Consolidation Act on Temporary Regulation of Housing Conditions 2 May 2006

An Act to consolidate the Act on Temporary Regulation of Housing Conditions, cf. Consolidation Act No. 922 of 10 September 2004 as amended by section 2 of Act No. 371 of 24 May 2005, section 54 of Act No. 430 of 6 June 2005, section 60 of Act No. 431 of 6 June 2005 and section 3 of Act No. 1421 of 21 December 2005. Act No. 542 of 24 June 2005 (section 37) and Act No. 575 of 24 June 2005 (section 5) have not been incorporated into this Consolidation Act, since the 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 I

Scope of the Act

1 (1) The provisions of Parts II-V of this Act governing rent adjustment etc. shall apply to municipalities where the existing provisions on rent adjustment applied at the end of 1979, and where the registered population at 1 April 1979 exceeded 20,000 inhabitants. The municipal council may determine that the said provisions shall not apply to the municipality.

(2) In municipalities where the provisions do not apply, the municipal council may decide that, in view of the housing conditions, the provisions shall apply.

2 (1) The provisions of Part VII of the Act governing the use of dwellings shall apply to municipalities in which the provisions of Parts II-V apply. Provided always that sections 52a - c shall only apply where the municipal council has specifically decided that they shall apply. The municipal council shall state the effective date of any such decision. In addition, the provisions of sections 52a - c shall only apply where a landlord has given the municipal council written notice that the said provisions shall apply to the landlord's properties. The municipal council shall cause such notice from the landlord to be entered on the register in respect of the property. The landlord may give the municipal council 6 months' prior notice that the provisions shall no longer apply to the landlord's properties.

(2) In municipalities where the provisions of Parts II-V do not apply, the municipal council may decide that, in view of local housing conditions, the provisions of Part VII shall apply, in whole or in part. Provided always that

sections 52a - c shall only be applied together. The municipal council shall stipulate the effective date of such decision. The landlord's notice provided for under section 2(1), fourth and sixth sentences, shall only be given in respect of sections 52a - c together. Any such decision shall be made in respect of periods not exceeding 4 years at a time.

(3) Where the provisions of Parts II-V no longer apply to a municipality, the provisions of Part VII shall cease to apply after 1 year, unless the municipal council has made a decision under subsection (2) hereof.

3 All decisions made by the municipal council under sections 1 and 2 shall be advertised in the Danish Official Gazette (Statstidende) and in any other manner commonly used in the given municipality. Unless otherwise specifically stated, it shall become effective as from the date of the issue of the Gazette in which it is advertised.

Part II

Rent adjustment for flats

4 (1) The provisions of Parts II-IV shall apply to tenancies covered by the Rent Act, where the premises are used for residential purposes, in full or in part, but see subsections (2)-(5) hereof.

(2) The provisions of Parts II-VI, VIII and VIII A shall not apply to tenancies in properties owned at the time of commencement by

(i) a social housing organisation, cf. section 1 of the Act on Social Housing and Subsidised Private Housing Co-operatives, etc.;

(ii) an independent institution where the dwellings were built under the former Act on Housing for Elderly and Disabled Persons, cf. Consolidation Act No. 316 of 24 April 1996, the former Housing Act, cf. Consolidation Act No. 722 of 1 August 1996 or the Act on Social Housing and Subsidised Co-operative Housing, etc.; or

(iii) a county or municipal authority, in the case of social dwellings for the elderly.

(3) The provisions of Parts II-IV A shall not apply to tenancies in properties of which more than 80% of the gross floor area was used for non-residential purposes on 1 January 1980.

(4) The provisions of Parts II-IV, except for sections 21 and 22, shall not apply to tenancies concerning separate rooms for residential purposes, where such rooms form part of the landlord's flat or of a single- and dual-occupancy house in which the landlord resides.

(5) The provisions of Parts II-IV, except for sections 4a, 15(3), 17, 21, 22(1), first sentence, and (3), and 27b shall not apply to tenancies in properties comprising 6 or less flats on 1 January 1995. Sections 23, 24, 25 and 26 shall apply to the properties mentioned in the first sentence hereof, provided that the property in question comprises 4 or more flats at the time notice of a rent increase is given. The provision of the second sentence hereof shall not apply to agricultural or forestry properties situated in a rural zone.

(6) The provisions of Parts II-VI shall not apply to unsubsidised private care homes, cf. section 1(5) of the Rent Act.

4a (1) For the purposes of this Act, several owner-occupied flats under the same owners' association, and owned by the same landlord, shall be deemed to constitute one property.

(2) Where several properties belonging to the same owner are constructed consecutively as one building complex, and where the properties have common recreational areas or joint operations of any kind, such properties shall likewise be deemed to constitute one property for the purposes of this Act. The same shall apply where several properties are subject to joint valuation or joint registration.

5 (1) At the time of the tenancy agreement, the rent shall be fixed at an amount not exceeding the amount required to cover the necessary operating costs for the property, cf. section 8, below, and the return on the property value, cf. section 9, below. For tenancies which have been improved, an estimated increase for improvements may be added to the rent provided for under the first sentence hereof, but see subsection (2) hereof.

(2) For premises which have been thoroughly improved, the rent shall not, at the time of the tenancy agreement, be fixed at an amount substantially higher than the value of the premises under section 47(2) of the Rent Act, but see subsection (3) and section 73(3) of the Rent Act. Thoroughly improved premises shall mean premises the value of which has been substantially increased due to improvements subject to the principles provided for by section 58 of the Rent Act, and where improvement costs either exceed DKK 1,600 per square metre or an aggregate amount of DKK 183,000. The improvements must be completed within a 2-year period and must not fall within the Act on Redevelopment, the Act on

Urban Renewal and Housing Improvement, the Act on Urban Renewal and Urban Development, the Act on Urban Renewal or the Act on Private Urban Renewal. The amounts stipulated in the second sentence hereof are calculated in year 2000 figures and shall be adjusted once a year according to the movement of the net retail price index calculated by Statistics Denmark over a 12-month period ending in June the year before the financial year to which the adjustment relates. The amounts shall be rounded to the nearest full amounts. In case of re-letting the current amounts at the time of the improvements shall apply.

(3) Where the landlord intends to enter into a tenancy agreement under subsection (2) hereof, and where this is the first time the premises are let under subsection (2) hereof, the landlord shall - following termination of the tenancy, with or without notice, and before a new tenancy agreement is entered into - notify the residents' representatives or the tenants accordingly, outlining the contents of this provision. Otherwise, the term governing the determination of rent under subsection (2) hereof shall be void. The residents' representatives or the tenant may then bring proceedings alleging defective maintenance before the rent assessment committee, cf. section 22(1), within 14 days from the date of notification. The residents' representatives or the tenant shall specify the maintenance defects alleged, which shall be restricted to defects outside the individual premises. Where a rent assessment committee issues a notice requiring remedy of maintenance defects, cf. section 22(3), below, no tenancy agreement under subsection (2) hereof shall be entered into until all defects ascertained have been remedied.

(4) In case of disputes concerning the determination of rent under subsection (2) hereof, the landlord shall produce evidence of the cost of improvement and of improvements having been completed within a 2-year period. Where such evidence cannot be produced, subsection (2) hereof shall only be applied where there is a presumption that it has been established that adequate improvements have been carried out within a period of 2 years. Where proceedings are brought before the housing tribunal, the landlord shall show that the agreed rent does not exceed the value of the premises to any material extent.

(5) The landlord shall maintain the thorough improvement of the premises. In case of any dispute, the tenant may bring the matter before the rent assessment committee, after a minimum period of 5 years from having most recently brought such a matter before the housing tribunal. Where the landlord is found not to have discharged its duties to maintain the thorough improvement, the rent shall be assessed in pursuance of subsection (1) hereof in future.

(6) For the purpose of the comparison, cf. section 47(2) of the Rent Act, tenancies covered by section 15a of this Act, section 62b of the Rent Act and the Act on Private Urban Renewal and Part 5 of the Act on Urban Renewal shall

be ignored. Also tenancies in properties subject to any decision under the Act on Urban Renewal and Housing Improvement, in respect of which a binding commitment was granted under section 67(2) of the same Act after the end of 1994 shall be ignored, unless the premises are located in a property subject to a decision under the Act on Urban Renewal and Housing Improvement whereby the Minister for Housing and Urban Affairs has permitted the continued application after the end of 1994, of the provisions governing rent determination set out in Part VII of the Act on Urban Renewal and Housing Improvement, cf. Consolidation Act No. 658 of 11 August 1993. Also tenancies in properties subject to a decision under the Act on Urban Renewal shall be ignored.

(7) In assessing the rent and the value of the premises, the following factors shall be ignored:

(i) any rent increase for the purpose of deposits under section 18b, below, and any improvement carried out for amounts deposited thereunder;

(ii) any rent increase under section 27(2), below, and under section 62b of the Rent Act and any improvement under sections 46a(3) and 62b of the Rent Act;

(iii) any rent increase and any improvement under section 53 of the Act on Redevelopment and under section 60 of the Act on Urban Renewal and Housing Improvement, cf. Consolidation Act No. 658 of 11 August 1993;

(iv) any rent increase and improvement under section 60(3)-(6) of the Act on Urban Renewal and Housing Improvement;

(v) any rent increase and any improvement under the Act on Urban Renewal;

(vi) any rent increase without the deduction of subsidies, and any improvement with the required accompanying works under the Act on Urban Renewal

Provided always that paragraph (iii) shall not apply to the first determination of rent for any improvements subsidised under the Act on Redevelopment or the Act on Urban Renewal and Housing Improvement.

(8) When the tenancy agreement is entered into, no rent or terms of the tenancy may be agreed which are, on an overall assessment, more onerous to the tenant than the terms applying to other tenants of the property.

(9) Provided always that the provision of subsection (8), above, shall not preclude agreement on the amount of rent in pursuance of subsections (1)-(7)

hereof, where premises are re-let which have been improved without a rent increase corresponding to the improvement being effected.

6 (1) At the time of the tenancy agreement, the landlord may demand payment of an amount of deposit not exceeding 3 months' rent. The amount shall be held as security for the tenant's liabilities upon vacation. At the time of the tenancy agreement, the landlord may further demand advance payment of rent for a period not exceeding 3 months. For this purpose, advance payment of rent shall refer to the amount held by the landlord immediately prior to the agreed payment dates.

(2) The rent assessment committee may authorise the derogation from subsection (1) hereof subject to the provision of adequate security for any repayment claims raised by the tenant, cf. section 7(1), second sentence, of the Rent Act.

7 (1) If the rent does not cover the necessary operating costs for the property, cf. section 8, below, and the return on the property value, cf. section 9, below, the landlord may demand a rent increase to cover any deficiency.

(2) Such rent increase shall not be demanded where the rent would exceed the value of the premises under section 47(2) of the Rent Act following the increase. Section 5(7), above, shall apply, correspondingly, to the assessment of the rent and the value of the premises. The first sentence shall not apply to properties financed by index-linked loans under section 2(1)(ix) of the Act on Index-linked Mortgage Loans, and properties first occupied after 1 January 1989, constructed and let by landlords covered by the Act on a Real Interest Tax, where the return is calculated under section 9(4), below.

(3) Unless otherwise agreed between the parties, any rent increase under subsection (1) hereof shall be effective from the first day of the month following 3 months after the date of the demand.

(4) If a demand for a rent increase pursuant to subsection (1) hereof or section 50 of the Rent Act, where the return is calculated pursuant to section 9(2), results in an increase which - together with the past 3 years' rent increases, cf. subsections (1)-(3) above, - will exceed DKK 75 per square metre of gross floor area, the landlord shall inform the tenant, at the latest when giving notice of the increase, that the tenant may demand to be offered suitable alternative accommodation. Section 26(2)-(4) shall apply, correspondingly. The amount stipulated in the first sentence hereof is calculated in year 2004 figures and shall be adjusted once a year according to the movement of the net retail price index calculated by Statistics Denmark

over a 12-month period ending in June the year before the financial year to which the adjustment relates. The amount shall be rounded to the nearest full amount.

(5) Where the landlord fails, in whole or in part, to provide the information mentioned in section 4(5) of the Rent Act in connection with concluding a tenancy agreement, the rent applicable may only be escalated on the basis of increases in the property's operating expenses incurred since the conclusion of the tenancy agreement. Where a rent increase has been charged that exceeds the amount allowed pursuant to the first sentence hereof, the tenant may demand repayment of the excess amount paid. Section 17 shall apply, correspondingly.

8 (1) Necessary operating costs shall include taxes, duties, cleaning, administration and insurance to any reasonable extent, taking into account the character of the property and the premises. Necessary operating costs shall further include any amounts deposited for maintenance etc. under section 22 of the Rent Act and sections 18 and 18b of this Act.

(2) Expenses for project material and consultancy services as provided for by section 51(3) and (4) of the Rent Act shall not be included in the budget.

(3) Residents' representatives may invite tenders for cleaning, insurance and preparation of heating and water accounts, such tenders to be presented to the landlord. Where the landlord refuses to accept a tender presented in pursuance of the first sentence hereof, the residents' representatives may bring the matter before the rent assessment committee, which may in turn order the landlord to accept one of the tenders submitted to the representatives if the committee finds that the tender is more advantageous than the one accepted by the landlord, in terms of both price and quality.

(4) Subsection (3) hereof shall not apply to properties converted into owner-occupied flats.

(5) In listed properties in respect of which a special building preservation notice has been registered in pursuance of the building preservation legislation, an amount corresponding to the amount of property tax that could have been levied at any time, may be included as an operating cost, whether or not the property is exempt from property taxation.

9 (1) An amount not exceeding 7% of the property value assessed at 1 April 1973 by the 15th public land assessment shall be provided for in the budget for the purpose of the return on the property value.

(2) Instead of calculating the return subject to the provision of subsection (1) hereof, the landlord of a property first occupied after 1963 may calculate an amount not exceeding reasonable instalments on ordinary long-term mortgage loans raised to finance the construction of the property, with the addition of interest at a suitable rate on the balance of the reasonable purchase sum less tenants' premium payments. For this purpose, suitable rates of interest will be as follows:

Year of occupation %

1964 8

1965-69 10

1970-73 12

after 1973 14

(3) Instead of calculating the return in pursuance of subsections (1) and (2) hereof, the landlord of a property financed by index-linked loans under section 2(1)(ix) of the Act on Index-linked Mortgage Loans may calculate the interest paid by the landlord on index-linked loans raised to finance the construction of the property plus 4% of the index-linked principal amount. The landlord may in addition calculate interest at 4% of the outstanding purchase sum less tenants' premium payments. The amount calculated under the second sentence hereof shall be adjusted by the same percentage rate as the principal amount of the index-linked loan.

(4) For properties first occupied after 1 January 1989, constructed and let by landlords covered by the Act on a Real Interest Tax, the same amount of return may be calculated as under subsection (3) hereof for a corresponding property financed by the largest possible index-linked loans under section 2(1)(ix) of the Act on Index-linked Mortgage Loans.

(5) Where rent increases for improvements have been implemented during the period from 1 January 1964 to 1 April 1973, the return may be calculated by up to 7% of the property value at the latest public land assessment prior to such improvements, with the addition of the return on a reasonable amount of improvement costs as calculated under the provisions of subsection (2) hereof, so that the rate of interest shall depend on the date of occupation of the improvement.

(6) If the property has been converted into owner-occupied flats after the 15th public land assessment, the return shall be calculated on the basis of a proportion of the property value at the 15th public land assessment.

(7) As from 1995, the landlord may add an amount corresponding to 1/3 of the amount which was transferred or could have been transferred to reserved per square metre of gross floor area of the property, for replacement of technical installations, cf. section 8, above, at the end of 1994. The amount shall be adjusted once a year by 2% plus an adjustment percentage for the current financial year, cf. the Act on an Adjustment Percentage Rate. As from 1998 the amount set out in the first sentence hereof shall be adjusted according to the movement of the net retail price index calculated by Statistics Denmark over a 12-month period ending in June the year before the financial year to which the adjustment relates. The amount shall be rounded to the nearest full amount.

10 (1) The rent increase shall be apportioned on the individual flats according to their respective values. If the flats have the same utility value, the rent increase shall be charged first on the flats with the lowest rent. Provided always that the amounts deposited for maintenance under sections 18 and 18b of this Act and under section 22 of the Rent Act, shall be apportioned according to the gross floor area of the flats. For properties with flats for which different amounts per square metre of gross floor area are deposited, the apportionment shall be effected according to the specific amounts deposited per square metre.

(2) In assessing the utility value of the flats any improvements paid for by the tenant shall be ignored.

(3) Where the rent of a flat is increased on the basis of an improvement or increased utility value not corresponding to any costs recorded in the budget, and where such increase has been effected after the public land assessment on the basis of which the rate of return is calculated, such rent increase shall be ignored for budget purposes and in the assessment of the utility value of the individual flats.

11 (1) For any part of a dwelling used by the landlord or let without being subject to the provisions of this Part of the Act, and for separate rooms as referred to in subsection (3) hereof, a rental value corresponding to the proportion of the necessary operating costs and return of the property attributable to the specific part(s) or room(s) shall be recorded in the budget. The distribution shall be effected according to gross floor area.

(2) For properties in respect of which different amounts per square metre of gross floor area are deposited for the maintenance of flats under sections 18 and 18b of this Act and section 22 of the Rent Act, the deposits shall be distributed according to the actual deposits for such flats per square metre of gross floor area.

(3) For separate rooms for residential purposes covered by this Part, cf. section 4(4), above, the rent shall be determined according to the gross floor area as a proportion of the rental value recorded in the budget for the tenancies specified in subsection (1), first sentence, hereof.

12 (1) In properties without residents' representation, any demand for a rent increase under section 7, above, shall be submitted to all affected tenants at the same time. The demand shall be by written notice. It must contain information stating the amount and calculation of the increase. In addition, it must be accompanied by an itemised statement of the property maintenance account, cf. section 20, below, for the period between the date of the most recent statement and a date within 3 months prior to the date of the notice, and by the most recent statement from the Houseowners' Investment Fund (Grundejernes Investeringsfond) of the balance on the account under section 18b, below. The demand shall give details of the tenant's right of objection, cf. subsection (2) hereof. Where the demand fails to state the said information, it shall be void.

(2) In case of written objections to the rent increase from 1/4 or more of the affected tenants, within 6 weeks from receipt of the demand for a rent increase, the landlord shall bring the matter before the rent assessment committee within a further 6 weeks if he intends to insist on the rent increase demanded.

13 (1) In properties with residents' representation, any demand for a rent increase under section 7, above, shall be submitted to all affected tenants at the same time. The demand shall be by written notice. It must contain information stating the amount and calculation of the increase. In addition, the demand must specify that the budget giving rise to the rent increase has been presented to the residents' representatives, and any comments on their part. Where the demand fails to state the said information, it shall be void.

(2) Before giving notice of a rent increase, the landlord shall submit to the residents' representatives the rent budget and statement of the costs included in the cost-determined rent for the property, and statements of all maintenance accounts for the property. Residents' representatives may demand copies of vouchers and any documentation. Likewise, the landlord shall summon the residents' representatives to a budget meeting for the provision of information on and a discussion of the budget.

(3) On or before the date on which the tenants are given notice of the rent increase, a copy of the notice with an account of budgeting procedures, containing any necessary specification of budget items, shall be submitted to

the residents' representatives. In addition, the residents' representatives must be given an itemised statement of the maintenance accounts for the property, cf. section 20, below, for the period between the date of the latest statement and a date within 3 months prior to the date of the notice, and the latest statement from the Houseowners' Investment Fund of the balance on the account under section 18b, below. Within 3 weeks from receipt of the particulars from the landlord as set out in the first and second sentences hereof, the residents' representatives may submit a written demand for an account in writing of specified supplementary particulars with such documentation as has been requested by the residents' representatives concerning the budget and the statement of the maintenance accounts. The residents' representatives shall further be given details of their rights of objection, cf. subsection (4) hereof. In the absence of such information, any rent increase demanded shall be void.

(4) Where the residents' representatives give notice in writing within 6 weeks of receipt of the landlord's notice or further particulars under subsection (3) hereof, that they cannot accept the rent increase, the landlord shall within a further 6 weeks bring the matter before the rent assessment committee if he insists on the rent increase demanded.

(5) Unless the landlord receives information from the residents' representatives as specified in subsection (4) hereof, or if the residents' representatives accept the rent increase, the landlord may charge the proposed rent increase subject to notification to the tenants, stating that the individual tenant may bring the matter of whether the rent increase is reasonable before the rent assessment committee in pursuance of section 15, below.

(6) Notification under subsection (5) hereof may be given with the notice provided for by subsection (1) hereof, subject to being given after the receipt of replies from the residents' representatives or after the expiry of the time for stipulated for replying.

13a Notwithstanding the provisions of sections 12 and 13, above, the demand for a rent increase based exclusively on deposits under sections 18 and 18b of this Act and section 22 of the Rent Act, may be implemented by the landlord giving the tenants notice thereof in writing.

13b The Minister for Social Affairs is authorised to lay down rules providing for authorised standard forms for of advance notice of rent increases under sections 12 and 13, above, subject to consultation with national organisations of houseowners' associations and tenants' associations respectively.

14 (1) Where a demand for a rent increase under section 12(2) or section 13(4) is brought before the rent assessment committee, the committee may set aside such demand in full or in part where conditions are not satisfied.

(2) Provided always that where it is established that the demand for a rent increase is void on formal grounds of minor importance, cf. sections 12(1) and 13(1) and (3), the committee may stipulate a time within which the landlord must remedy any such formal defects, rather than setting the demand aside on the said grounds. If the defects are remedied within the stipulated time, the demand for a rent increase will remain valid and effective.

(3) Pending the committee's decision, the landlord may charge the rent increase as a provisional rent increase, subject to a maximum of DKK 15 per square metre of gross floor area. The rent shall be adjusted in compliance with the committee's decision. Adjustments of deposits and advance payment of rent shall not be required until the committee's decision as to the rent increase is available.

15 (1) Unless a decision under section 14(1), above, has been made, the rent assessment committee shall, at the tenant's request, decide whether the landlord has demanded a higher rent or specified other terms than permitted under the provisions of this Part of the Act.

(2) Section 14(2), above, shall apply, correspondingly.

(3) In properties with residents' representation the rent assessment committee shall, at the request of the residents' representatives on behalf of all tenants, settle any dispute as to on account contributions for heating etc. under Part VII of the Rent Act, any dispute as to on account contributions for water under Part VII B of the Rent Act, any dispute as to the tenant's right to object to the installation of water meters under section 46j(5) of the Rent Act, any dispute as to the tenant's rights under section 29(3) of the Rent Act, any dispute as to whether an agreement under section 66a of the Rent Act is manifestly unfair and any dispute as to rent increases of which notice has been given under section 13a, above.

15a(1) The provisions of sections 5-14, above, may be derogated from by residential tenancy agreements in properties first occupied after 31 December 1991.

(2) Likewise, sections 5-14 may be derogated from where the tenancy relates to a flat lawfully used exclusively for business purposes on 31 December 1991, cf. the provisions of Part VII of this Act. The same shall apply where the premises were being lawfully used or had been lawfully arranged exclusive for

business purposes immediately prior to that date. Provided always that the provision of section 11(1) shall apply to such tenancies, correspondingly. The tenancy agreement shall state that the tenancy is covered by this provision.

(3) Further, sections 5-14 may be derogated from in case of dwellings let for all-year accommodation where the tenancy relates to a newly established flat or a newly established separate room in an attic storey that was not used for or registered as accommodation at 1 September 2002. The same shall apply to flats and rooms in new storeys added to existing buildings for which a building permit was granted after 1 July 2004. Provided always that the provision of section 11(1) shall apply to such tenancies, correspondingly. The tenancy agreement shall state that the tenancy is covered by this provision. In connection with establishing accommodation in an attic storey, the landlord may dispose of attic storage space subject to giving the tenant 6 weeks' prior notice, provided that other space that can be used for the agreed purpose is allocated to the tenant.

(4) A rent increase may be demanded in respect of the tenancies covered by subsections (1)-(3) hereof, according to agreement providing for adjustment of the rent by specified amounts on specified dates or according to a net price index, and may be implemented by the landlord giving written notice thereof to the tenant.

(5) At the tenant's request, the rent assessment committee may decide whether an agreement made in pursuance of subsections (1), (2) or (3) hereof is fair, cf. section 36 of the Act on Contracts and other Legal Transactions within the Areas of the Law of Property and Obligations.

16 (1) Any person charging a tenant a higher rent than provided for by the provisions of this Part of the Act shall be liable to punishment by fine or imprisonment for up to four months. Any landlord negotiating rent and terms of a tenancy which are more onerous to the tenant than provided for by the provisions of sections 5-6, above, shall likewise be liable to such punishment.

(2) Companies etc. (legal persons) may incur criminal liability under the provisions of Part 5 of the Criminal Code.

17 (1) Where a landlord has charged a higher rent, deposit, premium, etc., than provided for, the tenant may claim reimbursement of any such amount overcharged; also, the tenant may claim a reduction of the rent with prospective effect. In case of termination of the tenancy, any claim by the tenant must be lodged with the rent assessment committee within 1 year from the date of vacation.

(2) Notwithstanding subsection (1) hereof, the tenant is not entitled to claim reimbursement of any amount of rent overcharged, alleging that the rent exceeds the value of the premises, unless a claim for rent reduction has been lodged with the rent assessment committee within 1 year from the date on which the rent or the increased rent is first payable.

(3) Any claim for reimbursement shall carry interest from the date of payment at an annual rate corresponding to the rate fixed under section 5(1) and (2) of the Act on Interest on Overdue Payments, etc. On special grounds, a higher or lower rate of interest may be stipulated.

Part III

Maintenance and repairs

18 (1) For the purpose of complying with his obligation of maintaining the property, the landlord shall deposit DKK 37.00 per square metre of gross floor area annually on an account for the external maintenance of the property. In properties first occupied before 1964, the landlord shall deposit DKK 44.00 per square metre annually on such account. The amounts specified in the first and second sentences hereof shall be increased at 1 January 1995 by an amount equal to 1/3 of the amount which was or could have been transferred to reserves per square metre of gross floor area in respect of the property, for replacement of technical installations, cf. section 8, above, by the end of 1994. Provided always that, for properties not covered by section 18b, below, the annual deposit shall be increased by 2/3 of the amount which was or could have been so transferred per square metre of gross floor area. The amounts specified in the first and second sentences are calculated in 1994 figures, and the total amount shall be adjusted once a year by 2.0% plus an adjustment percentage for the current financial year, cf. the Act on a Rate Adjustment Percentage. As from 1998, the amount set out in the first sentence[1] hereof shall instead be adjusted according to the movement of the net retail price index calculated by Statistics Denmark over a 12-month period ending in June the year before the financial year to which the adjustment relates. The amount shall be rounded to the nearest full amount.

(2) Where a property has flats and premises not covered by the provisions of this Part of the Act, the same amount per square metre shall be deposited on the maintenance account for such premises as for residential flats. For private housing co-operatives, deposits shall only be made on the maintenance account for flats and premises let by the housing co-operative.

(3) Where the tenant has agreed to assume the obligation of maintaining the

property, in full or in part, the amount deposited on the maintenance account shall be reduced proportionately. Where the tenant assumes the landlord's obligation in full, no deposit shall be made.

(4) Where the amounts deposited for maintenance and repairs under subsection (1) hereof are not sufficient to ensure a satisfactory state of repair in the property within 5 years, the landlord may, subject to acceptance from the residents' representatives or a majority of tenants, include any necessary, higher amount in the property budget and on the maintenance account provided for under subsection (1).

(5) The landlord shall at half-yearly intervals submit periodic statements of the account provided for under subsection (1) hereof, to the residents' representatives, including copies of vouchers.

18a (Repealed).

18b(1) In properties first occupied before 1970, consisting of more than 2 flats, the landlord shall deposit an annual amount of DKK 27.50 per square metre in addition to the amounts specified in section 18, above. The amount set out in the first sentence hereof shall be raised by DKK 4.00 per square metre of gross floor area on 1 January of the years 1995, 1996 and 1997. For the part of the property consisting of residential tenancies in which the tenant's contractual obligation of external maintenance includes installations and building parts in pursuance of the former section 20 of the Rent Act, cf. Consolidation Act No. 823 of 12 October 1993, except for locks and keys, the amounts for the said years will only be raised by DKK 1.50, DKK 1.00 and DKK 1.00, respectively, per square metre of gross floor area. In addition, the amount set out in the first sentence hereof will be further increased as at 1 January 1995 by an amount equalling 1/3 of the amount which was or could have been transferred to reserves per square metre of gross floor area in respect of the property, for replacement of technical installations, cf. section 8, above, by the end of 1994. The amount set out in the first sentence hereof is calculated in 1994 figures, and the total amount shall be adjusted once a year by 2.0% plus a rate adjustment percentage for the current financial year, cf. the Act on a Rate Adjustment Percentage. As from 1998, the amount set out in the first sentence[2] hereof shall instead be adjusted according to the movement of the net retail price index calculated by Statistics Denmark over a 12-month period ending in June the year before the financial year to which the adjustment relates. The amount shall be rounded to the nearest full amount. As from 1998, the amount shall be reduced by DKK 1 per square metre. In addition, the amount set out in the first sentence hereof may be raised in pursuance of section 18d, below. The amount shall be deposited on an account for the property in the Houseowners' Investment Fund, cf. Part III A of the Act.

(2) Subsection (1) hereof shall apply, correspondingly, where deposits are made under section 66, below.

(3) The amount deposited under subsection (1) hereof shall be applied subject to the provisions of section 19, below. Provided always that the amount shall be applied primarily for fire protection and energy-saving measures.

(4) Residents' representatives or a majority of tenants may propose specific works for which the amounts deposited may be applied.

(5) The deposits shall not be made available to creditors and shall only be payable subject to the provisions of sections 22b and 22e, below.

(6) The provision of subsection (1) hereof shall not apply to properties assessed as farmland, forest, plantation, orchard, market garden or nursery, cf. section 33 of the Act on Public Land Assessment in Denmark.

(7) The rent assessment committee may determine that the amount to be deposited under subsection (1) hereof shall be reduced for a period of up to 5 years if the residents' representatives or a majority of tenants so require. The amount may be reduced, e.g. if the amounts already deposited on the account under subsection (1) hereof are equivalent to the amount of provisions for the past 5 years less any amounts under section 18d(1), below, or if a larger amount is not required for the period due to the state of repair of the property. The amount shall not be reduced by any amount less than DKK 15 per square metre of gross floor area.

18c(1) The Houseowners' Investment Fund may relieve a property-owner of the duty to pay deposits under section 18b, above, in respect of any part of the property used exclusively for non-residential purposes.

(2) The Minister for Social Affairs is authorised to lay down rules governing the extent to which the Houseowners' Investment Fund may relieve an owner of the duty to make deposits under section 18b, above.

(3) Decisions by the Houseowners' Investment Fund under subsection (1) hereof may be brought before the Minister for Social Affairs.

18d(1) The landlord may increase the amounts to be deposited under section 18b(1) where necessary for the implementation of a 5-year maintenance plan.

(2) Any increase under subsection (1) shall be subject to adoption by the landlord and residents' representatives or a majority of tenants of a 5-year maintenance plan, defining specifically the works to be carried out and the

amount of the required increase as well as a time schedule therefor. On adoption of the said plan, the landlord shall be responsible for submitting a copy to the Houseowners' Investment Fund with accompanying evidence of adoption.

(3) Where the landlord fails to carry out the agreed maintenance works, in full or in part, the increase shall be reduced proportionately. The increase shall lapse upon completion of the plan. Where the amount of deposits has been increased in pursuance of subsection (1) hereof, and the works therein provided for are not carried out, the rent assessment committee may direct, cf. subsection (5) hereof, that any rent increase charged in consequence of the increased amount deposited shall be repaid to the tenants. If the amount has been deposited on an account held with the Houseowners' Investment Fund, the amount shall be payable by means of a release from the Fund.

(4) On change of ownership, the maintenance plan shall be carried on by the new owner subject to the agreement with the tenants under subsection (2) hereof.

(5) Any dispute between landlord and tenants concerning the implementation of a maintenance plan as adopted shall be brought before the rent assessment committee.

19 (1) Any amount applied for the purpose of complying with any aspect of the landlord's maintenance obligation not provided for by section 21 of the Rent Act, or applied for fire protection or repairs may be deducted from the account provided for under section 18, above. In addition, any amount applied for improvements, insulation, etc., may be so deducted, subject to the acceptance of residents' representatives or a majority of tenants.

(2) Where an expense is covered by raising loans, the landlord may instead of deducting the expense, deduct annual mortgage instalments from the account, as and when paid.

20 (1) A separate annual statement of the maintenance account shall be prepared, showing expenses, broken down by works or categories of work. Any positive or negative balance shall be carried forward to the next accounting year.

(2) Where neither tenants nor residents' representatives have received statements of maintenance accounts pursuant to sections 12 or 13 during the past year, any of the tenants may require to be provided with a copy of the statement referred to in subsection (1) hereof. The tenant or his agent shall be granted access to review the records and vouchers, upon demand.

(3) On change of ownership, the new landlord shall assume the maintenance obligation and shall carry on the maintenance account. A restricted account under section 18b, above, shall follow the property in case of change of ownership.

21 (1) Any dispute concerning the tenant's compliance with his cleaning, maintenance and replacement obligations, cf. Part IV of the Rent Act, shall be brought before the rent assessment committee. The same shall apply to any dispute concerning the tenant's compliance with the repairing obligation on vacation.

(2) The rent assessment committee shall likewise consider any dispute concerning the repayment of deposits upon vacation.

22 (1) Any dispute concerning the landlord's compliance with the cleaning, maintenance and replacement obligations, cf. sections 19-24 of the Rent Act, shall be brought before the rent assessment committee. The same shall apply to any dispute concerning any amount deducted from the account for external maintenance.

(2) Where the landlord fails to comply with a request from the committee for production of statements within a specified date with records and vouchers for the past 5 years, in respect of the accounts referred to in section 22 of the Rent Act and sections 18 and 18b of this Act, the tenant may demand a declaration to the effect that an amount equalling deposits for the period without any deductions for maintenance costs is held on the account. Where the landlord fails to comply with a request from the committee for production of statements within a specified date with records and vouchers, in respect of the account referred to in section 18b, above, the rent assessment committee may demand such statements, records and vouchers from the Houseowners' Investment Fund.

(3) The rent assessment committee may order the landlord to cause specified works to be carried out, stipulating specific rules thereon, including a time limit for the completion of the individual works. At the same time, the rent assessment committee may direct that the rent shall be reduced by an amount corresponding to the value of the works ordered to be carried out, unless the landlord complies with the time stipulated under the first sentence hereof. Any such rent reduction shall apply until the completion of the works.[3] The Houseowners' Investment Fund shall make a final and conclusive decision to start the works on behalf of the landlord, cf. section 60(1), below, or the rent assessment committee may direct that the property shall be administered on behalf of the owner, cf. the Act on Compulsory Administration of Rental Properties.

(4) In deciding issues involving cleaning and maintenance works the costs of which are not payable out of a maintenance account, the rent assessment committee shall have regard to whether or not the state of repair of the property is reasonable in relation to the current rent. If the current rent does not generate sufficient funds for the rent assessment committee to order necessary, but not urgent, maintenance works to be carried out, the committee may order the landlord to carry out such works as and when sufficient deposits become available.

Part III A

Maintenance account with the Houseowners' Investment Fund

(Grundejernes Investeringsfond)

22

a(1) The amount set out in section 18b, above, shall be payable annually in arrears. The Minister for Social Affairs is authorised to lay down provisions on the due date for payment.

(2) Where any amounts have been paid, before the annual payment, in respect of maintenance, fire protection, repairs, improvement or energy-saving measures under section 18b(3) or section 19, above, which is not covered by the amount specified in section 18, above, such amount may be deducted from the annual payment. Any part of the expenses otherwise subsidised by statute shall be ignored. Payment must be accompanied by evidence of such deduction.

(3) The Houseowners' Investment Fund ensures that the balance on the account from time to time corresponds to the landlord's obligation under section 18b, above, less any amount outstanding, cf. subsection (2) hereof, and any amount released in pursuance of section 22b, below.

(4) Where the balance on the account is less than provided for by this Act, any release under subsection 22b, below, shall be subject to payment of such deficiency.

(5) Where the balance on the account exceeds the amount provided for, any difference shall be remitted to the landlord as soon as possible, in respect of which excess amount the landlord shall not receive interest for the period during which the amount was tied-up.

(6) The Houseowners' Investment Fund is responsible for ensuring punctual

payment. The Fund has a charge on any outstanding amounts, ranking subject to property taxes only. Any amount remaining unpaid on the due date shall be enforceable by distress levied subject to the rules governing distraint for taxes, duties, etc.; cf. the Act on the Procedure for Collection of Taxes, Duties, etc. The amount distrained for shall include a charge payable to the arrears collection authority, to be fixed by the Minister for Social Affairs in consultation with the Minister for Taxation.

(7) Distress as set out in subsection (6) hereof may also be levied by withholding pay, etc. pursuant to the rules governing collection of personal taxes contained in the Tax at Source Act.

(8) The Minister for Social Affairs is authorised to lay down provisions governing the monitoring by the Houseowners' Investment Fund of payments, cf. section 18b, above, and disbursements, cf. sections 22b and 22e, below. The Minister for Social Affairs shall supervise compliance with such provisions.

22b(1) Any amount deposited on an account in pursuance of section 18b, above, may be paid subject to documentation by the landlord of the application of a corresponding amount for maintenance, fire protection, repairs, improvements under section 19(1), above, or instalments on loans for the said purposes, cf. section 19(2), above. Any part of the expenses which is otherwise subsidised by statute shall be ignored.

(2) On or before the date of the landlord's demand for payment under subsection (1) hereof, the residents' representatives or the tenants shall be given notice of the expenses incurred and the amount demanded.

(3) Any amount deposited on an account subject to section 18b, above, may be paid unless the residents' representatives or a majority of the tenants object to such payment within 6 weeks from receipt of notice pursuant to subsection (2) hereof. In the absence of agreement between landlord and residents' representatives or a majority of tenants, the landlord shall bring the matter before the rent assessment committee if he intends to insist on demanding payment under subsection (1) hereof.

(4) Any payment under subsection (1) hereof shall be subject to documentation by the landlord that the amounts deposited on the property account under section 18, above, have been exhausted.

22c Section 20, above, shall apply to the account referred to in section 18b, above, correspondingly.

22d The Houseowners' Investment Fund shall, at the request of the rent

assessment committee of the municipality in which the property is situated, give notice of the tying or releasing of any amounts and the amount of deposits held on the property account under section 18b, above.

22e(1) If the property is demolished, the amounts deposited on the account under section 18b, above, shall be payable to the owner.

(2) If the property is transferred to such other use as is not covered by Parts II-V of this Act, the amounts deposited on the account under section 18b, above, shall be payable to the owner. On payment of compensation out of public funds in case of compulsory acquisition or scheduling of a property for demolition due to condemnation (cf. the Act on Urban Renewal, the Act on Urban Renewal and Urban Development and the Act on Redevelopment) any amount outstanding shall be set off against the compensation awarded.

(3) Where a municipal council decides that the provisions of Parts II-V shall no longer apply to the municipality, the balance on the account under section 18b, above, shall be transferred to the account referred to in section 63a of the Rent Act.

(4) Any payment under subsections (1) and (2) hereof shall be made within the quarter next after the quarter in which the payment obligation lapsed.

22f Any dispute between landlord and tenant or between the owner and the Houseowners' Investment Fund pursuant to this Part of the Act shall be brought before the rent assessment committee.

22g Any person who misrepresents a fact in writing to the Houseowners' Investment Fund or attests to a fact in writing to the Houseowners' Association of which fact he has no knowledge, for the purpose of payment into or out of an account under section 18b, above, will be liable to punishment under section 163 of the Criminal Code.

Part IV

Improvements

23 (1) Before starting any improvement giving rise to a rent increase which - together with increases due to improvements carried out over the past 3 years - will exceed DKK 64 per square metre of gross floor area, the landlord of a property without residents' representation shall give notice in writing to the tenants whose housing conditions are to be improved. Such notice shall include details, specifying the category of improvements and the expected amount of

the rent increase. It shall further include particulars, describing the tenant's right of objection, cf. subsection (2) hereof. In the absence of such particulars, the notice shall be void. The amount specified in the first sentence hereof is calculated in 1994 figures and shall be adjusted once a year by 2.0% plus a rate adjustment percentage for the current financial year, cf. the Act on a Rate Adjustment Percentage. As from 1998, the amount set out in subsection (1) hereof shall instead be adjusted according to the movement of the net retail price index calculated by Statistics Denmark over a 12-month period ending in June the year before the financial year to which the adjustment relates. The amount shall be rounded to the nearest full amount.

(2) Where not less than 1/4 of the tenants have objected in writing to the start of any improvement as specified in subsection (1) hereof, within 6 weeks from receipt of the notice thereof, the landlord shall within the following 6 weeks bring the matter before the rent assessment committee if he intends to insist on demanding the improvement.

24 (1) Before starting any improvement resulting in a rent increase as specified in section, above, the landlord of a property with residents' representation shall give prior notice in writing to the residents' representatives. Such notice shall include a description of the works, giving an estimate of the expenses, particulars of funding and the expected amount of rent increase arising from the implementation of the improvement. The notice shall further give details of the right of the residents' representatives to object, cf. subsection (3) hereof. In the absence of such information, the notice shall be void.

(2) On or before the date of the notice to the residents' representatives, the landlord shall give notice to all tenants whose housing conditions are to be improved. Such notice shall include details of the nature of the contemplated improvement, the expected amount of the rent increase, and the fact that the demand has at the same time been presented to the residents' representatives. In the absence of such information, the notice under subsection (1) hereof shall be void.

(3) Where the residents' representatives have objected in writing within 6 weeks from receipt of the notice, the landlord shall within the following 6 weeks bring the matter before the rent assessment committee if he insists on the improvement demanded.

24a The Minister for Social Affairs shall lay down rules governing the preparation of authorised standard forms of advance notice of the start of improvements under sections 23-24, above, subject to consultation with national organisations of houseowners' associations and tenants' associations

respectively.

25(1) Where the issue of the start of improvements under sections 23 and 24, above, is brought before the rent assessment committee, the committee may oppose such start where the improvement must be assumed to be unsuitable in view of the age, location and character of the property. The same shall apply where it is not found to give rise to a suitable increase of the utility value in view of the character, state or repair, arrangement and amenities of the property and the premises in question. In this connection, it may be considered whether the alterations of the premises, resulting from the intended improvements are found to be reasonable in relation to the existing, appropriate use of the premises.

(2) If the landlord starts any improvement opposed by the committee, he is not entitled to demand a rent increase for such improvement.

(3) Where the acceptance by the committee of the start of any improvement is opposed in pursuance of the provisions of sections 43 or 44, below, execution will be stayed.

25

a(1) At the time of any decision by the rent assessment committee under section 25, above, the committee shall determine the feasible amount of rent increase where the improvement is to be carried out in accordance with project material for the contemplated improvement as presented by the landlord, and statement of the estimated costs of implementing and calculating the proposed rent increase, unless such amount has previously been determined under subsection (2) hereof, or proceedings thereon are pending.

(2) Before starting improvements, including a reconstruction in connection with a combination of flats, giving rise to a rent increase, the rent assessment committee shall, at the landlord's request, determine the feasible amount of rent increase if the improvement is carried out in accordance with project material for the contemplated improvement as presented by the landlord, and statement of the estimated costs of implementing and calculating the proposed rent increase, unless such amount has previously been determined under subsection (1) hereof, or unless proceedings thereon are pending.

(3) Prior to the start of improvements in connection with an exchange of flats, cf. section 73 of the Rent Act, the rent assessment committee shall, at the request of the landlord, determine whether the rent may be fixed under section 5(2), above, following the exchange, and if so, the amount of such rent, if the improvements are carried out in accordance with project material presented by the landlord, including particulars of the estimated costs of

implementing the said project.

(4) At the time of requesting the rent assessment committee so make the determination specified in subsection (2) hereof, the landlord shall submit details to the affected tenants, indicating the nature of the contemplated improvements and the amount of the expected rent increase.

25b(1) For the individual residential tenancies of a building intended to be reconstructed in pursuance of the provision of section 2(1)(ii) of the Act on Private Urban Renewal or under section 96(1)(ii) of the Act on Urban Renewal, the rent assessment committee shall, at the landlord's request, determine the lawful amount of rent that may be charged, prior to the start of reconstruction. The same shall apply to tenancies let for residential as well as business purposes and reconstructed under section 2(1)(i) of the Act on Private Urban Renewal or under section 96(1)(i) of the Act on Urban Renewal.

(2) For the individual premises intended to be converted to residential flats subject to the provision of section 2(1)(iii) or (iv) of the Act on Private Urban Renewal or section 96(1)(iii) or (iv) of the Act on Urban Renewal, the rent assessment committee shall, at the landlord's request, determine the lawful amount of rent that may be charged for the tenancy as a residential flat, prior to the start of such conversion.

(3) For the individual premises reconstructed under the provisions of section 2(1)(ii)-(iv) of the Act on Private Urban Renewal or section 96(1)(ii)-(iv) of the Act on Urban Renewal, the rent assessment committee shall, at the landlord's request, determine upon completion of reconstruction whether the reconstruction costs are in proportion to the quality achieved. The committee shall likewise determine whether the reconstruction works as completed are covered by the positive list provided for under section 2(3) of the Act on Private Urban Renewal, and whether the rent increase calculated by the landlord is in accordance with the provision of section 5a of the Act on Private Urban Renewal.

(4) Any determination by the rent assessment committee under subsections (1) and (2) hereof shall be subject to the reservation of an investment limit under the Act on Private Urban Renewal or under Part 5 of the Act on Urban Renewal. The committee may demand presentation of any information necessary for the consideration of the matter, including documentation of the reservation of such investment limit as provided for under the Act on Private Urban Renewal or Part 5 of the Act on Urban Renewal. The committee shall not amend its determination under subsections (1) and (2) hereof. For the purpose of determinations under subsection (3) hereof, the landlord shall present to the rent assessment committee reconstruction accounts, specifying costs incurred and rent increases, with documentation, broken down by the individual

tenancies, certified by a registered or a state-authorised public accountant or by the Local Government Auditing Department.

(5) Determinations by the rent assessment committee under subsections (1)-(3) hereof may be brought before the housing tribunal by the parties, cf. section 43(1), below, provided always that in Copenhagen such determinations shall be brought before the appeals board under section 44(1), below. Decisions by the appeals board under subsections (1)-(3) hereof may be brought before the housing tribunal, cf. section 44(6). The time within which a tenant must bring a decision before the housing tribunal under sections 43(1) and 44(6), below, and before the appeals board under section 44(1), below, shall run from the date on which the decision is submitted to the tenant.

25c(1) Before the landlord starts reconstruction for the purpose of arranging one or more flats in an attic which has not previously been used for residential purposes, the rent assessment committee shall, at the landlord's request, determine the lawful amount of rent which could feasibly be charged if the reconstruction is carried out in accordance with project material presented by the landlord concerning the intended reconstruction. The landlord shall supply the committee with a statement of the estimated cost of implementing the works and of the proposed future rent. The rent shall be determined on the basis of the expected costs subject to the rules governing the determination of rent for improved premises under section 5(1) or (2), above.

(2) For tenancies in respect of which the rent assessment committee has made a determination under subsection (1) hereof, the committee shall, at the landlord's request, determine on completion of the reconstruction, whether the reconstruction costs are proportionate to the approved rent.

26 (1) Where an improvement will give rise to a rent increase exceeding - with rent increases for improvements over the past 3 years - DKK 127 per square metre of gross floor area, the landlord shall within 3 months from the start of the improvement notify the tenant that he may require to be allocated suitable alternative accommodation before the expiry of the time stipulated in subsection (2) hereof. The amount specified in the first sentence hereof is calculated in 1994 figures and shall be adjusted once a year by 2.0% plus a rate adjustment percentage for the current financial year, cf. the Act on a Rate Adjustment Percentage. As from 1998, the amount specified in the first sentence hereof shall instead be adjusted according to the movement of the net retail price index calculated by Statistics Denmark over a 12-month period ending in June the year before the financial year to which the adjustment relates. The amount shall be rounded to the nearest full amount.

(2) If the tenant requires to be offered suitable alternative accommodation within 6 weeks from notification, the landlord shall offer the tenant a dwelling of a suitable size, location, quality and amenities before starting the improvement, at a rent not differing significantly from the existing rent, subject to the deduction of any housing benefits to which the tenant is eligible. A flat is of a suitable size which has the same number of rooms as the tenant's former flat, or where the number of rooms exceeds the number of members of the household by one.

(3) If the tenant objects on the grounds that any alternative accommodation offered by the landlord does not comply with the conditions of subsection (2) hereof, the landlord shall bring the matter before the rent assessment committee.

(4) A rent increase due to the improvement shall not be enforceable against a tenant who has not been given notice of his right to demand alternative accommodation except within the limits specified under subsection (1) hereof.

27(1) Where the landlord has improved the premises in compliance with the provisions of sections 23-26, above, he may demand a rent increase by an amount corresponding to the increase of the value of the premises, cf. section 58 of the Rent Act.

(2) Where a landlord has carried out works under the provision of section 46a(3) of the Rent Act, he may demand a rent increase covering the costs of the works, cf. section 58(3) of the Rent Act.

(3) The provisions of sections 12, 13, 15 and 17 shall apply, correspondingly. The rent increase shall not become effective until the date of completion of the improvement.

(4) The landlord may demand a provisional rent increase based on an estimate of costs, reserving the right to make further demands upon closing of the building accounts. If the building accounts have not been presented within 6 months from the effective date of the provisional rent increase, the rent assessment committee may, at the instance of a tenant, direct that the provisional rent increase shall lapse unless the landlord presents the accounts within a time stipulated by the rent assessment committee, except where the 6-month time limit was exceeded due to circumstances beyond the landlord's control. The rent shall be adjusted according to the building accounts when available.

(5) Where a matter has been brought before the rent assessment committee, the landlord may, pending the committee's decision, charge the rent increase as notified by way of a provisional increase. The rent shall be regulated in

accordance with the committee's decision. Provided always that the rent assessment committee may direct that the landlord is only entitled to charge a lower amount pending the committee's decision. Where advance approval has been granted for the rent increase under section 25a, above, the rent increase so approved shall not be varied by the committee, except where conditions have changed.

(6) If the landlord fails to complete improvement works without undue delay, cf. section 56 of the Rent Act, the rent assessment committee may stipulate a time limit for the completion of the work.

(7) Repayment to tenants of any excess rent paid shall carry interest from the date of such repayment under the provision of section 17(3), above.

(8) The Minister for Social Affairs is authorised to lay down provisions governing authorised standard form notices of increases due to improvements under subsection (1) hereof, subject to consultation with national organisations of houseowners' associations and tenants' associations, respectively.

27

a(1) At the request of the residents' representatives or a majority of tenants, the rent assessment committee shall determine whether the conditions are satisfied for demanding that works covered by section 46a(3) of the Rent Act be carried out.

(2) The rent assessment committee may order the landlord to carry out the works referred to in subsection (1) hereof, stipulating a time limit within which the individual works shall be completed.

27b(1) Any dispute concerning the tenant's right to carry out improvements etc. to the flat against compensation under section 62a of the Rent Act shall be brought before the rent assessment committee.

(2) Any dispute concerning a reduction of the calculation basis for compensation under section 62a(4) of the Rent Act, for the costs incurred by the tenant for improvements etc. shall likewise be brought before the rent assessment committee.

(3) Any dispute concerning a rent increase in case of re-letting, equivalent to the increase in value of the premises, cf. section 62a(9) of the Rent Act, shall likewise be brought before the rent assessment committee, at the request of the tenant.

28 (Repealed).

29 (1) The provisions of sections 23-25a, 26 and 27(4), second sentence, above, shall not apply to any improvements defined as statutory measures, nor to any works carried out in pursuance of section 46a(3) of the Rent Act, or measures provided for by order of a municipal council under the Act on Urban Renewal and Housing Improvement, cf. Consolidation Act No. 658 of 11 August 1993, by Part 5 of the Act on Urban Renewal, cf. Consolidation Act No. 260 of 7 April 2003, or by the Act on Private Urban Renewal.

(2) Where the landlord has carried out any such measures as described in subsection (1) hereof by means of loans from the Houseowners' Investment Fund, instead of a rent increase under section 27, above, he may demand an increase of the rent by an amount equalling the annual instalments on the loan raised for the funding of the required improvement. Provided always that this provision shall only apply where the rent increase so calculated does not exceed DKK 15 per square metre of gross floor area.

(3) Rent increases under subsection (2) hereof may be implemented at 3 months' notice. The provisions of section 50(2) and (4) of the Rent Act shall apply, correspondingly.

(4) Where the landlord has carried out improvements under the Act on Private Urban Renewal or under Part 5 of the Act on Urban Renewal, instead of demanding a rent increase for the improvements in pursuance of section 27, above, he may demand that the rent increase be calculated and implemented under the provisions of the Act on Private Urban Renewal or Part 5 of the Act on Urban Renewal.

29a(1) Any person knowingly carrying out modernisation (improvements) of a property contrary to the provisions of this Part of the Act or financing such modernisation, shall be liable to punishment by fine or imprisonment for up to four months.

(2) Companies etc. (legal persons) may incur criminal liability under the provisions of Part 5 of the Criminal Code

Part IV A

Rent adjustment for small properties

29b The provisions of this Part of the Act shall apply to tenancies in properties, comprising 6 or less flats as at 1 January 1995. In properties

owned by housing co-operatives, the provisions shall apply if there are 6 or less flats are let by the co-operative.

29c For properties not constructed by means of index-linked loans under section 29(2) of the Mortgage Credit Act, the provisions governing the variation of the terms of a tenancy under Part VIII of the Rent Act shall apply. The rent payable for such properties shall not be substantially higher than the rent payable for similar tenancies, in terms of location, category, size, quality, amenities and state of repair, covered by the provisions of Parts II-IV, and where the rent is governed by section 7, above. For the purpose of assessments under the second sentence hereof, comparisons pertaining to tenancies in properties with premises used for non-residential purposes shall be made with the rent payable for tenancies in similar properties. Where no comparable tenancies exist for which the rent is governed by section 7, above, or where the amount of rent for comparable tenancies must be considered atypical, the rent assessment committee may obtain information pursuant to section 40, below, on operating costs etc. for the property, and may on that basis determine the amount of rent chargeable if the rent were to be calculated under section 7, above. The second to fourth sentences hereof shall not apply to tenancies covered by section 53(3)-(5) of the Rent Act.

29d Properties financed by means of index-linked loans under section 29(2) of the Mortgage Credit Act, shall be subject to the provisions governing determination of rent for housing financed by index-linked loans in Part VIII A of the Rent Act.

29e In addition to the provisions set out in sections 29c and 29d, the provisions on improvements etc. of Part X of the Rent Act shall apply.

29f (Repealed).

Part V

Rent adjustment for separate rooms

30 The provisions of this Part of the Act shall apply to the letting of rooms not covered by the provisions of Pat II-IV A.

31 (1) Where a tenant finds that the rent or any other terms are unfair, he may bring the matter before the rent assessment committee authorised to adjust the rent under section 49 of the Rent Act, and vary the terms of the tenancy.

(2) If the rent is reduced or the terms of the tenancy are varied by the rent

assessment committee, it may direct that the tenancy shall not be terminable by notice without the consent of the rent assessment committee.

32 Where a notice of termination by the landlord is considered to be due or related to an attempt to obtain an unfair rent or other unfair terms, the rent assessment committee may dispute the validity of such notice, directing that the tenancy shall not be terminated except with consent from the rent assessment committee. The same shall apply where, due to any other special circumstances affecting the notice, it is considered contrary to good tenancy practices and consequently unfair.

33 Where a matter has been brought before the rent assessment committee, the committee may, in special situations, direct that the tenancy shall not committee's consent, be terminated by prior notice, thereby requiring the tenant to vacate the premises before the committee's decision is available shall be liable to punishment by fine.

34 (1) Any person charging a higher rent than permitted by the rent assessment committee subject to the provision of section 31, above, or terminating the tenancy without consent from the committee contrary to section 32, above.

(2) Companies etc. (legal persons) may incur criminal liability subject to the provisions of Part 5 of the Criminal Code.

(3) Section 17 shall apply, correspondingly.

Part VI

Rent assessment committees

35 (1) All municipal authorities shall set up one or several rent assessment committees for the resolution of disputes under this Act and under the Rent Act. Several municipalities may set up inter-municipal rent assessment committees jointly.

(2) Where a municipal authority has set up more than one rent assessment committee, such committees shall cooperate in drafting uniform rules of procedure.

36 (1) A rent assessment committee shall consist of a chairman and two other members.

(2) The chairman shall be appointed by the county governor, in Copenhagen by the Prefect, on the recommendation of the municipal council. The chairman must hold a law degree. He must not have particular connections to houseowners' or tenants' organisations or commercial interests in property transactions.

(3) The other two members shall be elected by the municipal council on the recommendation of the largest landlords' associations and tenants' associations in the municipality, respectively. They must both of them have experience of rent matters.

(4) Where there are no large landlords' or tenants' associations in a municipality, or where any such association fail to nominate candidates for the committee as specified in subsection (3) hereof, within a time stipulated by the municipal council, the council shall elect such members, one such member being an owner-landlord, the other being a tenant who is not also a landlord.

(5) In connection with disputes pursuant to sections 79a-79c of the Rent Act, the committee 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 committee matters, cf. section 42(3) hereof.

(6) An alternate for each of the members and the said expert in social matters shall be elected in pursuance of the provisions set out in subsections (2)-(5) hereof.

(7) The chairman, members and alternates shall be appointed for up to 4 years. Provided always that a member may choose to retire upon attaining the age of 67.

37 (1) A chairman, member or alternate must satisfy the conditions of section 109(2) of the Rent Act, except for the condition of Danish nationality.

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

(3) Any member or alternate shall attend committee meetings, subject to proper notice convening such meeting. Any failure to attend, without a valid excuse, shall be punishable by a fine.

(4) The provisions of sections 60(1) and 61 of the Administration of Justice Act shall apply correspondingly.

38 The municipal council shall make the necessary premises available to the committee and shall provide any assistance required. The municipal authority shall pay all expenses incidental to the work of the committee, including office expenses etc., and all expenses incurred by the chairman and members in connection with their committee duties. The municipal council may decide to remunerate the chairman and the other members for their work on the committee. The municipal council may remunerate the chairman, the other members of the committee, the expert in social matters, their alternates as well as mediators pursuant to section 42(1) for their work.

39 (1) All matters brought before the rent assessment committee shall be in writing and with any necessary documentation annexed. A fee of DKK 100 shall be payable for each matter brought before the rent assessment committee. The amount is calculated in 1998 figures and shall be adjusted once a year according to the movement of the net retail price index calculated by Statistics Denmark over a 12-month period ending in June the year before the financial year to which the adjustment relates. The amount shall be rounded to the nearest full amount.

(2) Within 1 week from the date on which a matter was brought before the committee, the other party shall be given notice thereof, specifying that he must file any comments within 2 weeks. The said time limit may be extended by the committee, on special grounds.

40 (1) The committee may make a decision to dismiss any complaint not deemed fit for review by it.

(2) The committee may decide on any specific enquiries to be conducted for the purpose of dealing with each particular case. The committee may require any necessary particulars from the parties involved, public authorities or private individuals.

(3) In cases pursuant to sections 79a-79c of the Rent Act, the committee shall at all times prior to imposing a sanction on a tenant pursuant to section 79b(1) of the Rent Act - examine the possibility of the tenant making use of an offer from the municipal authority if the committee believes that the case involves social issues.

(4) The committee shall determine a time limit, generally not exceeding 2 weeks, within which the parties involved or any third parties shall reply to the questions asked by the committee. The said time limit may be extended by the committee, on special grounds.

41 (1) The committee may conduct inspections. The parties involved shall be

summoned to attend any such inspection, giving not less than 1 week's notice.

(2) The committee may summon the parties to the case and third parties to appear before the committee. Both parties shall be notified. The parties may attend in person or by agent.

(3) The chairman shall prepare the cases for consideration at committee meetings.

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

(5) The committee shall give the parties the necessary instructions in respect of disputes falling under sections 79a-79c of the Rent Act. Upon request, the secretariat shall to the extent necessary assist the parties in connection with the submission of written statements in the case.

42 (1) The rent assessment committee shall make its decision within 4 weeks from the time when the committee received a reply pursuant to section 39(2) or section 40(4); or from the time when the time limit pursuant to the said provisions expired; or from the time when the parties appeared before the committee, cf. section 41(2). In cases subject to sections 79a-79b of the Rent Act, the committee may propose mediation.

(2) Where the time within which replies must be filed in pursuance of the said provisions has expired, without such reply having been filed, the committee may construe such silence in the manner most beneficial to the other party,

having special regard to the other party's evidence, when making its decision.

(3) Committee decisions shall be by simple majority. In case of parity of votes, the chairman shall have a casting vote. The committee only forms a quorum where all members are present.

(4) Committee decisions shall be recorded. Where a decision is not unanimous, the record shall reflect the votes of the individual members.

(5) The complainant and the other party to the tenancy shall be given notice of the decision. Decisions must be reasoned. The parties must be informed of their rights of appeal under sections 43 or 44, below. If the decision is not unanimous, this must appear from the decision, stating the reason therefor. The claimant and the other parties shall be notified of the committee's decision. A decision made by the committee under section 79b(1) of the Rent Act shall be served if such decision has been made without the party having

replied or appeared before the committee. Decisions must be reasoned. The parties shall be informed of the right to bring matters before the housing tribunal pursuant to sections 43 and 44 below. Where a decision is not unanimous, this fact must appear from the decision and the reason therefore. Decisions in respect of conditional tenancies, cf. section 79b(1)(i) of the Rent Act, shall state the said conditions and the time at which such conditions expire.

(6) Where the committee has accepted the start of an improvement, the parties shall be given notice that any appeal under sections 43 or 44 will operate as a stay of execution.

43(1) Outside the City of Copenhagen, decisions by rent assessment committees may be brought before the housing tribunal by either of the parties. The same shall apply in the City of Copenhagen as regards decisions made pursuant to sections 79a-79c of the Rent Act, cf. section 44(1) below.

(2) Any such decision shall be brought before the tribunal within 4 weeks from the date on which notice of the committee decision was given to the parties. In exceptional cases, the housing tribunal may permit a case to be brought before it after the expiry of the time limit when an application to that effect is made within one year after the rent assessment committee makes its decision. Provided always that proceedings must be brought within 4 weeks from the date on which any such permission is granted.

(3) In properties with residents' representatives, the representatives may bring the decision, with the exception of decisions under sections 79a-79c of the Rent Act, before the tribunal. Section 49(5), final sentence, of the Rent Act shall apply, correspondingly.

(4) As and when required by the housing tribunal, the rent assessment committee shall account for its decision during tribunal proceedings.

(5) 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 79b(1)(i) of the Rent Act, or where the rent assessment committee has issued a warning pursuant to section 79b(1)(ii) of the Rent Act, the housing tribunal may carry out a full review of the decision made by the rent assessment committee, unless the case has previously been decided by the housing tribunal.

(6) In the absence of any decision by the rent assessment committee within the time stipulated in section 42(1), above, the complainant may bring the case before the housing tribunal without awaiting such decision. Subsections (3) and (4) shall apply, correspondingly.

44 (1) In the City of Copenhagen, decisions by the rent assessment committee, with the exception of decisions under sections 79a-79c of the Rent Act, may be brought before an appeals board by either of the parties. Any such appeal must be filed within 4 weeks from the date on which notice of committee decisions is given to the parties. Section 43(3) and (6), above, shall apply correspondingly. In exceptional cases, the appeals board may permit filing out of time, subject to application being filed within 1 year from the date of the committee decision. Provided always that proceedings must be brought within 4 weeks from the date on which such permission is granted.

(2) The appeals board shall consist of a chairman and 4 other members, including 2 building experts. The chairman shall be appointed by the Minister for Social Affairs on the recommendation of the municipal council. The other members shall be appointed by the municipal council.

(3) The chairman must be an expert of housing conditions and must satisfy the conditions of section 36(2), above. 2 members, including 1 building expert, shall be appointed on the recommendation of national organisations of owner-landlords' associations, and another 2 members, including 1 building expert, shall be appointed on the recommendation of national organisations of tenants' associations. The provisions of sections 36(6) and (7) and 37 shall apply, correspondingly. Any members of a rent assessment committee shall not be eligible for the appeals board, whether as chairman, member or alternate.

(4) An amount of DKK 106 for any one flat or premises pertaining to which a decision is brought before the board shall be payable by the complainant. The amount shall accrue to the municipal authority. The amount is calculated in 1994 figures and shall be adjusted once a year by 2.0% plus a rate adjustment percentage for the current financial year, cf. Act on a Rate Adjustment Percentage. As from 1998 the amount specified in the first sentence hereof shall instead be adjusted according to the movement of the net retail price index calculated by Statistics Denmark over a 12-month period ending in June the year before the financial year to which the adjustment relates. The amount shall be rounded to the nearest full amount.

(5) The provisions of sections 38-42 shall apply.

(6) The appeals board decision may be brought before the housing tribunal subject to the rules of section 43, above. The 1-year time limit, cf. section 43(1), shall run from the date of the appeals board decision.

Part VII

Use of dwellings

45 (1) The provisions of this Part of the Act shall apply to dwellings with kitchen currently or formerly used as all-year residences in the municipalities referred to in section 2, above, but see section 46(1), third sentence, section 48(1), third sentence, section 50(1), second sentence and section 52a(1), third sentence.

(2) Decisions by the municipal council in pursuance of this Part of the Act shall be final and conclusive.

46 (1) A dwelling shall not be closed down, in full or in part, without consent from the municipal council. This shall apply whether such dwelling is closed down by demolition, by the combination of 2 or more dwellings, in full or in part, or by occupation of the dwelling or any part thereof for non-residential purposes. The provisions of the first and second sentences hereof shall likewise apply to separate rooms formerly used for residential purposes provided always that such rooms do not form part of the landlord's flat or a single- or double-occupancy house occupied by the landlord.

(2) Except for the separate rooms referred to in subsection (1), final sentence, hereof, the municipal council shall not withhold consent under subsection (1) hereof to the combination of dwellings, subject to the following conditions being satisfied:

(a) none of the dwellings so arranged shall have a gross floor area in excess of 130 square metres;

(b) the dwellings shall be vacant, without such vacancy being due to notice of termination by the landlord under sections 82 or 83(a)-(b) of the Rent Act;

(c) the dwellings so extended shall be vacant as defined under para. (b) hereof or be occupied of occupants wishing to take over the extended dwelling.

47 (1) Members of the same household shall not use more than one dwelling in the same municipality without the consent of the municipal council. For this purpose, the City of Copenhagen, the municipality of Frederiksberg and the municipalities of the counties of Copenhagen, Roskilde and Frederiksborg shall be deemed to constitute one municipality.

(2) A dwelling formerly let as a flat shall not be let as separate rooms without the consent of the municipal council.

48 (1) Where a dwelling formerly used wholly or in part as an all-year residence becomes vacant, the owner shall ensure that such dwelling will continue to be used for residential purposes. A dwelling shall be deemed to be vacant when it is not let or used for residential purposes. The provisions of the first and second sentences hereof shall apply, correspondingly, to separate rooms formerly used for residential purposes where such rooms do not form part of the landlord's flat or a single- and dual-occupancy house occupied by the landlord.

(2) Where a dwelling has been vacant for 6 weeks or more, the owner shall report the vacancy to the municipal council.

(3) After the expiry of the stipulated time, the municipal council may allocate the dwelling to a house hunter to whom the owner shall let the dwelling immediately, but see subsection (6) hereof.

(4) The municipal council is entitled to facilitate the occupation of the flat by a house hunter to whom the municipal council has allocated the flat, with assistance from the bailiff, but see subsection (6) hereof.

(5) If the owner's report has satisfied the municipal council that he has agreed to assign the use of the dwelling at a later date, or that the dwelling is temporarily uninhabitable due to reconstruction, the municipal council may grant a further extension of the time limit before applying subsection (3) hereof.

(6) Subsections (3) and (4) hereof shall not apply to a co-operative owner or any other owner having vacated his dwelling, without being able to dispose of the dwelling in spite of repeated attempts.

49 (1) Where a dwelling referred to in section 48, above, has been let but is not occupied, the municipal council may terminate the tenancy agreement without prior notice, unless the former occupant is temporarily absent due to illness, business travels, holiday, military service, temporary placement, etc.

(2) Termination under subsection (1) hereof shall be by written notice to the tenant. The notice shall specify the tenant's right of objection, cf. subsection (3) hereof.

(3) Where a tenant refuses to accept the termination, he shall object in writing within 6 weeks from receipt thereof. If the municipal council insists on terminating the tenancy agreement, it shall commence proceedings before the housing tribunal within 6 weeks from the expiry of the time limit pertaining

to the tenant.

(4) In the absence of any arrangements by the owner within a month from receipt of notice from the municipal council of the effective termination of the tenancy agreement, designed to ensure occupation of the dwelling for residential purposes, section 48(3) and (4), above, shall apply.

50 (1) A dwelling used as an all-year residence within the past 5 years shall not be occupied as a summer residence or any other temporary occupation preventing its continued occupation as an all-year residence, without consent from the municipal council. The same shall apply to the separate rooms referred to in section 48(1), final sentence, above.

(2) Where such consent is refused, the provisions of section 48(2)-(5) shall apply, the limit provided for by section 48(2) running from the date of refusal by the municipal council.

(3) Where the owner has occupied the dwelling as a summer residence, contrary to the provisions of subsection (1) hereof, the municipal council may at any time apply the provisions of section 48, above. The municipal council may require any tenancy agreement made by the owner concerning occupation as a summer residence etc., to be terminated in pursuance of the provisions of section 49, above.

51 (1) The municipal council's reply to an application for consent under sections 46, 47 and 50, above, shall be available within 6 weeks from receipt by the council of such application of any documentation requested.

(2) Where a dwelling is vacant, the municipal council shall not withhold its consent unless the continued use of the dwelling as an all-year residence is required for the benefit of house hunters in the municipality.

(3) Where a municipal council withholds consent, the owner may request the council to assign a tenant to the dwelling under section 48(3), above. If the municipal council fails to do so within 6 weeks from such request, the council will be deemed to have granted its consent.

52 (1) The dwelling shall not be occupied for any purpose other than as an all-year residence until the consent of the municipal council has been granted. Nor shall any alteration etc. be started with a view to combining or converting the dwelling for any purpose other than residential. In case of any such purported act, the municipal council may claim reinstatement.

(2) Where it appears from the grounds submitted with a termination, or where

it is otherwise established that the notice of termination was given for the purpose of achieving a result as set out in sections 46, 47 or 50, the validity of such termination shall be subject to the consent from the municipal council having been granted by the date on which notice of termination was given.

52a(1) Premises shall not be let to or be occupied by more than 2 persons per room (maximum number of occupants). Provided always that this shall not apply where any increase of the number of members of the tenant's household during the term of the tenancy is due to the tenant's children, spouse or cohabitant or their children, or where the municipal council has granted permission under section 52b(1), below. For this purpose premises shall mean a flat as well as a separate room.

(2) At the time of the tenancy agreement the tenant shall notify the landlord of the number of members of the household. The tenant shall further notify the landlord of any increase of the number of members during the term, taking the total number of occupants of the premises above 2 persons per room, without such increase being due to the tenant's children, spouse or cohabitant or their children.

(3) If the landlord is informed that too many persons are occupying the premises, cf. subsection (1) hereof, the landlord shall report this fact to the municipal council.

52b(1) The municipal council may permit the total number of occupants of the tenancy to exceed 2 per room where

(i) the increase is caused by relatives who are ill or elderly or in need of care

(ii) the municipal council is of the opinion that other social factors of a compelling nature must be considered in the specific case; or

(iii) the size of the dwelling ensures that after the increase of the number of members of the household an area of 20 square metres or more per occupant will be available.

(2) If possible, the municipal council shall decide within 1 week from receipt of the tenant's application for permission under subsection (1) hereof. Appeal from decisions of the municipal council does not lie to any other administrative authority.

(3) In properties to which sections 52a - c apply, cf. section 2(1), above, the municipal council shall, if possible within 2 weeks from receipt of notice

under section 2(1), fourth sentence, above, or registration of a tenant at the population register in respect of the address of the property in question, inform the tenant that the premises are subject to a maximum number of occupants, including the provisions of sections 69(2), 70(3) and 73(3) of the Rent Act, and sections 64(2), 65(3) and 69(3) of the Act on the Rent of Social Dwellings, shall apply to the tenancy. The municipal council shall further state that this implies that the council may in the course of its supervisory duties, correlate registers for the purpose of verifying whether the maximum number of occupants is exceeded. The municipal council shall monitor the number of persons registered at the national register in respect of the address in question, and whether the maximum number of occupants is exceeded, cf. section 52a(1), above. If the maximum permitted number of occupants is exceeded, the municipal council shall give the tenant notice that the tenancy will be terminated unless the number of occupants is reduced to the permitted maximum within 4 weeks from the tenant's receipt of such notice. In the absence of such particulars and a statement of the tenant's right to apply for permission to exceed the maximum number of occupants under subsection (1) hereof, or unless the municipal council notifies the tenant under the first sentence hereof, the notice shall be void. Where the maximum number of occupants of a flat is exceeded due to occupants of a sub-tenancy under section 69 of the Rent Act or section 64 of the Act on the Rent of Social Dwellings, the municipal council may extend the time stipulated in the second sentence hereof.

(4) Unless the excessive number of occupants is reduced to the permitted number within the time stipulated in subsection (3) hereof, the municipal council shall terminate the tenancy agreement without undue delay. Any such termination shall be by written notice to the tenant. Sections 94 and 95 of the Rent Act and sections 91 and 92 of the Act on the Rent of Social Dwellings shall apply, correspondingly.

(5) In a sub-tenancy under section 69 of the Rent Act or section 64 of the Act on the Rent of Social Dwellings, the landlord may terminate the tenancy agreement when the number of members of the tenant's household is increased, taking the total number of occupants of the flat above the maximum number permitted, cf. section 52a(1), above, and where the tenant fails to reduce the number despite notice from the landlord, requiring him to do so. Subsection (4), the second and third sentences, shall apply, correspondingly.

52c The municipal council may, in the course of its supervisory duties, cf. section 52b(3), above, correlate The Inter-municipal Personal Data System and the Municipal Building and Housing Register (BBR) for the purpose of verifying whether section 52a(1) governing the maximum number of occupants is duly observed. Such correlation may be effected in the course of proceedings

involving a specific case or in the course of a general search for verification purposes.

53(1) Any person shall be liable to punishment by a fine who, without consent from the municipal council, acts:

(a) contrary to the provisions of section 46(1), above, by closing down a dwelling in whole or in part;

(b) contrary to the provisions of section 47(1), above, by using more than one flat for residential purposes for members of the same household;

(c) contrary to the provisions of section 47(2), above, by letting a flat as separate rooms;

(d) contrary to the provisions of section 50(1), above, by occupying a flat as summer residence etc.;

(e) contrary to the provisions of section 52, above, by starting alterations etc. for the purpose of combining dwellings or converting dwellings for non-residential purposes.

(2) Any person failing to submit the report provided for under section 48(2), above, or submitting such report after the expiry of the stipulated time limit shall be liable to punishment by fine.

(3) Any landlord shall be liable to punishment by a fine who

(i) contrary to the provisions of section 52a(1) lets a dwelling, taking the number of occupants above 2 per room;

(ii) is aware of a contravention of section 52a(1) without reporting such contravention to the municipal council, cf. section 52a(3), above.

(4) Companies etc. (legal persons) may incur criminal liability under the provisions of Part 5 of the Criminal Code.

Part VIII

The Houseowners' Investment Fund

(Grundejernes Investeringsfond)

54 (1) The Houseowners' Investment Fund shall administer the funds tied-up in pursuance of sections 18b and 63a of the Rent Act. The by-laws are subject to approval by the Minister for Social Affairs. The by-laws shall lay down rules and regulations providing for proper business practices and procedures, including audit by a state-authorised public accountant to be appointed by the Minister for Social Affairs.

(2) The Investment Fund shall be managed by a board consisting of 9 members. The chairman and 4 other members of the board shall be elected by national organisations of owners of rental premises. In case of doubt, the Minister for Social Affairs shall determine which associations are entitled to vote. The other members shall be appointed by the Minister for Social Affairs on the recommendation of national organisations of tenants' associations. Deputies to the chairman and the other members shall be elected in pursuance of the same rules. All elections shall be for terms of 4 years. Re-election shall be possible.

(3) The board shall appoint a director and other executive staff to manage the day-to-day business of the Investment Fund, laying down rules of procedure governing the organisation of the work. General rules and regulations and guidelines distributed to investors and borrowers shall be subject to approval by the board.

55 (Repealed).

55a (Repealed).

55b (Repealed).

56 All amounts paid to the Investment Fund shall carry interest at a rate fixed by the Investment Fund in accordance with the general level of interest and the operating results of the institution, subject to a maximum interest rate of 9% p.a. The interest on amounts tied-up in pursuance of section 18b of this Act and section 63a of the Rent Act shall be credited to the account once a year.

57 Any amounts paid to the Investment Fund which are not lent for improvement or refurbishment of residential properties, including loans for fire precautions, or for acquisition of properties for the purpose of redevelopment shall at all times be invested in bonds issued by finance institutions approved under the Mortgage Credit Act.

58 (1) Loans for residential properties may be granted for:

(i) Installation of central heating or other improvements to the heating installation of a property

(ii) Heat-insulating works.

(iii) Improvement of sanitary installations.

(iv) Improvement of kitchens.

(v) Fire precautions.

(vi) Other improvements, whereby the utility value of the property is substantially improved, including repaving of courtyards, removal of hedges, sheds, etc., providing recreational areas for residents, and removal of buildings causing serious inconvenience to residents, due to their location, extent or use, and the removal of which results in a lasting improvement of conditions.

(vii) Repairs.

(2) Loans shall only be granted where the improvement and the cost of its implementing are reasonable.

59 (1) Loans granted by the Investment Fund in pursuance of section 58, above, shall be secured by a charge on the property affected, providing security for the loan within 85% of the value of the property as assessed by the Investment Fund. Together with any supplementary loans topping up existing loans secured on the property, raised to cover the cost of the improvement, the loan shall not exceed 90% of such cost.

(2) The loans shall be disbursed in cash and shall carry interest at a rate to be fixed by the board of the Investment Fund, subject to a minimum rate equalling the statutory minimum rate provided for under section 7 of the Gain on Securities and foreign Currency Act. A contribution to a reserve fund may be payable on disbursement of the loan.

(3) The repayment period for the loans shall be fixed in such a way as to ensure that the Investment Fund will at all times be able to release the amounts tied-up in step with the due dates for such releases. It may be stipulated that during the term of the loan the borrowers are to contribute to the administration and reserve fund of the Investment Fund pursuant to the rules and regulations laid down in the by-laws.

(4) Loans for the establishment of courtyard and garden in connection with the

implementation of a redevelopment plan for which state subsidies have been promised may be secured by the issue of a municipal guarantee.

(5) Loans for fire precautions may be granted even without security within 85% of the property value, subject to the charge being supplemented by a municipal guarantee in pursuance of section 10(4) of the Fire Protection Act.

59a(1) The Investment Fund may grant loans for refurbishment, rebuilding for other purposes or improvement, in respect of properties worthy of preservation.

(2) The terms and conditions on which loans for properties covered by subsection (1) hereof are granted shall be determined by the board of the Investment Fund, subject to approval by the Minister for Social Affairs. The same shall apply to the amount of the annual loan limit.

59b(1) The Investment Fund may grant loans for the financing of works carried out subject to the provisions of Part 5 of the Act on Urban Renewal of Private Rental Properties.

(2) The terms and conditions on which loans for properties covered by subsection (1) hereof are granted shall be determined by the board of the Investment Fund, subject to approval by the Minister for Social Affairs. The same shall apply to the amount of the annual loan limit.

60 (1) Where a landlord has failed to carry out cleaning and maintenance works and repairs within the time limit stipulated by the rent assessment committee, cf. sections 22(3), 27(6) and 27a(2), above, the Investment Fund may at the request of a tenant have the said works carried out at the landlord's expense, whether or not the landlord has brought the committee's decision before the courts.

(2) Where the landlord disputes the entitlement of the Investment Fund to carry out the works, or the reasonableness of the expenses, he may deposit the amount or by agreement with the Investment Fund provide security for payment of the amount.

(3) The payment of interest on amounts disbursed by the Investment Fund shall be determined by the Investment Fund at a rate equalling the rate payable on cash loans granted in a 10-year series on mortgage credit in an accredited mortgage bank. Rules on the entitlement of the Investment Fund to charge a fee for administration in connection with the implementation of the works shall be laid down by the Minister for Social Affairs.

(4) Where the landlord fails to deposit or provide security under subsection (2) hereof, the Investment Fund may grant the landlord a loan to cover the cost of carrying out the works, registering a charge in respect of the property ranking subject to property taxes, but without any personal liability. The loan shall be disbursed in cash and shall carry interest at a rate to be fixed by the Investment Fund, equalling the interest payable under subsection (3) hereof, at the time the loan is granted. The repayment period shall be fixed at a period not exceeding 10 years. The same shall apply to the cost of any preliminary investigations etc. necessary for the Investment Fund to make a decision under subsection (1) hereof. The Investment fund may charge an administrative contribution equalling the amount payable for mortgage credit as set out in subsection (3), first sentence, hereof. Pursuant to the Act on Compulsory Administration of Rental Properties, the Houseowners' Investment Fund shall, at the request of a property administrator, release any material pertaining to the property. The Investment Fund may claim payment covering the reasonable cost of procuring such material.

(5) In general, the Investment Fund may decide that up to 50% of the rental income shall be paid to the Investment Fund until all costs and interest payments have been covered. The Investment Fund shall register any such decision, which shall be good against the world, in respect of the property.

(6) If the Investment Fund is in receipt of a part of rental income in pursuance of subsection (5) hereof, all tenants shall upon demand pay the rent to the Investment Fund, which shall in turn refund any surplus amount to the landlord. Only payments to the Investment Fund shall effectively discharge the obligation to pay.

60a The Minister for Social Affairs may upon recommendation from the board of the Investment Fund accept the application by the Investment Fund of its interest earnings and its capital and reserves for other activities pertaining to the private rental housing sector than the one set out in sections 59a and 59b, above, and section 61, below.

61 (1) The Investment Fund may make capital investments in approved redevelopment companies and subsidise the renovation of older neighbourhoods, including joint purchases or joint production of elements or contents with a view to renovating older dwellings. In addition, the Investment Fund may subsidise initiatives and projects, including experiments, within urban ecology, urban planning, urban renewal or housing improvements and refurbishment of the older housing stock. Moreover, the Investment Fund may, within an annual limit of DKK 3m, pay grants to education, courses and dissemination of information for owners and tenants. Grants shall be payable according to guidelines laid down by the board of the Investment Fund. The

Investment Fund may further, within a total annual limit to be determined subject to consultation between the Houseowners' Investment Fund and the Minister for Social Affairs, finance a consultancy and information service with a view to enhancing efforts in the fields of private urban renewal under the Act on Private Urban Renewal and agreed housing improvements under Part 5 of the Act on Urban Renewal. The Minister for Social Affairs is authorised to lay down guidelines for the activities of the consultancy and information service. The amount of the annual grant shall not exceed 20% of the rental earnings of the Investment Fund for the current year.

(2) Notwithstanding the provision of subsection (1), last sentence, hereof, the Investment Fund may grant subsidies as specified in section 66(5) of the Act on Urban Renewal and Housing Improvement.

(3) Notwithstanding the provision of subsection (1), last sentence, hereof, the Investment Fund may grant subsidies as specified in sections 106(4) and 111(3) of the Act on Urban Renewal.

(4) Notwithstanding the provision of subsection (1), last sentence, the state may demand reimbursement from the Houseowners' Investment Fund of expenses incurred by the state to subsidise maintenance works in rental properties pursuant to section 19(2) of the Act on Urban Renewal and Urban Development. The extent of such reimbursement shall be specified in an agreement between the state and the Houseowners' Investment Fund. For 2004-2007, the reimbursement from the Houseowners' Investment Fund will constitute DKK 50 million annually.

61a The Houseowners' Investment Fund may require public authorities to provide any necessary information for the purpose of administering the provisions of section 18b, cf. Part III A, of this Act and Part X A of the Rent Act.

62 (1) In case of any loss incidental to the activities of the Investment Fund not recoverable out of the accumulated reserves of the Investment Fund, any such loss shall be covered by a proportionate write-down of the amounts held at the end of the current accounting year, under sections 18b and 63a of the Rent Act.

(2) On termination of the Investment Fund, the board shall decide on the distribution of any surplus, subject to the acceptance of the Minister for Social Affairs.

63 (1) Any person who fails to give the Investment Fund any necessary information of tenants and the amount of rent, contrary to the provisions of section 60(5), above, shall be liable to punishment by a fine.

(2) Companies etc. (legal persons) may incur criminal liability under the provisions of the Criminal Code.

Part VIII A

The right of municipal councils to demand that certain dwelling be made available

63a(1) The municipal council may require that the owners of properties in respect of which the return is assessed under sections 9(3) or 9(4), above, shall make up to every tenth vacant flat available for the municipal council for the purpose of solving housing issues of a social nature.

(2) Section 64(2), second sentence, section 65(1)-(3), section 66 and section 74(1) of the Act on Urban Renewal and Urban Development shall apply, correspondingly.

Part IX

Commencement

64(1) This Act shall come into force on 1 January 1980.

(2) On the same date the Act on Temporary Regulation of Housing Conditions No. 400 of 20 July 1977, as amended by Act No. 259 of 8 June 1978, shall be repealed.

65 (1) In the fourth quarter of 1979, the municipal council may make decisions in pursuance of section 1, above, with effect from the date of commencement of this Act.

(2) Where a municipal council has made a decision prior to the end of 1979 as specified in section 6 of the Act on Temporary Regulation of Housing Conditions, cf. Consolidation Act No. 400 of 20 July 1977, any such decision shall remain effective as if it had been made in pursuance of section 1 of this Act.

(3) Where a municipal council has decided in pursuance of section 59 of the former Act that the entire Part of the Act is to apply to the municipality, any such decision shall remain effective for up to 1 year, as if it had been made in pursuance of section 2 of this Act. Where the decision concerns only some of the provisions of the Part, such decision shall lapse on the date of

commencement of this Act.

66 (1) Where the part of the rent deposited for maintenance and repair under the existing provisions exceeds the amounts specified in section 18 of this Act and section 22 of the Rent Act, the higher amount of deposits shall be retained until any rent increases implemented in pursuance of sections 7, 27 or 29, above, exceed the amounts formerly deposited.

(2) Where the part of the rent deposited for maintenance and repair under the existing provisions is less than the amounts specified in section 18 of this Act and section 22 of the Rent Act, the lower amount of deposits shall be retained notwithstanding the amendment, until a rent increase is implemented in pursuance of sections 7, 27 and 29, above.

66a The Minister for Social Affairs is authorised to lay down provisions governing the calculation of the gross floor area of dwellings and business premises in pursuance of this Act.

67 (1) The Minister for Social Affairs may authorise an executive agency established under the Ministry to exercise the powers vested in the Minister under this Act.

(2) The Minister for Social Affairs is authorised to lay down provisions governing the right to appeal against decisions made in pursuance of the authority under subsection (1) hereof, including a provision to the effect that no such decision shall be brought before the Minister.

67a Proposed revisions of sections 5(3), 7(2) and (3), 9(3) and 63a shall be introduced to the Parliament (Folketing) during the parliamentary session 1990-91.

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

69 Where several adjustment percentages for one financial year are advertised, the percentage most recently advertised shall form the basis of the adjustment of the amounts and limits adjusted once a year on a statutory basis, by 2.0% plus a rate adjustment percentage for the current financial year.

[1] Act No. 230 of 2 April 1997 (section 2(iv)) erroneously states "the amount set out in the first sentence hereof" instead of "the total amount".
[2] Act No. 230 of 2 April 1997 (section 2(iv)) erroneously states "the amount set out in the first sentence hereof" instead of "the total amount".
[3] Act No. 419 of 1 June 1994 (section 2(xxxvii) erroneously has a full stop

after "completion of the works" instead of a comma.