cf. section 52(2), where such costs are not included in the rent. Subject to the same length of notice, the landlord may demand an increase of the current charges payable on account.

(2) Charges shall be payable in equal instalments in connection with the regular rent payments.

(3) The total amount of charges for a year shall not exceed the anticipated level of costs assessed for the accounting period.

(4) At the tenant's request, the residents' complaints board shall determine whether the amounts charged by the landlord exceed those permitted under subsection (3) above. If the complaints board finds that the landlord has charged excessive amounts, the tenant may claim repayment of such amounts paid in excess.

56(1) The consumption accounts shall reach the tenants within four months from the end of the accounting year. Where the accounts include costs for heating supplied by a collective heating station, the accounts must reach the tenants within three months from the landlord's receipt of a final statement of heat and hot water consumption from the heat supply station, provided that such time is later than the time limit specified in the first sentence. Where the accounts only include costs for water supply and costs incurred as a result of the Act to Promote Energy Savings in Buildings, the accounts shall reach the tenants not later than three months from the landlord's receipt of a final statement of water consumption from the municipal authority or the waterworks, provided that such time is later than the time limit specified in the first sentence.

(2) When the consumption accounts have been circulated to the tenants, the landlord shall upon demand from a tenant allow the tenant or his agent to review the vouchers on the property or elsewhere in the local urban area.

(3) The tenant may object to the consumption accounts in writing within six weeks from receipt thereof. Such objection shall specify the items of the

accounts that cannot be approved. Where the landlord insists on his claim in accordance with the accounts, the landlord shall bring the matter before the residents' complaints board within six weeks from the expiry of the tenant's time limit.

(4) Where the landlord does not bring the tenant's objection pursuant to subsection (3) before the residents' complaints board, the tenant shall be entitled to bring the matter before the residents' complaints board.

57(1) Where the tenant's payment on account is insufficient, the landlord may demand payment of a supplement on the first rent payment date, i.e. one month after the tenant's receipt of the accounts. If the supplement exceeds three months' rent, the tenant may pay the amount in three equal monthly instalments, the first instalment falling due on the fixed date of payment of the supplement. Where the tenant vacates the premises, any such supplement shall be payable on or before the date of vacation.

(2) Where the payment on account is excessive, the excess shall be repaid to the tenant in cash or be deducted from the first rent payment following the circulation of the accounts.

58(1) Where the accounts have not reached the tenant by the expiry of the time limit stipulated in section 56(1), the landlord shall forfeit his right to demand payment of a supplement from the tenant.

(2) Where the accounts are not submitted within two months from the expiry of the time limit stipulated in subsection (1) hereof, the tenant may withhold his payment on account until he has received the said accounts and any excess contribution for the completed accounting period.

59(1) Where, due to an excusable error, the landlord has failed to include a specific expense item in the accounts, the landlord may carry forward the item to the subsequent consumption accounts. The landlord shall give tenants notice of the amount of any such expense carried forward.

(2) In case of any erroneous apportionment of costs as between the tenants, the landlord shall correct such error forthwith by written notice to the affected tenants. The provisions of section 57 shall apply accordingly to any supplementary payments and repayments due to such correction.

60(1) The provisions of section 54(2), (5) and (6), first sentence, shall also apply to electricity meters where the landlord supplies electricity for non-heating purposes.

(2) Any decisions under section 54(2) and (4) shall be binding on all tenants notwithstanding any previous agreements to the contrary.

(3) Notwithstanding subsection (1) above and section 52(2), second sentence, the landlord may require the tenant to pay future electricity costs on the basis of meters directly to the light and power company. Any such change shall be subject to six weeks' notice. For electricity supplies for

heating purposes the change may be effected subject to six weeks' notice to expire at the beginning of an accounting year. Any change of payment terms shall take effect notwithstanding any previous agreements to the contrary.

(4) Notwithstanding the provisions of this Part the landlord shall be entitled to require the tenant to pay future costs for the supply of heat and water on the basis of meters directly to the supplier. Any such change shall be subject to six weeks' notice to expire at the beginning of an accounting year. If such change pertains to the payment of water not included in the consumption accounts, the change shall be subject to six weeks' notice. Any change of terms of payment for heat and water shall take effect notwithstanding any previous agreements to the contrary.

61 Section 52(1), third sentence, can be derogated by agreements on the rent of social housing for young persons. This shall not apply where the property has an obligation according to other legislation to have separately metered heat distribution in respect of the tenancies in question.

Part 11

Tenant's payment for shared antennas and access to electronic communication services, etc.

62(1) Where the property is equipped with its own shared antenna system for receiving radio and television signals or where the property is receiving programmes from external sources, the landlord may claim reimbursement of all necessary and reasonable costs incidental to the establishment and improvement, cf. subsection (2) hereof, and the operation thereof, including any administrative costs. The same shall apply to the property's access to electronic communication services. Such costs shall be apportioned in equal shares to the tenants of the property. In properties where tenants have opted for individual selections of programmes or electronic communication services, the individual tenant shall only pay for the programmes or electronic communication services available to him. Such costs shall not be included in the rent.

(2) The landlord may require the tenant to reimburse any reasonable costs incurred in connection with establishment and improvement. The share of the costs covered by the National Building Fund pursuant to Part VII of the Act on Social Housing, etc. shall not be included in the establishment costs. The landlord may claim a suitable rate of interest and depreciation in respect of such costs. The tenant may choose to pay the amount in cash.

(3) The tenant's contribution to the costs under subsection (1) shall constitute a money liability as between the parties, cf. section 90(1)(i) hereof.

(4) The residents' complaints board shall, at the tenant's request, determine whether the amounts charged by the landlord exceed those permitted under subsection (1) above. Where the residents' complaints board finds that the landlord has grossly neglected his duties pertaining to the administration of the shared antenna system or the shared access to electronic communication services, etc., the tenant may be relieved of any future obligation to receive

the programme signals or the shared access to electronic communication services supplied by the landlord.

63(1) Where the landlord provides common programme signals or shared access to electronic communication services, the landlord may - notwithstanding any agreement to the contrary - give the tenant 6 months' notice of termination of such signals or access.

(2) Any disagreement as to whether the landlord has complied with the notice of termination stipulated in subsection (1) above shall be decided by the residents' complaints board.

Part 12

Transfer of use to a third party

64(1) The tenant of a dwelling shall be entitled to sub-let up to one-half of the residential rooms of the dwelling for residential purposes. The total number of occupants of the premises shall not exceed the number of rooms.

(2) The landlord shall object to such sub-letting if the flat will thereby be occupied by more than two persons per room, cf. section 52a(1) of the Act on Temporary Regulation of Housing Conditions. Any failure to do so will render the landlord liable to the payment of a fine. Companies etc. (legal persons) may incur criminal liability subject to the provisions laid down in Part 5 of the Criminal Code. The first, second and third sentences hereof shall apply only to municipalities in which the municipal council has decided that section 52(a)-(c) of the Act on Temporary Regulation of Housing Conditions shall apply, and only in cases where the landlord has informed the municipal council that the said provisions shall apply to the landlord's properties.

65(1) The tenant shall be entitled to sub-let the premises for a period not exceeding two years if the absence of the tenant is temporary and due to illness, business, studies, temporary secondment, etc.

(2) The landlord may object to the sub-letting where

(i) the total number of occupants of the premises will exceed the number of rooms; or

(ii) the landlord has other reasonable grounds to object to such sub-letting.

(3) The landlord shall object to the sub-letting where the flat will be occupied by more than two persons per room, cf. section 52a(1) of the Act on Temporary Regulation of Housing Conditions. Any failure to do so will render the landlord liable to the payment of a fine. Companies etc. (legal persons) may incur criminal liability pursuant to the provisions laid down in Part 5 of the Criminal Code. The first, second and third sentences shall apply only to municipalities in which the municipal council has decided that section 52(a)-(c) of the Act on Temporary Regulation of Housing Conditions shall apply, and only in cases where the landlord has informed the municipal council that the said provisions shall apply to the landlord's properties.

(4) If deemed reasonable on the basis of demand, the landlord may, in connection with the sub-letting of social dwellings for young persons, social dwellings for the elderly and unsubsidised social care homes, require that the dwelling in question be occupied by persons fulfilling the conditions applying to the taking over of such dwellings.

(5) In connection with the sub-letting of a dwelling in a shared housing arrangement the sub-let dwelling shall be occupied by persons fulfilling the conditions applying to the taking over of such dwellings.

(6) Not later than two weeks prior to the tenant entering into a sub-tenancy agreement the tenant shall submit the following information to the landlord:

(i) the reason for the tenant's temporary absence;

(ii) the name of the person to whom the tenant intends to sub-let the premises, including information as to whether the said person fulfils the conditions specified in subsections (3) or (4) in the case of social dwellings for young persons, social dwellings for the elderly or dwellings in shared housing arrangements;

(iii) the number of occupants of the dwelling; and

(iv) the amount of the rent required.

Where the landlord does not object to the sub-tenancy agreement within two weeks of the submission of information, the tenant may enter into the said agreement.

66(1) Sub-tenancy agreements shall be executed in writing, and the tenant shall submit a copy of the sub-tenancy agreement to the landlord prior to the commencement of the sub-tenancy.

(2) The tenant shall not be entitled to make such sub-tenancy agreement conditional upon the sub-tenant paying a rent amount exceeding the rent amount paid by the tenant. The landlord may object to the sub-tenancy agreement where the agreed rent exceeds the said amount.

67(1) The tenant shall be liable for any reckless damage caused by persons using the premises by virtue of the provisions of sections 64 and 65 hereof.

(2) The tenant shall be responsible to the landlord for compliance by the persons specified in subsection (1) hereof of the rules designated to secure proper conduct and proper use of the premises.

(3) The tenant shall also be liable under section 38 hereof for any damage caused by installations made in the premises by the persons specified in subsection (1) above.

68 The tenant shall not sub-let the premises without the consent of his or her spouse where, due to such sub-letting, the premises can no longer serve as the matrimonial home or as the basis of a business carried on jointly by the spouses or separately by the other spouse. Where the other spouse is incapable of managing his own affairs, the sub-letting shall be subject to the guardian's consent. The provisions of section 18(2) and section 20 of the Legal Effects of Marriage Act shall apply accordingly.

69(1) The tenant may exchange dwellings with the tenant of another dwelling so that the latter tenant will take over the social dwelling.

(2) The landlord may object to the exchange where

(i) the outgoing tenant has occupied the premises for less than three years;

(ii) the dwelling will be occupied by more than one person per room upon exchange; or

(iii) the landlord has other reasonable grounds to object to such exchange.

(3) The landlord shall object to the exchange if the flat thereby will be occupied by more than two persons per room, cf. section 52a(1) of the Act on Temporary Regulation of Housing Conditions. Where the landlord fails to do so, the landlord shall be liable to punishment by fine. Companies etc. (legal persons) may incur criminal liability pursuant to the provisions laid down in Part 5 of the Criminal Code. The first, second and third sentences shall apply only to municipalities in which the municipal council has decided that section 52(a)-(c) of the Act on Temporary Regulation of Housing Conditions shall apply, and only in cases where the landlord has informed the municipal council that the said provisions shall apply to the landlord's properties.

(4) Any person who acquires a dwelling belonging to a social housing cooperative by means of exchange shall become a member of the said housing cooperative.

(5) In connection with social dwellings for young persons, social dwellings for the elderly and unsubsidised social care homes, the exchange of dwellings with persons not fulfilling the conditions applying to the taking over of such dwellings shall be subject to municipal council approval.

(6) In connection with the exchange of a dwelling in a shared housing arrangement the dwelling shall following the exchange be occupied by persons fulfilling the conditions applying to the taking over of such dwellings.

70 It may be agreed that the tenant of a mixed tenancy is entitled to let another tenant continue the tenancy.

71(1) On the death of a tenant, the surviving spouse shall be entitled to continue the tenancy.

(2) Where a tenant dies without leaving a spouse, any other person with whom the deceased tenant has shared a household for a period of not less than two years preceding the death shall be entitled to continue the tenancy. In special cases the landlord may permit the person specified in the first sentence to continue the tenancy even though the common household has existed for less than two years.

(3) On the death of the tenant both the landlord and the estate of the deceased tenant may terminate the tenancy by giving the usual notice even though the tenancy has been entered into for a fixed longer term.

(4) If the premises are let as a care home, including an unsubsidised social care home, and the tenant dies without leaving a spouse or another person with whom the tenant has shared his or her household as set out in subsection (2) above, termination shall be subject to one month's notice notwithstanding subsection (3) above.

(5) Subsections (1) and (2) shall apply accordingly where due to age or illness the tenant moves to a dwelling for the elderly, a sheltered dwelling, a nursing home, etc.

72(1) The landlord may permit a person maintained by the deceased tenant, including the deceased's child under 18 years, to continue the tenancy.

(2) Subsection (1) shall apply accordingly where due to age or illness the tenant moves to a dwelling for the elderly, a sheltered dwelling, a nursing home, etc.

73 In case of the tenant's separation or divorce or annulment of the tenant's marriage, the grant or decree shall specify, if necessary, which of the spouses shall be entitled to continue the tenancy. The spouse whose business is connected to business premises shall enjoy priority rights in respect of such premises and any connected dwelling.

74 Where parties who have been living together in the same household for not less than two years separate, they may agree which of them will be entitled to continue the tenancy of their joint home. In special cases the landlord may permit the parties to agree which of them will continue the tenancy of the joint home even though they have been living in the same household for less than two years. If the parties are unable to reach an agreement, cf. the first and second sentences, the court may where special grounds exist - including in particular the welfare of any minor children of the parties - order which party is to continue the tenancy. Section 73, second sentence, shall apply accordingly.

75 Where the tenant has deserted his or her spouse, the said spouse shall be entitled to continue the tenancy.

76 Any disagreement in respect of the tenant's right to sub-let the premises under sections 64 and 65, the right to exchange dwellings under section 69

and the right to continue the tenancy under sections 71 and 75 shall be decided by the residents' complaints board.

77(1) Sections 65, 69 and 72 shall not apply to mixed tenancies.

(2) Section 64 shall not apply to separate rooms and section 72 shall not apply to separate rooms and dwellings for the salaried employees of the division.

Part 13
Tenant's use of premises

78(1) The tenant shall use the premises in a proper and reasonable manner.

(2) The tenant shall be liable for any reckless damage caused by improper conduct on his part, by any member of his household or by any third party he has admitted to the premises.

(3) The tenant shall inform the landlord of any damage requiring urgent repair. Any other damage shall be notified without undue delay.

79(1) The tenant shall not use the premises for any purpose not agreed upon without the landlord's consent.

(2) The tenant shall not allow any third party who is not a member of his household to use the premises or any part thereof without the landlord's consent, but see sections 64 and 65 hereof.

80(1) The landlord shall ensure that the rules of proper conduct are observed and, if necessary, terminate tenancies in the cases specified in section 90(1)(vii)-(ix) and (xii) hereof. The provisions of section 18(2), section 19 and section 20 shall apply accordingly in case the landlord fails to observe the said duty.

(2) The tenant shall observe the general rules and regulations applicable to the property and shall comply with any other reasonable directions intended to ensure proper conduct and proper use of the premises, cf. section 81 hereof.

(3) The tenant shall ensure that the duties imposed on him under subsection (2) hereof shall likewise be observed by persons under his control as specified in section 78(2) hereof.

81(1) Sanctions may be imposed on a tenant pursuant to section 82 hereof if the tenant behaves in manner that inconveniences the property, the landlord, the landlord's employees, the other tenants of the property or others having lawful business in the property:

(i) where the tenant resorts to violence or threatens to use physical violence against the said persons;

(ii) where the tenant's behaviour constitutes a possible danger to the property or to the said persons, for example due to the tenant's use of weapons or due to the tenant storing dangerous materials in the premises;

(iii) where the tenant's behaviour inconveniences the said persons in the form of general insecurity, brutalisation of the environment of the property or health risks;

(iv) where the tenant without resorting to physical violence harasses the said persons;

(v) where the tenant makes unacceptable noise that inconveniences the said persons, in the form of noisy human behaviour, loud music or loud noise from machines;

(vi) where the tenant destroys the property or the goods and chattels of the property or the goods and chattels of common areas;

(vii) where the tenant fails to keep the premises in good and tenantable repair;

(viii) where the tenant's domestic animals significantly inconvenience the said persons due to noises, obnoxious smells and filthiness or because such animals constitute a danger to or intimidate the said persons;

(ix) where the tenant behaves in a noisy manner, in cases not specified in paragraph (v) above, that inconveniences the said persons;

(x) where the tenant's domestic animals, in cases not specified in paragraph (viii) above, inconvenience the said persons; and

(xi) where the tenant in any other way behaves in a way that inconveniences the property or the said persons.

(2) Sanctions may also be imposed on a tenant pursuant to section 82 hereof if the tenant keeps domestic animals contrary to the tenancy agreement or the rules and regulations governing the use of the premises whether or not such domestic animals inconvenience the property or the persons specified in subsection (1) above.

(3) Sanctions may be imposed on the tenant whether or not responsibility for the behaviour described in subsections (1) and (2) lies with the tenant, members of his household or any third party he has admitted to the premises.

82(1) Where the tenant has failed to comply with the rules of proper conduct, cf. section 81 above, one of the following sanctions may be imposed on him:

(i) the tenancy may be made conditional upon the tenant complying with specific conditions in respect of his behaviour in the property. If the tenant fails to comply with the said conditions in the first year after the decision is

made, the landlord may terminate the agreement with or without notice pursuant to the provisions of Parts 14 and 15 hereof;

(ii) the tenant may be warned that if he continues to disregard the rules of proper conduct, cf. section 81 hereof, the tenancy may be made conditional pursuant to paragraph (i) or the landlord may terminate the tenancy with or without notice pursuant to the provisions of Parts 14 and 15;

(2) The imposition of sanctions on a tenant due to non-compliance with the rules of proper conduct under subsection (1) above shall be subject to the non-compliance taking place in spite of a reminder from the landlord.

83(1) The landlord may bring matters pertaining to the imposition of sanctions under section 82 before the residents' complaints board in pursuance of Part 17 hereof, but see subsection (3) below. Where a demand has been made to the effect that the tenant shall be given a warning, the residents' complaints board cannot impose a more severe sanction on the tenant.

(2) A tenant may require the landlord to give a warning, cf. section 82(2), not later than four weeks from the said tenant's motivated request, to another tenant who has failed to comply with the rules of proper conduct, or to bring the matter against such other tenant before the residents' complaints board pursuant to section 82 hereof. The month of July shall not be included when the time limit is calculated.

(3) If the landlord fails to fulfil his obligation under subsection (2), the tenant complaining shall be entitled to bring the matter before the residents' complaints board. When bringing the matter the tenant shall prove that he has attempted in vain to make the landlord fulfil his obligation under subsection (2) above. The landlord shall be summoned to appear as party.

Part 14 *Termination*

84(1) The tenant shall be at liberty to terminate the tenancy agreement, but see section 87 hereof.

(2) The tenant shall not terminate the tenancy of the family's dwelling or of premises in connection with which both spouses or the other spouse carries on business, without the consent of his spouse. Section 68, second and third sentences, shall apply accordingly.

85(1) The landlord may terminate the tenancy agreement in the following cases:

(i) where the landlord shows that the demolition of the property or rebuilding of housing areas for use other than housing entails that the premises must be vacated.

(ii) where the landlord shows that any rebuilding of the property other than stated in para. (i) above entails that the premises must be vacated.

(iii) where, since the conclusion of the tenancy agreement, the tenant of a dwelling has been employed as a property manager or in any other capacity for which it is of essential importance that he is a resident of the property, and the landlord establishes that his work has not been satisfactory. The tenancy shall not be terminated except where the flat is to be re-let to his successor;

(iv) where the tenant has failed to comply with the rules of proper conduct, cf. section 81(1)(i)-(viii) or (xi), cf. section 82(2), and the non-compliance is such that the tenant must vacate the premises;

(v) where the tenant has failed to fulfil the conditions of a conditional tenancy, cf. 82(1)(i), and the non-fulfilment is such that the tenant must vacate the premises; and

(vi) where the landlord is particularly anxious to be released from the tenancy agreement on any other substantial grounds.

(2) The landlord shall terminate a tenancy agreement for a social dwelling for young persons where the tenant has completed his training or education or where the conditions on which the dwelling was let are no longer fulfilled. If warranted by special circumstances, termination due to completed training or education may be deferred for up to one year. Termination may also be deferred if it is unlikely that the premises can be re-let right away. Also, the landlord may terminate a tenancy agreement for a social dwelling for young persons where the tenant has failed to submit the required information about study activities within six weeks of the landlord's written request. The months of July and August shall not be included when the time limit is calculated. The Minister for Social Affairs is authorised to lay down rules for the terms and conditions for termination.

86(1) Where the landlord terminates the tenancy agreement pursuant to section 85(1)(i), the landlord shall forthwith offer the tenant to rent another dwelling in the municipality. This dwelling shall observe the requirements set out in subsection (5) below. The landlord and the municipal authority may agree that the municipal authority assumes the landlord's obligation stipulated in the first sentence above.

(2) Where the landlord terminates the tenancy agreement pursuant to section 85(1)(ii), (iii) or (vi), the landlord shall forthwith offer the tenant to rent another dwelling in the property if another dwelling becomes available within three months from the moving date to which the tenancy has been terminated and the dwelling will be re-let.

(3) Where the landlord terminates the tenancy agreement pursuant to section 85(1)(ii), the landlord shall, together with the notice of termination, offer the tenant a dwelling similar to the dwelling terminated if dwellings are made available during the rebuilding.

(4) Where the landlord terminates the tenancy agreement pursuant to section 85(1)(ii) because a property is to be converted into social dwellings for the elderly or social dwellings for young persons in pursuance of the Act on Social Housing, etc., subsections (2) and (3) above shall only apply if the tenant belongs to the group of persons entitled to such dwellings.

(5) Where a tenant, as mentioned in subsection (4) above, does not belong to the entitled group of persons, the landlord shall, together with the notice of termination, offer the tenant to rent another dwelling of a suitable size, location, quality and equipment. A dwelling shall be of a suitable size when it has one room more than the number of household members or has the same number of rooms as the dwelling formerly occupied by the household.

(6) Where a tenant of a care home, including an unsubsidised social care home, allocated by the municipal or county authority is given notice of termination under section 85(1), the landlord shall at the same time offer suitable alternative accommodation to the tenant.

(7) For mixed tenancies where the tenant carries on a business for which the continued location in the property is of essential importance and value to the business, section 87(1), third sentence, and sections 88-91 of the Rent Act shall apply accordingly.

87(1) The parties may agree that the tenancy agreement shall be for a fixed term. Fixed-term tenancies shall expire without further notice at the end of the fixed term. A fixed-term agreement shall not be terminated by notice during the fixed term except by agreement between the parties or in case of breach by the other party.

(2) Where the landlord knowingly accepts that the tenant remains in possession of the premises for more than one month after expiry of the term without requiring the tenant to vacate the premises, the tenancy will continue for an indefinite term.

(3) The housing tribunal may set aside any provision for a fixed term where such provision is not found to be warranted by the landlord's own situation.

88(1) The period of notice shall be three months to expire on the first working day of a month, not being a day preceding a public holiday. For social dwellings for young persons the parties may agree on a period of notice of not less than six weeks.

(2) Where the tenant vacates the premises before the end of the notice period, the landlord shall seek to re-let the premises. Any amount that the landlord recoups, or ought to have recouped, by such re-letting shall be deducted from his claim against the tenant.

89(1) The landlord's notice of termination under section 85 shall be in writing, specifying the tenant's right to object under subsection (2) hereof.

The landlord's notice of termination shall further specify the grounds for termination. If the notice does not state the said particulars, it shall be void.

(2) Where the tenant refuses to accept the notice of termination, he shall object to the landlord in writing within six weeks from the date of receipt of the notice. In that case, the landlord shall commence proceedings before the housing tribunal within six weeks from the expiry of the time limit applicable to the tenant if the landlord insists on the termination.

Part 15

The landlord's right of termination the tenancy agreement

90(1) The landlord may terminate the tenancy agreement without notice in the following cases:

(i) In case of default in the punctual payment of rent or other money liability, cf. subsection (2) hereof.

(ii) Where the premises are being used for other purposes than those agreed upon, and the tenant fails to discontinue such use despite the landlord's objection.

(iii) Where the tenant objects to allowing the landlord or any third party to enter upon the premises, in case they are entitled thereto under Part 7 hereof.

(iv) Where the tenant has vacated the premises prematurely without any agreement with the landlord.

(v) Where the tenant neglects the premises and fails to repair the premises without delay upon the landlord's notice requiring the tenant to do so.

(vi) Where the tenant transfers the use of the premises – in full or in part – to a third party where he is not entitled to do so and fails to terminate such transfer despite the landlord's objection.

(vii) Where the tenant has failed to comply with the rules of proper conduct, cf. section 81(1)(i)-(viii) or (xi), cf. section 82(2), and the non-compliance is such that the tenant must vacate the premises.

(viii) Where the tenant has failed to fulfil the conditions of a conditional tenancy, cf. section 82(1)(i), and the non-fulfilment is such that the tenant must vacate the premises.

(ix) Where a person has been punished in pursuance of section 4 of the Act on the Prohibition of Guests in Certain Premises for having received guests in or about the premises in contravention of a statutory injunction.

(x) Where the tenant of a shop or bar fails to comply with the duty to keep the business open and in proper operation, despite the landlord's objection.

(xi) Where a tenant paying rent – in full or in part - by way of work or services rendered, grossly neglects his duties in the performance of such work or services, and the employment is therefore terminated.

(xii) Where the tenant is otherwise in breach of his obligations in such a way as to require his removal.

(2) The landlord shall not terminate the tenancy agreement without notice on the grounds of late payment unless the tenant fails to pay the arrears within three days from a notice requiring such payment having reached the tenant. The landlord's notice shall be given after the last due date for payment and shall state explicitly that the tenancy may be terminated if the arrears are not paid within the time limit. Section 44(2) shall apply accordingly. The landlord may charge an amount of DKK 100 plus 2 per cent of any amount owing in excess of DKK 1,000. The amount of DKK 100 specified in the fourth sentence has been calculated on the basis of 1998 figures and shall be adjusted once a year according to the movements of the net retail price index published by Statistics Denmark over a 12-month period ending in June of the year before the financial year affected by the adjustment. The charge shall constitute a money liability as between the landlord and the tenant.

(3) A tenancy agreement pertaining to a care home, including an unsubsidised social care home, allocated by the municipal or county authority shall not be terminated under subsection (1) hereof except where suitable alternative accommodation is allocated to the tenant at the same time.

91(1) Where the matter for which the tenant is blamed is deemed to be immaterial, the landlord shall not be entitled to terminate the tenancy agreement without notice.

(2) The landlord cannot rely on any of the grounds set out in section 90(1)(i)-(vi) if the breach in question had been remedied before the landlord's termination.

92(1) On the landlord's termination of the tenancy agreement, the tenant shall vacate the premises immediately and pay rent etc. until the expiry of the usual period of notice, cf. section 88 hereof. Also, the tenant shall indemnify the landlord for any loss, including loss of rent and the cost of recovering possession of the premises.

(2) The landlord shall seek to re-let the premises. Any amount that the landlord recoups, or ought to have recouped, by re-letting the premises during the period specified in subsection (1) shall be deducted from his claim against the tenant.

Part 16

Vacation by the tenant

93(1) Where notice of termination has been given or where the premises must be vacated for any other reason, the tenant shall allow access to third

parties for the purpose of viewing the premises. The tenant will decide on the specific time for such viewings. The premises may only be viewed with the landlord or the landlord's agent where the tenant is not represented.

(2) Within eight days prior to vacation the tenant shall indicate the address to which notices, including claims under section 94, may be sent.

(3) Where the tenant is obliged to renovate the premises in full or in part upon vacation, the parties may agree that the tenant shall vacate the premises 14 days or less prior to termination unless the parties have entered into an agreement pursuant to section 14 or section 44(3) hereof.

94(1) On the tenant's vacation, the premises will be inspected, and the tenant's obligations under section 25(4) and section 26 will be established. The inspection will take place within two weeks from the time when the landlord learns that the tenant has vacated the premises. The landlord shall summon the outgoing tenant in writing to attend the inspection by giving a notice of one week or more. The landlord and the tenant may agree on a shorter notice if the tenancy has been terminated. Such inspection is not necessary where the landlord does not intend to bring claims against the tenant for payment of repairing costs upon vacation.

(2) Where the landlord fails to inform the tenant of the extent of the repair work, the estimated costs, and the tenant's share of such costs, the landlord's claims against the tenant shall be extinguished except where the tenant has vacated the premises without informing the landlord of his future address. Any over-expenditure increasing the tenant's share of the estimated costs by more than 10 per cent shall be of no concern to the tenant.

95 The Minister for Social Affairs may lay down specific rules in respect of the matters set out in sections 93 and 94 hereof.

Part 17

Residents' complaints board and housing tribunal

96(1) In municipalities with social housing one or several residents' complaints boards shall be set up to resolve disputes subject to the provisions of this Act. Municipal authorities may set up inter-authority residents' complaints boards together.

(2) In municipalities with more than one residents' complaints boards, the boards shall collaborate to set up uniform guidelines for the hearing of cases.

97(1) A residential complaints board shall consist of a chairman and two other members.

(2) The chairman shall be appointed by the county governor, in Copenhagen by the Prefect, upon the recommendation of the municipal council. The chairman must hold an MA degree in law. The chairman shall have no particular connection to any homeowners' association, housing organisation

or tenants' association, nor have any commercial interest in property transactions.

(3) The two members specified in subsection (1) shall be appointed by the municipal council upon the recommendation of the major tenants' associations in the municipality and of the social housing organisations having housing divisions in the area. The two members shall be experts in matters pertaining to social housing.

(4) In the absence of any large tenants' associations in the municipality, or if – within a time limit set by the municipal council - such associations fail to make a recommendation for the appointment of a member of the complaints board as described in subsection (3) above, the municipal council shall appoint an expert member who must be a tenant but not also a landlord. If only one social housing organisation has divisions in the municipality, a member shall be appointed upon the recommendation of national social housing organisations instead of the member to be appointed upon the recommendation of the said social housing organisation.

(5) In connection with disputes pursuant to Part 13 the complaints board will be assisted by an expert in social matters. The municipal council shall appoint the expert in social matters. The expert in social matters shall have no right to vote on board matters, cf. section 105(3) hereof.

(6) Alternates shall be appointed for all members and for the expert in social matters in pursuance of the provisions set out in subsections (2)-(5).

(7) The chairman, the members and the alternates shall be appointed for terms of four years or less. A member who has attained the age of 67 may choose to resign from the residents' complaints board.

98(1) The chairman, the members and the alternates shall comply with the provisions of section 109(2) of the Rent Act, except for the condition in respect of Danish nationality.

(2) The provisions of section 109(3) of the Rent Act shall apply accordingly.

(3) Members or alternates shall attend complaints board meetings after having been properly convened. Failure to attend a meeting without valid excuse shall be punishable by a fine.

(4) Section 60(1) and section 61 of the Administration of Justice Act shall apply accordingly.

99 The municipal council shall make the necessary offices available to the complaints board and provide the necessary assistance. The municipal authority shall pay all costs incurred in connection with the activities of the complaints board, including office costs etc., and any outlays by the chairman and the members relating to the discharge of their duties. The municipal council may remunerate the chairman, the other members of the

complaints board, the expert in social matters, their alternates as well as mediators pursuant to section 105(1) for their work.

100 The residents' complaints board shall make decisions in the cases set out in Parts 1-16 hereof.

101(1) In addition to the cases set out in section 100 the residents' complaints board shall resolve the following questions:

(i) Disputes concerning the legality of decisions made by democratic bodies of tenants, cf. Parts 1 and 2 of the Act on Social Housing, etc. The residents' complaints board may decide that such decision is invalid if the matter against which an objection is made is of material significance to the decision made. The board cannot decide that a decision is invalid if the time limit specified in subsection (2) has not been observed.

(ii) Disputes concerning the allocation of a social family dwelling, cf. section 51(1), first sentence, of the Act on Social Housing, etc., except where such allocation is covered by the municipal approval scheme under section 61 of the said act.

(2) The disputes listed in subsection (1) hereof may be brought before the residents' complaints board by any person having a legal interest in the matter. The complaints board may grant a stay of execution pending the outcome of the case before the residents' complaints board. The disputes listed in subsection (1)(i) shall be brought before the complaints board within four weeks from such decision being made.

(3) The residents' complaints board shall keep the municipal authority informed of the decisions made by the board in respect of the disputes listed in subsection (1) above.

102(1) Cases brought before the residents' complaints board shall be presented in writing, accompanied by the necessary documentation. Each case brought before the complaints board shall be subject to payment of DKK 100. The amount has been calculated on the basis of 1998 figures and shall be adjusted once a year according to the movements of the net retail price index published by Statistics Denmark over a 12-month period ending in June of the year before the financial year affected by the adjustment. The amount shall be rounded to the nearest whole amount.

(2) The complaints board shall – not later than one week from the date on which the case was brought before the complaints board – notify the other party and indicate that the said party must present its views within two weeks. The complaints board may extend the time limit if warranted by special circumstances.

103(1) The residents' complaints board may make a decision to dismiss any complaint not deemed fit for review by it.

(2) The complaints board shall be at liberty to determine the need for further examinations to be carried out by the board as part of the hearing of a particular case. The board shall be entitled to ask for the necessary particulars from the parties to the case as well as from all public authorities and private persons.

(3) In cases pursuant to Part 13 the complaints board shall at all times – prior to imposing a sanction pursuant to section 82(1) hereof - examine the possibility of the tenant accepting offers by the municipal authority if the board believes that the case is of a social nature.

(4) The complaints board shall set a time limit, normally not exceeding two weeks, in respect of the replies to the questions asked by the board to the parties of the case or others. The complaints board may extend the time limit if warranted by special circumstances.

104(1) The complaints board may inspect the premises. The parties to the case shall be convened for such inspection by not less than one week's notice.

(2) The complaints board may summon the parties to the case and third parties to appear before the board. Both parties shall be summoned. The parties may appear by proxy. In cases subject to Part 13 hereof, the complaints board may summon other persons to appear and make statements.

(3) The chairman of the complaints board shall arrange for the preparation of cases prior to complaints board meetings.

(4) The parties to the case shall receive all information considered by the complaints board to be of importance to the case.

(5) The complaints board shall give the parties the necessary instructions in respect of disputes under Part 13. Upon request, the secretariat shall to the extent necessary assist the parties during the case in connection with the submission of written statements.

105(1) The residents' complaints board shall make its decision within four weeks from the time when the board received a reply pursuant to section 102(2) or section 103(4); from the time when the time limit pursuant to the said provisions expired; or from the time when the parties appeared before the complaints board, cf. section 104(2). In cases subject to Part 13 hereof, the board may propose mediation.

(2) In cases where the time limit for replies pursuant to the said provisions has expired without a reply being made, the complaints board may interpret the silence in the way that is most favourable to the other party and base its decision mainly on the other party's presentation.

(3) The decisions of the residents' complaints board shall be made by a simple majority.

In the event of equality of votes, the chairman shall have the casting vote. In the event of an equal division of votes, the chairman shall have the casting vote. The complaints board shall form a quorum when all members are present.

(4) The decisions made by the complaints board shall be entered into the records of the complaints board. Where a decision is not unanimous, information about the casting of votes shall also be entered into the records.

(5) The claimant and the other parties shall be notified of the complaints board's decision. A decision made by the complaints board under section 82(1) shall be served if such decision has been made without the party having replied or appeared before the board. Decisions must be reasoned. The parties shall be informed of the right to bring matters before the housing tribunal pursuant to sections 106 and 107 below. Where a decision is not unanimous, this fact must appear from the decision and the reason therefor. Decisions in respect of conditional tenancies, cf. section 82(1)(i), shall state the said conditions and the time at which such conditions expire.

106(1) Each party shall be entitled to bring the decisions of the residents' complaints board before the housing tribunal. Decisions shall be brought before the housing tribunal within four weeks from the date on which the parties were informed of the decision by the complaints board. The month of July shall not be included when the time limit is calculated. In exceptional cases, the housing tribunal may permit a case to be brought before the housing tribunal after the expiry of the time limit when an application to that effect is made within one year after the residents' complaints board makes its decision. Where such permission is granted, the case must be brought within four weeks.

(2) If directed by the housing tribunal, the residents' complaints board shall explain its decision during the housing tribunal proceedings.

(3) In connection with cases concerning termination of the tenancy due to non-fulfilment of conditions in instances where the tenancy has been made conditional under subsection 82(1)(i), or where the residents' complaints board has issued a warning pursuant to section 82(1)(ii), the housing tribunal may carry out a full review of the decision made by the residents' complaints board, unless the case has previously been decided by the housing tribunal.

(4) Where the residents' complaints board has not made a decision prior to the expiry of the time limit set out in section 105(1), the claimant shall be entitled to bring the case before the housing tribunal without awaiting the board's decision. Subsection (2) shall apply accordingly.

107(1) Controversial questions concerning housing matters covered by this Act may, if the matter cannot be brought before the residents' complaints board, be brought before the district court as the first instance. The court shall be designated the housing tribunal.

(2) The provisions of Part XVIII of the Rent Act shall apply to the housing tribunal.

108(1) Appeals against decisions of the housing tribunal lie to the High Court in pursuance of the provisions of the Administration of Justice Act in respect of appeals against decisions made by a district court.

(2) The decisions of the housing tribunal and settlements made with the assistance of the housing tribunal may be enforced pursuant to the judgment and settlement provisions of the Administration of Justice Act.

Part 18

Transitional provisions, commencement, etc.

109 This Act shall come into force on 1 July 1998.

110(1) The mandatory provisions of this Act shall not apply to the following tenancies in so far as an agreement to the contrary has been made or is deemed to be part of the tenancy agreement:

(i) Tenancy agreements for social dwellings entered into prior to the commencement of the Act.

(ii) Tenancy agreements for dwellings whose owners after the conclusion of the tenancy agreement have been converted into a social housing organisation, cf. section 1(iv) of the Act on Social Housing, etc.

(iii) Tenancy agreements for dwellings that, after the conclusion of the tenancy agreement, have been acquired by a social housing organisation, a municipal authority, a county authority or by an independent institution, cf. section 1(1) hereof.

(2) The provisions of section 25(2), section 60(2)-(4) and section 63 shall apply notwithstanding any agreement to the contrary in respect of tenancies covered by subsection (1)(i) hereof. The same shall apply to the landlord's duty to maintain and replace windowpanes under section 24(1) hereof.

(3) The provisions of section 60(2)-(4) and section 63 shall apply notwithstanding any agreement to the contrary in respect of tenancies covered by subsection (1)(ii) and (iii) hereof.

111 Tenants entitled to reimbursement under section 69(2) of the Act on Social Dwellings etc., cf. Consolidation Act No. 514 of 19 June 1997, shall retain such right.

112 As to current tenancies, tenants whose housing agreement or tenancy agreement was entered into prior to 1 April 1975 shall retain the right to indexation of their lease premium pursuant to the provisions laid down in Part VII of the Executive Order No. 357 of 30 July 1970, as amended by Executive Order No. 437 of 17 September 1971. Where the premises are

vacated after 1 April 1975 such indexation shall be calculated on the basis of the net retail price index for January 1975.

113(1) As to current tenancies for dwellings subsidised by the government, section 17 of Consolidation Act No. 483 of 16 August 1973 on Housing Construction shall apply. Where changes to the household income, cf. the Act on Individual Housing Benefits, give rise to a change of rent, such change shall take effect as from the next 1 January following the change of income.

(2) Where dwellings of the divisions of social housing organisations are re-let, and the construction of such dwellings have been subsidised by the government in pursuance of the former acts on housing construction, the tenant shall pay the lease premium and the rent that would have applied if such subsidies had not been granted. The tenant's payment of lease premium to the division shall be transferred to the municipal authority, whereas the tenant's payment of the part of the rent by which the rent has been reduced due to the subsidy shall be transferred to the National Building Fund.

114 This Act shall not extend to the Faeroe Islands and Greenland.