

Act No. 17 of 26 March 1999 relating to tenancy agreements (Tenancy Act).

Cf. Act No. 2 of 4 February 1960 relating to housing cooperatives and Act No. 13 of 7 July 1967 relating to rent restriction. - Cf. *previous* Decree 20 April 1813, Act No. 13 of 25 June 1935, Act No. 5 of 25 June 1936 and Act No. 6 of 16 June 1939 (see section 13-2, final paragraph of current Act).

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Chapter 1. General provisions

Section 1-1. *Scope of the Act, etc.*

This Act applies to agreements relating to the right to the use of property in return for remuneration.

This Act shall apply regardless of whether the right to the use of a dwelling is founded on a contract of employment. This Act shall not otherwise apply when the agreement primarily concerns matters other than the right to the use of property.

This Act shall apply regardless of whether it is agreed that remuneration shall be made otherwise than in money.

This Act shall not apply to agreements between hotels, boarding houses or similar overnight lodging houses and their guests. Nor shall the Act concern agreements relating to the renting of property for holidays and recreational purposes.

For the purposes of this Act, “dwelling” shall mean property that is used entirely or primarily for habitation. For the purposes of this Act, “business premises” shall mean property other than dwellings.

Section 1-2. *Indispensability*

Conditions may not be agreed that are less favourable to the tenant than those ensuing from the provisions of this Act.

In connection with the renting of business premises, agreements may deviate from the provisions of the Act with the exception of sections 1-1 to 1-4, 4-1, 4-4, 4-6, 9-7, 9-8, 9-10, 12-3 and 12-4 and chapter 13.

Section 1-3. *Standard terms*

If a tenancy agreement is concluded on the basis of or with regard to standard terms drawn up by negotiation between the tenants’ and landlords’ organizations, at the latest on concluding the agreement, written notification shall be given of any deviations from such standard terms. If this is not done, the standard terms shall apply.

The provision of the first paragraph shall not prevent the tenant of a dwelling from invoking an agreement more favourable for him than that ensuing from the standard terms.

Section 1-4. *Form of agreement*

An agreement concerning the renting of property may be made verbally or in writing. If the agreement is verbal, it shall be drawn up in writing if so demanded by either of the parties.

Section 1-5. *Risk associated with the dispatch of notifications*

If a party gives notification in accordance with the Act and dispatches this in a manner that is satisfactory in the circumstances, unless otherwise provided, the dispatcher may argue that the notification has been given within the time limit even if it is delayed or is not correctly delivered.

Section 1-6. *Calculation of time limits*

In connection with the calculation of time limits pursuant to this Act the provisions of sections 146, 148 and 149 of the Act of 13 August 1915 relating to the courts of justice shall apply accordingly.

Section 1-7. *Liability for damages in connection with injury to persons, etc.*

Loss resulting from injury to persons is not encompassed by the provisions of this Act that concern liability for damages. For such loss and for loss that is not a result of breach of contract, the general principles of the law of damages shall apply.

Chapter 2. Availability for occupation by the tenant and requirements regarding the property

Section 2-1. *Date of availability for occupation by the tenant*

The landlord shall make the property and appurtenances available for occupation by the tenant on the agreed date.

Unless otherwise agreed, the property is regarded as available to the tenant when the tenant has received keys and otherwise unimpeded access to the property. The tenant may refuse to occupy the property if it is in substantially poorer condition than the tenant may demand pursuant to the agreement and the provisions of this chapter, and the property shall not then be regarded as available to the tenant.

If the date that the property shall be made available to the tenant is not stipulated in the agreement, the tenant may demand to take over tenancy of the property at the beginning of the third month after the agreement becomes binding.

Section 2-2. *General requirements regarding the condition of the property*

The property shall when made available to the tenant comply with the requirements ensuing from the tenancy agreement. Unless otherwise agreed, the property and appurtenances shall when made available to the tenant be tidy, clean and in normal good condition.

Unless otherwise agreed, the property is regarded as defective if it is not

- a) suitable for the purposes for which corresponding property is normally used or
- b) suitable for the special purposes for which the property should be used by the tenant pursuant to

the agreement unless circumstances show that the tenant did not base his decision to rent the property on the landlord's factual knowledge or judgment or had no reasonable grounds for so doing.

Section 2-3. *Incorrect information concerning the property*

The property is regarded as defective if it does not comply with the information given by the landlord or on the landlord's behalf. This shall nevertheless only apply if it may be assumed that such information has influenced the agreement and has not been clearly corrected in time.

Section 2-4. *Lack of information concerning the property*

It shall be regarded as a defect if the tenant has not received information concerning factors affecting the property of which the landlord was aware or should have been aware, and which the tenant had grounds to expect to receive. This shall nevertheless only apply when it may be assumed that the failure to inform the tenant has influenced the agreement.

Section 2-5. *Property rented "as is", etc.*

Even though the property is rented "as is" or with similar general reservations, it shall be regarded as a defect if the landlord or his agent has neglected his obligations pursuant to section 2-3 or 2-4. The property is also defective if it is in substantially poorer condition than the tenant had grounds to expect on the basis of the size of the rent and other circumstances.

Section 2-6. *Prior examination, etc.*

Circumstances of which the tenant was aware or should have been aware on conclusion of the agreement may not be claimed as defects.

If the tenant prior to concluding the agreement examined the property or without reasonable grounds neglected to comply with the landlord's invitation to examine it, the tenant may not claim as a defect anything that should have been discovered by the examination. This does not however apply if the landlord has acted with gross negligence or contrary to honesty and good faith.

The provisions of the first and second paragraph imply no restriction of section 2-4 relating to defective information concerning the property.

Section 2-7. *Time for judgment of defects*

Whether the property is defective shall be judged on the basis of conditions on the agreed date for occupation by the tenant, cf. section 2-1.

If the property is occupied by the tenant at a later date than agreed and this is owing to circumstances for which the tenant is responsible, defects shall be judged on the basis of conditions on the date the

tenant could have begun to occupy the property.

Section 2-8. *Complaints concerning defects*

The tenant loses his right to complain about a defect if the complaint is not made within a reasonable period after the tenant should have discovered the defect. This does not however apply if the landlord has behaved with gross negligence or contrary to honesty and good faith.

Section 2-9. *Tenant's right to affirm the agreement in the event of delay*

If the property is not made available to the tenant on the agreed date, the tenant may affirm the agreement and demand that it be performed if this can be done without causing the landlord unreasonable expense or inconvenience. The tenant loses his right to demand performance of the agreement if he waits for an unreasonably long time before submitting his claim.

Section 2-10. *Demands concerning repair of defects*

The tenant may demand that the landlord at his own expense shall repair a defect of the property or appurtenances if this can be done without causing the landlord unreasonable expense or inconvenience.

If the tenant wishes to make a claim in respect of a defect, the landlord is entitled to repair the defect if such repair may be carried out without major inconvenience to the tenant and the tenant has no other special reason for objecting to the repair.

Such repair shall be carried out within a reasonable time after a claim is submitted.

If the landlord fails to fulfil his obligation to repair the defect, the tenant may claim reimbursement of his justifiable expenses in having the defect repaired. If the repair involves work for the tenant, the tenant may claim a reasonable remuneration for this.

Section 2-11. *Rent reduction*

If the property is not made available to the tenant on the agreed date, the tenant is not obliged to pay rent for the duration of the delay. If the delay applies only to part of the property, the tenant may claim a rent reduction for the duration of the delay corresponding to the proportion of the full rental value of the property constituted by the delayed part.

During the period the property is defective, the tenant may claim a rent reduction corresponding to the difference between the rental value of the property in defective and contractual condition. This shall however not apply during the period following any refusal by the tenant of an offer to repair the defect that the tenant was obliged to accept.

Section 2-12. *Termination of tenancy agreement*

The tenant may terminate the tenancy agreement if the delay or defect implies a serious breach of the agreement.

If it is clear that a breach of the agreement will occur that will entitle the tenant to terminate the agreement, the tenant may terminate the agreement prior to the agreed date for occupation of the property. The termination may be averted if the landlord immediately gives adequate assurance of performance of the agreement.

The tenant may not terminate the tenancy agreement on grounds of delay subsequent to occupying the property or on grounds of defects when these have been repaired pursuant to the provisions of section 2-10.

Section 2-13. *Compensation*

The tenant may claim compensation for loss resulting from delay or defect. This shall however not apply if the landlord proves that the delay or defect is due to an impediment beyond the landlord's control which the landlord could not reasonably be expected to have taken into account at the time of entry into the contract or to have avoided or overcome the consequences of.

If the delay or defect is due to a third party whom the landlord has engaged wholly or partly to perform the tenancy agreement, the landlord shall only be free from liability if the third party would also have been free from liability pursuant to the provision of the first paragraph.

Freedom from liability shall apply as long as the impediment has effect. If the impediment ceases to have effect, liability shall be maintained if the landlord is then obliged to perform the agreement but fails to do so.

The provisions of the first to the third paragraph do not include such indirect loss as mentioned in section 2-14, second paragraph.

The tenant may in all cases claim compensation if

- a) the delay, defect or loss is due to error or neglect by the landlord or
- b) the condition of the property at the time of entry into the contract deviated from that guaranteed by the landlord.

Section 2-14. *Scope of liability for damages*

Compensation shall correspond to the financial loss suffered by the tenant as a result of the delay or defect. This shall nevertheless only apply to loss that the landlord could reasonably have foreseen to be a possible consequence of the breach of the agreement.

The following are regarded as indirect loss:

- a) loss resulting from reduced or discontinued production or sales (interruption of operations),
- b) lost earnings resulting from the loss of a contract with a third party since the tenant without reasonable grounds refrains from renting other property or adopting other measures to avoid or reduce the loss, and
- c) loss resulting from material damage.

The provisions of the second paragraph shall not apply to costs of ordinary measures compensating delays or defects on taking over the property or measures that limit other loss than that covered by the second paragraph.

If the tenant neglects to limit the loss by means of reasonable measures, he must bear a corresponding share of the loss.

The liability may be reduced if it would have an unreasonable effect for the landlord in view of the size of the loss in relation to the loss that normally arises in similar cases and in view of other circumstances.

It may be agreed that compensation shall not be paid for indirect loss that falls under the second paragraph.

Section 2-15. *Right to withhold rent*

The tenant may withhold an amount from the rent large enough to secure the claims the tenant has against the landlord resulting from defect or delay.

Section 2-16. *Defects in title*

The provisions concerning defects shall apply accordingly if the right of third parties to the property prevents the agreed utilization.

The tenant may always claim compensation for loss resulting from any defect in title in existence on conclusion of the agreement and of which the tenant was neither aware nor should have been aware.

If a third party claims a right to the property which prevents the agreed utilization and this is disputed, the provisions of the first and second paragraph shall apply accordingly when the claim is not clearly groundless. Termination may be averted if the landlord immediately gives adequate assurance of performance of the agreement.

Section 2-17. *Restrictions of public law on the right of disposition*

The provisions concerning defects shall apply accordingly if the agreed utilization is prevented by statutory provisions or public decisions pursuant to statute.

Chapter 3. Rent and other payments

Section 3-1. *Rent*

Rent shall be set at a fixed amount. It may however be agreed that the landlord's costs in connection with consumption of electricity and fuel shall be distributed proportionately between the users of the property, cf. section 3-4.

If the size of the rent has not been agreed, the landlord may demand a rent corresponding to that which is normal on the date of conclusion of the agreement in connection with new letting of similar property on similar terms of agreement. If the parties fail to agree on the size of the rent, either party may demand that the rent be decided pursuant to the provisions of section 12-2.

Section 3-2. *Due dates*

Unless otherwise agreed, the landlord may demand that the rent be paid in advance for each month or other agreed due date. Advance payment may not be agreed for longer than one month.

If the rent falls due on a Saturday or Sunday, a public holiday or the 1 or 17 May, the due date shall be postponed until the next working day.

The due date shall also be postponed as long as payment is prevented by any stoppage of communications or payment transmission services or other circumstances beyond the tenant's control which the tenant is unable to overcome.

Section 3-3. *Means of settlement*

The landlord may direct how the rent shall be transferred if this does not involve additional expenses or major inconvenience for the tenant. The tenant has nevertheless always the right to pay rent via a bank. The tenant may not be obliged to transfer rent abroad.

If the tenant pays via a bank, payment in accordance with the due date rules shall be regarded as having been made when

- a) the amount is received by a bank in Norway or
- b) a payment order is received by a bank in Norway, provided that there is cover for the payment.

Section 3-4. *Payment for electricity and fuel*

If it is agreed that the tenant shall make separate contributions to the landlord's electricity or fuel costs in relation to the property, the tenant may demand that the landlord present an account each year showing the size of such costs and their distribution between units of the property.

In the case of properties with shared installations for supply of heating or hot water, a majority of two-thirds of the tenants may demand that an apparatus be installed for measurement of each tenant's

consumption. The landlord may in such case divide the cost of this over a period of one year between all of the tenants of the property.

Pursuant to the provisions of chapter 13 of the Enforcement Act claims as mentioned in the first and second paragraph shall be regarded as rent.

Section 3-5. *Deposit*

It may be agreed that the tenant as security for rent owed, damage to the property, costs in connection with eviction and other claims arising from the tenancy agreement shall deposit an amount limited to a maximum of six months' rent. It may be agreed that the deposit shall be revised in relation to any revisions of the rent.

The deposited amount shall be deposited in a special account with a normal rate of interest in a finance institution in Norway that is entitled to offer such services.

For the duration of the tenancy, none of the parties may dispose of the amount alone. The tenant may however demand payment from the finance institution of interest earned on the amount.

On expiry of the tenancy, the finance institution may with freedom from liability for the finance institution pay rent owed from the account if:

- a) the parties have agreed in writing that the rent shall be deposited in another account in the same finance institution and
- b) the landlord has documented the date when the payment obligation commenced and expired.

Either of the parties may demand payment of the deposited amount in accordance with the written consent of the other party, a legally enforceable judgment or other decision that has the effect of a legally enforceable judgment. If the tenant demands payment of the deposit in excess of earned interest, the bank shall notify the landlord in writing of the demand, informing that the amount will be paid to the tenant if the landlord does not within one month after receiving such notification make a demand pursuant to the provisions of the fourth paragraph or document the institution of legal proceedings. If the bank receives no such demand or documentation within the time limit and the tenant has not withdrawn his demand, the bank shall pay the amount to the tenant with freedom from liability for the bank.

Section 3-6. *Guarantee*

It may be agreed that the tenant as security for rent owed, damage to the property, costs in connection with eviction and other claims arising from the tenancy agreement shall provide a guarantee. The guarantee amount may not together with the deposit pursuant to section 3-5 exceed a total of six months' rent. It may not be agreed with consequences for the tenant's reimbursement liability that the guarantor shall have the right to pay the guarantee regardless of the tenant's objections to the landlord's claim.

Section 3-7. *Prohibition against other payments in connection with the tenancy of a dwelling*

It may not be agreed that the tenant of a dwelling shall pay other or greater amounts than stated in sections 3-1 and 3-4 to 3-6.

Anyone who has paid an amount in infringement of the first paragraph may always claim the amount reimbursed or compensated by the landlord. The agreement shall otherwise be binding even though reimbursement or compensation is claimed.

Interest shall be credited to the claim mentioned in the second paragraph pursuant to section 3 of the Act of December 17, 1976 relating to interest on overdue payments, etc. from the date the amount was paid unless the payer must be regarded as having a major share in responsibility for the infringement.

Section 3-8. *Deposit of disputed rent*

In the event of a dispute between the parties concerning the rent to be paid, the agreement may not be rescinded or terminated on grounds of default in paying rent if the tenant deposits the disputed part of the rent in accordance with the second paragraph.

The same applies if the tenant wishes to set off claims arising out of the tenancy agreement and the landlord refuses to accept the set-off. The tenant shall at the earliest opportunity notify the landlord of the deposit and the reason for it.

A deposit pursuant to the first paragraph shall be made by depositing the amount in an account in a finance institution entitled to provide such services in Norway. The amount, including interest, may only be accessed by the tenant and the landlord jointly. The finance institution shall nevertheless be able to pay out the amount in accordance with a legally enforceable judgment or other decision with the effect of a legally enforceable judgment.

Chapter 4. Rent protection

Section 4-1. *General rent protection*

Rent may not be agreed that is unreasonable compared with that which is normally obtained when concluding an agreement concerning the new letting of similar property on similar terms.

Section 4-2. *Index regulation*

Either of the parties may request that the rent be revised without termination of the tenancy with the following limitations:

- a) the revision must not correspond to a greater amount than the difference in the retail price index since the previous fixing of the rent,
- b) the revision may not be implemented until one year at the earliest after the previous fixing of the

rent, and

- c) the other party must be given a minimum of one month's written notice before the revision may be implemented.

Section 4-3. *Adjustment to the current level of rents*

If the tenancy has run for a period of at least two years and six months without other change in the rent than that which may be demanded pursuant to section 4-2, both parties may without termination of the tenancy request that the rent be fixed to the current level of rents for similar property on similar terms of agreement. When fixing rent pursuant to the first sentence, deduction shall be made for that part of the rental value that is due to the tenant's improvements and investments.

Adjustment of rent pursuant to the first paragraph may not be implemented before six months after a written request and at the earliest one year after implementation of a previous change in the rent.

If the parties are unable to agree on the current level of rents, either party may demand that it be fixed pursuant to the provisions of section 12-2.

Section 4-4. *Reimbursement of unlawful rent*

Any one who has paid higher rent than is lawful, may claim reimbursement of the difference between the amount paid and the lawful amount unless the payer must be regarded as having a major share in responsibility for the infringement. The agreement shall otherwise be binding even though a reimbursement is demanded.

Interest shall accrue to the amount demanded pursuant to the first paragraph pursuant to section 3 of the Act of December 17, 1976 relating to interest on overdue payments, etc. from the date the amount was paid.

Section 4-5. *Exemption from the rent protection*

The provision laid down in section 4-2 shall not apply to separate payment of a proportionate share of costs in connection with consumption of electricity or fuel at the property, cf. section 3-4. This remuneration may be adjusted so that the payments cover the landlord's necessary costs.

The provisions of sections 4-2 and 4-3 shall not apply to that part of the rent that is agreed in a given relation to sales or to the result of the tenant's enterprise.

Section 4-6. *Regulations*

If conditions so necessitate, the King may for specific periods, specific areas or specific types of tenancy impose a rent freeze and maximum rates for rents. The King may also issue regulations concerning what may be regarded as the current level of rents.

Chapter 5. The parties' obligations during the tenancy period

Section 5-1. *Tenant's utilization of the property, etc.*

The landlord is obliged during the tenancy period to make the property available to the tenant in accordance with the agreement.

The tenant is obliged to treat the property with proper care and otherwise in accordance with the tenancy agreement.

The tenant may not use the property for any other purpose than agreed. The tenant of business premises may however operate another related enterprise provided that this is of no major inconvenience for the landlord or the other users of the property.

The tenant of shop or catering premises is obliged to keep the business open and in normal daily operation except when temporary closure is necessary.

Section 5-2. *Peace and order*

Unless otherwise agreed, the landlord is obliged during the tenancy period to maintain normal good order in the property.

The tenant is obliged to abide by normal house rules and reasonable instructions laid down by the landlord for the safeguarding of good order. Even though the landlord prohibits the keeping of animals in the property, the tenant may keep animals if good reasons so indicate and the keeping of animals is of no inconvenience to the landlord or to the other users of the property.

Section 5-3. *Maintenance*

Unless otherwise agreed, the landlord is obliged during the tenancy period to maintain the rented property and the rest of the property in the condition to which the tenant is entitled pursuant to the provisions of chapter 2 of the Act.

Unless otherwise agreed, the tenant is obliged to maintain door locks, water taps, lavatories, electrical points and switches, hot-water tanks and furniture, fittings and equipment in the property that is not part of the immovable property. If items that belong to the landlord must be replaced, this shall be incumbent on the landlord unless otherwise agreed.

Repair of accidental damage is not regarded as maintenance pursuant to the second paragraph.

Section 5-4. *Alterations to the rented property and to the remainder of the property*

The tenant must tolerate alterations to the property if work can be carried out without significant inconvenience for the tenant and if the alteration does not reduce the value of the property for the tenant. Other alterations may only be carried out with the consent of the tenant.

The tenant may not without the consent of the landlord make any alterations to the rented property or to the remainder of the property.

The tenant of a dwelling may with the approval of the landlord carry out alterations to the property that are necessary owing to the disability of the tenant or a member of his household. A tenant of business premises may with the approval of the landlord set up ordinary signs, awnings, etc. Approval pursuant to the first and second sentence may not be refused without just cause.

Concerning the tenant's obligation to return the property to its original condition, section 10-2 shall apply.

Section 5-5. *Damage to the property*

If the tenant discovers damage to the property that must be repaired without delay, the tenant is obliged immediately to notify the landlord of this. Concerning other damage to the property that is discovered, the tenant is obliged to send notification within a reasonable time.

The tenant is obliged to do what may reasonably be expected to prevent financial loss for the landlord resulting from damage as mentioned in the first sentence of the first paragraph. If the tenant is not responsible for the damage, the tenant may claim reimbursement of his justifiable expenses in connection with such measures and a reasonable remuneration for any work undertaken.

Section 5-6. *Landlord's access to the property*

The tenant is obliged to the extent necessary to give the landlord or the landlord's representative access to the property for inspection purposes.

The tenant is obliged to give the landlord or others access to the property to the extent necessary for the carrying out of obligatory maintenance, lawful alterations or other works that must be undertaken in order to prevent damage to the rented property concerned or to the remainder of the property. If such works involve inconvenience to the tenant, the tenant may claim a rent reduction pursuant to section 2-11, second paragraph provided that the inconvenience is not insignificant. The provision of the previous sentence shall not apply if the defect is due to circumstances for which the tenant is responsible.

The tenant shall be notified in reasonable time prior to inspection or maintenance work. Before works such as mentioned in section 5-4 are begun, the tenant shall be notified with a time limit as mentioned in the first paragraph of section 9-6. The provisions of the first sentence shall not apply if such measures are necessary in order to prevent damage to the rented property concerned or to the remainder of the property, and it is not possible to notify the tenant.

Section 5-7. *Tenant's claim on grounds of defects that arise during the tenancy period*

If the landlord fails to fulfil his obligations pursuant to sections 5-1 to 5-6 and the defect is not due to circumstances for which the tenant is responsible, the tenant may demand repair pursuant to section 2-10, demand reduction of the rent pursuant to the second paragraph of section 2-11, provided that the

defect is not insignificant, terminate the tenancy agreement pursuant to section 2-12, claim compensation pursuant to sections 2-13 and 2-14 and withhold rent pursuant to section 2-15.

Even if the defect is due to circumstances for which the tenant is responsible, the landlord is obliged to repair the defect pursuant to section 2-10. If the tenant is responsible for financial loss resulting from the damage, cf. section 5-8, the landlord may make it a condition of the repair that the tenant first compensates the loss.

The provisions of the first paragraph shall apply accordingly if a third party's right to the property or statutory provisions or public decisions pursuant to statute prevent the agreed utilization.

Regarding the superior tenant's liability in relation to the sub-tenant should the superior tenancy agreement expire, the provisions of section 7-7 shall apply.

Section 5-8. *Tenant's liability for damages*

The landlord may claim compensation for loss resulting from the tenant's failure to fulfil his obligations pursuant to sections 5-1 to 5-6. This shall however not apply if the tenant proves that the breach is due to an impediment beyond his control which he could not reasonably be expected to have taken into account at the time of entry into the contract or to have avoided or overcome the consequences of.

If the breach is the fault of a third party whom the tenant has engaged wholly or partly to perform the tenancy agreement, he shall only be free from liability if the third party would also have been free from liability pursuant to the provision of the first paragraph.

Freedom from liability shall apply as long as the impediment has effect. If the impediment ceases to have effect, liability may be enforced if the tenant is then obliged to fulfil his obligations but fails to do so.

The provisions of the first paragraph do not cover such indirect loss as mentioned in section 2-14, second paragraph, but loss resulting from damage to the property and appurtenances shall be regarded as direct loss.

The landlord may in all cases claim compensation if the breach or loss is due to error or neglect on the part of the tenant. As regards the assessment of compensation, the provisions of the first, fourth, fifth and sixth paragraphs of section 2-14 shall apply accordingly.

Chapter 6. Resident representation in certain tenancies of dwellings

Section 6-1. *Joint representation*

In buildings where the landlord has let more than four dwellings, the tenants of such dwellings may at a meeting elect by a simple majority a person to represent them in dealings with the landlord. The representatives shall immediately notify the landlord of the arrangement decided and of the name of the elected representative.

The representatives shall be elected for one year at a time. The duties of the representative shall not

cease until a new representative is elected even though his term of service has expired.

When special grounds so indicate, the representative may retire before his term of service has expired.

At a meeting of the tenants it may be decided to remove the representative by a simple majority. The joint representation arrangement may be dissolved in the same way.

Section 6-2. *Duties of the representative*

The representative shall safeguard the interests of the tenants of dwellings in relation to the landlord, and may demand to discuss with the landlord all issues of importance for the tenants of dwellings in the building.

The representative shall at least once a year summon in an appropriate manner all of the tenants of dwellings including sub-tenants to a meeting.

The representative is bound by decisions made at the meeting by a simple majority. In ballots each tenancy of a dwelling shall have one vote. Sub-tenants shall have no right to vote.

Section 6-3. *Information to the representative, etc.*

The landlord is obliged to inform the representatives of major maintenance work and other measures that materially affect the tenants of dwellings. Such measures as mentioned in the first sentence may be implemented at the earliest one month after the landlord has informed the representatives. The provision of the second sentence shall however not apply if the measure cannot be delayed without exposing the property to serious damage.

The landlord shall immediately inform the representatives if the property is transferred.

Chapter 7. Inclusion as member of household and sub-letting

Section 7-1. *Inclusion as a member of a household*

The tenant is entitled to include as members of his/her household his/her spouse or cohabitant, his/her own or spouse's or cohabitant's relatives in direct line of ascent or descent and fosterchildren. Inclusion of other persons in the household is subject to the approval of the landlord. Approval may only be refused if circumstances concerning the persons concerned constitute objective grounds.

Section 7-2. *General provision relating to sub-letting*

The tenant has no right to sub-let or in other ways transfer his right of use to other persons without the consent of the landlord unless otherwise provided in an agreement or statutory provision.

Section 7-3. *Sub-letting of part of a dwelling*

The tenant of a dwelling who shall himself reside in the dwelling may sub-let part of the dwelling with the approval of the landlord. Approval may only be refused if circumstances concerning the sub-tenant constitute objective grounds.

Section 7-4. *Sub-letting of a dwelling in connection with temporary residence elsewhere*

The tenant of a dwelling may sub-let with the approval of the landlord for a maximum of two years in connection with temporary residence elsewhere on grounds of work, education, military service, illness or other weighty reasons. Approval may only be refused if circumstances concerning the sub-tenant constitute objective grounds.

Section 7-5. *Sub-letting in connection with tenancy agreements for specified periods*

If the tenancy agreement has been entered into for a specified period, the tenant may sub-let for the remainder of the tenancy period with the approval of the landlord. If approval is refused when no circumstances concerning the sub-tenant constitute objective grounds, the tenant may terminate with notice as mentioned in section 9-6.

Section 7-6. *Approval by default*

If the landlord fails to reply to a written application for approval pursuant to the provisions of sections 7-1 to 7-5 within one month after the application is received, approval shall be regarded as granted.

Section 7-7. *Status of sub-tenant on termination of superior tenancy agreement*

If the landlord terminates the superior tenancy agreement, the superior tenant shall be obliged to object on behalf of the sub-tenant pursuant to section 9-8. The superior tenant shall not however be obliged to object if he notifies the sub-tenant of the termination at the latest 15 days prior to the expiry of the time-limit for objections pursuant to the provisions of section 9-8.

The sub-tenant has an independent right to object to the termination pursuant to section 9-8 within the time-limit that applies for the superior tenant. If the landlord has approved the sub-tenant, the landlord shall at the same time send a copy of the termination to the sub-tenant. In the notice of termination, the sub-tenant shall be informed of his right to object to the termination within one month after receiving the notification. If the sub-tenant objects within the time-limit, any legal action shall be also be instituted against the superior tenant. If the provisions of the second and third sentence are not complied with, the termination is not valid.

The sub-tenant may claim compensation from the superior tenant for the financial loss ensuing from the expiry of the superior tenancy agreement. This shall however not apply to the extent that the superior tenant proves that the expiry or loss is due to circumstances beyond the superior tenant's control, which he could not reasonably be expected to have taken into account, avoided or overcome the

consequences of when entering into the sub-tenancy agreement. The provisions of sections 2-13, second to fifth paragraph, and 2-14 shall apply accordingly.

Chapter 8. Change of tenant by transfer or succession

Section 8-1. *General provision relating to transfer*

The tenant has no right to transfer his rights or obligations to other persons pursuant to the tenancy agreement without the consent of the landlord unless otherwise provided in an agreement or statutory provision.

Section 8-2. *Succession on death of tenant*

If the tenant of a dwelling dies, the following persons are entitled to succeed to the tenancy:

- a) spouse who resides in the dwelling,
- b) tenant's relatives in direct line of descent who shared the tenant's household during the last six months prior to the death of the tenant, and
- c) other persons who, on the death of the tenant, shared the tenant's household, provided that they fulfil the conditions of section 1 of Act No. 45 of 4 July 1991 relating to the right to the dwelling and household goods on termination of a shared household arrangement
- d) A surviving spouse shall have preferential right to succeed to the tenancy. The remaining rightful claimants shall have mutually equal rights to succeed to the tenancy.

If the landlord terminates the tenancy agreement on the death of the tenant, persons who wish to take advantage of their rights pursuant to the first paragraph must send written notification of this to the landlord within one month from the date they receive a written notification of the termination stating the time-limit for claiming such rights and informing that notification of the succession shall be in writing. If the rightful claimant sends such notification, this will be regarded as an objection to the termination pursuant to the provisions of section 9-8. The landlord has no obligation to notify members of the household as mentioned in the first paragraph, litera c unless the landlord has approved them pursuant to the provisions of section 7-1.

If the tenancy agreement is terminated by the estate of the deceased tenant, persons who wish to take advantage of their rights pursuant to the first paragraph must send notification of this to the landlord within one month from the date the landlord receives notification of termination from the estate of the deceased tenant.

Section 8-3. *Breakdown of marriage or other cohabitation arrangement, separation, divorce and termination of shared household arrangement*

The spouse of a tenant who leaves the shared dwelling is entitled to succeed to the tenancy.

The arrangement concerning the right of use of the spouses' shared dwelling imposed or agreed on separation or divorce shall be binding for the landlord.

Members of the household shall have a right to succeed to the tenancy when the conditions laid down in section 3, first paragraph, subsection 1, cf. section 1 of Act No. 45 of 4 July 1991 relating to the right to the dwelling and household goods on termination of a shared household arrangement are complied with. If both spouses leave the shared dwelling, the spouses' relatives in direct line of descent have a right to succeed to the tenancy corresponding to that of members of the household.

Section 8-4. *Transfer of lease of business premises*

The tenant of business premises may with the landlord's approval transfer the lease in connection with a transfer of the enterprise operated in the premises.

If a deceased tenant was a partner in an unlimited liability partnership, the surviving partners are entitled with the landlord's approval to succeed to the lease of the premises where the company's business is operated.

Approval pursuant to the first and second paragraph may only be refused if circumstances concerning the new tenant constitute objective grounds. If the landlord fails to reply to a written application for approval pursuant to the first and second paragraph within one month after the application is received, approval shall be regarded as granted.

Section 8-5. *Change of tenant*

If the landlord's approval is required for change of tenant, the lease is transferred as regards the landlord from the date notification of approval is received by the tenant unless a later date is given in the application. If the change of tenant is approved by default through the landlord's failure to reply, the lease is transferred as regards the landlord on expiry of the time limit for reply pursuant to section 8-4, third paragraph, second sentence, unless a later date is given in the application. If the change of tenant can be carried out without the landlord's approval, the right of use is transferred as regards the landlord from the date notification of change of tenant is received by the landlord unless a later date is given in the notification.

Claims that fall due after the date indicated by the first paragraph shall be the sole liability of the new tenant. If the landlord's approval is required for the transfer, the landlord may make it a condition of approval that the new tenant assumes personal liability for claims that have fallen due during the previous six months from the date indicated by the first paragraph. The size of such claims shall be stated.

Failure by the previous tenant to perform his statutory or contractual obligations shall not entitle the landlord to adopt remedies for breach of contract against the new tenant. When the landlord has received an application for approval of transfer, termination of the tenancy on grounds of breach of the tenancy agreement prior to this date may only occur if there are grounds for refusing approval of the transfer.

Section 8-6. *Change of ownership*

In connection with a change of ownership, the landlord may transfer to the buyer rights and obligations ensuing from the tenancy agreement.

If the circumstances of the buyer provide objective grounds, the tenant may demand that the seller be liable together with the buyer for correct fulfilment of the obligations pursuant to the agreement unless adequate assurance of performance is given. The tenant's demand that the seller shall be liable for fulfilment must be presented to the seller within six months after the tenant received or should have received knowledge of the change of ownership.

Chapter 9. The duration of tenancy - expiry

Section 9-1. *Tenancy agreements valid for specified and unspecified periods*

A tenancy agreement may be entered into for a specified or unspecified period. If no expiry date is stipulated in the tenancy agreement, the agreement is valid for an unspecified period.

Section 9-2. *Tenancy agreement valid for a specified period*

A tenancy agreement that is entered into for a specified period shall expire without notice at the end of the agreed tenancy period.

It may be agreed that a tenancy agreement for a specified period can be terminated during the tenancy period in accordance with the provisions of sections 9-4 to 9-8.

If the tenancy continues for more than three months after the expiry of the agreed tenancy period and the landlord does not in writing request the tenant to move, the tenancy agreement shall henceforth be valid for an unspecified period.

Section 9-3. *Tenancy agreement for dwelling valid for a specified period*

When a tenancy agreement for a dwelling is entered into for a specified period, this may not be less than three years. The minimum period may however be fixed at one year if the agreement concerns an attic or basement flat in a detached house or a dwelling that is part of a two-family house and the landlord resides in the same house. The provisions of the first and second sentence shall not apply if:

- a) the property shall be used as a dwelling by the landlord himself or by a member of his household, or
- b) the landlord has other objective grounds for limiting the tenancy period.

The landlord may only avail himself of the exceptions laid down in the first paragraph, literae a and b if the tenant at the latest on concluding the written agreement was made aware of the reason for limiting the tenancy period, and the property on expiry of the agreed tenancy period will be used in accordance with the stated reason. If the date for commencing use of the property in accordance with the stated

reason is postponed, the tenancy agreement may be extended up to this date if the postponement is due to unforeseen circumstances arising after entering into the agreement.

If a tenancy agreement for a dwelling is entered into for a specified period in infringement of the provisions of this section, the agreement shall be regarded as being for an unspecified period.

Section 9-4. *Termination by the tenant of a tenancy agreement valid for an unspecified period*

Unless otherwise agreed, a tenancy agreement for an unspecified period may be terminated by the tenant.

Section 9-5. *Termination by the landlord of a tenancy agreement valid for an unspecified period*

Unless otherwise agreed or provided by this Act, a tenancy agreement for an unspecified period may be terminated by the landlord.

A tenancy agreement for a dwelling for an unspecified period may only be terminated by the landlord if:

- a) the property shall be used as a dwelling by the landlord himself or by a member of his household,
- b) the property must be vacated owing to demolition or alteration,
- c) the tenant has breached the tenancy agreement, or
- d) there are other objective grounds for termination of the tenancy agreement.

A tenancy agreement for an unspecified period concerning a single dwelling room and giving the tenant access to another person's dwelling may be terminated by the landlord notwithstanding the provisions of the second paragraph.

Section 9-6. *Time limit for notice of termination*

The time limit for notice of termination shall be three months from the end of the current calendar month.

In the case of tenancy agreements concerning a single dwelling room and giving the tenant access to another person's dwelling, the time limit for notice of termination shall be one month. The same shall apply to the separate rental of a garage or storeroom.

In the case of tenancy agreements concerning business premises where daily rent is agreed, the time limit for notice of termination shall be one day.

The provisions of this section may be departed from in an agreement.

Section 9-7. *Formal requirements regarding termination of the tenancy agreement by the landlord*

Notice of termination by the landlord shall be given in writing.

Reasons shall be given for the termination. The notice of termination shall also inform the tenant of his right to object in writing to the landlord within one month after the termination is received. The notice of termination shall also inform the tenant that, if the tenant does not object within the time limit, he loses his right to claim that the termination is in infringement of the Act, cf. section 9-8, first paragraph, second sentence, and that the landlord in such a case may request forcible eviction pursuant to the Enforcement Act, section 13-2, third paragraph, litera c.

A termination that does not fulfil the requirements of the first and second paragraph is not valid. If the tenant has moved in accordance with the termination, it is regarded as accepted.

The provisions of the second and third paragraph shall not apply to termination of a tenancy agreement for an unspecified period concerning a single dwelling room and giving the tenant access to another person's dwelling. The same applies to rental of business premises where daily rent is agreed and to separate rental of a garage or storeroom.

Section 9-8. *Disregard of termination*

The tenant may within one month of receiving notice of termination send the landlord a written objection to the termination. If the tenant does not object to the termination in accordance with the first sentence, he may not claim the termination to be in infringement of this Act. If the tenant objects in accordance with the first sentence, the termination ceases to apply unless the landlord institutes legal action against the tenant within three months after expiry of the tenant's time limit.

The court shall decide whether the termination is lawful and whether it shall be set aside. The termination shall be set aside if the court after considering the circumstances of both parties finds it to be unreasonable. The court may not however set the termination aside if it concludes that the termination is due to a serious breach of the agreement on the part of the tenant, cf. section 9-9, first paragraph, second sentence.

The provisions of the first and second paragraph shall not apply to termination of a tenancy agreement for an unspecified period concerning a single dwelling room and giving the tenant access to another person's dwelling. The same applies to rental of business premises where daily rent is agreed and to separate rental of a garage or storeroom.

Section 9-9. *Landlord's right of termination*

The landlord may terminate the tenancy agreement on grounds of a serious breach of the agreement on the part of the tenant. A serious breach has occurred if:

- a) the tenant seriously breaches his obligation to pay rent or to fulfil other requirements arising out of the tenancy agreement,

- b) despite a written warning from the landlord, the tenant seriously neglects his maintenance obligation or continues to behave in a manner causing serious damage or inconvenience to the landlord, the property or other users,
- c) without being entitled to do so, the tenant wholly or partly transfers the use of the property to other persons and, despite a written warning from the landlord, continues to do so,
- d) without being entitled to do so, the tenant uses the property in another manner or for other purposes than agreed and, despite a written warning from the landlord, continues to do so, or
- e) the tenant otherwise breaches his obligations in a manner that makes it necessary to terminate the tenancy agreement.

A declaration by the landlord terminating the tenancy agreement shall be made in writing. Such a declaration may require the tenant to leave immediately and to return the property to the landlord. The reason for terminating the tenancy agreement shall be stated in the declaration.

If the tenancy agreement is terminated, the tenant shall be liable for expenses, lost rent, etc. pursuant to the provisions of section 5-8.

Section 9-10. *Death of tenant*

If the tenant dies before the tenancy expires, both the landlord and the estate of the deceased shall have a right to terminate the tenancy agreement with notice as mentioned in section 9-6 even though the agreement was entered into for a longer term or with a longer period of notice.

If the tenant has a right to transfer the right of use, the landlord shall have no right to terminate the tenancy agreement pursuant to the first paragraph. If the estate of the deceased in such a case wishes to terminate pursuant to the first paragraph, notice of termination must be given within three months from the date of death.

Termination pursuant to the first paragraph shall be in writing. The provisions of sections 9-5 to 9-9 shall not otherwise apply to the termination.

Chapter 10. Return of property on expiry of tenancy

Section 10-1. *Availability for viewing prior to vacation of property*

During the period prior to vacation of the property the tenant is obliged to a reasonable extent to allow prospective tenants access to view the property.

Section 10-2. *Return of property*

On the date the tenancy expires the tenant shall make the property and appurtenances available to the landlord. Unless otherwise agreed, the property is regarded as returned when the landlord has received the keys and has otherwise regained unimpeded access to the property. If the tenant leaves the property

in such a manner that the tenancy may clearly be regarded as given up, the landlord may immediately regain access to the property.

Unless otherwise agreed, the property and appurtenances shall be tidy, clean and in the same state as when the property was taken over apart from the depreciation due to normal wear and tear and the defects that the landlord himself is obliged to repair.

Unless specifically agreed, the landlord may not demand that the tenant restore the property to its original state in relation to alterations that the tenant was entitled to make. The landlord may not in any event demand that the property be restored to its original state if this would involve excessive costs or unreasonable value reduction, but the landlord may claim compensation for the value reduction caused by alterations the tenant was not entitled to make.

Fixtures that the tenant has brought into the property shall accrue to the landlord if their removal would involve excessive costs or unreasonable value reduction.

If the tenant is obliged to maintain the property or appurtenances, such maintenance shall be properly carried out, but the landlord may not unless specifically agreed require the property or appurtenances to be in a better state than they were when made available to the tenant.

As regards the tenant's right to remuneration, section 10-5 shall apply.

Section 10-3. *Compensation for delay and defect*

If the property is not made available to the landlord on the date the tenancy expires, the landlord may claim compensation equivalent to the agreed rent until the tenant no longer uses the property.

If the property is in a poorer state than agreed or laid down in section 10-2, the landlord may claim reimbursement of necessary repair costs. The claim must be submitted within a reasonable time after the landlord should have discovered the defect. The provision of the second sentence shall not apply if the tenant has shown gross negligence or behaved in a manner contrary to honesty and good faith.

The landlord may claim compensation for other loss resulting from breach of contract by the tenant. This shall not however apply to the extent that the tenant proves the breach to be due to an impediment beyond his control, which he could not reasonably be expected to have taken into account at the time of entry into the contract or to have avoided or overcome the consequences of.

If the breach is the fault of a third party engaged by the tenant wholly or partly to repair the property, the tenant shall only be free from liability if the third party would also have been free from liability pursuant to the provisions of the third paragraph.

Freedom from liability shall apply as long as the impediment has effect. If the impediment ceases to have effect, liability may be enforced if the tenant is then obliged to fulfil his obligations but fails to do so.

The provisions of the third, fourth and fifth paragraphs shall not apply to such indirect loss as mentioned in section 5-8, fourth paragraph.

The landlord may in all cases claim compensation if the breach or loss is due to error or neglect on the part of the tenant. As regards the assessment of compensation, the provisions of the first, fifth and sixth paragraphs of section 2-14 shall apply accordingly.

Section 10-4. *Personal property left behind by the tenant*

If personal property is left behind in the property that must be assumed to belong to the tenant or to a member of the tenant's household, the landlord shall look after this on behalf of the tenant. Pure refuse may however be disposed of immediately. If such responsibility involves work, the landlord may claim a reasonable remuneration for this.

The landlord shall, if possible in writing, request the tenant to retrieve the personal property. The landlord may withhold the personal property until costs associated with storage are covered or satisfactory security is provided.

If the costs or inconvenience associated with the storage are unreasonable or if the tenant delays unreasonably the payment of such costs or the retrieval of the personal property, the landlord may sell the personal property on the tenant's behalf. If there is reason to believe that the proceeds of the sale would not cover the cost of the sale, the landlord may instead deal with the matter as he finds appropriate.

Section 10-5. *Compensation for improvements*

If with the landlord's consent the tenant has made major improvements to the property, the tenant may claim compensation for the advantage gained by the landlord as a result of the improvements unless otherwise agreed when the consent was given.

If the parties fail to agree on the compensation pursuant to the first paragraph, either party may request the dispute to be decided pursuant to the provision laid down in section 12-2. The compensation shall however be decided by the court when the landlord has instituted legal action against the tenant pursuant to the provisions of section 9-8 and the termination has not been set aside.

Section 10-6. *Compensation for customer base*

If the tenancy of business premises has been terminated and the termination has not been set aside pursuant to the provisions of section 9-8, the tenant may claim compensation for the advantage gained by the landlord as a result of the customer base built up by the tenant. When compensation is awarded, the court shall as a rule decide that the landlord may claim reimbursement of the whole or a specific part of the compensation if the tenant within a given time limit of up to three years starts afresh a corresponding enterprise within an area indicated by the court.

Compensation may not be awarded if the tenant has committed a serious breach of the agreement.

Chapter 11. Special provisions for certain tenancies of dwellings

Section 11-1. *Dwellings for persons with special dwelling needs of a permanent nature*

The provisions of this section apply to the letting of dwellings which, pursuant to decisions of state, county or municipal bodies, shall be used by persons with special dwelling needs of a permanent nature. The provision applies only if the tenant has been notified in writing that the agreement applies to a dwelling as mentioned here, and that this gives the tenant less rights than other tenancy arrangements.

It may be agreed that inclusion of relatives as members of the tenant's household as mentioned in section 7-1 and sub-letting of part of a dwelling as mentioned in section 7-3 may only occur with the landlord's approval. Approval may in such cases only be refused if circumstances associated with the purpose of the dwelling or with the person concerned so indicate. Sub-letting pursuant to section 7-4 in connection with temporary residence elsewhere may be refused if the landlord offers to utilize the dwelling during the tenant's residence elsewhere and the tenant is permitted to reoccupy the dwelling on his or her return.

Notwithstanding the provisions of section 3-7, it may be agreed that the tenant of a dwelling as mentioned in the first paragraph shall provide a loan to the landlord if the landlord is the state, county or municipality.

Section 11-2. *Dwellings for persons with special dwelling needs of a temporary nature*

The provisions of this section apply to the letting of dwellings which, pursuant to decisions by state, county or municipal bodies, shall be used by persons with special dwelling needs of a temporary nature. The provision applies only if the tenant has been notified in writing that the agreement applies to dwelling as mentioned here, and that this gives the tenant less rights than other tenancy arrangements.

It may be agreed that inclusion of relatives as members of the tenant's household as mentioned in section 7-1 and sub-letting of part of a dwelling as mentioned in section 7-3 may only occur with the landlord's approval. Approval may in such cases only be refused if circumstances associated with the purpose of the dwelling or with the person concerned so indicate. Sub-letting pursuant to section 7-4 in connection with temporary residence elsewhere may be refused if the landlord offers to utilize the dwelling during the tenant's residence elsewhere and the tenant is permitted to reoccupy the dwelling on his or her return.

Notwithstanding the provisions of chapter 9 concerning expiry it may be agreed that the tenancy agreement shall expire without notice on completion of education, treatment, offer of another suitable dwelling or similar circumstances that shall be clearly stated in the tenancy agreement. Notwithstanding section 9-3, the parties may also enter into an agreement for a specified period of less than three years. If the tenancy agreement is valid for an unspecified period, the tenant shall always be entitled to a period of notice as mentioned in section 9-6 prior to vacation of the property.

As regards the letting of dwellings for pupils and students, it may be agreed, notwithstanding section 3-5, third paragraph, that interest on the account for the deposit shall accrue to the landlord.

Section 11-3. *Service accommodation*

The provisions of this section apply to the letting of dwellings rented by the tenant in his capacity as employee when the tenant has been notified in writing that the agreement applies to a dwelling as mentioned here, and that this gives the tenant less rights than other tenancy arrangements.

The right to succeed to the tenancy pursuant to section 8-2 shall not apply on the death of the tenant or any person who has continued the tenancy. Before a request for eviction may be submitted, members of the tenants household have a right to a period of notice as mentioned in section 9-6.

If the tenant is due to terminate his employment relationship or is to be transferred, termination of the tenancy may only be set aside by the court pursuant to section 9-8 when so warranted by special reasons. The court shall ensure that the termination is not being used as a means of action in an industrial dispute. This also applies when the tenant or member of his household has continued the tenancy after termination of the employment relationship or has instead rented another dwelling from the employer.

The right to terminate the tenancy agreement on grounds of delay pursuant to section 2-12 and the provisions of sections 7-4 and 8-3 shall not apply for a dwelling that the tenant is obliged to reside in where the residence obligation is necessary for performance of the employee's duties. In the case of such dwellings, the tenancy agreement expires notwithstanding the provisions of chapter 9 when the tenant terminates his or her employment relationship or is transferred.

The provisions of the fourth paragraph shall apply accordingly for:

- a) dwellings made available by the state to members and deputy members of the Storting or for members of the political staffs of the ministries,
- b) dwellings that municipalities, the Church Property Endowment Fund or statutory bodies of the Church have made available to officers of the Church of Norway, and
- c) dwellings that the Norwegian Defence Establishment has made available to its personnel.

For dwellings as mentioned in the fifth paragraph, sections 4-2 and 4-3 shall not apply.

Section 11-4. *Letting of own dwelling*

The provisions of this section apply to the letting of a dwelling that the landlord has used as his own dwelling and which is being let in connection with temporary residence elsewhere for a period of up to five years. The provisions apply only if the tenant has been notified in writing that the agreement applies to a dwelling as mentioned here, and that this gives the tenant less rights than other tenancy arrangements.

The provisions laid down in section 7-3 concerning sub-letting of part of a dwelling and section 7-4

concerning sub-letting in connection with temporary residence elsewhere shall not apply.

Of the provisions laid down in chapter 9, only those of section 9-10 concerning the death of a tenant shall apply. If the tenancy agreement is valid for an unspecified period, the tenant shall always be entitled to a period of notice as mentioned in section 9-6 prior to vacation of the property.

If the landlord has not terminated the tenancy agreement or requested the tenant to move before residing elsewhere for five years, the provisions of the Act shall apply fully to the tenancy agreement.

Chapter 12. Procedural provisions

Section 12-1. Arbitration

An agreement that disputes between the landlord and tenant concerning tenancy of dwellings shall be decided by arbitration is only binding if such an agreement concerning arbitration decisions was entered into after the dispute arose.

Section 12-2. Rent evaluation board

If the parties do not reach agreement on what is the market rent pursuant to section 3-1 or the current level of rents pursuant to section 4-3, either of the parties may request that the dispute be decided by a rent evaluation board. The same applies if the parties do not reach agreement concerning compensation for improvements pursuant to section 10-5.

The rent evaluation board shall consist of three members and shall be appointed by the district or city court in the judicial district where the property lies. For the rent evaluation board the provisions of sections 106 and 108 of the Act of 13 August 1915 relating to the courts of justice shall apply in so far as they are appropriate.

Either of the parties may bring the matter before a district or city court. The summons must be submitted to the court within two months after receipt of the rent evaluation board's written decision with grounds. Similarly the matter may be brought before a district or city court if the rent evaluation board's decision has not been received two months after appointment of the board. A decision that is not brought before the court within the time limit laid down in the first sentence shall have the effect of a legally enforceable judgment. The court may grant reinstatement if the time limit mentioned in the second sentence is exceeded.

The court shall fix the fees of the members of the rent evaluation board. The court may decide that the person who has requested evaluation shall pay an amount as security for the fees. The landlord shall bear the costs if the rent evaluation board fixes a smaller amount of rent than the landlord has demanded or greater compensation than the landlord has been willing to pay for the improvements. Otherwise the tenant shall pay the costs. The decision of the court shall be made by order and the grounds shall be stated. The parties may appeal against the decision within fourteen days.

If the matter is brought before the court pursuant to the third paragraph, the court may decide the question of liability for the costs of the rent evaluation board pursuant to chapter 13 of the Civil

Procedure Act.

Section 12-3. *Temporary right of use*

When legal action is instigated concerning approval pursuant to the provisions of chapters 7, 8 or 11, the court may at the request of the plaintiff decide by order, with or without security, that the person who requested the approval of sublettings, household members or a new tenant shall have the right of use to the property until a legally enforceable decision has been made in the matter. The procedural provisions of chapter 15 of the Enforcement Act shall apply accordingly.

Section 12-4. *Pre-emptive enforceability*

When judgment on a matter has been passed as mentioned in section 9-8 and the termination is not set aside, the court may in special cases at the request of the landlord, with or without security, consent by order to the carrying out of eviction before the judgment is legally enforceable. If the judgment is appealed, such consent may be granted by the appeal court.

Section 12-5. *Rent tribunal*

The Ministry may as a trial in one or more municipalities appoint a joint committee to deal with disputes pursuant to this Act (rent tribunal). The Ministry may lay down rules concerning the area of jurisdiction, appointment, composition, organization, procedure, decisions, enforceability, costs, charges, reopening of cases, relationship to arbitration clauses, consumer mediation boards and the ordinary courts and other factors of significance for settlement of disputes. The Ministry may also decide that the provisions of section 12-2 shall not apply in areas where a rent tribunal functions.

Chapter 13. Commencement and transitional provisions. Amendments in other Acts

Section 13-1. *Commencement*

This Act shall come into force from the date the King decides.

Section 13-2. *Transitional provisions*

The Act shall apply fully for tenancy agreements entered into after the Act comes into force.

For tenancy agreements valid for an unspecified period entered into prior to the commencement of this Act, the Act shall apply from the expiry of the longest time limit for notice of termination from the date the Act comes into force with the following exceptions or amendments:

- a) The provisions of section 3-1, first paragraph concerning rent shall apply from the date that the rent pursuant to statute or agreement shall be revised. The provision of section 3-6, second

sentence concerning the guarantee amount shall not apply to guarantee agreements entered into prior to the commencement of the Act. The same shall apply in connection with the renewal of such agreements if the tenant pursuant to the tenancy agreement that was valid on commencement of the Act was so obliged.

- b) The provisions of chapter 9 concerning termination shall apply to notice of termination given after commencement of the Act.
- c) The provisions of section 10-5 concerning compensation for improvements shall apply if the landlord's consent was given after commencement of the Act.
- d) The provisions of chapter 11 shall not apply to agreements entered into prior to the commencement of the Act.
- e) The provisions of section 12-1 concerning arbitration shall apply to arbitration agreements entered into after commencement of the Act. The provisions of section 12-3 concerning temporary right of use shall apply if legal action was instituted after commencement of the Act. The provisions of section 12-4 concerning pre-emptive enforceability shall apply if judgment was passed after commencement of the Act. As regards judgments passed after commencement of the Act, the time limit for appeals pursuant to section 360 of the Civil Procedure Act shall apply.
- f) Tenancy agreements between housing cooperatives or housing cooperative stock corporations and their members concerning right of use shall also be regarded as tenancy agreements for an unspecified period pursuant to the present provision.

The provisions of chapters 1 to 11 of the Act shall not apply to tenancy agreements valid for a specified period entered into before commencement of the Act. The provisions of the second paragraph, litera e shall however apply accordingly for tenancy agreements valid for a specified period entered into prior to commencement of the Act. Tenancy agreements that may only be terminated by one of the parties and tenancy agreements that may only be terminated in the event of a serious breach shall be regarded as applying for a specified period in relation to the present provisions, cf. however the third paragraph.

The provisions laid down in chapter 9 of Act No. 6 of 16 June 1939 relating to tenancy concerning the letting of dwellings in return for loans continue to apply for agreements entered into prior to the commencement of this Act.

Section 13-3. *Repeal and amendment of other Acts*

When this Act comes into force, Act No. 6 of 16 June 1939 relating to tenancy shall be repealed.

From the same date the following amendments are made to other Acts - - -