Land Code (SFS 1970:994)

(with amendments up to and including SFS 2006:928)

Part one
Legal relations affecting real property

Chap. 1. The real property unit and its boundaries

Section 1. Real property is land. This is divided into property units. A property unit is delimited either horizontally or both horizontally and vertically. Special provisions apply concerning property formation.

Unofficial parcelling of land is null and void.

Section 1 a. For the purposes of this Code, the following definitions shall apply:

1. three-dimensional property unit: a property unit which in its entirety is delimited both horizontally and vertically;

2. three-dimensional property space: a space included in a property unit other than a three-dimensional property unit and delimited both horizontally and vertically.

The provisions of this Code concerning land also apply to other space included in a property unit or jointly owned by several property units.

Section 2. Special conditions apply concerning public water areas and the boundaries of property units with such areas.

Section 3. A boundary lawfully determined follows the course marked on the ground in due order. If the marking can no longer be ascertained, the boundary shall follow the course which, in the light of a cadastral plan together with documents, possession and other circumstances, was presumably intended. If the course of the boundary has not been marked on the ground in due order, the boundary shall follow the course shown by plan and documents.

Section 4. If a boundary has not been lawfully determined, the metes and bounds or other markings anciently deemed to mark the boundary shall apply.

A boundary having resulted from expropriation or suchlike compulsory purchase shall have the course which, in the light of a document of acquisition, possession or other circumstances, was presumably intended.

Section 5. A water area boundary which cannot be determined in the light of Section 3 or 4 shall have such a course that there is added to each property unit that part of the water area nearest to the shore of the unit. In the case of a small island or skerry, however, no part of the water area shall be added to the property unit. If the shore has shifted, its former position, if ascertainable, shall decide the course of the boundary.

The course of a boundary in a water area is determined according to the normal mean water level. In Vänern, Vättern and Hjälmaren and in Storsjön in Jämtland, however, the course is determined with reference to the following water levels:

in Vänern, 3.60 metres above the lower lock threshold at Sjötorp,

in Vättern, 2.97 metres above the western lock threshold at Motala,

in Hjälmaren, 2.77 metres above the southern lock threshold at Notholmen, and

in Storsjön, 292.45 metres above the zero level of the altitude system on which regulation of the lake is based.

Section 6. On a property unit having become separated from a neighbouring water area by reason of the shore shifting, the owner of the property unit is entitled to use the area between the property unit and the water, always provided that the area is small in extent and its owner suffers no injury or inconvenience of importance. For these purposes, the owner of the property unit has the same right as a riparian owner under under Chap. 2, Section 7 of the Water Activities (Special Provisions) Act (1998:812).

Chap. 2. Property fixtures

Section 1. A property unit includes

buildings, utilities, fences and other facilities constructed within the property unit for permanent use,

standing trees and other vegetation,

natural manure.

A property unit also includes a building or other facility constructed outside the property unit, if it is intended for permanent use in the exercise of an easement in favour of the property unit and does not belong to the property unit where it is situated. The same applies concerning a utility or other device for which a utility easement has been granted, if in cadastral procedure under the Utility Easements Act (1973:1144) it has been ordained that the right shall pertain to the property unit.

Section 2. A building includes fixtures and other things with which the building has been provided, if devoted to permanent use for the building or part thereof, such as a permanent partition, lift, handrail, water pipe, heating, lighting or other thing with cocks, power plugs and other suchlike equipment, central heating boiler, heating radiators, heater, tiled stove, inner window, awning, fire extinguisher, civil defence material and key.

From the aforesaid it follows that a building, as a rule, also has the following fixtures, as the case may be:

1. a dwelling: bathtub and other sanitary installations, cooker, heating cabinet and refrigerator, together with machine for laundry or mangling,
2. shop premises: shelf, counter and display window device,
3. assembly premises: platform and seating,
4. agricultural outbuilding: device for the feeding of livestock and installation for mechanised milking,
5. factory premises: air conditioning system and fan machinery.

Spare parts and duplicates of objects referred to in subsection 1 or 2 do not belong to the building.

If different parts of a building belong to separate property units, an object as referred to in subsection one or two belongs to the part of the building where it is situated.

Section 3. A property unit partly or wholly furnished for industrial activity also includes, over and above what is indicated in Sections 1 and 2, machinery and other equipment added to the property unit for use in the business mainly on the premises. Such property, however, does not belong to the property unit if the owner has made a declaration to this effect and the declaration is inscribed in the land register section of the Real Property Register as referred to in Chap. 24. Vehicles, office equipment and hand tools do not belong to the property unit in any case.

Section 4. Objects which a usufructuary or another party other than the property owner has added to the property unit do not belong to the same unless the object and the property unit have passed into the hands of one and the same owner. The same shall apply concerning objects which under Section 3 can belong to the property unit and have been added to it by the property owner without him being the owner of the object. If the property owner has added to the property unit an object which, under Section 3, can belong to the property unit and which he has acquired on condition of the transferor being entitled to repossess the object in the event of the purchaser defaulting on his obligations under the document of transfer, the object shall not belong to the property unit as long as the condition applies.

If an object which has been added to a property unit by a party other than the property owner is a subject of a chattel mortgage and the object and the property unit have passed into the hands of one and the same owner as a result of the owner of the object acquiring the property unit, the object shall nevertheless not belong to the property unless six months have passed since the owner applied for registration of ownership of his acquisition. If, before the expiry of the said period, the mortgagee has filed proceedings for payment and given notice to this effect to the land registration authority for the area in which the property unit is situated, the object does not belong to the property unit, unless two months have passed since the claim was determined by a judgement or order having acquired force of law.

The Conveyance of State Property (Certain Reservations) Act (1992:1461) contains special provisions whereby objects belonging to the State cease to belong to the property unit.

Section 5. On the property owner acquiring an object subject to the transferor being entitled to repossess the object if the purchaser defaults on his obligations under the document of transfer, or title to the object remaining with the transferor until payment has been made or some other precondition fulfilled, the proviso may not be asserted after the property owner has added the object to the property unit in such a way that it belongs to the property unit as provided in Section 1 or 2.

With regard to the possibility of asserting the agreement, the foregoing shall apply, *mutatis mutandis*, in the event of the agreement having been designated a tenancy agreement or payment having been made as consideration for the use and enjoyment of the object, if it is the intention that the person to whom the object has been surrendered shall become the owner thereof.

Section 6. A building, fence or other facility in an area encumbered by a registered site leasehold, and a facility for mining, do not belong to the property unit even if they belong to the property owner.

Section 7. Transfer of an object belonging to a property unit is not valid against a third party until

1. the object is separated from the property unit in such a way that it can no longer be deemed to belong to the same, and

2. an order pursuant to the Real Property Formation Act (1970:988), the Utility Easements Act (1973:1144) or the Joint Facilities Act (1973:1149) to the effect that the object shall no longer belong to the property has been entered in the general section of the Real Property Register.

Special provisions exist concerning the effect of certain transfers from the State, of the executive sale of objects belonging to a property unit and of the claiming of such objects by expropriation.

Chap. 3. Legal relations between neighbours

Section 1. Each and every party shall, in using his own real property or that of another, show reasonable consideration for the surroundings.

Section 2. If a root or branch intrudes on a property unit from an area adjoining the same and if this occasions inconvenience to the property owner, the latter may remove the root or branch. The owner of the area shall, however, be given the opportunity of performing the action himself, if it is to be feared that the action may entail damage of importance to him.

If a property is held by site leasehold, the aforesaid concerning the owner of the property unit or the area shall instead apply to the site lessee.

Section 3. A party intending to carry out or to commission the carrying out of excavation or suchlike work on his property unit shall take every precaution which can be deemed necessary for the prevention of damage to neighbouring property unit. Provisions concerning compensation for damage resulting from excavation or suchlike work are made in Chap. 32 in the Environmental Code.

A precaution may be omitted if it entails obviously greater expense than the damage which it is intended to prevent. The damage, however, shall be compensated for as provided in Chap. 32 in the Environmental Code. If so requested, security as provided in Chap. 2 of the Enforcement Code shall be paid into the County Administrative Board for compensation before the work begins.

If, owing to careless workmanship or neglected maintenance, a building or other facility belonging to neighbouring property unit is in such condition that a special safety precaution is necessary in order to prevent damage resulting from work not extending below normal cellar depth, the measure shall be paid for by the owner of the neighbouring property unit. If the facility belongs to a site leasehold, the measure shall instead be paid for by the site lessee.

Section 4. Measures to prevent damage resulting from excavation or suchlike work may be taken on a property unit belonging to another party if necessary for the avoidance of unreasonable expense or any other exceptional inconvenience. Damage and intrusion shall be compensated for. A party obliged under Section 3 (3) to pay for the work shall not, however, be entitled to compensation. If so requested, security, as provided in Chap. 2 of the Enforcement Code, shall be paid into the County

Administrative Board for compensation before the work begins.

Section 5. The provisions of Sections 6-10 shall apply concerning buildings and other facilities which meet the following conditions:

1. different parts of the facility belong to separate property units, and

2. at least a part of the facility belongs to a three-dimensional property unit or a three-dimensional property space.

If a facility of part thereof belongs to a site leasehold, the provisions made concerning the property unit shall instead apply to the site leasehold.

Section 6. The provisions of Section 3, subsections one and two, and Section 4 shall also apply to construction work on part of a facility as referred to in Section 5, if the work entails a risk of damage to another party's share of the facility.

Precautions in another party's share of the facility shall, however, be paid for by the owner of that part of the facility if

1. the risk of damage to the part of the facility is due to the same being carelessly constructed or its maintenance neglected, and

2. the work is not particularly obtrusive and does not in any other way entail a particular risk.

In cases referred to in subsection two, the owner of the part of the facility which risks being damaged is not entitled to compensation under Section 4.

Section 7. A party owning a part of a facility as referred to in Section 5 is entitled, for the purpose of construction work in his part of the facility, to have access to other parts of the facility if the need for access clearly outweighs the damage and inconvenience which access will presumably entail.

Damage and encroachment resulting from access shall be made good. If so requested, security for the compensation shall be deposited with the county administrative board before work begins. Chap. 2 of the Enforcement Code shall apply in this connection.

Section 8. If part of a facility as referred to in Section 5 is so carelessly constructed or its maintenance so neglected that there is a risk of not insignificant damage to another party's share of the facility, the owner of the defective part of the facility is obliged to remedy the defect.

The owner of the part of the facility which risks being damaged is entitled to reasonable compensation for expenses entailed by eliminating the risk of damage.

Subsections one and two do not apply if, at the time of the risk occurring, the facility was already damaged or worn to such an extent that it had to be replaced with a new one in order for its purpose to be served.

Section 9. In proceedings concerning the obligation to remedy a defect as referred to in Section 8 (1), the court may, pending determination of the matter by a judgement or order having acquired force of law, require the owner of the defective part of the facility to take the measures necessary for the avoidance of damage to another party's share of the facility.

An order as per the foregoing may be made only if the applicant so requests and establishes the probability of

1. the respondent being obliged to take damage prevention measures as provided in Section 8, and

2. the matter not permitting delay.

Section 10. In the adjudication of an issue referred to in Section 9 (1), Chap. 15, Sections 5 (3), 6, 8 and 10 of the Code of Judicial Procedure shall apply.

An order pursuant to Section 9 (1) may not be enforced in the same way as a judgement which has acquired force of law.

The order may be appealed by separate process.

Section 11. If a building or other facility has been constructed in such a way as to encroach on neighbouring land, and if the removal or rebuilding of the facility would entail significant expense or inconvenience to the owner of the facility, the latter shall not be obliged to vacate the land thus used until the facility is removed or becomes unserviceable. The aforesaid shall not apply, however, if the party who constructed the facility encroached on the neighbouring land intentionally or through gross negligence, nor, on the facility being transferred to another party, if that party was aware of the fact at the time of acquisition.

The owner of the neighbouring land is entitled to compensation for the encroachment to which he is subjected by the facility. If, prior to the encroachment, the land was conveyed in site leasehold, the site lessee is entitled to compensation for the encroachment suffered by him because of the facility.

Chap. 4. Purchase, exchange and gift

The form of purchase

Section 1. A purchase of real property is concluded through the drawing up of a document of purchase signed by the seller and buyer. The deed shall contain a statement of the purchase price and a declaration by the seller that the property is transferred to the buyer. In the event of other property besides real property being purchased for a combined purchase price, it is sufficient for the document of purchase to contain a statement of the combined purchase price.

If, aside from the document of purchase, the seller and purchaser have agreed on a purchase price other than that stated in the document of purchase, that agreement shall be invalid. Instead the purchase price applying between the seller and purchaser shall be that stated in the document of purchase. This document of purchase price may, however, be adjusted if, having regard to the content of the document of purchase, the circumstances attending the agreement, conditions arising subsequently and circumstances generally, it would be oppressive for that purchase price to be binding.

Purchases not complying with the foregoing provisions are invalid. Acquisitions made under the Property Acquisition Rights (Conversion to Tenant-Ownership or Co-operative Tenancy) Act (1982:352) or the Leasehold Properties (Acquisition by Lessees) Act (1985:658) Act are, however, valid, even if the provisions of subsection one have not been observed.

Section 2. If a purchase has been concluded and a deed of purchase or other additional document of purchase concerning the same acquisition is drawn up subsequently, subsections one and two of Section 1 shall also apply with regard to the subsequent document. A document not satisfying the requirements of Section 1 (1)

shall be invalid as a document of purchase.

Section 3. A condition of purchase not included in the document of purchase is invalid if it implies that

1. the completion or endurance of the acquisition is conditional,
2. the seller shall not incur liability as referred to in Section 21,
3. the right of the buyer to transfer the property unit or to apply for a mortgage or to grant a right in the property unit is restricted.

Conditional purchase

Section 4. The completion or endurance of a purchase may not be made dependent on conditions applying more than two years after the day on which the document of purchase was drawn up. If a longer period has been agreed on, the purchase shall be invalid. A period which has not been determined shall be deemed of two years duration.

The foregoing shall not apply to conditions whereby the completion or endurance of the acquisition is made to depend on the purchase price being paid or on property formation as referred to in Sections 7-9 taking place, nor shall it constitute an impediment to the making of conditions based on statutory provisions.

Section 5. If the drawing up of a deed of purchase has been prescribed in the document of purchase, the completion or endurance of the acquisition shall be deemed dependent on payment of the purchase price.

Section 6. If, according to the document of purchase, the completion or endurance of the acquisition has been made dependent on conditions and a deed of purchase or other additional document of purchase concerning the acquisition is drawn up thereafter, the completion or endurance of the acquisition shall no longer depend upon the condition, unless the latter be also included in the subsequent document.

Purchase of part of a real property unit

Section 7. A purchase implying that a certain area of a property unit passes into the hands of a separate owner is valid only if property formation takes place in agreement with the purchase by a cadastral procedure applied for not more than six months after the day on which the document of purchase was drawn up and, if the cadastral procedure is not concluded by the end of the said period, shall be effected on the basis of the purchase.

Section 8. A party having purchased a share of a property unit without it being stipulated that the share is to be parcelled out by property formation holds the property by co-ownership together with the other co-owner or co-owners.

If it has been prescribed in the document of purchase that the share is to be parcelled out, Section 7 shall apply, *mutatis mutandis.*

Section 9. With regard to a purchase of land jointly owned by several property units or of the share of a property unit in such land, Section 7 shall apply, *mutatis mutandis*.

Rights and obligations of the seller and buyer

Section 10. Any profit yielded by the property unit before the day on which possession is to be taken accrues to the seller. The latter, however, may not fell timber other than for domestic needs, nor may he divest the property unit of other than its usual profit.

A ground rent, rent and other income from the property unit for the period preceding the possession date accrue to the seller.

A charge payable on the property unit and accruing as from the possession date is borne by the buyer. The buyer is liable, in relation to the seller, for stamp duty on the acquisition.

Section 11. The seller bears the risk of the property unit being accidentally damaged or impaired while remaining in the seller's possession. The risk is borne by the purchaser, however, if possession of the property unit has not been taken owing to delay on the buyer's part.

If the property unit has been damaged or impaired due to an occurrence of which the seller bears the risk, the buyer may make a deduction from the purchase price or, if the damage is of substantial importance, cancel the purchase. If no cancellation claim has been filed within a year of possession being taken, the right to such claim is lost.

Section 12. If, following the purchase, the property unit has been damaged or impaired as a result of neglect or causation by the seller, the buyer may make a deduction from the purchase price or, if the damage is of substantial importance, cancel the purchase. He is also entitled to compensation for damage.

If no cancellation claim has been filed within a year of possession being taken, the right to such claim is lost unless the seller has acted with gross negligence or contrary to good faith and honest intent.

Section 13. A seller failing without cause to vacate the property unit at the right time shall compensate the buyer for damage suffered. The buyer may also cancel the purchase if the delay is of substantial importance.

Section 14. If the seller evades, without cause, assisting, as stipulated in the document of purchase, with the drawing up of a deed of purchase or other additional document of purchase concerning the acquisition or discharging some other obligation incumbent on him in order to make registration of ownership possible for the buyer, Section 13 shall apply, *mutatis mutandis*.

Section 15. If, in a case other than referred to in Section 14, the buyer cannot obtain registration of ownership, he is entitled to cancel the purchase and to obtain compensation for damage, unless the impediment to the registration of ownership is due to the buyer or was known to him at the time of the purchase. The purchase may be cancelled, however, only if the damage is of substantial importance.

If no cancellation claim has been filed within a year of the day on which the application period for registration of ownership expired or, if registration of ownership had then been applied for, the day on which a final decision in the matter of

registration of ownership acquired force of law, the right to such claim is lost unless the seller has acted with gross negligence or contrary to good faith and honest intent.

Section 16. If, owing to a mortgage or mortgage lien the property unit is liable for a greater amount than was anticipated at the time of the purchase, the purchaser may withhold as much of the purchase money as may come to be payable on the property unit on this account. If the purchase money outstanding is less than aforesaid and the seller does not pay the difference within a month after being called upon to do so, the purchaser is entitled to cancel the purchase and obtain compensation for damage.

If a mortgage of the property unit transferred also refers to another property unit and this was not anticipated at the time of the purchase the purchaser is entitled to cancel the purchase and obtain compensation for damage, unless the seller has arranged, within a month of being called upon do to so, for the joint liability to be dissolved.

Section 17. If the property unit is encumbered by a right other than referred to in Section 16 and the purchaser at the time of the purchase neither had nor ought to have had knowledge of the same, Section 12 shall apply, *mutatis mutandis.*

The foregoing shall also apply when a party other than the seller owned a building or other thing which, if in the hands of the same owner as the property unit, belongs to that by law and the buyer acted in good faith at the time of the purchase.

Section 18. In the event of a decision by a public authority resulting in the buyer not acquiring the disposition of the property unit which he had cause to anticipate at the time of the purchase, Section 12 shall apply, *mutatis mutandis*.

Section 19. If the property unit does not conform to what follows from the agreement or if it otherwise deviates from what the purchaser could have justifiably anticipated at the time of the purchase, the provision in Section 12 concerning the right of the buyer to make a deduction from the purchase price or to cancel the purchase shall apply. The buyer is also entitled to compensation for damage if the defect or loss is due to neglect on the part of the seller or if at the time of the purchase the property unit deviated from what the seller must be deemed to have promised.

A deviation which the buyer ought to have discovered in the course of such examination of the property unit as was occasioned by the state of the property unit, the normal state of comparable properties and the circumstances attending the purchase may not be adduced as defects.

Section 19 a. The buyer may not adduce any defect in the property unit as referred to in Sections 11, 12 and 17-19 unless he informs the seller of the defect within a reasonable time after he observed the defect or should have done so (warranty claim).

The foregoing notwithstanding, the buyer may adduce a defect in the property unit if the seller has acted with gross negligence or contrary to good faith and honest intent.

If the buyer has sent a message as aforesaid in an appropriate manner, the message may be adduced even if it is delayed, is distorted or is not received.

Section 19 b. The buyer's claim on account of a defect in the property unit is statute barred ten years after he has taken possession, failing a shorter limitation period.

Section 19 c. A deduction from the purchase price shall be calculated in such a way that the relation between the reduced and the contractual price corresponds to the relation at the time of taking possession between the value of the property unit in its defective and contractual states.

Section 19 d. A tradesman who in the course of his commercial activity has sold a property unit to a consumer mainly for a private purpose may not adduce against the consumer a condition of purchase which, by comparison with the provisions of Sections 11-19 c, is prejudicial to the consumer.

The tradesman and the consumer, the aforesaid notwithstanding, may agree that compensation for damage under the provisions of Sections 12-19 shall not include business losses.

Section 20. The seller shall surrender to the buyer maps and other documents concerning the property unit which belonged to him and are of importance to the buyer as owner of the property unit. If the documents also relate to other property, they shall be supplied to the buyer on demand.

Section 21. If the property unit can be repossessed from the buyer following protest, the seller shall return the purchase money and, if the buyer was acting in good faith at the time of the purchase, shall indemnify the buyer for damage suffered.

In the event of the foregoing being applicable to part of the property unit only, the buyer, if he was acting in good faith at the time of the purchase, may cancel the purchase where the rest of the property unit is concerned. The provisions of Section 12 shall then apply, *mutatis mutandis*. The time within which a protest action must be filed is counted, however, from the day on which the buyer was divested of that part of the property unit.

Section 22. If the seller is unable to pay what is required of him under Section 21, the buyer may demand payment from the seller's vendors one by one, insofar as they are not exempted from liability under Section 21.

Section 23. If the buyer has not paid the full purchase money when the protest action is filed, he may retain the remainder until adequate security is furnished for what the seller can be required to pay in the event of the claim being allowed.

Section 24. If the purchase of a property unit does not endure, due to the property unit having also been transferred to another party and that transfer having priority, Section 21 shall apply, *mutatis mutandis*. A cancellation claim shall, however, be filed within the time indicated in Section 15.

After an action on priority between the transfers has been filed, Section 23 shall also apply, *mutatis mutandis*.

Section 25. The provisions of the Interest Act (1975:635) shall apply concerning the seller's right to interest on the purchase money.

If, in accordance with a proviso in the document of purchase, the purchase is cancelled owing to non-payment of the purchase money, the purchaser shall

compensate the seller for the damage he has suffered.

Section 26. If, according to the document of purchase, the completion or endurance of the acquisition is dependent on the purchase money being paid and, subsequent to the purchase being concluded, the buyer has

been declared bankrupt,

obtained a public scheme of arrangement without bankruptcy,

been found in the course of attachment to lack the means of discharging his debts,

as a merchant suspended his money or

otherwise been found insolvent in such a way that he must be presumed incapable of discharging his obligation of payment to the seller,

the seller is entitled to cancel the purchase unless adequate security is provided for the purchase money without unreasonable delay on demand. If the purchase is cancelled, the buyer shall compensate the seller for the damage suffered.

Section 27. If the buyer has obtained a mortgage or granted a mortgage lien on the property unit, he may cancel the purchase only when he has paid sufficient of the purchase money for the seller to be able to withhold an amount corresponding to what may come to be payable on the property unit by reason of the mortgage or mortgaging. If the purchase money paid by the buyer is not sufficient, he may cancel the purchase only if he pays the difference. If the mortgage also refers to a property unit not included in the purchase, the purchaser may cancel the purchase only if he has also arranged for the common liability to be dissolved.

If the purchaser has granted another right and this right substantially reduces the value of the property unit or its usefulness in the hands of the seller or if the property unit has otherwise been substantially impaired or otherwise declined in value on account of an action or other circumstance referable to the purchaser or due to him, the purchaser may cancel the purchase only if the seller receives compensation for the loss of value.

Exchange

Section 28. The provisions of Sections 1-27 apply, *mutatis mutandis*, to exchanges. If, however, the purchaser can be dispossessed after protest of a property unit which has been exchanged for another property unit or is dispossessed of the same owing to a circumstance referred to in Section 24, he may not repossess the property unit which he left in exchange. Instead he is entitled to compensation in money.

Gift

Section 29. The provisions of Sections 1-3 and 7-9 apply, *mutatis mutandis*, to gifts.

Section 30. If the completion or endurance of a gift is conditional for a certain time exceeding two years from the day on which the deed of gift was drawn up or indefinitely, the condition shall not apply against the party to whom the donee has transferred the property unit, unless an action for repossession of the gift has been filed before the transfer. If, in consequence of the condition thus not being enforceable, the donor cannot repossess the gift, the donee shall pay to the donor the value of the gift.

Special provisions apply to gifts in favour of persons unborn.

Section 31. If a gift reverts on account of conditions referred to in Section 30 and a mortgage lien or other right granted by the donee is to remain in force, the donee shall compensate the donor for his loss.

Chap. 5. Effect of a party being dispossessed of real property following protest etc.

Section 1. A party vacating real property after protest shall in addition pay compensation for profit yielded by the property after it came to his knowledge that another person had superior title to the property or after he was served with a writ of summons. Compensation shall also be paid for a ground rent, rent and other income from the property relating to the said time. He may, however, claim credit for reasonable compensation for the expenses he has incurred in obtaining the profit and income and for maintenance of the property during the said time.

If, due to neglect by the vacating party, the profit or income has fallen short of what was reasonably obtainable, he shall make good the difference.

Section 2. If the property has been damaged or its value otherwise impaired as a result of an action or other circumstance referable to the party vacating the property, that party shall make good the loss of value if, and to the extent of which, this cannot be deemed oppressive, having regard to the nature of his proceedings and the circumstances generally.

Section 3. It is the duty of the person gaining the property to compensate the person vacating the property for necessary expenditure incurred by him over and above what was required for the maintenance of the property during the time when he had possession of the same. Useful expenditure shall also be compensated unless it occurred during time referred to in Section 1. Compensation for useful expenditure shall not, however, exceed the amount by which the value of the property has been raised as a result of the measure to which the expenditure refers.

Section 4. A party wishing to claim compensation under Sections 1-3 shall file proceedings within two years of vacating the property. If this time limit is not observed, the right of action shall lapse. If one part has filed proceedings in time, the other party is entitled to set-off, in spite of his claim having lapsed.

Section 5. If the party vacating the property has incurred other than necessary expenditure for the same and if the object of this expenditure can be segregated from the property, he may remove it unless the successful party wishes to purchase it as provided below.

If the party vacating the property wishes to exercise his right as aforesaid, he shall, within a month of the day on which the property was vacated or if, prior to the expiry of that time he has filed compensation proceedings as provided in Section 3, from the day on which a judgement wholly or partly disallowing his claim acquired force of law, invite the person gaining the property to purchase that which he wishes to remove. If the successful party wishes to avail himself of the offer he shall, within a

month of the offer being made, notify the person vacating the property to this effect and moreover, if security for the purchase money has been demanded simultaneously with the offer, furnish adequate security for the same. If the successful party neglects any of the requirements as aforesaid, his right to purchase shall lapse.

Section 6. That which has not been removed within three months after the offer for purchase was refused or the time limit for its acceptance expired accrues to the successful party without payment.

The party vacating the property may not, without the consent of the successful party, remove anything from the property before he has furnished adequate security for what he is liable to pay under Section 1 or 2 or, the amount of compensation having been set, has paid the same.

If the person vacating the property has removed anything from it, he shall restore the property to its former state.

Section 7. The provisions of Sections 1-6 shall apply, *mutatis mutandis*, when real property has been transferred to several parties and priority is disputed between them.

Chap. 6. Mortgage lien

Grant of mortgage lien

Section 1. A property owner wishing to grant a mortgage lien on the property as security for a claim is entitled, by the procedure indicated in Chap. 22, to obtain from the land registration authority registration of a certain sum of money (mortgage) on the property. A certificate of the mortgage is called a mortgage certificate. A mortgage certificate is issued either in written form (written mortgage certificate) or by registration in the mortgage certificates register under the Mortgage Certificates Register Act (1994:448) (digital mortgage certificates).

Under Chap. 22, a mortgage can be granted for several property units (joint mortgage). A joint mortgage may also occur as a result of the division of a mortgaged property unit.

Section 2. The right of mortgage lien is granted by the property owner surrendering the mortgage certificate as security for the claim.

A digital mortgage certificate shall be deemed to have been delivered to the creditor when he or a party representing him has been registered as holder of a mortgage certificate in the Mortgage Certificates Register.

Provision concerning the right of the property owner when a mortgage certificate has been used only partly or not at all for mortgaging (excess security) is made in Section 9.

Implications of mortgage lien

Section 3. When, in connection with attachment or otherwise, an authority distributes moneys between claim holders in a property unit, a creditor is entitled, for a claim united with a mortgage title to the property unit, with the priority which the mortgage confers by law, to obtain payment out of the moneys up to the amount of the mortgage

certificate. Insofar as this does not suffice, the creditor obtains payment from the moneys through a supplement. The latter may not exceed fifteen per cent of the amount of the mortgage certificate together with interest on that amount from the day on which the property unit was attached, a bankruptcy petition was filed or the moneys deposited which are otherwise to be distributed. Interest is calculated per annum at a rate corresponding to the official reference rate as provided in Section 9 of the Interest Act (1975:635) from time to time as set by the Riksbank (the Central Bank of Sweden) plus four percentage units. Changes occurring in the reference rate subsequent to the list of claim holders concerned shall be disregarded.

If several mortgage certificates have been delivered as security for the claim and if the mortgages have equal priority or if they apply in immediate succession to one another, the provisions of subsection one concerning the amount of the mortgage certificate shall refer to the total amount of the mortgage certificates.

The right of a creditor to payment does not include the supplement if the mortgage certificate has been attached on application by the creditor or if the mortgage certificate is pledged to him in the second instance.

Section 4. A creditor is also entitled to obtain payment as indicated in Section 3 if the claim is statute barred or has not been reported following notice to unknown creditors.

Section 5. Special provisions exist concerning the duty of a creditor, in spite of the claim not having fallen due for payment, to receive payment out of moneys which an authority is to distribute between claim holders in the property unit.

Section 6. If the property unit deteriorates as a result of neglect or an act of God or from any comparable cause, in such a way that the value of the mortgage lien is substantially reduced, the creditor may seek payment out of the property unit in spite of the claim not having fallen due for payment.

Grant of mortgage lien on certain cases

Section 7. If a property unit has been transferred and the former owner has subsequently granted a mortgage lien on the property unit, the mortgage lien is valid if the creditor at the time of the grant or, when the claim was subsequently transferred to another, that person at the time of his acquisition neither had nor should have had knowledge of the transfer of ownership. If the property unit has also been transferred to another, the aforesaid shall apply with respect to a grant made by the latter purchaser.

The foregoing shall also apply when the property unit has been transferred by acquisition of the kind referred to in Chap. 17, Section 11.

For the purposes of subsection one, a party who has relied on a certificate of search not more than one month old shall be deemed to have acted in good faith if it is not apparent from the circumstances that he or she in some other way had or should have had knowledge of the transfer of ownership.

Section 7 a. If a mortgage lien has been granted as security for a claim which has not yet arisen and if at the delivery of the mortgage certificate the grantor was authorised to grant the mortgage lien or the creditor was then acting in good faith as indicated in

Section 7, the mortgage lien shall be valid as security for the claim, even if the grantor is no longer the owner of the property unit where the claim arises. The aforesaid shall not apply, however, if, before the claim arose, the creditor became apprised of the grantor no longer being the owner of the property unit.

The foregoing shall also apply when a mortgage certificate constitutes security for a claim and the claim has subsequently been exchanged for another claim without any other changes than those normally occurring in connection with claim exchanges of the kind in question.

Section 8. If the occupant is dispossessed of the property unit after protest, a grant of mortgage lien made subsequent to the property unit passing out of the hands of the rightful owner shall be null and void unless otherwise indicated by Chap. 18 or by some other provision.

The foregoing shall apply, *mutatis mutandis*, when acquisition of a property unit is rescinded as invalid or an agreement on such acquisition is cancelled by the transferor. If, however, following an action by the donor, a gift reverts to him on account of conditions on which the completion or endurance of the gift has been made to depend for a certain time, over and above two years from the day on which the certificate of gift was drawn up or indefinitely, the grant shall apply insofar as it was not made subsequent to the filing of proceedings.

The implication of excess security

Section 9. If a mortgage certificate has not been delivered as security for a claim, the owner of the property unit is entitled, in distribution as referred to in Section 3 and with the priority which the mortgage confers by statute, to obtain an allocation from the moneys equalling the amount of the mortgage certificate. If a mortgage certificate has been delivered as security for a claim but the claim falls short of the amount of the mortgage certificate, the property owner is entitled to obtain the difference out of the moneys.

Mutual liabilities of jointly mortgaged real property units

Section 10. Liability for a mortgage granted for several property units devolves on each of the property units at the amount incumbent upon the property unit according to the relation between its particular value and the combined value of all the property units. For this purpose, the value of a property unit is its tax assessed value for the year before the mortgage was requested or, if at that time there was no separate tax assessment value for the property unit, the first tax assessment value to have been set thereafter. If any of the property units is to be sold by attachment and a tax assessment value as aforesaid does not exist for each of the property units, the values placed on the property units as provided in Chap. 12 of the Enforcement Code shall apply.

If a creditor is unable to obtain payment out of the purchase money for a mortgaged property unit of the amount for which the property unit is liable as aforesaid, the other property units shall be liable for the residue of the amount, apportioned on the basis described in the foregoing. If payment is unobtainable from one of these property units for its share of the residue, the shortfall shall be similarly apportioned between the remaining property units.

Section 11. If a mortgaged property unit has been divided, the liability is apportioned between the parts as indicated in Section 10, unless otherwise indicated in subsection two.

If the property unit was divided by subdivision and if the residual property unit and the property unit parcelled off are no longer in the hands of the same owner, the residual property unit shall be liable for the whole mortgage and the property unit parcelled off solely for that which cannot be paid out of the residual property unit. If several property units are parcelled off by subdivision from the residual property unit, a property unit for which registration of ownership has not been applied for shall be liable before a property unit for which registration of ownership has been applied for, and a property unit for which registration of ownership has been applied for later before a property unit for which registration of ownership has been applied for earlier. If registration of ownership has been applied for on the same registration date or if registration of ownership has not been applied for with respect to any of the property units, a property unit transferred later to new ownership shall be liable before a property unit transferred earlier to new ownership. Between property units transferred to new ownership on the same day, liability shall be apportioned on the grounds indicated in Section 10.

Subsection two notwithstanding, the creditor may seek payment simultaneously from a residual property unit and a property unit parcelled off.

Provision is made in Section 16 (2) to the effect that a property unit parcelled off is not liable for a mortgage on the residual property unit in certain cases.

Certain provisions concerning the validity of mortgage and mortgage certificate

Section 12. If a mortgage refers to one property unit only and that unit is sold by executive procedure, the mortgage, after the sale has acquired force of law and the purchase money has been paid, shall be null and void for an amount which, according to the list of claim holders, is not covered by the purchase money, retained profit or other moneys received, unless the Swedish Enforcement Authority has ordered the continuation of mortgage liability. If moneys have been obtained by special sale of fixtures, a mortgage is null and void to the amount of the moneys fallen due to the amount entered in the mortgage certificate.

If a mortgage refers to several property units conjointly and these are sold by executive auction according to a common list of claim holders, the foregoing shall apply, *mutatis mutandis*. If the sale takes place according to special lists of claim holders, the mortgage loses its effect unless the Swedish Enforcement Authority has ordered the continuation of mortgage liability. If only one or some of the property units are sold, the mortgage will be utterly void with respect to a property unit sold, unless the Swedish Enforcement Authority has ordered continuation of mortgage liability, and where another property unit is concerned, it shall be of no effect insofar as moneys have fallen due to the amount entered in the mortgage certificate.

Section 13. If attachable funds are distributed without the property unit having been sold, a mortgage is of no effect insofar as moneys have fallen due to the amount entered in the mortgage certificate.

The foregoing shall not apply if the holder of the mortgage certificate has waived

his right to payment and, in the case of a joint mortgage, consent to the waiver has been given both by owners of the other property units encumbered by the mortgage and by the holder of a mortgage lien applying to one or more of the property units with a priority right equal or inferior to the mortgage.

Section 14. If a mortgaged property unit or an area of such a unit is relinquished on account of expropriation or suchlike compulsory purchase, the mortgage shall be of no effect for the compulsory purchased property after the purchase has been completed. As regards other property encumbered by the mortgage, the mortgage shall be of no effect to an amount which, at the distribution of moneys by reason of the compulsory purchase, have fallen due to the amount entered in the mortgage certificate. In this connection, Section 13 (2) shall apply, *mutatis mutandis*.

Section 15. If, in a case other than referred to in Sections 12-14, an authority has distributed moneys between claim holders in a mortgaged property unit, the mortgage shall be of no effect insofar as moneys have fallen due to the amount entered in the mortgage certificate. In this connection, Section 13 (2) shall apply, *mutatis mutandis*.

Section 16. If a property unit or part of the property unit is amalgamated with another property unit or part of a property unit, a mortgage encumbering any of the property units or parts of property units included in the amalgamation shall include the whole of the newly formed property unit.

A property unit which has been formed by subdivision is not liable for mortgages in the residual property unit or units if

1. the cadastral authority has made a non-mortgage order pursuant to Chap. 10, Section 8 a of the Property Formation Act (1970:988) or

2. the property unit has been formed by parcelling off from a joint property unit or a certain curtilage of a joint property unit.

Section 17. If a mortgage becomes of no effect, the mortgage certificate is also of no effect. Otherwise, if the amount or extent of a mortgage is altered, the mortgage certificate takes effect in accordance with the changed content of the mortgage.

Cancellation of a lost mortgage certificate does not render the mortgage of no effect.

Chap. 7. General provisions on right of user, easement and right to electric power

Scope of the provisions

Section 1. This chapter refers to leasehold, rental tenure, site leasehold and other rights of user, easement and right to electric power, if the right has been granted by agreement.

Provision on certain rights indicated in the foregoing is also made in Chaps. 8-15.

If special provisions are otherwise made, by statute or statutory instrument, concerning rights referred to in this chapter, those provisions shall apply.

Section 2. Where relevant, this chapter also applies to the tenancy of a building not

belonging to a property unit.

Section 3. The right granted by the property owner to another part of felling timber on the property unit or taking other produce from the property unit or its natural assets or of hunting or fishing on the property unit is to be deemed a right of user, even if that right is not combined with the right of otherwise using the property unit.

Whatever the property owner, in a written agreement with the state or a municipality concerning nature conservation within a certain area (a nature conservation agreement), has promised to permit or tolerate shall, for the purposes of this Code and other statutory instruments, be regarded in its entirety as a right of user.

Section 4. The provisions of this Code concerning rights of user do not refer to right of burial, public road right or tenant-ownership.

Duration of the grant

Section 5. An agreement on the grant of a right of user other than site leasehold is not binding for more than fifty years from the date on which the agreement was concluded. A grant of real property within a detailed development plan and a grant of an agricultural lease, however, are not binding for more than twenty-five years. The grant of a right of user other than an agricultural lease for a person's lifetime is valid without limitation to a certain length of time.

If the grant refers solely or mainly to the right of felling timber for other than domestic needs, the agreement is not binding for more than five years.

The first and last of these subsections do not apply to a right of user granted by the State. Subsection one does not affect the right of a usufructuary to the renewal of an agreement on statutory grounds.

If a lease or tenancy has been granted for longer than the maximum time prescribed in subsection one for the endurance of a right of user and if the property owner or the usufructuary wishes to withdraw from the agreement after that time has expired, notice of cancellation shall be given.

Section 6. The grant of an easement or of the right to electric power may be made indefinitely.

Prolongation of the grant and amendments and additions to the agreement

Section 7. An agreement to prolong the duration of the grant is valid as a new grant.

Prolongation on statutory grounds or in accordance with a provision of the agreement does not imply that a new grant has come into being.

Section 8. An agreement on amendment or addition to the agreement applies as a new grant in relation to a new owner of the property unit or a holder of a right in the same unless otherwise indicated by subsection two.

An amendment or addition to a right of user agreement applying a statutory provision concerning the right to prolongation of such an agreement does not imply that a new grant has come into being.

If an amendment or addition is made to an agreement drawn up in writing, this shall be noted on the document if the property owner or usufructuary so requests.

Impediments to partial grants

Section 9. An agreement whereby a right referred to in this chapter shall apply in share of a property unit or within a property unit´s share in land jointly owned by several property units is of no effect as a grant of right of user, easement or right to electric power.

Right of title registration

Section 10. A right of user granted through a written document and an easement may be registered. A proviso to the contrary is of no effect except with regard to a lease or tenancy.

A right to electric power may be registered if the owner of the property unit in which the right has been granted has consented in writing to registration taking place.

Status of the right if the real property unit changes hands

Section 11. If a property unit encumbered by a right of user or easement is transferred to new ownership, it is the duty of the transferor to the usufructuary to make, at the time of the transfer, a proviso concerning the grant, unless registration of the right has been granted. Such a proviso makes the grant valid against the party to whom the property unit is transferred.

If a property unit encumbered with a right to electric power is transferred to new ownership, the grant applies against the new owner regardless of proviso.

Section 12. If, in the case of a written grant which is to remain valid against a new owner of the property unit, an agreement has been concluded as referred to in Section 7 (1) or Section 8 (1) and the agreement is noted on the property owner's copy of the deed of grant, the agreement shall apply against the new owner as if a proviso had been made.

Section 13. Even if no proviso has been made, a grant referring to a lease or tenancy shall be valid against a new owner of the property unit if the grant was made by written agreement and possession was taken prior to the transfer.

The foregoing shall not apply with respect to an agreement as referred to in Section 8. In the case of an agreement as referred to in Section 7, the foregoing shall apply only if the grant applying previously expired before the transfer, in which case possession shall not be deemed to have been taken before the agreement took effect.

Provisions concerning the validity of agreements on bargaining procedure against a new landlord are contained in the Tenancy Bargaining Act (1978:304).

Section 14. In cases other than those referred to in Sections 11-13, the grant applies against the party to whom the property unit has been transferred only if, under Chap. 17, the grant takes precedence over the transfer by virtue of registration or the new owner had or should have had knowledge of the grant at the time of the transfer.

If, in a case of leasehold or tenancy, the property unit is transferred after the holder of a right has taken possession and, under Sections 11-13, the grant does not apply against the new owner, the grant shall nonetheless remain in force against him if he does not give notice of cancelling the agreement within three months of the transfer.

Section 15. A proviso contrary to the provisions of Sections 11-14 concerning the continuance of the right against a new owner of the property unit is of no effect.

Section 16. Following the executive sale of a property unit, the grant of a right of user, easement or right to electric power shall apply against the new owner only if the sale was subject to a proviso for the continuance of the right under Chap. 12 of the Enforcement Code or the right is protected under the same chapter without a proviso. If, however, the property unit is assess for taxes as a rental housing unit, grants referring to the tenancy of a dwelling unit for an indefinite period and based on a written document are always valid against the new owner if the tenant took possession of the dwelling before the executive sale.

Provisions concerning the effect of omission to give notice of cancelling a leasehold or tenancy agreement which, under the foregoing, does not apply against a new owner are contained in Chap. 12 of the Enforcement Code.

Section 17. If the property unit is transferred and if the grant of a right of user, easement or right to electric power is to apply against the new owner, the latter is entitled to levy a ground rent, rent or other consideration for the right insofar as the consideration falls due for payment after he has taken possession of the property unit. After the said point in time he may also in other respects exercise the powers vested in the owner of the property unit by the document of transfer. The holder of a right may not deduct claim against the former owner from amounts falling due for payment more than six months or, in the case of leasehold, more than one year after the holder of a right became apprised of the transfer or had reasonable cause to presume the same. Nor, in the matter of such amounts, shall payment rendered by the holder of a right to the former owner or any other settlement with the same apply unless the new owner had or should have had knowledge of the same at the time of the transfer.

The new owner incurs the obligations of the former owner insofar as they are to be discharged after he has taken possession of the property unit.

Following executive sale of a property unit, Chap. 12 of the Enforcement Code concerning executive sale of real property applies in matters referred to in subsections one and two.

Section 18. If the party who has transferred the property unit has omitted to make a proviso as referred to in Section 11 (1) and, consequently, the grant of a right of user or an easement will not apply against the new owner, the transferor shall compensate the holder of a right for the damage he suffers. The holder of a right, however, is not entitled to compensation if he had the registration of the right cancelled without the transferor's consent.

Section 19. If, as a result of executive sale of the property unit, the grant of a right of user, easement or right to electric power will not apply against the new owner, the party from whom the sale took place shall compensate the holder of a right for the

damage he has suffered. If the right has been preserved by the holder of a right contributing funds as provided in Chap. 12 of the Enforcement Code, concerning executive sale of real property, the holder of a right shall be entitled to receive, as damages, compensation for the contribution insofar as this does not exceed the value of the right. If the grant has been made without consideration, the aforesaid shall apply only if the property unit has been sold for a purpose other than that of settling a claim for which it is liable on account of attachment or otherwise.

A holder of a right is not entitled to compensation as aforesaid if he had the registration of the right cancelled without the property owner's consent or if, by agreement at an executive auction, he allowed the right of priority to be impaired. If it is obvious that the right would have been lost in any case, the aforesaid shall not apply.

Section 20. If the new owner omits to discharge the obligations indicated in Section 17 (2), the transferor is liable to compensate the holder of a right for the damage he has suffered. A previous owner of the property unit against whom the grant has been valid shall also be liable for the compensation.

A previous owner of the property unit against whom the grant has been valid shall also be liable for compensation payable to a holder of a right under Section 18 or 19 by the party from whom the property unit has been transferred. A holder of a right shall not, however, be entitled to receive compensation from such a previous owner without whose consent he had registration of the right cancelled or deferred, unless, in the case of an executive sale, it is obvious that the right would have been lost in any case.

The party liable for compensation under subsection one or two will be discharged from liability unless the holder of a right, within six months of being apprised of the property unit having been transferred from him, has given notice in writing of wishing to be able to keep to him.

Section 21. A proviso cancelling or restricting the right of compensation to a holder of a right under Sections 18-20 is of no effect.

Mutual status of rights

Section 22. If there are several rights in the same property unit which are not registered and which cannot be exercised conjointly without detriment to one of them, they shall have priority between themselves according to the chronological order in which they were granted.

If the grants are simultaneous or their chronological sequence cannot be ascertained, the court, on proceedings being filed, shall make an order concerning precedence between them according to what is reasonable in view of the circumstances.

Section 23. In the event of an executive auction, rights not being registered shall have priority between themselves in the chronological order in which they were granted.

If the grants are simultaneous or their chronological order cannot be ascertained, they shall have equal priority unless otherwise decided under Section 22 (2).

The foregoing shall apply where relevant when an authority, in a case other than occasioned by executive auction, distributes moneys between claim holders in the

order applying to the distribution of the purchase money of an executive sale of real property.

Section 24. When a right which, without detriment to another right, can be exercised conjointly with the same is to defer, the holder of a right is entitled to compensation from the grantor for damage if, at the time of the grant, he neither had nor should have had knowledge of the other grant.

Termination of the right in certain cases

Section 25. The provisions of Chap. 6, Section 8 shall apply, *mutatis mutandis*, concerning a right of user, an easement and a right to electric power.

If a right granted for a consideration is of no effect by reason of the foregoing, the holder of a right is entitled to compensation from the grantor for damage if he acted in good faith when the grant took place. Provisions concerning the ability of the holder of a right in certain cases to obtain compensation from the State are contained in Chap. 18.

Section 26. Special provisions exist concerning the termination or restriction of the right on account of expropriation or suchlike compulsory purchase and concerning the entitlement of the holder of a right to compensation by reason of the same.

Effect of an amendment in the division into property units

Section 27. If a property unit encumbered with a right of user or an easement is divided, the right shall apply in each of the new property units. If, however, through the grant agreement, the exercise of the right is restricted to a certain area, the right shall cease to encumber a property unit which does not include any part of the area.

If a property unit in which a right to electric power has been granted is divided, the right shall apply in the property unit to which the electric power station belongs after the subdivision.

Section 28. If, after property formation, a right of user or an easement applies in several property units, consideration paid for the right shall accrue to the owners of these units in proportion to the encumbrance on each unit.

Section 29. If a property unit encumbered with a right of user or an easement undergoes reallotment, the right may subsequently be exercised in an area which, through the reallotment, is transferred to the property unit. This shall not apply, however, if the exercise of the right is restricted through the grant agreement to a certain part of the property unit or if the exercise of the right on the transferred area must otherwise be deemed at variance with the grant or is incompatible with an order as referred to in subsection three. Provision concerning the right of the cadastral authority to define a new area for the exercise of a right of user is made in the Real Property Formation Act (1970:988).

A right of user, an easement and a right to electric power shall no longer apply in land or a building separated by reallotment from the property unit in which the right was granted. It is incumbent on the party taking possession of such a building to

cancel, within one month of taking possession, a tenancy agreement applying against the vacating party. Otherwise the agreement shall apply against him.

Chap. 5, Section 33 a and chap. 7, Section 13 of the Real Property Formation Act provide that the cadastral authority may order that a right shall continue to apply in land or a building which, through reallotment, is removed from the property unit in which the right was granted. For the purposes of Section 22, such a right shall have priority over a right which, by virtue of subsection one, could be exercised in the land or building.

Section 30. If a property unit encumbered by a site leasehold or an easement has, through reallotment, undergone a change of importance for the exercise of the right, the consideration payable for the right shall be adjusted.

If, as a result of reallotment, a property unit has undergone a change causing the value of a right of user other than site leasehold to diminish, the consideration shall be reduced by a reasonable amount. If the usufructuary prefers to cancel the agreement, he may do so if the change is of more than minor importance. If the change implies an increase in the value of the right of user, the property owner may cancel the agreement if the usufructuary does not consent to a reasonable increase in the consideration.

Proceedings for adjustment of the consideration as referred to in subsection one or for reduction of the same as referred to in subsection two shall be filed within two months of the property formation order acquiring force of law. Cancellation as referred to in subsection two is subject to the same time limit. If the time limit is not observed, the right of action or cancellation will lapse.

Special provisions exist concerning the entitlement of a holder of a right to compensation in certain cases connected with reallotment.

Certain sub-grants

Section 31. If a property owner has granted a right of user to a party who in his turn has granted a lease or tenancy, the following shall apply. If there is community of interest between the property owner and the grantor and, this being so and having regard to the circumstances generally, it may be presumed that the legal relation is being used in order to evade a statutory provision which favours a usufructuary, the lessee and the tenant have the same right in relation to the property owner as they would have had if the property owner had granted their right of user.

Chap. 8. Leasehold in general

Introductory provisions

Section 1. Under the provisions of this chapter and of Chaps. 9-11, the grant of land for use in return for a consideration may take the form of an agricultural lease, a residential ground lease, a commercial ground lease or a ground lease in general.

A ground lease in general exists when land is granted by leasehold for a purpose other than agriculture and the grant is not to be deemed a residential ground lease or commercial ground lease.

Section 2. A proviso contrary to a provision of this chapter or of Chaps. 9-11 is of no

effect against the lessee or against the party entitled to enter into his stead, unless otherwise indicated.

In cases where, by provision on the subject, the validity of a proviso as referred to in subsection one or another condition of agreement is subject to approval by the regional tenancies tribunal, approval may be applied for only if this has been indicated in the agreement. An application may not be considered if it reaches the regional tenancies tribunal more than one month after the agreement being entered into. If an assessment results in approval being refused, the agreement will lapse, failing agreement to the contrary.

Entry into leasehold agreements

Section 3. An agreement concerning an agricultural lease, a residential ground lease and a commercial ground lease shall be drawn up in writing. All terms of the agreement shall be set out in the document. Any rebuilding or addition not made in writing is of no effect. If the lessee has taken possession of the leasehold property without a written agreement having been drawn up and he has not been the cause of a valid leasehold agreement not materialising subsequently, he is entitled to compensation for damage. If no compensation proceedings are filed within one year of the land being surrendered, the right to such a claim shall lapse.

An agreement concerning a ground lease in general shall be drawn up in writing, unless otherwise agreed.

Termination of leasehold agreements by notice of cancellation etc.

Section 4. On notice of the cancellation of a leasehold agreement being given by reason of the leasehold title being forfeit, the agreement shall cease to apply on the moving day occurring next after the notice of cancellation, unless the court finds it reasonable to require the lessee to vacate the property earlier or Section 25 provides otherwise.

If a leasehold agreement is cancelled for another cause which entitles a landowner or lessee to withdraw from the agreement, the agreement shall cease to apply on the next moving day occurring after six months have passed following the notice of cancellation. If the lessee withdraws from the agreement by virtue of Chap. 7, Section 30 (2), the agreement, if the lessee so requests in the notice of cancellation, shall instead cease to apply on the day when the lessee, as a result of the reallotment, is obliged to surrender land. If the notice of cancellation is given before the lessee has taken possession of the leasehold property, the agreement shall cease to apply immediately.

Moving day is 14th March

Section 5. If, in the case of a ground lease in general, the term of the leasehold has not been defined, the agreement shall cease to apply on the moving day next occurring after six months following the notice of cancellation. If, however, the notice of cancellation is given before the lessee has taken possession of the leasehold property, the agreement shall cease to apply immediately. The aforesaid shall not apply if a period of notice has been agreed on.

Section 6. If an agricultural ground lease, a residential ground lease or a ground lease in general has been granted for the lessee's lifetime, his spouse will be entitled, on his death, to enter into his stead as lessee for life if the marriage was contracted before the agreement was made. The landowner may, however, give notice of cancellation of the agreement if the surviving spouse remarries. When the agreement ceases to apply by reason of the death of the lessee or the surviving spouse, the leasehold property shall be surrendered on the moving day next occurring after six months following the death.

Section 7. If the day when the leasehold property is to be taken possession of or surrendered by law or agreement comes on a Sunday or other public holiday, taking of possession or surrender shall instead take place on the next weekday unless otherwise agreed.

Mode of cancellation

Section 8. Notice of cancellation shall be in writing, failing written acknowledgement of the notice. In cases referred to in Chap. 11, Sections 6 and 6 a, however, the notice of cancellation shall always be made in writing. Notice of cancellation may be given to the party authorised to receive a ground rent on the landowner's behalf.

Written notice of cancellation shall be served to the person sought for notice of cancellation, but without application of Sections 12-15 of the Service of Documents Act (1970:428).

If the person sought is not found at his abode, the notice of cancellation may be sent by registered letter to his usual address. One copy of the notice of cancellation shall also be delivered either in the home of the person sought, to an adult member of the household to which he belongs, or, if he carries on a business with a permanent office, at the office to a person who is employed there. If no person as aforesaid is found, the notice of cancellation shall instead be deposited in the post box, if any, of the person sought. Notice of cancellation has been given when the aforesaid has been performed.

If a landowner or lessee to whom notice of cancellation is to be given does not have a known abode in this country and does not have a known agent entitled to receive notice of cancellation on his behalf, the notice of cancellation may be given by advertisement in Post- och Inrikes Tidningar.

An application to a court of law requesting that the leasehold be terminated or that a lessee be evicted applies as notice of cancellation when service of documents has taken place in due order. The same applies to an application under the Payment Orders and Enforcement Assistance Act (1990:746) for a lessee to be evicted.

Special provisions on the content of notice of cancellation of a commercial ground lease agreement are contained in Chap. 11, Section 6.

Impediment to the enjoyment of leasehold title

Section 9. If in the leasehold agreement the landowner has stated the curtilage of the leasehold property to be greater than it is or if in the agreement he has furnished similarly incorrect information, the lessee is entitled to a reasonable reduction of the ground rent and compensation for damage. He may also cancel the agreement. If the deficiency is of minor importance or if more than a year has passed since the taking of possession, notice of cancellation may be given only if the landowner has practised

deception.

Section 10. If the lands of the leasehold property are reduced or impaired by flowing water, a landslide or other suchlike occurrence and the damage is not caused by the lessee, the lessee is entitled to a reasonable reduction of the ground rent. He may also give notice of cancellation of the agreement, unless the change is of minor importance. Notice of cancellation may not be given more than one year after the change or, if the change occurred before the lessee took possession of the leasehold property, after the taking of possession.

Section 11. If the lessee is dispossessed of any part of the leasehold property due to another acquisition having priority or due to a circumstance referred to in Chap. 7, Section 25, the lessee is entitled to a reasonable reduction of the ground rent. The lessee is also entitled to give notice of cancellation of the agreement under the rules of Section 10 if he acted in good faith when the agreement was concluded. Provisions on compensation for damage are contained in Chap. 7.

Payment of ground rent

Section 12. Ground rent shall be paid not later than three months before the end of each year of the leasehold, unless otherwise agreed.

Section 12 a. A lessee maintaining that he is entitled, under a provision of this Code, to be entitled to a reduction of the ground rent or to compensation for damage or for the remediation of a defect or that he has some other counter-claim against the landowner, and wishing to deduct a corresponding amount from a ground rent payable in money, may deposit the amount with the County Administrative Board. This also applies when the parties disagree concerning the size of a ground rent which is to be paid in money but the amount of which is not set out in the agreement.

Provisions concerning deposits in certain other cases are contained in the Deposit of Money in Escrow Act (1927:56).

A lessee wishing to deposit a sum of money with the County Administrative Board as aforesaid shall furnish written information in duplicate concerning the leasehold tenure, the payment date and the grounds for the deduction or the nature of the dispute, and shall furnish a pledge or guarantee, as found reasonable by the County Administrative Board, for the expense which the landowner may incur in obtaining the amount and for interest on the amount.

If the lessee has deposited a ground rent with the County Administrative Board, the landowner may not assert that the leasehold title is forfeit due to the amount deposited not having been paid to him.

The County Administrative Board's decision in a matter of deposit may be contested by appeal to the district court in the place where the County Administrative Board is located. Appeals are subject to the Judicial Proceedings Act (1996:242).

Section 12 b. The County Administrative Board shall immediately notify the landowner by registered letter of a deposit as referred to in Section 12 a.

An amount deposited shall immediately be paid into an interest-bearing account. The interest shall be paid to the person authorised to withdraw the amount.

If, within three months of the amount having fallen due for payment and notification of the deposit having been sent to him, the landowner does not show himself to have agreed with the lessee that he shall be authorised to withdraw the amount or that he has filed proceedings to this end against the lessee, the lessee is entitled to recover the amount deposited. If the landowner has filed proceedings within the said time, the amount may not be withdrawn until the proceedings have been determined.

Inspection etc.

Section 13. The landowner is entitled to gain access to the leasehold property for purposes of inspection. If the leasehold property is to be vacated, it is the duty of the lessee to let it be shown at a suitable time. The landowner shall notify the lessee in good time of the day of the inspection or viewing.

Pledge or guarantee

Section 14. If a pledge or guarantee has been provided for completion of the leasehold agreement and the security is impaired, it is the duty of the lessee, on demand, to provide new security with which the landowner can reasonably be satisfied. If he does not do so within three months, the landowner may give notice of cancellation of the agreement. If the agreement is cancelled, the landowner is entitled to compensation for damage.

Attachment and bankruptcy

Section 15. If the property has been attached before the possession date, the lessee may cancel the agreement. He is also entitled to compensation for damage. Cancellation shall, however, take place within one month of it becoming known to the lessee that the property has been attached. If the attachment is cancelled or the question of the sale of the property otherwise lapses, there may be no cancellation thereafter.

Section 16. The provisions of Section 15 apply, *mutatis mutandis*, if the landowner is declared bankrupt before the possession date.

Section 17. If the lessee is declared bankrupt, the estate in bankruptcy may cancel the agreement. The landowner is then entitled to compensation for damage.

Section 18. If, in connection with a residential ground lease, a commercial ground lease or a ground lease in general, the lessee is declared bankrupt before taking possession of the leasehold property and the landowner does not have security with which he can reasonably be satisfied for the completion of the agreement, the landowner may cancel the agreement if he does not receive such security within a week of demand.

On the landowner cancelling the agreement and the latter having been concluded for a fixed term of not less than ten years, the landowner shall pay reasonable compensation for the value of the leasehold title, unless otherwise agreed. In cases

other than when the agreement has been concluded for a fixed term of not less than ten years, the landowner, if he cancels the agreement, is entitled to compensation for damage.

Special provisions concerning agricultural ground leases are contained in Chap. 9.

Right of the lessee to grant a right of user

Section 19. The lessee may not, without consent from the landowner, grant a right of user in the leasehold property or part thereof. He may, however, unless otherwise agreed, let a vacant space in a building or grant an area of uncultivated land as a depot or for a similar purpose, if this can be done without inconvenience to the landowner.

Section 20. The lessee may let a building of his own on the leasehold property if this can be done without considerable inconvenience to the landowner and no agreement has been made to the contrary.

Removal of property belonging to the lessee

Section 21. If the lessee has erected a building of his own on the leasehold property or has otherwise devoted expenditure to the property over and above his obligations, the building or what has otherwise been done shall be offered to the landowner for purchase when the lessee surrenders the lease. If, within a month of the offer being made, the landowner has not declared himself willing to accept it, the lessee may remove the property or transfer it to a succeeding lessee. If he removes the property, however, he shall restore the leasehold property to a serviceable state.

If anything which the lessee, by virtue of the foregoing, may remove from the leasehold property has not been removed or transferred to the succeeding lessee within three months of the leasehold property being vacated or a purchase claim being finally disallowed, it shall accrue to the landowner without payment.

If substances have been taken from the landowner's property unit for a building or other facility, the structure may not be removed before the lessee has reimbursed the landowner for the value of that which was taken from the property unit.

The provisions of this section also apply to property acquired by the lessee, as provided in subsection one, from a previous lessee.

The provisions of this section do not apply if otherwise agreed.

Section 22. If a vacating lessee has left property belonging to him, other than referred to in Section 21, on the leasehold property and neglects to remove it within three months of being called upon to do so, the property shall accrue to the landowner without payment.

Forfeiture of the leasehold

Section 23. The leasehold is forfeited and the landowner thus entitled to cancel the agreement,

1. if the lessee delays payment of the ground rent for more than a month after the date when payment is due,
2. if the lessee neglects the leasehold property or defaults on his obligations under

Chap. 9, Section 35 and does not take corrective action on being called upon to do so,

3. if the lessee uses the leasehold property for a purpose other than that anticipated at the time of the grant or, if a certain growing plan is laid down in the agreement or the latter contains some other provision concerning upkeep, deviates from what has thus been determined and does not take corrective action on being called upon to do so,

4. if the lessee, contrary to the provisions of this Code, transfers the leasehold or otherwise puts another party in his stead or grants a right of user,

5. if the lessee neglects a contractual obligation exceeding his duties under this Code and it must be deemed of exceptional importance to the landowner that the duty be discharged.

The leasehold is not forfeited if the lessee's default is of minor importance.

If the agreement is cancelled, the landowner is entitled to compensation for damage.

Section 24. If the leasehold is forfeited for a reason referred to in Section 23, subsection one, paragraphs 1-3, but correction is made before the landowner has exercised his right to cancel the agreement, the lessee cannot thereafter be divested of the leasehold property on this account. The same applies if the landowner has not cancelled the agreement within six months of being apprised of a condition referred to in Section 23, subsection one, paragraph 4 or 5.

Section 25. If the leasehold is forfeited, as provided in Section 23, subsection one, paragraph 1, on account of delay in the payment of ground rent and the landowner, for this reason, has given notice of cancellation of the agreement, the lessee may not be divested of the leasehold property on account of the delay if the ground rent is paid not later than the twelfth weekday following notice of cancellation. Pending proof by the lessee of having performed what is thus required for the recovery of the leasehold, no eviction order may be made until fourteen days have passed following the notice of cancellation.

Special provisions

Section 26. A landowner or lessee wishing to present a payment claim arising out of a leasehold shall file proceedings to this end within two years of the lessee having vacated the leasehold property. If, in the case of an agricultural ground lease, inspection which is to form the basis of a settlement is protested before the expiry of the said time, proceedings may be filed within two years of the protest being determined. If the time limit is not observed, the right of action will lapse unless otherwise agreed. If one party has filed proceedings in due time, the other party is entitled to set-off regardless of his right of action having lapsed.

Section 27. In connection with an agricultural lease and a residential ground lease, the lessee is entitled in certain cases to acquire the leasehold property under the Leasehold Properties (Acquisition by Lessees) Act (1985:658).

Section 28. In connection with an agricultural lease and a residential ground lease, an agreement between landowner and lessee to the effect that a future dispute arising out of the leasehold relation shall be referred to arbitration without any proviso concerning

the right of the parties to protest the arbitration, may not be asserted with regard to the right or duty of the lessee to take or retain possession of the leasehold property, the definition of leasehold terms in cases referred to in Chap. 9, Section 12 or 13 or Chap. 10, Section 6 a, or the setting of payment as referred to in Chap. 9, Section 14. Otherwise the arbitration agreement shall not apply insofar as, through the same, arbitrators have been appointed or provision made concerning the number of arbitrators, the manner of their appointment or the procedure to be followed by the arbitration tribunal. In these respects the Arbitration Act (1999:116) shall be applied. The aforesaid does not, however, preclude the appointment through the arbitration agreement of the regional tenancies tribunal as arbitration tribunal or the setting of a particular date for the delivery of an arbitration award.

Procedure in leasehold disputes

Section 29. Every county shall have a regional tenancies tribunal. The Government may, however, determine that the territory of a regional tenancies tribunal shall be an area other than a county.

Section 30. The regional tenancies tribunal has the task of mediating in leasehold disputes and adjudicating questions concerning the prolongation of leasehold agreements in connection with agricultural or residential ground leases, the definition of terms for such prolongation and the setting of payment as referred to in Chap. 9, Section 14, as well as other questions incumbent on the tribunal under this Code. The tribunal may also be an arbitration tribunal in leasehold disputes. More detailed provisions concerning regional tenancies tribunals are made in a separate enactment.

Section 31. A decision by a regional tenancies tribunal concerning prolongation of a leasehold agreement, definition of terms for such prolongation, deferment of vacation as provided in Chap. 9, Section 12 b or Section 13 or Chap. 10, Section 6 a, or the setting of payment as referred to in Chap. 9, Section 14 or a matter referred to in Chap. 9, Section 17 a, 18, 21, 21 a, 31 or 31 b or Chap. 11, Section 6 b, may be appealed in the court of appeal within whose jurisdiction the regional tenancies tribunal is situated.

A decision by a regional tenancies tribunal in a matter referred to in Chap. 9, Section 2, 3, 7 or 17, Chap. 10, Section 2, 3, 4 or 7, or Chap. 11, Section 2 may not be appealed.

Section 31 a. Appeal against a decision by the regional tenancies tribunal shall, failing provision to the contrary, be subject to the rules of the Judicial Proceedings Act (1996:242) for appeals against district court decisions.

A leave of appeal is not needed in order for the court of appeal to review the regional tenancies board's decision.

Section 31 b. In addition to legally trained judges, the court of appeal may also include a technical member if the nature of the case or some other special consideration so demands.

Concerning the qualifications required of a technical member, the possibility of the court of appeal allowing a member to carry out an investigation on site, and an investigation conducted by a technical member, Sections 14-16 of the Land Court

Act (1969:246) shall apply.

Section 31 c. In court proceedings, a party may be required to testify under oath. Concerning such testimony, Chap. 37 of the Code of Judicial Procedure shall apply.

Section 31 d. An order by the court of appeal concerning deferment of vacation pursuant to Chap. 9, Section 12 b or Chap. 10, Section 6 a, with reference to Chap, 9, Section 12 b or, in a matter referred to in Chap. 9, Section 17 a, 18, 21 or 21 a or Chap. 11, Section 6 b is final. The court of appeal may, however, grant leave to appeal the order if there is special cause for considering whether leave shall be granted pursuant to Chap. 54, Section 10 (1) of the Code of Judicial Procedure.

Section 32. A leasehold dispute which, by provision of Section 30, shall not be adjudicated by a regional tenancies tribunal shall be admitted by the land court within whose jurisdiction the property unit is situated. A matter as referred to in Chap. 9, Section 24 may also be tried by this court.

Provision concerning the lawful court for disputes arising out of the temporary grant of land for the parking of motor vehicles is made in Chap. 10, Section 10 of the Code of Judicial Procedure.

Section 33. Repealed.

Chap. 9. Agricultural leases

Introductory provisions

Section 1. This chapter refers to leasehold agreements whereby land is granted for agricultural use.

Term of lease

Section 2. An agricultural leasehold agreement shall be concluded for a fixed period. If the grant refers to land over which the grantor does not have right of disposal beyond his own period of tenure, an agreement may also be concluded for such period. The State may grant a leasehold for the lessee's lifetime. If the term of the leasehold is not determined as aforesaid, the agreement shall run for five years.

If a leasehold for a fixed term includes housing for the lessee, the term of the leasehold should be at least five years. If a shorter term has been agreed on, the agreement shall apply for the minimum time as aforesaid. The agreement shall, however, apply for the agreed time if approved in this respect by the regional tenancies tribunal.

A proviso entitling the landowner, in a case other than indicated in Chap. 7, Sections 5 and 30, Chap. 8, Sections 6, 14 and 23, and Sections 30, 32 and 33 of this chapter, to repossess the leasehold property or part therefore before the expiry of the term of the lease shall apply only if approved by the regional tenancies tribunal.

Section 3. In the case of a leasehold for a fixed term of more than one year, notice of cancellation shall always be given in order for the agreement to cease to apply at the expiry of the leasehold term. If the landowner or lessee wishes the leasehold terms to

be amended for a new leasehold period, he shall notify the other party accordingly in the manner indicated in Chap. 8, Section 8 for notice of cancellation. Notice of cancellation and a request for the amendment of conditions shall be given and made not less than one year before the expiry of the term of the leasehold, if the agreement has been made for at least five years, and otherwise not less than eight months before the expiry.

If the agreement has not been cancelled within due time, it shall be deemed prolonged for a time corresponding to the term of the leasehold, though not more than five years, or, if a request has been made for amendment of conditions, for the time and on the conditions generally determined in accordance with Section 9.

A proviso contrary to subsection one or two of this section shall apply against the lessee if approved by the regional tenancies tribunal. A proviso concerning a longer period for prolongation of the agreement than indicated in subsection two shall apply without such approval.

Section 4. If a leasehold agreement applies for a certain time of less than one year and no proviso has been made concerning notice of cancellation, the agreement shall be deemed prolonged for a time corresponding to the term of the leasehold if the lessee has continued the working of the land for two months after the expiry of the term of the leasehold without the landowner having called upon him to leave the leasehold property. The aforesaid shall not apply if otherwise agreed.

Section 5. If the lessee dies before the expiry of the leasehold period, his estate may cancel the agreement within six months of his demise unless otherwise agreed.

Section 6. The party who is to take over the leasehold property is entitled to have half the house(s) of the leasehold property granted to him fourteen days before the possession date, unless otherwise agreed.

Right to prolongation of the leasehold agreement etc.

Section 7. The provisions of Sections 8-13 apply to a leasehold for a fixed term, except when

1. the term of the leasehold is not more than one year and the leasehold does not include accommodation for the lessee, or

2. the landowner gives notice of cancellation of the leasehold agreement on the grounds that the leasehold is forfeited or a state of affairs exists as referred to in Chap. 8, Section 14, though not if the notice of cancellation provides for cancellation to take effect at the expiry of the leasehold term.

A proviso that the leasehold title shall not be combined with a right of prolongation applies if it has been approved by the regional tenancies tribunal.

Section 8. If the landowner has given notice of cancellation of the leasehold agreement, the lessee is entitled to prolongation of the agreement, except when

1. the leasehold is forfeited or a state of affairs prevails as referred to in Chap. 8, Section 14,

2. the lessee has otherwise neglected his obligations to such an extent that in fairness the agreement should not be prolonged,

3. the landowner establishes the probability of he himself, his spouse or issue working the leasehold property, and it is not oppressive to the lessee for the leasehold to be terminated,

4. the landowner establishes the probability of the leasehold property being needed for more appropriate division into agricultural units, and it is not for special reasons oppressive to the lessee for the leasehold to be terminated,

5. the landowner establishes the probability of the leasehold property being used in accordance with a detailed development plan,

6. the landowner otherwise establishes the probability of the leasehold property being used for a non-agricultural purpose, and it is not oppressive to the lessee for the leasehold to be terminated.

If the landowners' interest is provided for by the lessee vacating only part of the leasehold property and the agreement can appropriately be prolonged where the rest of the leasehold property is concerned, the lessee is entitled to such prolongation, subsection one notwithstanding.

Section 9. On the prolongation of a leasehold agreement, the ground rent is payable at a reasonable amount. If the landowner and the lessee cannot agree on how much the ground rent should be, the ground rent shall be determined in such a way as presumably to correspond to the value of the leasehold, having regard to the productive capacity of the leasehold property, the content of the leasehold agreement and circumstances generally.

Prolongation shall be for a time corresponding to the term of the leasehold, if this does not exceed five years, and otherwise for five years. Prolongation can also be made for a time other than aforesaid, if for a special reason this is more suitable. Any other condition set by the landowner or lessee shall apply insofar as it is equitable having regard to the content of the leasehold agreement, the circumstances attending the making of the agreement, supervening conditions and circumstances generally.

Insofar as amendment of the leasehold conditions is not demanded, the same conditions shall apply as previously.

If in the prolongation of a leasehold agreement an agreement is made concerning the conditions of the continuing lease, that agreement, the provisions of subsections one and two of this section notwithstanding, shall be complied with insofar as it is not at variance with the other provisions of this Code.

Section 9 a. If the lessee dies during the term of the leasehold, then for purposes of Section 9, subsection two, first and second sentences, his estate shall be entitled to prolongation for the same time as the deceased would have been entitled to. This only applies, however, when the agreement is prolonged at the expiry of the leasehold period during which the death occurred. In other cases where a leasehold agreement is prolonged after the leasehold title has passed to the lessee's estate, the term of the leasehold shall be one year insofar as Section 9, subsection four does not indicate otherwise. Prolongation can, however, be made for more than one year in exceptional cases.

Section 10. If the landowner has given notice of cancellation of the agreement and there is a dispute concerning prolongation of the same or concerning conditions for such prolongation, the landowner shall refer the dispute to the regional tenancies

tribunal not more than two months from the last day on which notice of cancellation could be given or, no period of notice being prescribed, from the day on which notice of cancellation was given. If, however, the dispute is solely concerned with the conditions for a new leasehold period, it may be referred within the time indicated in subsection two.

If an amendment to conditions has been requested and there is a dispute concerning the conditions for the new leasehold period, the party having requested an amendment of conditions shall, not less than two months before the expiry of the current leasehold period, refer the dispute to the regional tenancies tribunal.

If a dispute has not been referred to the regional tenancies tribunal within the times indicated in subsection one or two, the notice of cancellation or request for amendment of conditions shall be of no effect.

Section 11. If the question of prolongation of the leasehold agreement has yet to be settled when the term of lease expires, the lessee is entitled to remain in occupation of the leasehold property until the question is determined. For the duration of the lessee's continued occupation as aforesaid, the leasehold conditions applying previously shall apply until conditions for the same time have been determined.

If a dispute over conditions is still pending at the expiry of the leasehold term, the leasehold conditions applying previously shall apply until conditions for the same time have been determined.

Section 12. If the landowner's request for the rescission of the leasehold agreement is unsuccessful, the conditions for the continuing lease shall be defined as provided in Section 9. The same applies on the settlement of a dispute over conditions referred to the regional tenancies tribunal.

A decision concerning prolongation is deemed to constitute an agreement on continuation of the lease. A circumstance which could have been adduced in the transaction may not be adduced against the leasehold.

A decision in a dispute over conditions is deemed to constitute an agreement on conditions for the continuation of the lease.

Section 12 a. If, according to a decision, the lessee is to pay a higher ground rent than before for time passed, he shall pay interest on the excess amount as if the amount had fallen due for payment simultaneously with the ground rent paid previously. If the lessee is to pay a smaller amount, the landowner shall pay interest on the excess which the landowner has received with effect from the day of its receipt.

Interest shall be computed as provided in Section 5 of the Interest Act (1975:635) for the time before the decision acquired force of law and as provided in Section 6 of the Interest Act for time thereafter.

Section 12 b. If conditions for the continued lease have been defined as indicated in Section 12, the lessee is entitled to give notice of cancellation of the agreement not more than two months after the day on which the decision acquired force of law.

If the lessee has given notice of cancellation of the agreement as aforesaid, the regional tenancies tribunal, at the instance of the landowner or lessee, may grant a reasonable deferment of vacation. Application to this end may not be made more than two months after the day on which notice of cancellation was given.

Section 13. If the landowner's request for the rescission of the leasehold agreement is successful, the decision may include a reasonable deferment of vacation if requested by the landowner or lessee.

If the dispute is determined after the expiry of the leasehold term or if deferment of vacation is granted, the conditions of leasehold for the time between the termination of the agreement and vacation shall be defined as indicated in Section 9.

Section 14. If prolongation of a leasehold agreement including accommodation for the lessee does not come about, due to a state of affairs referred to in Section 8, subsection one, paragraph 5 or 6, and if, following the termination of the agreement, the land is to be used for a purpose which will presumably yield a substantially greater return or which can be provided for through expropriation or suchlike compulsory purchase, the landowner shall pay to the lessee an amount corresponding to the average ground rent for one year during the latest leasehold period. If the loss to the lessee due to the termination of the leasehold comes to a greater amount, the landowner shall instead make good the loss to an equitable extent, though not in excess of the equivalent of three years' ground rent, computed as aforesaid.

The foregoing shall not apply if, for special reasons, the imposition of a duty of compensation on the landowner is oppressive.

Maintenance and building etc.

Section 15. The lessee shall preserve and maintain the leasehold property. If it deteriorates as a result of the lessee neglecting what is thus incumbent upon him, the landowner is entitled to compensation in settlement as provided in Section 23.

Section 16. If the lessee remedies a defect which existed at the taking of possession and if he is not entitled under Section 17 to compensation for the work immediately on its completion, he is entitled to compensation in settlement as provided in Section 23. This, however, does not apply to any part of the leasehold property concerning which the lessee is exempted by the agreement from the obligation of maintenance.

Section 17. If a leasehold includes accommodation for the lessee or his employees, the landowner, at the taking of possession, shall leave the accommodation in the state prescribed in current health protection legislation.

The question of whether the accommodation at the taking of possession is in such a state as aforesaid shall be assessed during inspection as provided in Sections 24-28. If a defect is found to exist in this respect, the inspectors shall establish the measures to be taken in order to remedy the defect and shall establish an estimated cost of the same. In addition, they shall set a time within which the measures are to be taken.

If the landowner omits to take a prescribed measure within the allotted time, the lessee may carry out the measure in the landowner's stead. After the work has been completed, the lessee is entitled to compensation from the landowner to the amount established during the inspection. If the lessee prefers to give notice of cancellation of the agreement, he may do so unless the defect is of minor importance. The lessee is entitled to reasonable reduction of the ground rent and compensation for damage with respect to the time during which the leasehold property is in defective condition.

A proviso at variance with the first three subsections of this section is valid against the lessee if it has been approved by the regional tenancies tribunal.

Section 17 a. On a public authority making a decision whereby the leasehold property may not be put to the intended use without an existing facility being rebuilt or new construction taking place, the landowner shall carry out the work if the facility is needed for appropriate planning of agricultural activity on the leasehold property. The aforesaid shall not apply, however, if the work is part of the lessee's duty of maintenance as referred to in Section 15 or if the work refers to a part of the leasehold property concerning which the lessee is exempted from the obligation of maintenance by the agreement.

On the landowner failing, within a reasonable length of time after being called upon to do so, to carry out work incumbent upon him under the foregoing, the lessee may carry it out in his stead. If the cost of the work has been established by the regional tenancies tribunal as provided in subsection three, the lessee is entitled to compensation from the landowner, to the amount established, after the work has been completed. If the lessee prefers to give notice of cancellation of the agreement, he may do so, unless the landowner's omission is of minor importance. The lessee is entitled to reasonable reduction of the ground rent and compensation for damage with respect to the time during which the property cannot be used for the purpose intended. He is also entitled for compensation for damage.

The question of the landowner's duty of building as referred to in subsection one is assessed by the regional tenancies tribunal at the request of either party. If the lessee so requests, the tribunal shall also establish an estimated cost of the work which the lessee may come to do in the landowner's stead.

If, under subsection one, first sentence, the landowner is under no obligation to carry out work, the facility not being necessary, the lessee is entitled to a reasonable reduction of the ground rent. He may also give notice of cancellation of the agreement, unless the work is of slight importance for his activity. Failing agreement to the contrary, the aforesaid shall also apply in the event of the landowner being under no obligation to carry out work, due to the lessee being exempted from the obligation of maintenance.

Section 18. If a building, underdrainage or other facility, through no fault of the lessee, has become damaged or worn in such a way that the facility, in order to serve its purpose, must be rebuilt or replaced with a new one, the landowner shall carry out the work. Such an obligation, however, devolves on the landowner only if the facility is needed for appropriate planning of agricultural activity on the leasehold property.

On the landowner failing, within a reasonable length of time after being called upon to do so, to remedy a defect as referred to in the foregoing, the lessee may carry it out in his stead. If the cost of the work has been established by the regional tenancies tribunal as provided in subsection three, the lessee is entitled to compensation from the landowner, to the amount established, after the work has been completed. If the lessee prefers to give notice of cancellation of the agreement, he may do so, unless the defect is of minor importance. The lessee is entitled to reasonable reduction of the ground rent and compensation for damage with respect to the time during which the leasehold property is in a defective state.

The question of the landowner's duty of building as referred to in subsection one is

assessed by the regional tenancies tribunal. Adjudication may be requested both by the landowner and by the lessee. If the lessee so requests, the tribunal shall also establish an estimated cost of the work which the lessee may come to do in the landowner's stead.

The first three subsections of this section do not apply concerning an enclosure or other facility of such a kind that full reinstatement is included in the lessee's duty of maintenance under Section 15, nor with regard to any facility other than underdrainage if, under the agreement, that facility is excluded from his duty of maintenance.

If, by virtue of subsection one, point two, the landowner is under no obligation to remedy a deficiency referred to in the said subsection, the lessee is entitled to a reasonable reduction of the ground rent. He may also give notice of cancellation of the agreement, unless the defect is of minor importance. Failing agreement to the contrary, the aforesaid shall apply, *mutatis mutandis*, if a facility which, under the agreement, is excluded from the lessee's duty of maintenance, is affected by damage as referred to in subsection one resulting from fire or suchlike through no fault of the lessee.

Section 19. On a facility being damaged as indicated in Section 18 and the damage not being of such a kind that the facility must be rebuilt or replaced with a new one in order to be serviceable for its purpose, the lessee shall repair the damage. If he himself has not caused the damage, he is entitled, after the work has been completed, to receive compensation from the landowner for the necessary cost of the work.

Section 20. If the lessee has erected a new building instead of a building which he has received and if he is not entitled, under Section 17, 17 a or 18, to compensation for the same, then in settlement as provided in Section 23 he is entitled to compensation for a defect to which the building received was subject at the taking of possession, if the new building is suitable for its purpose or has been erected in accordance with a plan approved by the landowner. A deduction shall, however, be made for the cost of remedying a defect in the new building.

The foregoing shall apply, *mutatis mutandis*, with regard to another facility included in the lease.

Section 21. On the lessee carrying out new underdrainage which the regional tenancies tribunal has found necessary for the appropriate planning of agricultural activity on the leasehold property, he is entitled, after completion of the work, to compensation from the landowner for the estimated cost of the work as established by the regional tenancies tribunal.

On the lessee having constructed a road, improved the arrangement of fields or taken any other measure of lasting agricultural benefit and not referable to the erection of a building or to underdrainage, he is entitled, in settlement as referred to in Section 23, to compensation equalling the appreciation of the leasehold property, unless otherwise agreed. Compensation, however, may not exceed the equivalent of the necessary cost.

Section 21 a. On application being made by the lessee, the regional tenancies tribunal may grant permission for an investment whereby a measure involving buildings, land improvements or land on the leasehold property is to be taken which does not come within the lessee's duty of maintenance as referred to in Section 15.

Permission shall be granted if the investment will presumably be profitable in the long term for agriculture on the leasehold property and interest in the investment outweighs the landowner's interest in the same not materialising.

Permission as aforesaid may be conditional.

This section does not apply when the term of the leasehold does not exceed one year and the leasehold does not include accommodation for the lessee.

Section 22. If, by agreement with the lessee, the landowner has wholly or partly paid for an investment on the leasehold property and the value of the leasehold has been increased by the investment, it is the duty of the lessee to accept a reasonable increase in the ground rent.

A duty as aforesaid also exists if the leasehold has risen in value as a result of the landowner

1. carrying out work as referred to in Section 17 a or 18,
2. paying compensation as provided in Section 17 a (2), Section 18 (2) or Section 21 (1) for work done by the lessee, or
3. purchased an investment.

Settlement and inspection

Section 23. Settlement between the landowner and the lessee shall take place when the leasehold property is vacated. Settlement shall also take place at an earlier point in time insofar as this has been agreed on. In connection with prolongation of the leasehold agreement, settlement shall always take place if more than nine years have passed since the taking of possession or the settlement immediately preceding.

Settlement shall also take place in connection with an order as referred to in Chap. 5, Section 33 a of the Real Property Formation Act (1970:988).

Failing agreement to the contrary, settlement shall be based on inspection at the beginning and end of the settlement period.

In the settlement, it shall be considered whether the cost of remedying the defects existing at the beginning of the settlement period has changed during the period.

Section 24. Inspection shall be carried out by at least two inspectors familiar with local agricultural conditions, appointed from among persons declared by a County Administrative Board to be authorised to carry out inspections. The inspectors shall be appointed by the landowner and lessee together. If the parties do not agree on the choice, inspectors will be appointed by the court. An inspector may be disqualified on the same grounds as a judge.

In the event of a difference of opinion between the inspectors, the opinion of the majority shall prevail. If no decision can be reached in this way, then, if there are more than two inspectors and the parties of the court have appointed one of the inspectors to be chairman, the opinion of the latter shall count as the inspectors' decision. If no decision can be reached in this way either, the inspectors shall elect an additional inspector, who will then be chairman. If the inspectors fail to agree on the choice, the inspector shall be appointed by the court.

Inspection may not begin more than six months before the day to which it refers and shall be completed within four months of the said day unless the court, at the request of the inspectors, consents to the inspection being concluded later. Such

consent is not needed, however, for inspection taking place within two months after the expiry of the respite for investigation of the occurrence of weeds.

Section 25. The inspectors shall schedule the inspection for a time when the land is serviceable and shall notify the parties of the day. If a party fails to appear, the inspection may be conducted only if it can be proved that the party was notified in good time before the commencement of the inspection.

A party maintaining that an inspector is disqualified or is not familiar with local agricultural conditions shall present an objection to this effect before the inspection proceedings begin. The inspectors shall decide on the objection as soon as possible. An objection may be presented at a later juncture only in connection with protest against the inspection and then only if the party was not present at the inspection before the inspection proceedings began or was not apprised of the condition on which the objection was based until after the inspection proceedings had begun. With regard to the right of a party to adduce such a circumstance in protest proceedings, the provisions of the Code of Judicial Procedure concerning challenge against judges shall apply, *mutatis mutandis*.

Section 26. In the course of the inspection, examination shall be made of everything pertaining to the leasehold property, such as buildings, garden, arable fields and meadows, pastures, enclosures, ditches, roads, bridges, wells and conduits. A certain part of the leasehold property may, however, be excluded from the inspection if the landowner and the lessee agree on the extent to which defects are to be taken into account and a note of the agreement is made by the inspectors.

If agreement on compensation as referred to in Section 21 (2), Section 30 (2) or Section 31 cannot be reached, the compensation shall be determined by the inspectors.

The inspectors may engage the services of an expert or assistant.

A written document of everything occurring in the inspection shall be drawn up and shall be signed by the inspectors. If there is a defect, a note shall be made of the nature of the defect, the measures needed for its rectification and the cost involved. Clear instructions shall be given concerning the procedure to be followed by any person wishing to protest the inspection. The inspection document shall, within three months of the conclusion of the inspection, be communicated by the inspectors to the parties in the order applying, under Chap. 8, Section 8, to notice of cancellation. The provision of Chap. 8, Section 8 (3) (3), however, shall not apply.

Section 27. The parties are each and severally liable for the cost of inspection. Between themselves they are liable for half each.

Section 28. A party not accepting an inspection which has been conducted in the manner and within the time indicated in Section 24 may protest the inspection by filing proceedings against the other party within one month of being served with the inspection document. If the inspection is not protested, it is valid as full evidence of the state of the leasehold property on the date to which the inspection refers. Rebutting evidence against the inspection is not permitted in such a case.

On one party having protested the inspection, the other party may protest the inspection, in spite of the time limit for protest by him having expired. A protest action of this kind shall be filed within one month of the party being served with a writ of

summons by reason of the first protest action. If the first protest action is withdrawn or lapses for some other reason, the subsequent action shall also lapse.

The inspectors shall submit a written statement in a protest action if the court so requests.

Ground rent

Section 29. The ground rent shall be determined in money. If an agreement has been concluded at variance with the aforesaid, the ground rent shall be paid at a rate which is reasonable having regard above all to the intentions of the parties and other conditions when the agreement was concluded.

Bankruptcy of the lessee

Section 30. If the lessee is declared bankrupt before taking possession of the leasehold property, the landowner may give notice of cancellation of the agreement. If the bankruptcy occurs after the taking of possession and the landowner does not have security with which he can reasonably be satisfied for the completion of the agreement, the landowner may give notice of cancellation of the agreement unless such security is furnished within a month after demand or the estate in bankruptcy, within the same time, declares itself willing to answer for the lessee's obligations during the term of the lease or, when the leasehold may be transferred, transfer takes place in accordance with the agreement.

If the leasehold agreement has been concluded for a fixed term of not less than ten years, the lessee, in the event of the landowner giving notice of cancellation of the agreement, is entitled, in settlement as provided in Section 23, to reasonable compensation for the value of the leasehold unless otherwise agreed.

In a case other than that of the leasehold agreement having been concluded for a fixed term of not less than ten years, the landowner, if he gives notice of cancellation of the agreement, is entitled to compensation for damage.

Transfer of the leasehold and purchase of investment

Section 31. The lessee may not transfer the leasehold without the landowner's consent, unless otherwise indicated by subsections two, three and four or by Section 31 a.

If the leasehold agreement has been concluded for a fixed term of not less than ten years, the lessee, unless otherwise agreed, may transfer the leasehold to another party with whom the landowner can reasonably be satisfied. First, however, he shall offer the landowner repossession of the leasehold property against the obligation of paying, in connection with settlement as provided in Section 23, reasonable compensation for the value of the leasehold. If the landowner wishes to accept the offer, he shall indicate his acceptance within a month.

Furthermore, in the case of fixed-term leaseholds, the lessee, any agreement to the contrary notwithstanding, may transfer the leasehold if it refers to a developed or developable agricultural enterprise, to his spouse or issue, if the regional tenancies tribunal so permits. Such permission shall be granted unless the landowner has justified cause for objecting to the transfer. If the leasehold is held conjointly by

several persons, each of them may, subject to the same conditions, transfer his title to a co-lessee being the spouse or issue of the transferor.

On the lessee dying during the term of the lease, his estate, regardless of the term for which the agreement was concluded, has the same right as a lessee under subsection two in a case there referred to, unless otherwise agreed. The offer to the landowner shall be made within six months after the decease. Furthermore, the estate of the deceased has the same right as a lessee under subsection three in a case there referred to, unless otherwise agreed.

The first three subsections of this section shall apply, *mutatis mutandis*, to the transfer of the leasehold by property distribution, inheritance, testamentary disposition, company partition or suchlike acquisition.

Section 31 a. A lessee having made an investment referred to in Section 21 a may transfer the leasehold if

1. the lessee has invited the landowner in writing to purchase the investment, and
2. the landowner has not undertaken, within three months of the invitation, to make such a purchase.

If a lessee has made an investment as referred to in Section 21 a and the leasehold is terminated on account of a circumstance referred to in Section 8, it is the duty of the landowner to purchase the investment.

The provisions of subsections one and two also apply to a lessee to whom has been transferred a leasehold title including an investment as referred to in Section 21 a.

Failing agreement to the contrary, the purchase price shall correspond to the appreciation of the leasehold property as a result of the investment.

Section 31 b. The lessee's right of transfer under Section 31 a implies that the lessee may transfer the leasehold to any other party with whom the landowner can reasonably be satisfied.

If the landowner does not accept as new lessee a person indicated by the lessee, the leasehold may be transferred to that person only if the regional tenancies tribunal or court has found that the landowner can reasonably be satisfied with him or her. Such assessment can be made with respect to several conceivable purchasers at once.

If the transfer has not been completed within three years of the lessee inviting purchase, transfer may not be made without the landowner again being invited to purchase the investment as provided in Section 31 a. Transfer to the person approved as new lessee by a decision of a regional tenancies tribunal or court may, however, always take place within three months of the time when no appeal can be made against the decision, if the proceedings before the regional tenancies tribunal were inaugurated before the expiry of the three-year respite.

Other rights and obligations relating to the enjoyment of the leasehold property

Section 32. If the lessee abandons the leasehold property and leaves it unworked or uncared for, the landowner may repossess it immediately. The landowner is also entitled to compensation for damage.

Section 33. If the landowner has paid compensation for land drainage under the Environmental Code or Water Enterprises (Special Provisions) Act (1998:812) or for

the construction of a private road under the Joint Facilities Act (1973:1149), the landowner may give notice of cancellation of the agreement if the lessee does not consent to a reasonable increase in the ground rent. Notice of cancellation shall be given within one year of the completion of the enterprise.

Section 34. A lessee may not fell timber or otherwise use forest land or take peat from a peat bog on the leasehold property. Nor may he divest the leasehold property of anything else referable to the annual yield.

Special provisions apply concerning the right of the lessee to hunting and fishing.

Section 34 a. If the landowner has reserved the hunting rights, he is duty bound to compensate the lessee for losses caused by game to the leasehold property or to property of the lessee. This does not apply, however, if the landowner shows that the damage could not have been prevented despite reasonable efforts on his part.

Section 35. If the landowner has supplied the lessee with livestock or implements to be used on the leasehold property and a certain value has been determined for that which has been supplied, the lessee shall keep such property on the leasehold property during the term of the lease. The property of each kind shall correspond in value to that which he has received. Whatever is substituted for that which is supplied belongs to the landowner without any special proviso.

Section 36. Repealed.

Section 37. Repealed.

Section 38. Repealed.

Section 39. Repealed.

Chap. 10. Residential ground leases

Section 1. A residential ground lease exists when land has been granted by leasehold for a purpose other than agriculture and the lessee is entitled under the leasehold grant to erect or retain a dwelling house on the leasehold property and it is not manifest that the principle aim of the grant is to satisfy a purpose other than that of providing accommodation for the lessee and persons closely connected with him.

The provisions of this Code concerning residential ground leases also apply where relevant when land is granted by leasehold tenure to an association whose main purpose is in its turn to grant leaseholds as referred to in the foregoing to its members. The provision of Section 4 (1) (1) shall in such a case apply to a dwelling house on the leasehold property which is owned by a person to whom the association has granted a lease. The aforesaid does not imply, however, that the association may put any other person in its stead without consent from the landowner.

Section 2. A residential ground leasehold agreement shall be concluded for a fixed term of not less than five years or for the lessee's lifetime. If the term of the leasehold is not fixed as aforesaid, the agreement applies for five years. If, however, an

agreement has been made for a shorter term, this applies for the agreed term if the agreement has been approved in this respect by the regional tenancies tribunal.

A proviso entitling the landowner, in a case otherwise than referred to in Chap. 7, Sections 5 and 30 and Chap. 8, Sections 6, 14, 18 and 23 to repossess the leasehold property or part of the same before the expiry of the term of the lease applies only if approved by the regional tenancies tribunal.

Section 3. In the case of a fixed term lease, notice of cancellation shall always be given in order for the agreement to cease to apply at the expiry of the term of the lease. If the landowner or the lessee wishes the conditions of the lease to be amended for a new leasehold period, he shall inform the other party to this effect in the order applying, under Chap. 8, Section 8, to notice of cancellation. Notice of cancellation shall be given and a request for an amendment of conditions made not less than one year before the expiry of the term of the lease.

Failing notice of cancellation in due time, the agreement shall be deemed to have been prolonged for five years or, if a request has been made for an amendment to conditions, for the term and on the other conditions determined as provided in Section 6 a.

A proviso contrary to subsection one or two shall apply against the lessee if it has been approved by the regional tenancies tribunal. A proviso concerning a longer period for prolongation of the agreement than is indicated in subsection two shall, however, apply without such approval.

Section 4. The provisions of Sections 5 and 6 concerning prolongation of a leasehold agreement apply to a fixed-term lease, except when

1. a house as referred to in Section 1 does not exist on the leasehold property at the latest point in time when the agreement can be cancelled by the landowner, or

2. the landowner gives notice of cancellation of the leasehold agreement on grounds of the leasehold being forfeited or with reference to a state of affairs referred to in Chap. 8, Section 14, though not if the notice of cancellation is given with effect from the expiry of the term of the lease.

A proviso to the effect that the leasehold shall not be combined with a right of prolongation applies if approved by the regional tenancies tribunal.

Section 5. If the landowner has given notice of cancellation of the leasehold agreement, the lessee is entitled to prolongation of the same, except when

1. the leasehold is forfeited or a state of affairs prevails as referred to in Chap. 8, Section 14,

2. the lessee has otherwise neglected his duties to such an extent that the agreement in fairness ought not to be prolonged,

3. a building has been erected on the leasehold property without building permission in a case where such permission was required or at variance with a detailed development plan or area regulations or a comparable decision by a public authority concerning the development or use of the land,

4. a building on the leasehold property is otherwise at variance with a detailed development plan or area regulations and the landowner establishes the probability of his using the leasehold property in accordance with the plan or regulations,

5. the landowner establishes the probability of the leasehold property being used

for development of a different kind from that intended with the grant or for agriculture, industry or some other economic activity, and the landowner's interest in disposing of the leasehold property for such a purpose palpably outweighs the lessee's interest in continuing the lease,

6. the landowner otherwise has justified cause for breaking the lease.

If the landowner's interest is provided for by the lessee surrendering only part of the leasehold property and the agreement can suitably be prolonged with regard to the rest of the leasehold property, the lessee is entitled to such prolongation, subsection one notwithstanding.

Section 6. On prolongation of a leasehold agreement, the ground rent is payable at a reasonable rate. If the landowner and lessee are unable to agree on what the ground rent should be, it shall be determined in such a way that it will presumably correspond to the value of the leasehold, having regard to the content of the leasehold agreement and circumstances generally.

Prolongation shall be for a term corresponding to the term of the lease, if this does not exceed five years, and otherwise for five years. Prolongation can also take place for a term other than aforesaid if for a particular reason this is more suitable. Any other condition set by the landowner or the lessee shall apply insofar as it is reasonable, having regard to the content of the leasehold agreement, circumstances attending the making of the agreement, supervening conditions and circumstances generally.

Insofar as amendment of the conditions of the lease is not called for, the same conditions shall apply as previously.

If, at the prolongation of a leasehold agreement, an agreement is made on the conditions of the continuing lease, that agreement, regardless of the provisions of subsections one and two, shall be complied with insofar as the other provisions of this Code do not indicate otherwise.

Section 6 a. In other matters concerning the prolongation of leasehold agreements and disputes over conditions, Chap. 9, Sections 9 a-13 shall apply. References to Chap. 9, Section 9 shall, however, be to Section 6 of this chapter.

Section 7. The lessee may not place another party in his stead without the consent of the landowner, unless otherwise indicated by subsections two and three.

If the leasehold agreement has been concluded for a fixed term, the lessee may transfer the leasehold to another party with whom the landowner can reasonably be satisfied. First, however, he shall invite the landowner to repossess the leasehold property on payment of reasonable compensation for the value of the leasehold. If the lessee has erected a building on the leasehold property or has otherwise devoted expenditure to the same and wishes the landowner to take over what he has done, this too shall be offered to the landowner for purchase. If the landowner wishes to accept an offer as aforesaid, he shall give an indication to this effect within one month.

The leasehold can pass to another party with whom the landowner can reasonably be satisfied, without invitation as in the foregoing, by property distribution, inheritance or testamentary disposition or by executive sale or through the bankruptcy of the lessee.

A proviso contrary to subsection two or three applies against the lessee if approved by the regional tenancies tribunal.

Chap. 11. Commercial ground lease

Section 1. A commercial ground lease exists when land is granted by leasehold for a purpose other than agriculture and the lessee is entitled, under the leasehold grant, to erect or retain, for commercial activity on the leasehold property, a building which is of more than minor importance for the conduct of the activity. A commercial ground lease does not exist, however, if the grant has been made for the lessee's lifetime or for a fixed term of less than one year.

Section 2. A commercial ground leasehold agreement shall be concluded for a fixed term. If the term of the lease has not been determined as aforesaid, the agreement shall apply for five years.

A proviso entitling the landowner, in a case otherwise than referred to in Chap. 7, Sections 5 and 30 and Chap. 8, Sections 14, 18 and 23 to repossess the leasehold property or part of the same before the expiry of the term of the lease applies only if approved by the regional tenancies tribunal.

Section 3. Failing agreement to the contrary, the leasehold agreement is deemed to include conditions whereby, if notice of cancellation is not given within due time, the agreement shall be deemed prolonged for a term corresponding to the term of the lease, though not more than five years.

Notice of cancellation shall be given not less than six months before the expiry of the term of the lease, unless otherwise agreed.

Section 4. The provisions of Sections 5-6 concerning the right of the lessee to compensation for termination of the lease apply unless otherwise agreed and if the lease is not terminated due to the leasehold being forfeited or to a state of affairs referred to in Chap. 8, Section 14.

Section 5. If the landowner has given notice of cancellation of the leasehold agreement and refuses to prolong the lease or if prolongation otherwise does not take place due to the landowner requiring for prolongation a ground rent which is not reasonable or to his setting another condition which is contrary to accepted practice in leasehold transactions or is otherwise oppressive, he shall compensate the lessee to a reasonable extent for the loss sustained by the latter due to the termination of the lease, unless

1. the lessee has neglected his obligations to such an extent that the landowner cannot reasonably be required to prolong the lease,

2. the landowner establishes the probability of the leasehold property being used for a purpose other than that intended through the grant, and the landowner’s interest in disposing of the leasehold property for such a purpose palpably outweighs the lessee's interest in continuing the lease, or

3. the landowner otherwise has justified cause for breaking the lease.

Subsection one shall apply, *mutatis mutandis*, if the lessee has given notice of cancellation of the agreement as provided in Section 3 and, in the notice of cancellation, has requested prolongation of the agreement on amended conditions.

A loss to the lessee in connection with his having paid for the erection of a building

or the carrying out of other work on the leasehold property shall be taken into account in the determination of compensation only if the measure was taken in accordance with the leasehold agreement.

Section 5 a. For the purposes of Section 5, a ground rent required by the landowner for prolongation is not to be deemed equitable if it exceeds the ground rent which the leasehold property will presumably fetch in the open market at the expiry of the term of the lease. In this connection, however, no account shall be had of an offer or leasehold agreement which is not reasonable, having regard to the general level of prices of the most immediately comparable leasehold properties in the locality. Only if there are special grounds for doing so may allowance be made to an appreciation achieved by a lessee of the value of the leasehold property.

In a dispute on payment under Section 5, an opinion given by the regional tenancies tribunal concerning the ground rent may be departed from only if it is shown or is otherwise obvious that the ground rent which the leasehold property will presumably fetch in the open market is palpably higher or lower than indicated by the regional tenancies tribunal.

If, in a case referred to in subsection two, the landowner, at the time of the regional tenancies tribunal's opinion, has received an offer or concluded an agreement for the lease of the leasehold property without having reported the same during mediation, the offer or agreement may be taken into account in the assessment only if there are exceptional reasons for doing so.

Section 6. If the landowner wishes to give notice of cancellation of the agreement, he shall in the notice inform the lessee of the conditions he sets for prolonging the leasehold or of his reason for refusing to grant prolongation. The notice of cancellation shall also contain information to the effect that the lessee, if he does not consent to leave the leasehold property without receiving compensation under Section 5, must, within two months of the notice of cancellation, refer the dispute to the regional tenancies tribunal for mediation.

If the landowner omits to perform what is required of him under subsection 1, the notice of cancellation is of no effect.

If the landowner has performed what is required of him under subsection one and the lessee does not wish to leave the leasehold property without receiving compensation under Section 5, the lessee must refer the dispute to the regional tenancies tribunal within the time indicated in subsection one. Failing this, the right to compensation will lapse. The aforesaid does not apply if referral as indicated in Section 6 a (1) takes place within the same time.

Prior to the conclusion of mediation, the landowner may not require, for prolongation of the lease, a higher ground rent or any other condition less advantageous to the lessee than he has indicated in the notice of cancellation. If he does so and the prolongation does not materialise, the lessee is always entitled to compensation under Section 5.

Section 6 a. If the lessee has given notice of cancellation of the agreement and in the notice requested prolongation of the agreement on amended conditions, he shall within two months of the notice refer the dispute to the regional tenancies tribunal for mediation and in doing so indicate the amendment he desires to the agreed conditions.

If the lessee omits to refer the dispute to the regional tenancies tribunal within the time indicated in subsection one or if, before the expiry of the term of the lease, he withdraws his application for mediation, the notice of cancellation shall be of no effect. If he has not indicated the amendments he desires to the agreed conditions, the tribunal shall order him to remedy that deficiency within a certain time. If the order is not complied with, the application for mediation shall be refused.

If the lessee has performed what is incumbent on him under subsection one, the regional tenancies tribunal shall order the landowner to state the conditions he sets for prolonging the lease or his reason for refusing to grant prolongation. If the landowner does not comply with the order and if notice of cancellation of the agreement has not been given as provided in Section 5 (1), the agreement shall be deemed prolonged on the conditions desired by the lessee. Notice to this effect shall be included in the order. The prolongation is deemed to be an agreement on the continuation of the lease.

Section 6 b. If the lease is to end following notice of cancellation as provided in Section 6 or 6 a, the regional tenancies tribunal, at the request of the landowner or lessee, may grant deferment of vacation for a reasonable time, though not for more than one year from the expiry of the term of the lease. If a deferment is granted, the regional tenancies tribunal shall establish reasonable conditions of leasehold for the time between the termination of the agreement and vacation.

Section 7. Failing agreement to the contrary, the lessee may transfer the leasehold to another party with whom the landowner can reasonably be satisfied. A proviso restricting this right may not be asserted when the transfer is made by executive sale or through the bankruptcy of the lessee.

Point one of subsection one shall apply, *mutatis mutandis*, to the transfer of the leasehold by property distribution, inheritance, testamentary disposition, company partition or suchlike acquisition.

Chap. 12. Rent

Introductory provisions

Section 1. This chapter refers to agreements whereby houses or parts of houses are granted for use in return for payment. This also applies if the granted unit has been granted through a contract of service or under an agreement in conjunction with such a contract.

If the agreement also includes the grant of land to be used together with the granted unit, this chapter shall apply to the agreement if the land is to be used for horticulture on a minor scale or for some other purpose than agriculture. If a contract of service, not being of minor importance, is combined with the grant of both a unit and land, this chapter shall apply if the grant of the dwelling is more important than the grant of the land.

By dwelling unit is meant a unit granted in order to be used entirely or to a not insignificant extent as housing accommodation. The term non-housing premises refers to a unit other than a dwelling unit.

The provisions of this chapter concerning unmarried couples apply solely to forms of cohabitation where neither partner is married.

A proviso contrary to any provision of this chapter is of no effect against the tenant or against the person entitled to enter into his stead, unless otherwise indicated.

If the tenancy agreement includes at least three dwelling units which the tenant is to sublet or convey in co-operative tenancy, the parties may agree on a proviso at variance with the provisions of this chapter concerning such dwelling units, on condition that the proviso is not contrary to the provisions concerning non-housing premises and does not refer to the right of prolongation of the agreement or the grounds on which the tenancy conditions are to be determined in connection with such prolongation. Any such proviso is valid only if approved by the regional rent tribunal. Approval is not needed, however, if the landlord is the State, a municipality, a county council or an inter-municipal association.

The tenancy agreement

Section 2. A tenancy agreement shall be drawn up in writing if the landlord or tenant so request.

If a tenancy agreement has been drawn up in writing and any person lawfully enters into the tenant's stead, this shall, if so requested, be noted on the agreement.

If a tenancy confers a right to use spaces intended for common use by the tenants, a right of this kind may not be cancelled or amended in any order but that applying to the amendment of tenancy conditions, even if the right is not specifically regulated in the agreement between the parties.

Term and cancellation of tenancies

Section 3. A tenancy agreement applies for an indefinite period, unless otherwise indicated by subsection two. A tenancy agreement applying for an indefinite period shall be cancelled in order to cease to apply.

A tenancy agreement can also be concluded for a fixed term. Agreements of this kind cease to apply at the expiry of the term, unless otherwise agreed. If, however, the tenancy has lasted for more than nine consecutive months, notice of cancellation shall always be given in order for the agreement to cease to apply.

A tenancy agreement entered into for a fixed term is deemed prolonged for an indefinite period

1. if the agreement contains no provisions on the effect of notice of cancellation not being given and notice of cancellation with effect from the end of the term is not given in spite of such notice being required, or

2. if the tenant, in spite of the agreement having ceased to apply without notice of cancellation, has continued using the unit for one month after the expiry of the term without the landlord requesting him to leave.

A request as referred to in point 2 of subsection three is subject to the provisions of Section 8 concerning notice of cancellation. Further provisions concerning such orders are contained in Section 49 (3).

Section 4. A tenancy agreement valid for an indefinite term can, if a longer period of notice has not been agreed on, be cancelled with effect

1. from the turn of the month occurring immediately after three months from the notice, when the agreement refers to a dwelling unit, or

2. at the turn of the month occurring immediately after nine months from the notice, when the agreement refers to non-housing premises.

If a fixed-term tenancy agreement is to be definitely cancelled and a longer period of notice has not been agreed on, notice shall be given not less than

1. one day in advance if the term of the tenancy is not more than two weeks,

2. one week in advance if the term of the tenancy is more than two weeks but not more than three months,

3. three months in advance if the term of the tenancy is more than three months and the tenancy refers to a dwelling unit,

4. three months in advance if the term of the tenancy is more than three months but not more than nine months and the tenancy refers to non-housing premises,

5. nine months in advance if the term of the tenancy is more than nine months and the tenancy refers to non-housing premises.

Section 5. If a tenancy agreement refers to a dwelling unit, the tenant may always give notice of cancellation of the tenancy agreement with effect from the turn of the month occurring, at the earliest three months from notice being given.

If the tenant has died, the estate may also, within one month of his demise, give notice of cancellation of the agreement with effect from the turn of the month occurring, at the earliest, one month after notice is given. If the dwelling unit has been rented by a married or unmarried couple conjointly and one of them dies, the right as aforesaid passes to the estate of the deceased and the surviving spouse or cohabitee together.

Section 6. If notice of cancellation of a tenancy agreement is given for a reason indicated in Sections 11-14 or 16-18, the agreement shall cease to apply immediately. The same applies in cases referred to in Section 42, unless otherwise indicated by Section 44.

If notice of cancellation of a tenancy agreement is given for some other reason entitling the landlord or tenant to repudiate the agreement and the case is not of a kind referred to in Section 5 (2), then, regardless of what has been agreed concerning the period of notice, the period of notice for each individual case indicated in Section 4 (1) shall apply if the tenancy agreement is for an indefinite term, or that indicated in Section 4 (2) if the tenancy agreement is for a fixed term. If, however, notice of cancellation is given before the tenant has taken possession of the unit, the agreement shall cease to apply immediately.

If a tenancy agreement for a dwelling unit ceases to apply and if, in addition to the tenancy agreement, there is another agreement between the landlord and the tenant referring to a utility having an immediate connection with the use of the unit and of minor importance compared with that use, the other agreement shall also cease to apply at the same time.

Section 7. When the term of the tenancy has expired, the tenant shall leave the unit not later than the following day and shall, not later than 12 o'clock that day, make the unit available to the person who is to take possession of it.

If the day when the unit is to be taken possession of or vacated comes on a Sunday, another public holiday, a Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve, possession shall instead be taken or the unit vacated on the next following

weekday.

Subsections one and two do not apply if agreement has been made to the contrary.

Section 8. Notice of cancellation shall be in writing if the tenancy will have existed for more than three continuous months by the point in time to which the notice refers. Notice may, however, other than in cases referred to in Section 58 a, be given verbally if the tenant gives notice of final cancellation of the agreement and written acknowledgement of the notice is given by the landlord. Notice may be given to the person authorised to receive rent on the landlord's behalf.

If the landlord gives notice of cancellation of a residential tenancy and the notice, by virtue of subsection one, must be in writing, the landlord, unless the tenant is not entitled to prolongation under Section 45 (1), paragraphs 1-3, should state in the notice the reason why the agreement is to be terminated.

The person sought for notification shall be served with written notice in the order indicated in Chap. 8, Section 8 (2) and (3), unless otherwise indicated by subsection four or five of this section.

If the person sought for notification is domiciled in this country and if the question is not one of repudiation of an agreement under Section 42 or of notice as referred to in Section 58, the notice may be sent by registered letter. Notice is then deemed to have been given when the letter has been committed to the post for delivery to the usual address of the person sought. If the tenant has given the landlord an address to which messages to him are to be sent, this is deemed to be his ordinary address. Otherwise the address of the rented unit is deemed to be the tenant's ordinary address.

If a landlord or a tenant whose agreement is to be cancelled does not have any known abode in this country and there is no known agent entitled to receive notice on his behalf, notice can be effected by publication in Post- och Inrikes Tidningar.

A petition to a court of law for the termination of the tenancy or for the eviction of the tenant counts as notice of cancellation after due service has been effected. The same applies for an application under the Payment Orders and Enforcement Assistance Act (1990:746) for the eviction of a tenant.

Special provision is made in Sections 58 and 58 a concerning the content of notification of cancellation of a tenancy agreement referring to non-housing premises.

The conditions of the unit and impediments to the enjoyment of the tenancy

Section 9. On the possession date, unless better condition has been agreed on, the landlord shall provide the unit in such condition that, according to the general view in the locality, it is fully serviceable for the purpose intended.

An agreement may, however, be made to the effect that the unit is to be in poorer condition, if

1. the grant refers to a dwelling unit for recreational purposes or non-housing premises, or

2. the tenancy agreement includes a bargaining clause under the Tenancy Bargaining Act (1978:304) and the provisions concerning the condition of the unit have been included in a bargained agreement under the said Act.

Section 10. If, prior to the possession date, the unit is destroyed to such an extent that it cannot be used for the intended purpose, the agreement lapses. If the occurrence is

caused by the landlord or he does not inform the tenant of the same without delay, the tenant is entitled to compensation for damage.

If, before the possession date and on account of the condition of the unit, a public authority prohibits the use of the unit for the intended purpose, the agreement ceases to apply, even if the decision has not acquired force of law. If the condition occasioning the decision is due to neglect by the landlord or if the latter does not inform the tenant without delay of the decision, the tenant is entitled to compensation for damage.

Section 11. If, prior to the commencement of the term of the tenancy, damage occurs to the unit to a lesser extent than indicated in Section 10 (1) and the damage has not been remedied when possession is to be taken of the unit or the unit on the possession date is otherwise, in a case other than referred to in Section 13, not in the condition which the tenant is entitled to demand, the following shall apply:

1. The tenant may remedy the defect at the landlord's expense, if, after being called upon to do so, the landlord omits to take action as soon as possible.

2. If the defect cannot be remedied without delay or the landlord, after being called upon to do so, omits to take action as soon as possible, the tenant may give notice of cancellation of the agreement. Such notice, however, may only be given if the defect is of substantial importance. Notice of cancellation of the agreement may not be given after the defect has been remedied by the landlord.

3. The tenant is entitled to a reasonable reduction of rent for the time during which the unit is in a defective condition.

4. The tenant is entitled to compensation for damage if the landlord does not show that the defect is not due to neglect on his part.

5. If the tenancy agreement concerns a dwelling unit, the landlord may be ordered to remedy the defect (remediation injunction). A remediation injunction is issued by the regional rent tribunal at the instance of the tenant. With regard to remediation injunctions, the provisions of Section 16 (2) and (4)-(6) shall also apply.

If a dwelling unit for recreational purposes or a non-housing facility has been let just as it is, then

1. subsection one shall apply to the dwelling unit and

2. subsection one, paragraphs 1-4, to the non-housing facility, only if, according to the common view in the locality, is not fully serviceable for its purpose and the tenant, at the time of entering into the agreement, did not know of the defect or could not have discovered it by means of ordinary circumspection.

Section 12. If, prior to the possession date, a public authority makes, on account of the condition of the unit, a decision whereby the tenant has to refrain from part of the unit or the tenant otherwise suffers encroachment on his right of user, he is entitled to reasonable reduction of the rent. If the decision entails a substantial restriction of the right of user, the tenant may give notice of cancellation of the agreement, even if the decision has not acquired force of law. In the matter of compensation for damage, Section 10 (2), second sentence, applies.

Section 13. If the tenancy agreement concerns a unit which had not been completed when the agreement was entered into and if the unit is still not ready when possession is to be taken, the tenant is entitled to a reasonable reduction of the rent and is entitled to give notice of cancellation of the agreement as indicated in Section 11. Notice of cancellation may also be given before the agreed possession date if it is obvious that

the unit will not then be usable for the purpose intended.

The tenant is also entitled to compensation for damage unless the landlord shows that the delay was not caused by neglect on his part.

Section 14. If the unit has not been vacated at the right time by the party who is to move, the tenant is entitled to a reasonable reduction of the rent for such time as he is unable to use the unit or part of it. If the impediment is not removed immediately after the landlord has been notified of the state of affairs, the provisions of Section 11, concerning the right of the tenant to give notice of cancellation of the agreement on account of a defect in the unit, shall apply.

The tenant is also entitled to compensation for damage unless the landlord shows that the delay was not caused by neglect on his part.

Section 15. During the term of the tenancy, the landlord shall keep the unit in such condition as is indicated in Section 9 (1), unless otherwise agreed or otherwise indicated by subsection two.

If the unit is wholly or partly let as accommodation, the landlord shall, at reasonable intervals of time, arrange for papering, painting and other customary repair in the accommodation part by reason of the deterioration of the unit from age and use. This does not apply, however, if an agreement has been made to the contrary and

1. the tenancy agreement refers to a single-family dwelling, or

2. the tenancy agreement includes a bargaining clause under the Tenancy Bargaining Act (1978:304) and the derogatory provisions have been included in a bargained agreement as provided in the said Act.

If a tenancy confers the right to use spaces which are intended for the common use of the tenants, the landlord shall keep the spaces in such condition as is indicated in Section 9 (1), unless otherwise agreed.

Section 16. The provisions of Sections 10-12 also apply if

1. the unit is damaged during the term of the tenancy without the tenant being liable for the damage,

2. the landlord defaults on his duty of maintenance under Section 15 (2),

3. impediment or detriment otherwise occurs in the right of user through no cause of the tenant's, or

4. during the term of the tenancy a public authority makes a decision as referred to in Section 10 (2) or Section 12, without the tenant having given cause for the same, though not before the decision is to be complied with.

If the tenancy refers to a dwelling unit, the regional rent tribunal may, in a case referred to in subsection one, paragraphs 1-3, or in the event of a tenant not discharging his duty of maintenance under Section 15 (3), order the landlord, on application being made by the tenant, to remedy the defect (remedial injunction). In the injunction, which may be combined with a contingent fine, a certain time shall be set within which the measure or measures to which the injunction refers shall have been taken. In special cases the time may be prolonged if application to this end is made before the expiry of the current respite.

The landlord and tenant can, with binding effect, conclude an agreement limiting the right, as provided in subsection one, of obtaining a reduction of the rent for impediment or detriment in the right of user as a result of the landlord having work

carried out in order to put the unit in the agreed condition or in order to carry out customary maintenance of the unit or the property unit generally or other work specifically indicated in the agreement.

An application for a remedial injunction can be directed against the party for whom registration of ownership was last granted or applied for, even if that party has transferred the property unit to another before the application is made.

If the property unit is transferred after application has been made or if a case exists as referred to in subsection four, the provisions of the Code of Judicial Procedure concerning the effect of the object at dispute being transferred and concerning third party participation in judicial proceedings shall apply.

If a dispute concerning title is noted in the land register section of the Real Property Register, an application for a remedial injunction can be directed against the party in possession of the property unit and claiming title.

Section 17. The provisions concerning damage or defect in the unit also apply if vermin occur in the unit to the detriment of the tenant.

In the case of a dwelling unit forming part of a building, it is the duty of the landlord to take suitable action for the extermination of vermin, even if the tenant is responsible for the occurrence of the same in the unit. If the tenant is not responsible for the vermin, he is entitled to compensation for necessary expense which he incurs through measures to exterminate the vermin.

Section 18. If the tenant is obliged to relinquish any part of the unit, due to another acquisition having priority or due to a circumstance referred to in Chap. 7, Section 25, the tenant is entitled to reasonable reduction of the rent. The tenant is also entitled to give notice of cancellation of the agreement as indicated in Section 11, if he acted in good faith when the agreement was concluded. Provisions on compensation for damage are contained in Chap. 7.

Improvement order

Section 18 a. If a dwelling unit let by the property owner to a tenant for other than recreational purposes and not forming part of the landlord's own dwelling does not have the lowest acceptable standard as indicated in Sections 6 and 7, the regional rent tribunal, on application being made by the tenant, may order the landlord to take a measure which is necessary in order for the unit to attain such a standard (improvement order).

The order shall specify the time within which the measure to which the order refers shall have been taken. The order may be combined with a contingent fine. The time indicated in the order may be prolonged if there are special reasons for doing so and a prolongation is applied for prior to the expiry of the current respite.

An order may be issued only if the measure, having regard to its cost, can be estimated to yield a reasonable economic return. If the measure requested necessitates interference with other dwelling units in the building, an order may only be issued if the tenants of those units consent to the measure.

The provisions of Section 16 (4)-(6) shall also apply with regard to improvement orders.

A site lessee and the owner of a building belonging to a party other than the

property owner are equated with a property owner.

A dwelling unit shall be deemed of the lowest acceptable standard if it is provided with equipment within the unit for

1. continuous heating,
2. continuous supply of hot and cold water for domestic and hygienic use,
3. wastewater drainage,
4. personal hygiene, comprising a toilet and washbasin, as well as a bath tub or shower,
5. electric power supply for normal domestic consumption,
6. cooking, including a cooker, sink, refrigerator, storage spaces and worktops.

In addition to what is indicated in subsection six, the following are also required in order for the lowest acceptable standard to be attained:

1. access both to storage spaces within the property unit and to a domestic laundry facility within the property unit or a reasonable distance from it, and
2. the building being free from other than reasonably acceptable defects of mechanical strength, fire safety or sanitary conditions.

Section 18 b. If the building is under compulsory management as provided in the Housing Management Act (1977:792), the regional rent tribunal, instead of making an improvement order, shall determine that the management shall include taking the measure requested. Concerning such a prescription, the provisions on improvement orders shall otherwise apply.

Section 18 c. An improvement order lapses if

1. building permission, where needed, is not granted for the measure to which the order refers, or
2. the building in which the unit referred to in the improvement order has been demolished or for some other reason no longer exists.

Tenant participation in connection with improvements and alterations

Section 18 d. A property owner may not, except under the conditions set forth in subsection two,

1. carry out improvements to the property having a not insignificant effect on the utility value of the dwelling unit, or
2. take measures entailing a not immaterial change to a dwelling unit or to the communal parts of the property unit.

In order for such measures to be permissible, they must have been approved by the tenants concerned or permission granted for them by the regional rent tribunal. If the measures concern the communal parts of the property unit, they must have been approved by the tenants of more than half the dwelling units concerned or permission granted for them by the regional rent tribunal. No approval or permission is needed if the measures are taken in order for a dwelling unit to attain the lowest acceptable standard as referred to in Section 18 a (6) and (7).

A site lessee and the owner of a building belonging to a part other than the property owner are equated with a property owner. For the purposes of Sections 18 d-h, a former tenant is equated with a tenant if his tenancy agreement has ended by reason of a major alteration and he is entitled to move back into a dwelling unit in the property after the alteration and can be deemed affected by the measure in

question.

Section 18 e. A landlord wishing to take measures referred to in Section 18 d shall give written notification to this effect to the housing tenants affected.

If a housing tenant affected does not approve the measure, the landlord may apply to the regional rent tribunal for permission to take the measure. This application may not be made less than two months after the tenant was notified.

The provisions of Section 16 (5) also apply when application has been made as provided in subsection two.

Section 18 f. An application as provided in Section 18 e (2) shall be granted if the landlord has a notable interest in the measure being taken and the taking of it is not oppressive to the tenant.

In considering whether it is not oppressive to the tenant for the measure to be taken, the landlord's interest in the measure being taken shall be balanced against the various interests which tenants in general may presumably have in the measure not being taken. Circumstances relating solely to the individual tenant may also be taken into consideration if there is special cause for so doing.

Section 18 g. The provisions of Sections 18 d-f do not apply to tenancy agreements relating solely to

1. a furnished room or a dwelling unit for recreation purposes,
2. a dwelling unit in a single- or two-family dwelling, when the conveyance does not form part of a rental activity conducted on a commercial basis, or
3. a dwelling unit forming part of the landlord's own dwelling.

Section 18 h. If an improvement or alteration as referred to in Section 18 d is begin or for some special reason may be presumed to begin without approval or permission, the regional rent tribunal shall forbid the landlord to take the measure. Such prohibition may be combined with a contingent fine.

A question of prohibition is adjudicated on application being made by a tenant affected.

The regional rent tribunal may rescind a prohibition on application being made by the landlord.

The provisions of Section 16 (4)-(6) shall also apply on application having been made as provided in subsection two.

The landlord's duty of information

Section 18 i.
The landlord is duty bound to inform the tenant of his name and of an address where the landlord can be contacted. If the landlord is a legal person, the corresponding particulars shall also be furnished regarding a proxy for the legal person.

If the landlord or, the landlord being a legal person, the proxy is not in this country, particulars shall be furnished of the name and address of a person domiciled in Sweden and authorised to receive service of documents on the landlord's behalf.

These particulars shall be furnished in a written communication conspicuously posted in the building.

Rent

Section 19. The amount of rent for dwelling units shall be determined in the tenancy agreement or, if the agreement contains a bargaining clause under the Tenancy Bargaining Act (1978:304), in the bargained agreement. This, however, does not apply to compensation for expenses relating to the heating of the unit, its supply of hot water or electric current or charges for water and sewerage

1. if the tenancy agreement includes a bargaining clause and the basis of payment computation has been established through a bargained agreement or through a decision under Section 22 or 25 of the Tenancy Bargaining Act,
2. if the unit is situated in a single- or two-family dwelling, or
3. if the cost of the utility is charged to the tenant by individual metering.

In the case of dwelling units sublet or held in tenant-ownership by the grantor, it may be agreed, in derogation of the foregoing, that the rent shall be linked to the rent or annual charge paid by the grantor.

The rent of non-housing premises shall also be determined in the agreement, insofar as it does not include compensation as referred to in the second sentence of the foregoing. This provision notwithstanding, a proviso in the agreement to the effect that the amount of rent payable should bear a certain relation to the tenant's operating income or shall be determined by written agreement between the landlord or the landlord and an organisation of property owners of which the landlord is a member on the one hand, and on the other an organisation of tenants, shall be valid. If the agreement has been concluded for a fixed term and the term of the tenancy is at least three years, a proviso to the effect that the rent payable shall be determined on a different basis of computation from the aforesaid shall also be valid.

If an agreement has been concluded at variance with subsection one or three, the rent shall be payable at an amount which is reasonable, having regard above all to the intentions of the parties and other conditions when the agreement was concluded.

Provisions concerning the invalidity of agreements on the rent of a dwelling unit in certain cases where a bargaining procedure applies are contained in the Tenancy Bargaining Act.

Section 20. Failing an agreement on the time for the payment of rent payable in money, the rent shall be paid not later than the last weekday preceding the beginning of each calendar month or, if the rent is computed for a time of less than one month, not later than the last weekday before the beginning of the time for which the rent is computed. In the case of a dwelling unit, however, the rent for a calendar month other than the first may be paid not later than the last weekday before the beginning of the month, even if an earlier payment day has been agreed on.

The rent shall be paid in the landlord's residence or at another address indicated by him. Payment may always be made by postal order, postal giro or bank giro. If the rent is to be paid in a locality abroad, the special expenses thus entailed shall be borne by the landlord.

If the tenant pays the rent at a post office or bank, the amount shall be deemed to have reached the landlord immediately on payment. If the tenant gives a payment order for the rent to a bank, a post office or a giro office, the amount shall be deemed to have reached the landlord when the payment order was received by the transferring branch.

Section 21. If the tenant considers that he is entitled, under Section 11-14, 16-18 or 26, to a reduction of the rent or to compensation for damage or for the remediation of a defect or that he has any other counter-claim against the landlord, and if the tenant wishes to deduct the corresponding amount from the rent payable in money, he may deposit the amount with the County Administrative Board. The aforesaid also applies when the amount of rent payable in money but not determined in the agreement is at dispute.

On depositing an amount with the County Administrative Board as aforesaid, the tenant shall furnish written particulars in duplicate concerning the tenancy, the payment date and the grounds for the deduction or the nature of the dispute, and shall furnish such pledge or guarantee as the County Administrative Board may find reasonable for the expense which the landlord may incur in obtaining the amount, and for interest on the amount.

If the tenant has deposited rent with the County Administrative Board, the landlord may not assert that the tenancy is forfeited on account of the amount deposited not having been paid to him.

A decision by the County Administrative Board by reason of a deposit may be contested by appeal to the district court in the locality where the County Administrative Board is situated. Appeals are subject to the Judicial Proceedings Act (1996:242).

Section 22. The County Administrative Board shall without delay notify the landlord by registered letter of a deposit as referred to in Section 21.

If the landlord does not show, within three months of the amount having fallen due for payment and notice of deposit having been sent to him, that he has concluded an agreement with the tenant for collecting the amount or that he has filed proceedings to this end against the tenant, the tenant is entitled to recover the amount. If the landlord has filed proceedings within the stated time, the amount may not be collected until the landlord's claim has been determined.

An amount deposited shall immediately be placed in an interest-bearing account. The interest shall be paid to the party permitted to collect the amount.

Use of the unit by the tenant

Section 23. The residential tenant may not use the unit for a purpose other than that intended. The landlord, however, may not adduce deviations of no importance to him.

The non-housing tenant may not use the premises for a purpose other than that intended, unless permission is granted by the regional rent tribunal. Such permission shall be granted if the tenant has had possession of the premises for more than two years and has notable cause for a change of use and the landlord has no justified reason for objecting to it. The permission can be made conditional.

Section 24. During the term of the tenancy, the tenant shall take good care of the unit and its fixtures. He is duty bound to make good all damage occurring through his fault or through negligence or neglect on the part of any person belonging to his household or visiting him or any person whom he has accommodated in the unit or who does work there on his behalf. He shall, however, be liable for fire damage not caused by

himself only insofar as he has failed to observe due care and supervision.

If damage occurs or a defect becomes apparent which must be remedied without delay for the avoidance of serious inconvenience, it is the duty of the tenant to inform the landlord immediately of the damage or defect. If, however, the tenant and the members of his household are away when the damage occurs or the defect becomes apparent and the tenant has enabled the landlord to enter the unit if necessary during his absence, it is sufficient, if the unit forms part of a building, for the tenant to inform the landlord of the damage or defect immediately after his return. Information concerning damage or defect other than aforesaid shall be given to the landlord without unreasonable delay. If the tenant neglects to inform the landlord as provided in this subsection, he is liable for damaged caused by his neglect.

The provisions of subsections one and two concerning damage or defect also apply if the unit is verminous.

If the tenant, without the necessary consent or permission, has transferred the tenancy or granted the use of the unit to another party, the tenant is liable for damage which the new occupant would have made good under subsection one, two or three if the unit had been rented by him.

If, in the case of a unit granted in order to be wholly or partly used for a non-housing purpose, an agreement is made whereby the tenant's liability is extended beyond the provisions of subsections one-four, the agreement shall apply.

Section 24 a. Residential tenants are entitled to carry out painting, papering and comparable measures in the dwelling unit at their own expense. If the utility value of the unit is reduced thereby, the landlord is entitled to compensation for the damage.

If the tenancy agreement refers to a single-family dwelling which is not intended to be let permanently or a unit granted by a party who held it by tenant-ownership and which is still held by such tenure, the foregoing shall apply only in the absence of agreement to the contrary.

The question of the tenant's liability to pay compensation as referred to in subsection one is assessed by the regional rent tribunal.

Section 25. When using the unit, the tenant shall ensure that persons living in the surroundings are not subjected to disturbances which can be harmful to their health or otherwise impair their dwelling environment to such an extent that they ought not reasonably to be tolerated (residential disturbances). In his use of the unit the tenant shall also in other respects observe everything required for keeping the property unit sound, orderly and in good condition. The tenant shall carefully ensure that this is also observed by the persons for who he is responsible under Section 24 (1).

In the event of residential disturbances, the landlord shall instruct the tenant to ensure that the disturbances cease immediately and, if the tenant is a residential tenant, give notice of the disturbances to the social welfare committee in the municipality where the unit is situated.

Subsection two does not apply if the landlord gives notice of cancellation of the tenancy agreement on account of the disturbances being especially grave in view of their nature or extent (especially grave residential disturbances).

If the tenant knows or has cause to suspect that an object is verminous, this may not be taken into the unit.

Section 26. The landlord is entitled without respite to gain access to the unit in order to exercise necessary supervision or carry out improvements which cannot be deferred without damage. When the unit is to let, it is the duty of the tenant to allow it to be shown at a suitable time.

Following advice at least one month in advance, the landlord may have less urgent improvements carried out in the unit which do not cause substantial impediment or detriment in the right of user. Such works, however, may not be carried out during the last month of the tenancy without consent of the tenant. If the landlord wishes to carry out other work in the unit, the tenant, within a week of receiving notice of the same, may give notice of the cancellation of the agreement. Such work may not commence, without the tenant's consent, before it has thus been possible for the agreement to be terminated. The provisions of this section do not apply to work which the landlord has promised to carry out on the tenant's behalf or which he has been required to carry out through a remedial injunction.

In cases referred to in subsection one or two, the landlord shall ensure that no greater inconvenience than necessary is caused to the tenant. Damage caused to the tenant through work referred to in subsection two shall be made good by the landlord, even if the damage is not due to any fault on his part.

It is the duty of the tenant to tolerate restrictions of the right of user occasioned by necessary measures for exterminating vermin in the property unit, even if the unit rented by him is not verminous. Section 17 (2) applies in this connection.

If the tenant omits to give the landlord access to the unit when the latter is entitled to it, the Swedish Enforcement Authority may provide special enforcement assistance. Provisions concerning such enforcement assistance are contained in the Payment Orders and Enforcement Assistance Act (1990:746).

Section 27. If the tenant abandons the unit, the landlord may repossess the same immediately.

If, in a unit which the tenant has left or from which he has been evicted or in a space pertaining to the unit, there is property which presumably belongs to him or a member of his household, and if he has not collected the property within three months of being called upon to do so or within six months of leaving or being evicted from the unit, the property accrues to the landlord without payment.

Pledge or guarantee

Section 28. If a pledge or guarantee is provided as security for the completion of a non-housing tenancy agreement and the security deteriorates, it is the duty of the tenant, on being called upon to do so, to provide new security with which the landlord can reasonably be satisfied. If he does not do so within one month, the landlord may give notice of cancellation of the agreement.

Section 28 a. If a pledge or guarantee is provided as security for the completion of a housing tenancy agreement, the pledger or guarantor may revoke his commitment at the turn of the month coming immediately after nine months from the cancellation, though not earlier than a point in time occurring two years from the commencement date of the commitment.

A condition detracting from the pledger’s or guarantor’s right under this section

is invalid.

Attachment and bankruptcy

Section 29. If the property unit has been attached before the possession date, the tenant may give notice of cancellation of the agreement. He is also entitled to compensation for damage. Notice of cancellation shall, however, be given within one month of the tenant becoming apprised of the property unit having been attached. If the attachment is cancelled or if the question of the sale of the property unit otherwise ceases to be relevant, notice of cancellation may not be given thereafter.

Section 30. The provisions of Section 29 also apply if the landlord is declared bankrupt before the possession date.

Section 31. If the tenant is declared bankrupt, the estate in bankruptcy may give notice of cancellation of the agreement. In the case of tenant-owner flats, however, this is conditional on the debtor consenting to the notice of cancellation.

If possession of the unit has not been taken when the bankruptcy occurs and the landlord does not have such security for the completion of the agreement that he can reasonably be satisfied, the landlord may give notice of cancellation of the agreement if he does not receive such security within a week of demand.

If, in the case of non-housing premises, the bankruptcy occurs after the taking of possession and the landlord does not have such security for the completion of the agreement that he can reasonably be satisfied, the landlord may give notice of cancellation of the agreement

1. unless such security is provided within one month of demand,
2. unless, within the same time, the estate in bankruptcy declares itself willing to answer for the tenant's obligations during the term of the tenancy, or
3. unless, when the tenancy may be transferred, transfer takes place in accordance with the agreement.

If notice of cancellation of the agreement is given as provided in subsection one, two or three, the landlord is entitled to compensation for damage.

If a landlord requires an estate in bankruptcy to place non-housing premises at the landlord’s disposal and the estate in bankruptcy does not do so within one month, the estate in bankruptcy shall be liable for the rent from the bankruptcy order date until such time as the unit is placed at the landlord’s disposal.

Transfer of the tenancy

Section 32. The tenant may not transfer the tenancy without the landlord's consent, unless otherwise indicated by Sections 34-37.

If consent is refused without reasonable cause or if the landlord does not reply within three weeks of consent being requested, the tenant may give notice of cancellation of the tenancy agreement.

Section 33. The provisions of Section 32 concerning transfer of the tenancy also apply with regard to transfer through property distribution, inheritance, testamentary disposition, company partition or suchlike acquisition.

If, however, the tenancy of a unit intended to be used exclusively or mainly as a common home for the tenant and his spouse or cohabitee has passed to the spouse through property or estate distribution or has passed to the cohabitee through property distribution or been taken over by the cohabitee in accordance with Section 22 of the Cohabitees (Joint Home) Act (2003:376), the spouse or cohabitee may enter into the stead of the tenant or of the estate of the deceased. A surviving spouse being the sole heir of the tenant shall have the same right.

For time after the landlord has been notified of the tenancy passing to the spouse or cohabitee of the tenant as indicated in the foregoing, the tenant or his estate following his decease shall not be liable for his obligations under the tenancy agreement. The tenant's spouse or cohabitee, together with the tenant or his estate following his decease shall answer for such obligations under the agreement as are referable to the time preceding the notification.

Subsections two and three also apply when the unit has been rented by husband and wife or cohabitees jointly.

Section 34. A tenant not intending to use his dwelling unit may transfer the tenancy to a close relative permanently cohabiting with him, if the regional rent tribunal grants permission for the transfer. Such permission shall be granted if the landlord can reasonably be satisfied with the change. The permission can be made conditional.

The foregoing also applies if the tenant dies during the term of the tenancy and his estate wishes to transfer the tenancy to a distributee or some other close relative of the tenant who was permanently cohabiting with him.

Section 35. The tenant may transfer the tenancy of his dwelling unit in order to obtain another home by exchange, if the regional rent tribunal grants permission for the transfer. Permission shall be granted if the tenant has notable cause for the exchange and this can take place without palpable inconvenience to the landlord at the same time as there are no other special arguments against the exchange. The permission can be made conditional.

The foregoing does not apply if

1. the unit is sublet,
2. the unit forms part of the grantor's home,
3. the unit is situated in a single-family dwelling which is not intended to be let permanently or in a two-family dwelling,
4. the unit has been granted by a person who held it by tenant-ownership and the unit is still held by such tenure, or
5. the tenancy agreement refers to a furnished room or a unit for recreational purposes and the tenancy has not lasted for more than nine consecutive months.

If a municipality helps the tenant to obtain another home by procuring the same, the municipality may apply to the regional rent tribunal for permission as aforesaid.

Section 36. The party renting a unit in order to use it, wholly or to a substantial extent, for commerce, handicraft, industry or other gainful activity, may transfer the tenancy to the party who is to take over the activity, if the regional rent tribunal grants permission for the transfer. Such permission shall be granted if the landlord does not have justified cause for objecting to the transfer of the tenancy. If, however, the tenant has possessed the unit for less than three years, permission may be granted only if

there are exceptional reasons for doing so. The permission can be made conditional.

Section 37. If a dwelling unit has been granted to a municipality, the municipality may transfer the tenancy of the unit if the regional rent tribunal grants permission for the transfer. Such permission shall be granted if the transfer can be made without palpable inconvenience to the landlord. The permission can be made conditional.

Section 38. If the tenant transfers the tenancy with the consent of the landlord or with permission from the regional rent tribunal, he is exempt from the obligations which the tenancy agreement entails for him for the time following the transfer. This only applies if no other condition has been defined in connection with the consent or permission.

The new tenant answers, together with the grantor, for the obligations under the agreement for the time preceding the transfer, unless otherwise agreed with the landlord. In the event of the exchange of units, however, a new residential tenant has such liability only if he has accepted it in relation to the landlord in a specially compiled document. An undertaking of this kind does not entail an obligation to pay anything but arrears of rent, nor does it entail an obligation to pay such arrears at a greater amount than the equivalent of the rent for the three calendar months immediately preceding the transfer.

Subletting of the unit

Section 39. The tenant may not, other than in cases referred to in subsection two or in Section 40, sublet the whole of the unit without the landlord's consent.

If a dwelling unit has been granted to a municipality, the municipality may sublet the unit in its entirety. The landlord shall be informed immediately of the grant.

Section 40. A tenant may sublet or otherwise transfer the unit in its entirety if permission to this end is granted by the regional rent tribunal.

Permission shall be granted if

1. the tenant, by reason of age, illness, temporary employment in another locality, special family circumstances or comparable circumstances has notable reason for the transfer and

2. the landlord has no justifiable reason for refusing consent.

Permission as aforesaid shall be limited to a fixed term and may be combined with provisions.

Section 41. The tenant may not accommodate outsiders in the unit if this can entail detriment to the landlord.

Forfeiture of the tenancy

Section 42. The tenancy is forfeited and the landlord entitled to repudiate the agreement

1. if, in the case of a dwelling unit, the tenant delays paying the rent by more than one week after the payment day and Section 55 d, subsections five-seven, do not indicate otherwise,

2. if, in the case of non-housing premises, the tenant delays paying the rent by more

than two weekdays after the payment day,

3. if the tenant transfers the tenancy without necessary consent or permission or otherwise places another party in his stead or sublets the unit and, after being called upon to do so, does not without delay either rectify the matter or apply for permission and have the permission granted,

4. if the unit is used contrary to Section 23 or 41 and the tenant does not rectify the matter immediately after being called upon to do so,

5. if the tenant or any other party to which the tenancy has been transferred or the unit let causes, through negligence, the occurrence of vermin in the unit or, through omission to inform the landlord of this, contributes to the spread of vermin in the property unit,

6. if the unit is otherwise neglected or the tenant or another party to whom the tenancy has been transferred or the unit sublet neglects any point to be observed under Section 25 in the use of the unit or does not take the care stipulated in that section and the matter is not rectified without delay after being called for,

7. if, contrary to Section 26, admittance to the unit is refused and the tenant cannot show valid excuse,

8. if the tenant neglects a contractual obligation extending beyond his obligations under this chapter and it must be deemed of exceptional importance for the landlord that the obligation be discharged, or

9. if the unit is used wholly or to a substantial extent for economic or suchlike activity which is of a criminal nature or in which criminal procedure forms a not insignificant part or is used for casual sexual relations in return for payment.

In cases where the rent is to be paid in advance for more than one month, paragraph 2 of the foregoing shall apply only if the tenant delays payment of the rent for the calendar month by more than two weekdays after the beginning of the month or, in the case of the rent for the first calendar month during the tenancy, after the payment day.

Notice of cancellation of a tenancy agreement referring to a dwelling unit under paragraph 6 of the foregoing on account of residential disturbances may not be given before the social welfare committee has been notified as indicated in Section 25 (2).

If the question is one of especially grave residential disturbances, the provisions of paragraph 6 of the foregoing shall apply even if no rectification has been called for. In connection with such disturbances, notice of cancellation of a tenancy agreement referring to a dwelling unit may be given without previous notification of the social welfare committee. A copy of the notice shall, however, be sent to the social welfare committee. The provisions now made concerning especially grave disturbances do not apply if it is a party to whom the unit has been sublet with the landlord's consent or permission from the regional rent tribunal who neglects any of the points to be observed under Section 25 in the use of the unit or does not take the care required under the same section.

The tenancy is not forfeited if the tenant's misconduct is of minor importance.

If the agreement is cancelled on grounds of forfeiture, the landlord is entitled to damages.

Section 43. If the tenancy is forfeited on grounds of a state of affairs referred to in Section 42 (1), paragraphs 1-4, 6 or 7, but rectification is made before the landlord has given notice of cancellation of the agreement, the tenant cannot be divested of the unit on these grounds. This, however, does not apply if the tenancy is forfeited on grounds

of especially grave residential disturbances. Nor may the tenant be divested of the unit if the landlord has not given notice of cancellation of the agreement within two months of becoming apprised of a state of affairs referred to in Section 42 (1), paragraph 5 or 8 or the landlord has not, within two months of becoming apprised of a state of affairs referred to in paragraph 3 of the said section, called upon the tenant to rectify matters.

A tenant can be divested of the unit on account of a state of affairs referred to in Section 42 (1), paragraph 9 only if the landlord has given notice of cancellation of the agreement within two months of being apprised of the state of affairs. If, however, the criminal activity has been reported for prosecution or a preliminary investigation has begun during the same time, the landlord retains his right of giving notice of cancellation of the agreement until two months have passed from the time of the judgement in the criminal proceedings acquiring force of law or the judicial proceedings being otherwise concluded.

Section 44. If, as provided in Section 42 (1), paragraph 1 or 2, the tenancy is forfeited on account of delay in payment of the rent and the landlord, for this reason, has given notice of cancellation of the agreement, the tenant may not be divested of the unit on account of the delay if the rent is paid in the manner indicated in Section 20 (2) or (3) or deposited with the County Administrative Board as provided in Section 21

1. within three weeks of a tenant, in the case of a dwelling unit, having been served with notice that by paying the rent in the manner indicated he will recover the tenancy and notice of the notice of cancellation and the reason for the same having been given to the social welfare committee in the municipality where the unit is situated, or

2. within two weeks of a tenant, in the case of non-housing premises, having been served with notice that by paying the rent in the manner indicated he will recover the tenancy.

Until such time as the tenant shows himself to have done what is required under subsection one in order to recover the tenancy, no eviction order may be made until a further two weekdays have passed following the expiry of the time indicated in that subsection.

A tenant may not, in the case of a dwelling unit, be divested of the unit if the delay only concerned an increase in the rent which has taken effect under Section 54 a and the rent can be assessed by application of Section 55 d (3). The aforesaid shall apply until one month after the decision by the regional rent tribunal or the Svea Court of Appeal has acquired force of law.

Nor, in the case of a dwelling unit, may a tenant be divested of the unit if

1. the social welfare committee, within the time indicated in paragraph 1 of subsection one, has notified the landlord in writing that the committee assumes responsibility for payment of the rent, or

2. the tenant has been prevented from paying the rent within the time indicated in paragraph 1 of subsection one by illness or some similar unforeseen circumstance and the rent has been paid as soon as was possible, though not subsequent to the eviction dispute being determined by a court of first instance.

Subsections one-three do not apply if the tenant is in any case obliged to move within less than a month after the tenancy has been forfeited.

The Government or the authority nominated by the Government defines a form of notification as referred to in subsection one.

Prolongation of tenancy agreements for dwelling units

Section 45. The provisions of Sections 46-52 apply to grants of dwelling units, unless

1. the tenancy agreement refers to the sublet of a unit in its entirety and the tenancy ends before it has lasted for more than two consecutive years,

2. the tenancy agreement, in a case other than referred to in paragraph 1, refers to a furnished room or a unit for recreational purposes and the tenancy ends before it has lasted for more than nine consecutive months,

3. the unit forms part of the grantor's own home,

4. the landlord repudiates the tenancy on the grounds of the tenancy being forfeited and Section 47 does not indicate otherwise, or

5. an agreement as referred to in Section 45 a provides otherwise.

The aforesaid shall not apply if the grantor has rented the unit together with at least two other units with a view to subletting them.

Section 45 a. If the landlord and tenant have agreed in a specially compiled document that the tenancy shall not be combined with a right of prolongation, that agreement shall apply if it has been approved by the regional rent tribunal. In the following instances the agreement also applies without such approval.

1. The agreement is made after the tenancy has begun and refers to a tenancy combined with the right of prolongation.

2. The agreement is for a period not exceeding four years from the commencement of the tenancy, and the tenor of the agreement is that the tenant shall not be entitled to prolongation, if

(a) in the case of a dwelling unit in a single- or two-family dwelling not included in a commercially operated rental activity, the landlord is to reside in the dwelling unit or dispose of the building, or

(b) in the case of a sublet dwelling unit, the landlord is to reside in the dwelling unit or, when the landlord holds the dwelling unit in tenant-ownership, is to either reside in it or dispose of the tenant-owner title.

If a spouse or cohabitant not having a share in the tenancy had their home in the dwelling unit when the agreement was made, the agreement shall apply against that spouse or cohabitant only if he or she has accepted it.

The Government or the authority appointed by the Government determines and adopts forms for agreements referred to in paragraph 2 of subsection one.

Section 46. If the landlord has given notice of cancellation of the tenancy agreement or, in cases referred to in Section 3 (3), paragraph 2, has requested the tenant to move, the tenant is entitled to prolongation of the agreement, except when

1. the tenancy is forfeited without the landlord having repudiated the agreement,

2. the tenant has otherwise neglected his obligations to such an extent that in fairness the agreement ought not to be prolonged,

3. the building is to be demolished and it is not oppressive to the tenant for the tenancy to end,

4. the building is to be extensively altered and it is not obvious that the tenant can remain in occupation of the unit without notable inconvenience to the carrying out of the rebuilding and it is not oppressive to the tenant for the tenancy to end,

5. the unit is no longer to be used as a dwelling and it is not oppressive to the tenant for the tenancy to end,

6. the tenancy refers to a unit in a single- or two-family dwelling and the grant does not form part of a commercially conducted rental activity and the grantor has such an interest in disposing of the unit that in fairness the tenant should move,

6 a. the agreement refers to a unit which has been granted by a party who held it by tenant-ownership and the unit is still held by such tenure and the tenant-owner has such an interest in disposing of the unit that in fairness the tenant should move,

7. the tenancy is dependent on national or municipal government employment of a kind associated with compulsory residence within a certain area or on employment in agriculture or on other employment, if it is of such a kind that it is necessary for the employer to dispose of the unit for letting to the incumbent of the employment, and the employment has ended,

9. the tenancy depends on employment other than referred to in paragraph 7 which has ended and it is not oppressive to the tenant that the tenancy should also end and, if the tenancy has lasted for more than three years, the landlord has exceptional reasons for breaking the tenancy, or

10. it is otherwise not contrary to accepted practice in tenancy relations or otherwise oppressive to the tenant for the tenancy to end.

If the landlord's interest is provided for by the tenant leaving only part of the unit and agreement can suitably be prolonged where the rest of the unit is concerned, the tenant, subsection one notwithstanding, is entitled to such prolongation.

If a residential tenant leaves his unit or part of it because the building is to undergo major rebuilding, the tenant shall if possible be given the opportunity of renting an equivalent unit in the building after the rebuilding.

Section 47. If the unit has been rented by several persons conjointly and if, due to one of them having given notice of cancellation of the tenancy agreement or due to some other circumstance referring to one of them only, they are not jointly entitled to prolongation of the tenancy agreement, a co-tenant is entitled to have the tenancy agreement prolonged for his own part if the landlord can reasonably be satisfied with him as a tenant. The aforesaid does not apply when the tenancy is forfeited without the landlord having repudiated the agreement. If the co-tenant is a spouse or cohabitee of the party who has given notice of cancellation of the agreement or otherwise been the cause of the tenants not being jointly entitled to prolongation of the agreement, the spouse or cohabitee will also have such right of prolongation when the tenancy is forfeited on grounds other than delay in the payment of rent. This also applies when the landlord has repudiated the tenancy agreement on account of the forfeiture.

If a tenant who is married or cohabiting and whose spouse or cohabitee does not have a share in the tenancy gives notice of cancellation of the tenancy agreement or takes any other measure to bring it to an end or if he or she is otherwise not entitled to prolongation of the agreement, the spouse or cohabitee, if he or she has his or her home in the unit, is entitled to take over the tenancy and to have the tenancy agreement prolonged for his or her own part, insofar as the landlord can be reasonably satisfied with him or her as a tenant. The aforesaid also applies when the landlord has given notice of cancellation of the tenancy agreement on grounds of forfeiture. If the tenant is deceased, his or her surviving spouse or cohabitee will have the same right if the estate of the deceased is not entitled to prolongation and this has not been occasioned by the surviving spouse or cohabitee. The provisions of Sections 49-52, Section 55 and Section 55 d (5)-(7) concerning a tenant also apply to the spouse and cohabitee of a

tenant.

If a tenancy agreement is prolonged in a case referred to in subsection two, both spouses or cohabitees, the surviving spouse or cohabitee or the estate of the deceased spouse or cohabitee, as the case may be, answer for the obligations under the agreement for the time preceding the prolongation, unless otherwise agreed with the landlord.

Section 48. Repealed.

Section 49. If the landlord has given notice of cancellation of the tenancy agreement and there is a dispute concerning prolongation of the agreement under Section 46 or Section 47 (1), the notice of cancellation is of no effect unless the landlord, not later than one month after the expiry of the term of the tenancy, refers the dispute to the regional rent tribunal or the tenant has in any case moved not later than the expiry of the term of the tenancy.

If the landlord does not wish to consent to prolongation of the tenancy agreement as provided in Section 47, he shall, not later than one month after the tenancy relation with the tenant ended, request the party who, under the said section may be entitled to prolongation to move. This request is subject to the provisions of Section 8 concerning notice of cancellation. Any such request is of no effect unless the landlord, within a month thereafter, refers the dispute to the regional rent tribunal or the person requested moves in any case before the period for referral has expired. If, however, the request has been made more than one month before the expiry of the term of the tenancy, referral can be made until the expiry of the term of the tenancy.

The third and fourth sentences of subsection two also apply in cases referred to in Section 3 (3), paragraph 2.

Section 50. If the question of prolongation of the tenancy agreement has still not been determined when the term of the tenancy expires, the tenant is entitled to remain in occupation of the unit until the question has been finally determined.

The foregoing shall not apply if the regional rent tribunal, pursuant to Section 13 a (2) of the Regional Tenancies Tribunals and Regional Rent Tribunals Act (1973:188), has ruled that an order for the tenant to move, pursuant to subsection one of that section, may be enforced even though it has not acquired force of law.

For the time during which the tenant thus remains in occupation of the unit, the tenancy conditions previously in force shall be applied until tenancy conditions for the same time are finally determined.

Section 51. If the landlord's suit for the tenancy agreement to cease to apply is not granted, the same conditions shall be established for the continuing tenancy as were applied before, unless the parties have agreed that different conditions are to apply. If the landlord desires an amendment to the tenancy conditions in the event of his suit not being allowed, he shall, simultaneously with referring the prolongation dispute to the regional rent tribunal, apply for amendment of the tenancy conditions.

A decision concerning prolongation is deemed an agreement on continued tenancy. A circumstance which could have been adduced in the judicial or administrative proceedings may not be adduced against the tenancy.

Section 52. If the landlord's suit for the tenancy to cease to apply is granted, a reasonable respite for vacation may be granted in the decision if the landlord or tenant so requests. If, however, the tenancy is forfeited without the landlord having repudiated the agreement, a respite may only be granted at the tenant's request if the landlord consents thereto.

If the prolongation dispute is determined after the expiry of the term of the tenancy or if a vacation respite is granted, Section 51 (1) applies with regard to the conditions of tenancy for the time between the termination of the agreement and vacation.

Assessment of rent and other tenancy conditions for dwelling units

Section 53. The provisions of Sections 54-55 d apply to grants of dwelling units, unless

1. the tenancy agreement refers to a furnished room or a unit for recreational purposes and application to the regional rent tribunal as referred to in Section 54 is made before the tenancy has lasted for nine consecutive months, or

2. the unit forms part of the grantor's own home.

If a bargaining procedure under the Tenancy Bargaining Act (1978:304) applies to the unit, Sections 54 and 55 – 55 d shall apply only if the said Act so indicates.

Section 54. If the landlord or tenant wishes the tenancy conditions to be amended, he shall inform the opposite party of this in writing. If an agreement cannot be reached, he is entitled to apply to the regional rent tribunal for amendment of the tenancy conditions. This application may be made, at the earliest, one month after the opposite party has been informed.

In special cases, the regional rent tribunal may also assess tenancy conditions connected with conditions indicated in the application.

A decision on the amendment of tenancy conditions is deemed an agreement on conditions of continued tenancy.

Section 54 a. The provisions of subsections two and three shall apply concerning tenancy agreements which

1. are for an indefinite term, and

2. relate to dwelling unit which is located in a building with a bargaining procedure but which, by reason of the provisions of Section 3 of the Tenancy Bargaining Act (1978:304), is not subject to that procedure.

If the landlord wishes written notice, as referred to in Section 54 (1), of a rent increase to have the effect indicated in subsection two, below, the notice shall indicate in kronor the rent increase requested and the total amount of rent, and shall indicate the day on which the new rent is to take effect. The notice shall further indicate that the tenant will be obliged to pay the higher rent if he fails, by a certain specified day, not less than two months after notice was given, to inform the landlord that he objects to the landlord's request. The notice shall also include particulars of the landlord's address, information to the effect that the regional rent tribunal can assess the fairness of the rent requested, and particulars of what the tenant needs to do in order for such assessment to take place.

If the notice from the landlord contains particulars as referred to in the foregoing and the tenant has not informed the landlord, within the time allotted in the notice, that

he objects to the landlord's request for a rent increase, the tenant shall be deemed to have entered into an agreement with the landlord to pay the rent which the landlord has requested. The higher rent may not begin to take effect until after the day indicated in the landlord's notice as the final day for objecting to the rent increase.

Section 55. On the landlord and tenant disputing the size of the rent, the rent shall be established at a reasonable amount. For this purpose the rent is not to be deemed fair if it is palpably higher than the rent for units of equivalent utility value.

In assessment as provided in the foregoing, consideration shall above all be paid to the rent for units in buildings owned and managed by non-profit housing utilities as referred to in Chap. 1, Section 2 of the Non-Profit Housing Utilities Act (2002:102). If no comparison is possible with units in the locality, account may be had instead of the rent for units in another locality with a comparable rental situation and otherwise similar conditions in the rental market.

In assessment as referred to in subsection one, no account shall be had of the rent for a dwelling unit which is to be considered equitable under Section 55 c.

For purposes of assessment under subsection one, the provisions of Sections 55 a - c shall also be taken into account.

If a bargaining clause in a tenancy agreement has been abolished and the rent includes bargaining remuneration as provided in Section 20 of the Tenancy Bargaining Act (1978:304), the tenant, the provisions of subsections 1, 2 and 4 notwithstanding, is entitled to obtain a reduction of the rent by an amount corresponding to the remuneration.

If the dispute concerns a condition other than rent, a condition laid down by the landlord or tenant shall apply insofar as it is reasonable having regard to the content of the tenancy agreement, the circumstances attending the making of the agreement, conditions arising subsequently and circumstances generally. The term of the tenancy shall be indefinite unless for a special reason a fixed term of tenancy is more suitable.

If the landlord and tenant agree on the conditions of continuing tenancy in a dispute referred to in subsection one or six, the conditions agreed on shall apply, regardless of what is prescribed in the said subsections, insofar as the other provisions of this Code do not indicate otherwise.

Section 55 a. In the assessment of rent, no account shall be had of a measure which is referred to in Section 18 d and which has raised the utility value of the unit, if

1. approval or permission was required in order for the measure to be taken and no such approval or permission was granted,

2. the unit is let to the tenant who should have approved the measure or to a tenant who has taken over the tenancy from that person as provided in Section 33 (2), Section 34 or Section 47 (2), and

3. at the time of the rent alteration, not more than five years have passed since the measure was completed.

Section 55 b. If a tenant has paid for rebuilding, alteration or maintenance work or measures of comparable significance in his unit, the landlord may be credited for that improvement in connection with the assessment of rent for the unit only if there are special reasons for so doing.

Section 55 c. In the assessment of rent, the rent for the unit, having been determined in a negotiated agreement pursuant to the Tenancy Bargaining Act (1974:304) shall be considered equitable if

1. the organisation of tenants which is a party to the agreement was established in the locality at the time of the agreement being entered into,

2. the agreement provides for rent to be fixed in accordance with this section,

3. the agreement includes all dwelling units in the building and was concluded before a tenancy agreement was concluded for any of the units, and

4. not more than ten years have passed since the first housing tenant took possession of a unit.

In the event of a building being partly altered or added to, the provision made in subsection one, paragraph 3 concerning all dwelling units shall instead refer to all dwelling units formed by the spaces of which no part has previously been used as a dwelling unit.

The provision made in subsection one shall not apply if there is exceptional cause for not considering the rent in the negotiated agreement to be equitable. Nor shall it apply to that portion of the rent constituting compensation under Section 20 of the Tenancy Bargaining Act.

Subsection one notwithstanding, the rent may be altered to the extent equitable, having regard to the general movement of rents in the locality since the agreement was made.

Section 55 d. If the tenancy agreement is for an indefinite term and notice has been given of cancellation of the agreement, a decision concerning amendment of the tenancy conditions may not refer to the time before the time for which notice of cancellation has been given. If the question of an amendment of conditions without notice of cancellation has been referred to the regional rent tribunal, the decision may not refer to the time preceding the turn of the month occurring next after three months from the day of the application. In none of the cases now indicated, however, may a decision concerning amendment of the tenancy conditions refer to the time before six months had passed after the conditions previously in force began to be applied.

If the tenancy agreement has been concluded for a fixed term and notice has been given of cancellation of the agreement, a decision concerning amendment of the tenancy conditions may not refer to the time preceding the point in time for which notice of cancellation has been given. If the question of an amendment of conditions without notice of cancellation has been referred to the regional rent tribunal, a decision concerning amendment of the tenancy conditions may not refer to the time preceding the earliest point in time for which notice of cancellation of the agreement could have been given, if notice of cancellation had been given when the application was filed with the regional rent tribunal. If, however, the term of the tenancy exceeds one year and the tenancy conditions are amended by reason of an application by the tenant, the decision may refer to the time subsequent to the turn of the month occurring next after three months from the day of the application, though at the earliest after the tenancy has lasted for one continuous year.

If the rent assessed has taken effect under Section 54 a, a decision concerning the rent, subsections one and two notwithstanding, may refer to time from the day on which the rent began to apply, if the application was made within three months thereafter.

The regional rent tribunal may, when there is reason for doing so, order that a

decision concerning an amendment of conditions shall apply from an earlier point in time than indicated in subsection one. If there are special reasons for so doing, the regional rent tribunal may also order that a decision concerning amendment of conditions may be enforced even if it has not acquired force of law.

If a decision by the regional rent tribunal or the court of appeal requires the tenant to pay a higher rent for time past than would have been payable before, the tenancy is not forfeited on account of delay in payment of the excess amount if the payment is made within a month of the day on which the decision acquired force of law. The aforesaid does not apply if the tenant becomes obliged to move within less than two months after the said day.

The tenant shall pay interest on an excess amount as if the amount had fallen due for payment simultaneously with the rent payable previously. The interest is computed as provided in Section 5 of the Interest Act (1975:635) for the time previous to the decision acquiring force of law and as provided in Section 6 of the Interest Act for time thereafter.

In the decision, a respite may be granted for payment of the excess together with interest as referred to in subsection six. If a respite is granted, it may be determined that interest up to the payment day shall be computed as provided in Section 5 of the Interest Act.

If the rent is reduced for time past by a decision of the regional rent tribunal or the court of appeal, the landlord shall simultaneously be ordered to return to the tenant, with interest, the excess which he has accordingly received. The interest shall be computed as provided in Section 5 of the Interest Act for the time from the day of receiving the amount until the decision acquired force of law and as provided in Section 6 of the Interest Act for time thereafter.

Rent refund on the grant of a dwelling unit in certain cases etc.

Section 55 e. This section applies to the letting of a furnished or unfurnished room and to the subletting of another dwelling unit. The section does not apply, however, to lettings for recreational purposes.

If the landlord has received a rent which is not reasonable under Section 55, subsections (1)-(3) and Section 55 c, the regional rent tribunal, on application being made by the tenant, shall decide that the landlord shall repay with interest what he has received in excess of a reasonable amount. The interest is computed as provided in Section 5 of the Interest Act (1975:635) from the day when the landlord received the amount until the duty of repayment was finally determined through a decision which has acquired force of law, and as provided in Section 6 of the Interest Act for time thereafter. A decision concerning repayment of rent may not refer further back in time than two years before the day of the application.

In a matter concerning repayment under subsection two, the regional rent tribunal, if the tenant so requests, shall also establish the rent for the continuing tenancy with effect from the day of application. In this assessment, Sections 55 (1)-(3) and 55 c shall be applied. A decision concerning amendment of the tenancy conditions is deemed an agreement on conditions for continuing tenancy. When there is cause for so doing, the regional rent tribunal may determine that the decision is to take effect immediately. If the rent is raised or lowered retroactively, Section 55 d (5)-(8) shall be applied.

In order for the regional rent tribunal to be able to adjudicate an application under subsection two, the application must have been received by the regional rent tribunal within three months of the tenant leaving the dwelling unit.

Certain provisions on non-housing premises

Section 56. The provisions of Sections 57-60 apply to the letting of non-housing premises, unless

1. the tenancy ends before it has lasted for more than nine consecutive months, or
2. the tenancy ends on account of the tenancy being forfeited or a state of affairs prevails as referred to in Section 28.

If, in a specially compiled document, the landlord and tenant have agreed on conditions contrary to Sections 57-60, the agreement shall apply. If the agreement was made before the tenancy had existed for more than nine consecutive months, it shall apply only if approved by the regional rent tribunal. The agreement shall also apply without such approval if it is made for a period of not more than five years from the commencement of the tenancy and the tenor of the agreement is that the provisions of Sections 57-60 shall not apply, if

1. with regard to non-housing premises of all kinds, the landlord is to carry on an operation of his own on the premises, or
2. with regard to non-housing premises which are sublet, the tenancy agreement between the property owner and his tenant is about to end.

The Government or the authority appointed by the Government establishes forms for agreements referred to in subsection two, paragraphs 1 and 2.

Section 57. If the landlord has given notice of cancellation of the tenancy agreement and refuses to prolong the tenancy or if prolongation otherwise does not take place because the tenant does not accept the tenancy conditions stipulated by the landlord for prolongation, the tenant is entitled to compensation under Section 58 b unless

1. the tenant has neglected his obligations to such an extent that the landlord cannot reasonably be required to prolong the tenancy,
2. the building is to be demolished and the landlord offers other premises which are acceptable to the tenant or the tenancy agreement contains conditions to the effect that the tenancy is to end on account of demolition and the demolition is to begin within five years of the condition being made,
3. the building is to undergo major rebuilding of such a kind that the tenant obviously cannot remain in occupation of the premises without notably inconveniencing the progress of the rebuilding and the landlord offers other premises which are acceptable to the tenant or the tenancy agreement contains conditions to the effect that the tenancy is to end on account of rebuilding and the rebuilding is to begin within five years of the condition being made,
4. the landlord otherwise has justifiable cause for breaking the tenancy, or
5. the tenancy conditions which the landlord stipulates for prolongation are reasonable and conform to good practice in tenancy relations.

Subsection one also applies if the tenant has given notice of cancellation of the agreement as provided in Section 58 a.

Section 57 a. For purposes of Section 57 (1), paragraph 5, a stipulated rent shall not

be deemed reasonable if it exceeds the rent which, at the expiry of the tenancy term, the premises will presumably fetch in the open market (the market rent). When the market rent is determined, consideration shall above all be had to the rent for most immediately comparable premises in the locality. The market rent shall primarily be determined on the basis of a comparison with the rent for other, similar premises in the locality. Only if there are special reasons for doing so may consideration be had to appreciation of the value of the premises achieved by a tenant.

In a dispute concerning compensation under Section 57, an opinion given by the regional rent tribunal may be departed from only if it is obvious

1. when the opinion refers to the market rent, that this is palpably higher or lower than the regional rent tribunal has indicated,

2. when the opinion refers to premises offered, that the regional rent tribunal's assessment has not been correct.

In cases referred to in paragraph 1 of subsection two, an investigation report which has not been presented during the mediation may not be taken into account in the assessment unless there are exceptional reasons for doing so.

Section 58. If the landlord wishes to give notice of cancellation of the agreement, in the notice he shall inform the tenant of the conditions which he stipulates for prolonging the tenancy or of the reason why he refuses to grant a prolongation. The notice shall also contain information to the effect that the tenant, if he does not agree to move without receiving compensation under Section 58 b, is required to refer the dispute to the regional rent tribunal for mediation within two months of notice.

If the landlord omits to discharge his obligations under subsection one, the notice of cancellation is of no effect.

If the landlord has discharged his obligations under subsection one and the tenant is unwilling to leave the unit without receiving compensation under Section 58 b, the tenant is required to refer the dispute to the regional rent tribunal within the time indicated in subsection one. If he does not do so, the right of compensation will lapse. The aforesaid does not apply if, within the same time, a dispute has been referred to the tribunal as indicated in Section 58 (1).

Before the mediation has been concluded, the landlord may not stipulate, for prolongation of the tenancy, a higher rent or any other condition less advantageous to the tenant than he indicated in the notice of cancellation. If he does so and prolongation does not take place, the tenant is always entitled to compensation under Section 58 b.

Section 58 a. If the tenant wishes to give notice of cancellation of the agreement with a view to prolongation on amended conditions, he shall inform the landlord in the notice of the amendment which he requests to the agreed conditions. If no agreement is reached between the parties, the tenant shall, within two months of the notice, refer the dispute to the regional rent tribunal for mediation.

If the tenant omits to discharge his obligations under subsection one or if, before the expiry of the term of the tenancy, he withdraws his application for mediation, the notice shall be of no effect.

If the landlord himself has not given notice of cancellation of the agreement, he may not, prior to the conclusion of mediation, refuse prolongation of the tenancy or stipulate for prolongation a higher rent or any other condition less favourable to the

tenant than in the agreement under cancellation. If he does so and prolongation does not take place, the tenant is always entitled to compensation under Section 58 b.

Section 58 b. If the tenant is entitled to compensation under Section 57, Section 58 (4) or Section 58 a (3), the landlord shall always pay compensation to the tenant at an amount corresponding to one year's rent for the premises according to the tenancy agreement under cancellation.

If, on account of the tenancy having ended, the tenant has suffered a loss which is not covered by compensation under subsection one, the landlord shall to a reasonable extent indemnify the tenant for this loss. If the loss is connected with the tenant having paid for an alteration to the premises, the loss shall only be taken into account if the landlord has consented to the alteration or the tenant entered into the tenancy agreement on condition that he was to be allowed to make the alteration.

Section 59. If the tenancy is to end following notice of cancellation by the landlord or, in a case referred to in Section 58 a, by the tenant, the regional rent tribunal, on application being made by the landlord or tenant, may grant a reasonable respite for vacation, though not more than two years from the expiry of the term of the tenancy. An application for respite shall have reached the regional rent tribunal before the expiry of the term of the tenancy.

If a respite is granted, the regional rent tribunal shall establish reasonable tenancy conditions for the time from the termination of the agreement and until the tenant is to move.

Section 60. In judicial proceedings concerning compensation under Section 58 b, the court, at the request of the tenant, if the landlord concedes liability to pay compensation or if such liability has been established through a judgement which has acquired force of law, shall order the landlord to pay an advance on the compensation which may come to be determined.

The foregoing shall not apply if it is obvious that the advance will be insignificant. If a decision has been made in the matter of advance payment, a new request for advance payment may not be adjudicated until three months have passed since the previous decision acquired force of law.

A decision concerning advance payment may be made without a main hearing. Before a decision is made, the parties shall be given the opportunity of stating their viewpoints. A decision made during the judicial proceedings shall be appealed by separate process. Decisions by the court of appeal are final.

If the tenant has received an advance exceeding the compensation finally determined, it is his duty to return the excess amount to the landlord with interest. The interest is computed as provided in Section 5 of the Interest Act (1975:635) for time from the day on which the amount was received and until the compensation was finally determined through a judgement which has acquired force of law and as provided in Section 6 of the Interest Act for time thereafter.

Special provisions

Section 61. A landlord or a tenant wishing to present a payment claim on account of a tenancy relation shall file proceedings to this end within two years of the tenant having

left the unit. If this time is not observed, the right of action will lapse unless otherwise agreed. If one party has filed proceedings in due time, the other party is entitled to a set-off, in spite of his right of action being lost.

Section 62. Contingent fines set by authority of this chapter are imposed by the regional rent tribunal. The tribunal shall raise the question of imposition on its own initiative. The contingent fine may not be imposed if its purpose has lapsed.

Contingent fine set by authority of this chapter may not be commuted to imprisonment.

Section 63. Notice as referred to in Sections 10, 11, 14, 18 e, 24, 25 (2), 33, 42 (1), paragraph 3, 4 or 6, Section 44, 54 or 54 a shall be deemed given when it has been sent by registered letter to the recipient's ordinary address. In cases referred to in Section 24, however, it is sufficient for the notice to have been dispatched in some other appropriate manner.

If the tenant or landlord has supplied an address to which messages to him are to be sent, this is deemed to be his ordinary address. The tenant, however, may always send messages to the person authorised to receive rent on the landlord's behalf. If the tenant has not supplied a special address, the landlord may send messages to the address of the rented unit.

Section 64. If a landlord does not, when requested to do so, supply the information concerning rent for his units which may be needed for assessment under Section 55 (1), the regional rent tribunal, on application being made, may order the landlord to supply the information to the tribunal. In the order, which may be combined with a contingent fine, a certain time shall be set within which the information must reach the tribunal.

If the landlord has supplied information to the regional rent tribunal as referred to in the foregoing, no new order with respect to the units referred to in the information given may be issued within a year of the information being given.

Section 65. Any party intentionally laying down conditions of special remuneration for the letting of a dwelling unit or for the transfer of the tenancy of such a unit shall be fined or sentenced to not more than six months' imprisonment. No penalty shall be imposed, however, for minor offences.

If the crime is aggravated, a sentence of up to two years' imprisonment shall be passed. In considering whether the crime is aggravated, it shall be particularly considered whether it formed part of an activity conducted commercially or on a considerable scale or whether the offender has otherwise to a considerable extent abused his position as owner or manager of a property unit.

Conditions referred to in the foregoing are invalid. A party having laid down the condition is duty bound to return what he has received.

Section 65 a. No party may receive, make an agreement on or request payment from a tenancy applicant for the offer of a dwelling unit for other than recreational purposes. Such payment may, however, be made in connection with commercial housing procurement on grounds prescribed by the Government or by the authority nominated by the Government.

With regard to municipal housing exchange queue charges, special provisions apply under the Housing Supply (Municipal Responsibility) Act (2000:1383).

Any person intentionally offending against subsection one shall be fined or sentenced to not more than six months' imprisonment. If the crime is aggravated, a sentence of up to two years' imprisonment shall be passed.

Any party having received unlawful payment is duty bound to return it.

Section 66. An agreement between a landlord and tenant that a future dispute arising out of the tenancy relation shall be referred for decision by arbitrators without a proviso on the right of the parties to protest the arbitration may not be asserted with regard to the tenant's right or obligation to take or retain possession of the unit, the establishment of tenancy conditions in cases referred to in Section 51, 52 or 55, repayment and establishment of a rent as indicated in Section 55 e or determination of payment as indicated in Section 58 b. Otherwise the arbitration agreement shall not apply insofar as arbitrators have thereby been appointed or provision thereby made concerning the number of arbitrators, the manner of their appointment or the procedure of the arbitration tribunal. In these respects, the Arbitration Act (1999:116) shall apply. The aforesaid notwithstanding, the arbitration agreement may appoint the regional rent tribunal as arbitration tribunal or specify a certain time for the delivery of an arbitration award.

Section 67. The agreement on conditions with regard to a tenancy relation dependent on employment applies against the tenant or the party entitled to enter into the tenant's stead even if the agreement is contrary to a provision of Section 4, Sections 33-35, Section 40, Section 46, Section 47, Sections 49-54, Section 55 d, Section 55 e or Section 66, insofar as the agreement takes the form of a collective agreement and, on the employee side, has been concluded or approved by an organisation which, under the Employment (Co-determination in Workplace) Act (1976:580), is to be regarded as a central organisation of employees.

Tenancy conditions in collective agreements as referred to in the foregoing may also be applied when a tenant who is not a member of the contracting organisation of employees is employed on work referred to in the agreement, if

1. the employer is bound by the collective agreement,

2. the landlord and tenant are agreed that the conditions shall be applied or the conditions are included in the tenancy agreement by virtue of a decision on amendment of conditions as referred to in Sections 54 and 55.

Procedure in tenancy disputes

Section 68. Every county shall have a regional rent tribunal. The Government may, however, determine that the area within which the regional rent tribunal is to be active shall be other than a county.

Section 69. The regional rent tribunal has the task of mediating in tenancy disputes and assessing questions incumbent upon it under this chapter. The tribunal may also be an arbitration tribunal in tenancy disputes. More detailed provisions on regional rent tribunals are made in a separate enactment.

Section 70. Decision by the regional rent tribunal in questions referred to in Sections 11 (1) paragraph 5, 16 (2), 18 a-f, 18 h, 23 (2), 24 a, 34, 36, 37, 49, 52, 54, 55 e, 62 or 64 are contested within three weeks of the day on which the decision was made.

Decisions by the regional rent tribunal in questions referred to in Section 1 (6), 35, 40, 45a, 56 or 59 are final.

Section 71. An appeal referred to in Section 70 may be tried by the Svea Court of Appeal. The appeal shall be filed with the regional rent tribunal.

Section 72. Tenancy disputes concerning residential disturbances shall be handled with particular dispatch.

Section 73. In tenancy disputes referred to in Section 49, 54 or 55 e and in judicial proceedings on remedial injunctions under Section 11 (1) paragraph 5 or Section 16 (2), on improvement orders under Sections 18 a-c, on permission for improvements and alterations under Sections 18 d-f, on prohibition of such measures under Section 18 h, or on the imposition of contingent fines under Section 62, each party shall bear its own legal costs in the court of appeal unless otherwise indicated by Chap. 18, Section 6 of the Code of Judicial Procedure.

Chap. 13. Site leasehold

Section 1. The right of user of a property unit for an indefinite period can, for a certain purpose and in return for an annual ground rent in money, be granted as site leasehold under this chapter.

A mortgage lien and other right of user than site leasehold, as well as an easement and the right to electric power may be granted in site leasehold. Easements may be granted in favour of a site leasehold.

Section 2. A site leasehold may be granted in a property unit belonging to the State or a municipality or otherwise publicly owned. If the Government so permits in a particular case, site leasehold may also be granted in a property unit belonging to a foundation.

Site leasehold may not be granted in a part of a property unit or in several property units conjointly.

Section 3. An agreement whereby site leasehold is granted shall be drawn up in writing. In the document it shall be expressly stated that the grant refers to site leasehold. Any amendment or addition not made in writing is of no effect.

Section 4. The document of grant shall indicate the purpose of the grant and the amount of ground rent to be paid until otherwise determined. The document shall also contain the more detailed provisions concerning the use and development of the property unit and the other provisions to apply with regard to the site leasehold.

If, at the time of the grant there are special building provisions affecting the property unit in a detailed development plan or otherwise, these are deemed to form part of the grant unless otherwise agreed.

Section 5. A site leasehold grant includes the transfer to the site lessee of a building and other property pertaining to the property unit by law at the time of the grant. If the property owner wishes to obtain payment for the property transferred, this shall be specifically determined.

Section 6. The commencement or endurance of the site leasehold may not be made conditional. Nor may any restriction be imposed on the right of the site lessee to transfer the site leasehold or to grant a mortgage lien or right of user in the same.

Section 7. The provisions of the first part of this Code apply, *mutatis mutandis*, to the transfer of site leasehold and to rights in or in favour of site leasehold, and to legal relations generally concerning site leasehold, unless otherwise indicated by special provisions on site leasehold.

Section 8. If the property owner or site lessee has exceeded his rights or neglected his obligation under the grant, it is incumbent upon him to restore what has been disturbed or to complete what has been neglected and to make good damage. The agreement may not be repudiated on account of misfeasance by either party.

Section 9. Site leasehold may not be divided up between separate areas of the property unit in which it has been granted.

The provisions concerning fixtures to property units apply, *mutatis mutandis*, to a registered site leasehold.

Section 10. The ground rent shall be paid at an unchanged amount for certain periods of time. Failing agreement on a longer time, each period comprises ten years, the first running from the grant or the later day indicated in the document of grant.

Section 11. An agreement concerning amendment of the ground rent for the coming period of time may not be concluded less than one year before the expiry of the current period.

If, during the penultimate year of the current period, the property owner or the site lessee files proceedings for reassessment of the ground rent, the court shall determine the ground rent for the coming period on the basis of the value of the land at the time of the reassessment. In the assessment of the land value, consideration shall be had to the purpose of the grant and the more detailed provisions to be applied concerning the use and development of the property unit.

Failing determination as indicated in subsection one or two of this section, the ground rent for the coming period shall be the same as before.

Section 12. Section 10 notwithstanding, the property owner and the site lessee may agree on such adjustment of the amount of ground rent as is prompted by changed conditions relating to the exercise of the site leasehold.

If the value of the site leasehold will diminish considerably as a consequence of new or amended building provisions or due to some other particular circumstance not attributable to or dependent on the site lessee, the site lessee may demand the adjustment thus occasioned to the amount of ground rent.

Section 13. A site leasehold agreement may not be cancelled by the site lessee.

Section 14. By notice of cancellation from the property owner, a site leasehold can be made to end solely at the expiry of certain periods. Failing agreement on a longer time, the first period is sixty years, counted from the grant or the later date indicated in the document of grant, and each succeeding period of forty years from the expiry of the period next preceding.

If a site leasehold is granted substantially for a purpose other than that of housing, shorter periods may be agreed on. No period, however, may be less than twenty years.

Notice of cancellation may be given only if it is important to the owner that the property unit be used for buildings of another kind or otherwise in a different way from previously.

Section 15. Notice of cancellation of a site leasehold agreement shall be given at least two years before the expiry of the period, unless a longer period of notice has been agreed on. Notice of cancellation given more than five years before the expiry of the period is of no effect. It is incumbent on the property owner, within the same time as applies to notice of cancellation, to report this to the land registration authority for note in the land register section of the Real Property Register. Failing such note, the notice of cancellation is invalid.

Notice of cancellation shall be given in writing. The reasons for the cancellation should be given at the same time. Otherwise, concerning the manner of notice, the provisions of Chap. 8, Section 8 apply where relevant.

Section 16. If the site lessee maintains that grounds for notice of cancellation do not exist, he or she may protest the notice. If no proceedings are filed within three months of the notice being noted in the land register section of the Real Property Register, the right of action shall lapse.

Section 17. If the site leasehold is terminated by notice of cancellation, it is incumbent on the property owner to purchase a building and other property constituting fixtures to the site leasehold. The purchase price shall correspond to the value of the property at the termination of the site leasehold, as if the site leasehold would always persist for the same purpose and otherwise with no change in provisions governing the use and development of the property unit.

If an unnecessary expense has been devoted to the site leasehold after the notice of cancellation, the appreciation thus resulting may not be taken into account in determining the purchase price.

If a site leasehold is granted substantially for a purpose other than that of housing, the parties may agree that the property owner shall be required not at all or only to a limited extent to purchase the property.

Section 18. When it is incumbent on the property owner to purchase property, proceedings for determination of the purchase price shall be filed within a year of the notice of cancellation being noted in the land register section of the Real Property Register. On the site lessee having contested the notice of cancellation as provided in Section 16, proceedings concerning the purchase price may instead be filed within a year of the judgement in the contestation case acquiring force of law.

If this time is not observed, the notice will lapse. Proceedings may filed both by the property owner and by the site lessee.

On a judgement in which the purchase price has been determined acquiring force of law, the purchase money shall be deposited with the County Administrative Board within one month. The purchase money, however, need not be deposited more than one month before the day on which the notice of cancellation takes effect. If the purchase money is not deposited within the allotted time, the County Administrative Board, on application being made, shall have the amount withdrawn as if a duty of payment had been imposed through the judgement. When deposition has taken place, the County Administrative Board shall immediately make a report to this effect to the land registration authority for entry in the land register section of Real Property Register.

Moneys deposited shall be immediately paid into a bank or a credit market enterprise at interest.

Section 19. When the possession date determined through the notice of cancellation has arrived and the purchase money has been deposited as provided in Section 18, the site leasehold and rights granted in the same cease to apply and title registrations in the same become of no effect. Before deposition has been made, no possession may be taken without the consent of the site lessee.

If the site leasehold has been relinquished on the possession date determined through the notice of cancellation but the purchase money has still not been deposited by then, the property owner is duty bound to pay interest to the site lessee. The interest is calculated as provided in Section 5 of the Interest Act (1975:635) for the time from the possession date until deposition is made, and as indicated in Section 6 of the Interest Act for time thereafter.

Section 20. The amount deposited and accrued interest shall be paid by the County Administrative Board to the party entitled to the same. The money may not be released, however, before the possession date without the consent of the property owner. Interest accruing before the possession date passes to the property owner.

If the site leasehold answers for a mortgage granted or applied for, the provisions concerning distribution of purchase money for real property sold by executive procedure shall apply, *mutatis mutandis*. If the court has set the purchase price at a higher amount than claimed by the site lessee and if, following settlement of the claims payable out of the same, a surplus arises which does not come within the amount claimed, the surplus will be returned to the property owner.

A meeting for distribution shall be held at the earliest possible opportunity. Notice of the meeting is sent, through the agency of the County Administrative Board, at least two weeks in advance to the site lessee and known creditors having a mortgage lien on the site leasehold. If a creditor is unknown, notice of the meeting is published in Post- och Inrikes Tidningar.

The expenses associated with the distribution are borne by the property owner.

Section 21. If, subsequent to the site leasehold being granted, the property owner and the site lessee have agreed on an enlargement or restriction of the area to which the site leasehold refers or on an alteration of the purpose of the site leasehold or of the provisions otherwise applying to exercise of the site leasehold or concerning which

agreement is permissible under Section 11, 12, 14, 15 or 17, the amending agreement is valid against the party having charge on the site leasehold only if registration of the agreement has been granted or an application to this end has been declared dormant pending elimination of an impediment other than referred to in Chap. 21, Section 5 (2). If the agreement concerns enlargement or restriction of the area to which the site leasehold refers, then the agreement shall depend for its validity on property formation having taken place in accordance with the agreement.

Otherwise, concerning agreements referred to in the foregoing, the provisions of this chapter concerning the grant of site leasehold shall apply where relevant.

Section 22. If the property owner and the site lessee agree on the termination of the site leasehold or if the site leasehold passes into the hands of the property owner or freehold title in the property unit passes to the site lessee and the site leasehold is registered, the site leasehold shall nevertheless apply until its registration be cancelled. Even if registration of the site leasehold is cancelled, the property owner shall be liable for a charge on the site leasehold, irrespective of title registration.

Section 23. Cases concerning reassessment or adjustment of ground rent, protest of notice of cancellation or determination of purchase price shall be tried by a land court.

Section 24. The relevant parts of the Expropriation Act apply to judicial proceedings in cases referred to in Section 23. The provisions concerning investigation orders apply, however, only insofar as the case concerns determination of the purchase price. If the dispute concerns a question which can affect the rights of the holder of a mortgage lien or of a charge which is registered, the court shall not be bound by a claim or concession made by a party.

In cases concerning the determination of purchase price, the property owner shall bear the legal costs of both sides in the land court, except where otherwise occasioned by Chap. 18, Sections 6 and 8 of the Code of Judicial Procedure. If, however, an opponent has submitted evidence contrary to an investigation order made by the land court, reimbursement for the cost of such investigation shall be paid only insofar as the investigation has been germane to the outcome of the case. Otherwise, pursuant to Chap. 18 of the Code of Judicial Procedure, concerning liability for costs in a court of superior instance, the property owner, unless otherwise occasioned by Chap. 8, Sections 6 and 8 of the said Code, shall always bear both his own costs and costs incurred by the opponent as a result of the property owner prosecuting proceedings.

Section 25. On proceedings being filed with reference to reassessment or adjustment of ground rent or protest of notice of cancellation, the court shall immediately make a report to this effect to the land registration authority for note in the land register section of the Real Property Register. The same applies when a judgement or final order in such a case has acquired force of law.

Section 26. The provisions of the Enforcement Code, the Bankruptcy Act (1987:672) and the Payment Orders and Enforcement Assistance Act (1990:746) concerning real property and rights in the same shall also apply concerning site leasehold.

For purposes of expropriation or suchlike compulsory purchase, site leasehold shall be equated with real property.

Chap. 14. Easements

Section 1. If calculated to promote appropriate land use, a right in one property unit (the servient property unit) may be granted to the owner of another property unit (the dominant property unit) to enjoy or otherwise use in a certain respect the servient property unit or building or other facility belonging to the same or to dispose of the servient property unit with regard to its use in a particular respect (easement).

An easement may only refer to a purpose of enduring importance to the dominant property unit and may not be combined with a duty on the part of the owner of the servient property unit to perform anything but the maintenance of a road, building or other facility to which the easement refers.

The provisions of this chapter do not apply to easements which have resulted from cadastral procedure under the Real Property Formation Act (1970:988) or from expropriation or suchlike compulsory purchase.

Section 2. An easement may also be granted in favour of a mining property. Concerning such a grant, the provisions of this chapter concerning easements in favour of a property unit shall apply, *mutatis mutandis*.

Section 3. An easement is combined with title in the dominant property unit and may not be separately transferred.

Section 4. An easement may not refer to forest produce or grazing rights.

Section 5. An easement is granted in writing by the owner of the servient property unit. The document of grant shall indicate the dominant and servient property units and the purpose of the grant. A grant not satisfying these provisions shall be of no effect as grant of an easement.

Section 6. The owner of the dominant property unit shall, in exercising the easement, proceed in such a way that the servient property unit is not burdened more than necessary.

If the owner of the dominant property unit has a road, building or other facility on the servient property unit, it is incumbent on him to keep it in such condition that no damage or inconvenience will be caused unnecessarily.

Section 7. If the owner of the dominant property unit has exceeded his right or the owner of either property unit has neglected his obligation, it is incumbent upon him to restore what has been disturbed or to complete what has been neglected and to make good the damage.

Section 8. If, in a case referred to in Section 7, the breach committed by one property owner is of substantial importance to the other and rectification is not made within a reasonable time after demand, the other shall be entitled to repudiate the easement and to obtain compensation for damage.

Section 9. If consideration is payable for an easement and the consideration is not

paid within one month after payment falls due, the owner of the servient property unit is entitled to repudiate the easement and to obtain compensation for damage if the neglect is not of minor importance.

Section 10. A property owner wishing to repudiate the easement as indicated in Section 8 or 9 shall inform the other property owner to this effect without unreasonable delay. Failing this, the right of repudiation shall lapse.

An easement may not be repudiated after consideration has been paid or other rectification made.

Section 11. The real property to which the easement refers may not be encumbered over and above what follows from the grant as a result of a change in the division into property units or any other change in conditions.

Section 12. If the dominant property unit is amalgamated with the servient, the easement shall cease to apply.

Section 13. If the owner of the dominant property unit removes a building or other facility intended for the easement and belonging to him but situated on the servient property unit, it is incumbent upon him to restore the land to a serviceable condition. If the easement ends, it is his duty to remove any such facility within one year thereafter. If this is not done, the facility passes, without payment, to the owner of the servient property.

Section 14. Provisions concerning the amendment and cancellation of easements in a property unit by reallotment are contained in the Real Property Formation Act (1970:988). Those provisions apply, *mutatis mutandis*, to the amendment and cancellation of easements in site leaseholds.

Chap. 15. Right to electrical power

Section 1. A right to electrical power for lighting, motive power or another such purpose may be granted in a property unit to which an electrical power station belongs. The term electrical power station refers to a generator, transformer, converter, accumulator or switching station.

Section 2. An agreement on the right to electrical power shall be drawn up in writing. The document of grant shall indicate the power station from which the power shall be supplied and the property unit to which the station belongs. A grant not satisfying these provisions is of no effect as a grant of the right to electrical power.

Section 3. The right to electrical power is transferable. The transferor, however, answers for the obligations incumbent upon him under the grant agreement, unless the grantor accepts the party to whom the right has been transferred.

The foregoing applies, *mutatis mutandis*, to the transfer of the right by property distribution, inheritance, testamentary disposition, company partition or suchlike acquisition.

Chap. 16. Prescriptive right to real property

Section 1. If a person has obtained registration of ownership to real property which has passed out of the hands of the rightful owner, and for 20 consecutive years thereafter has possessed the property with a claim to freehold title, without an action alleging superior title to the property having been brought against him, his title to the property, by prescriptive right, is superior to that of the other party.

If the possession is based on transfer and the possessor neither knew nor ought to have known that the transferor was not the rightful owner, the foregoing shall apply in spite of the time of possession amounting to only ten years.

If during the prescriptive time the property has been held by several parties in succession, subsections one and two shall apply, *mutatis mutandis*, the requirement of registration of ownership applying only to acquisition by the first possessor. For the purposes of subsection two, the conditions concerning possession being based on transfer and on the possessor acting in good faith shall apply to the first possessor only.

Section 2. Provisions of law or statutory instrument concerning the effect of an omission to bring, within a certain time, an action concerning superior title to real property apply only if this means that freedom from claims on the property by the rightful owner is gained earlier than follows from Section 1.

Special provisions exist concerning the obligation to restore property succeeded to in consequence of pronouncement of death.

Chap. 17. Priority on grounds of title registration

Priority between acquisitions based on transfer or on the grant of a right of user, an easement or the right to electrical power.

Section 1. If real property has been transferred or a right of user, easement or right to electrical power granted in the property to several parties separately, the acquisition for which title registration is first applied for shall have priority, unless otherwise indicated by Sections 2 and 3.

Section 2. Title registration of a transfer of real property does not confer priority over a previous transfer of the property if, at the time of the acquisition, the purchaser knew or should have known of the previous transfer.

The foregoing does not apply if the purchaser in turn has transferred the property to another and that party, at the time of his acquisition, neither knew nor should have known of the first transfer. If the purchaser has granted a right of user, an easement or a right to electrical power in the property and the party to whom the grant was made then acted in good faith concerning the previous transfer, the acquisition, in derogation of the foregoing, shall cause the grant to have priority over the transfer.

A transfer does not by virtue of title registration have priority over such grant of right of user, easement or right to electrical power as, under Chap. 7, applies against the purchaser.

Section 3. The grant of a right of user, easement or right to electrical power in real

property does not, by virtue of title registration, have priority over a previous transfer or grant if, at the time of the grant, the holder of the right had or should have had knowledge of the same. The aforesaid concerning priority between grants of rights applies only if these cannot be exercised conjointly without detriment to either of them.

Section 4. If, on the same title registration day, title registration is requested for several acquisitions, the applications shall have priority in the chronological order in which they were made. Transfer of real property, however, shall have priority over the grant of a right of user, easement or right to electrical power, unless otherwise indicated in Chap. 7.

If acquisitions relating to the transfer of real property are simultaneous or the chronological order in which they have taken place cannot be ascertained, the court, on an action being filed by either purchaser, shall make an order concerning the priority between them according to what is reasonable, having regard to the circumstances. The same shall apply, *mutatis mutandis*, concerning the order of priority between acquisitions referring to the grant of a right of user, easement or right to electrical power, if the rights cannot be exercised conjointly without detriment to either of them.

Section 5. If a transfer of real property has priority over another acquisition, the other acquisition does not confer any right in the property. If a right of user, easement or right to electrical power has priority, the right under the second acquisition may be exercised only insofar as this can be done without detriment to the acquisition having priority.

Priority on grounds of mortgage

Section 6. A mortgage confers priority in relation to another mortgage, in the chronological order in which the mortgages are applied for. Mortgages applied for on the same title registration day confer equal title.

In relation to a right of user, an easement or a right to electrical power, a mortgage confers priority if it is applied for before title registration of the right is applied for. Title registration of a right of user, easement or right to electrical power confers priority over a mortgage applied for on the same title registration day.

Section 7. Provision concerning the right to assert the priority conferred by a mortgage is made in Chap. 6.

Sundry provisions

Section 8. Provision is made in Chaps. 22 and 23 concerning the possibility of determining the order of priority between several title registrations applied for on the same title registration day in a manner other than aforesaid and concerning alteration of the order of priority by reason of merger or deferment.

Section 9. The priority conferred by an application for title registration under this chapter lapses if the application is refused. If a registered acquisition proves to be invalid or if, for some other reason than referred to in this chapter, it cannot be asserted

by the purchaser, the right to priority lapses.

Section 10. This chapter does not apply concerning priority between, on the one hand, acquisition of real property through executive sale and, on the other hand, the grant of a right of user, easement or right to electrical power, nor does it apply concerning priority between an acquisition made through executive sale and another transfer.

Section 3 does not apply concerning priority between grants of right of user, easement or right to electrical power by executive auction. In cases where title registration of the rights has been applied for on the same title registration day, the acquisitions confer equal title unless a different order of priority has been established.

Subsection two applies where relevant when, in a case other than by occasion of executive auction, a public authority distributes moneys between claim holders in the order applying to the distribution of purchase money from the executive sale of real property.

Section 11. The provisions of Sections 1-10 concerning transfer and grant apply, *mutatis mutandis*, to acquisition by property distribution, inheritance, testamentary or company partition and to similar acquisitions, when the question arises concerning priority between such an acquisition and a subsequent acquisition as referred to in Section 1 or of priority by virtue of a mortgage.

Chap. 18. Bona fide acquisition by virtue of title registration and the import of title registration in certain other cases.

Section 1. If real property has been acquired by transfer and the transferor was not the rightful owner of the property, due to its acquisition by him or by one of his predecessors being invalid or for some other reason not applying against the rightful owner, the acquisition is nevertheless valid if at the time of the transfer registration of ownership for the property had been granted to the transferor and if the purchaser at the time of the transfer or, when the property was subsequently transferred to another party, that party at the time of his acquisition neither knew nor ought to have known that the transferor was not the rightful owner. The aforesaid does not apply to acquisitions made through executive sale.

The foregoing shall apply, *mutatis mutandis*, to the grant of a right of user, easement or right to electrical power made by the party who was not the rightful owner of the property, due to acquisition by him or one of his predecessors being invalid or for some other reason not applying against the rightful owner, but only if the party to whom the right is granted neither knew nor ought to have known at the time of the grant that the grantor was not the rightful owner.

Provision concerning priority by virtue of title registration is made in Chap. 17.

Section 2. If a mortgage lien on real property has been granted and the grantor was not the rightful owner of the property, due to its acquisition by him or by one of his predecessors being invalid or for some other reason not applying against the rightful owner, the grant is nevertheless valid if at the time of the transfer registration of ownership for the property had been granted to the grantor at the time of the grant or, is subsequently granted to him and if the creditor, at the time of his grant or, on the claim subsequently having been transferred to another party, that party at the time of

his acquisition neither knew nor ought to have known that the grantor was not the rightful owner.

Section 3. The provisions of Sections 1 and 2 do not apply if

1. a document on which title is based is a forgery or was issued on behalf of the rightful owner by a person lacking authority to do so or is invalid as having come into being under coercion as referred to in Section 28 of the Contracts Act (1915:218),

2. the rightful owner, when issuing the document on which the title has been based, was bankrupt or under a legal disability or acted under the influence of a mental disturbance or did not have a right of disposal over the real property, because an administrator under the Children and Parents Code had been appointed for him,

3. the acquisition is invalid by law, because it did not take place in the prescribed form or with due observation of other prescribed conditions or with the consent of a party whose right is affected or on the strength of permission or another action by a court of law or some other public authority.

Section 4. If, in consequence of Section 1 or 2, an acquisition referred to there comes to apply against the rightful owner, the latter is entitled to compensation from the State for his loss. If the injured party has contributed to the loss by omitting, without reasonable cause, to take steps for the preservation of his right or if he has otherwise contributed to the loss through his own fault, the compensation shall be reduced or eliminated entirely, according to what is found reasonable.

A party whose acquisition is invalid under Section 3 is also entitled to compensation as aforesaid if, at the time of the acquisition, he neither knew nor ought to have known that the transferor or grantor was not the rightful owner.

Section 4 a. If registration of ownership has been granted on the strength of a counterfeit document of acquisition, the rightful owner is entitled to reasonable compensation from the state for expense incurred in having this and subsequently granted registration of ownership eliminated. The same applies if registration of ownership has been granted despite the rightful owner, at the time of issuing the document of acquisition, not having right of disposal over the real property, due an administrator having been appointed for him or her as provided in the Children and Parents Code.

If a *bona fide* acquirer in cases as aforesaid is ordered to pay compensation for legal costs to the rightful owner, he or she is entitled to reasonable compensation for the expense from the State.

Section 5. In matters of compensation under Section 4 or 4 a, the State is represented by a public authority nominated by the Government.

Compensation proceedings under Section 4 or 4 a, the provisions of the Code of Judicial Procedure concerning lawful tribunal for disputes over the title to real property shall apply.

Section 6. If a party to judicial proceedings concerning the title to real property or the endurance of a right in such property wishes to present a claim, in the event of his losing the case, to compensation under Section 4, he shall either, in joinder with the proceedings, bring an action against the State concerning his compensation claim or, in

the manner determined by the Government, give notice of the proceedings in order for the State to be able to enter the same. If the preliminary hearing has otherwise been concluded without an action concerning the compensation claim having been brought or notice given concerning the proceedings, the court shall order the party to take either measure within a certain time. If the time limit is not observed, the compensation claim shall lapse. A reminder to this effect shall be included in the order.

Section 7. If a party having received compensation pursuant to Section 4 or 4 a has been entitled to claim the amount from another party in the form of damages, that right shall pass to the State.

Compensation under Section 4 or 4 a by virtue of a court judgement is paid after the judgement has acquired force of law.

Section 8. If a transaction concerning a note, as provided in Chap. 19, Section 29 (1), Chap. 20, Section 14 or Chap. 21, Section 4 of this Code or Section 7 of the Pre-Emption Act (1967:868) has been opened on a title registration day, the party subsequently acquiring the property or another right in the same than a mortgage lien may not plead, in support of the endurance of the acquisition or the right to compensation under Section 4 (2), that at the time of the acquisition he neither knew nor ought to have known of a circumstance to which the note refers. The same applies, *mutatis mutandis*, concerning a note under Chap. 21, Section 4 to the effect that a site lessee's right of granting an easement or right to electric power in the site leasehold is restricted.

The provisions of Chap. 6, Section 7 (3) and Section 7 a also apply to the assessment of whether, in the acquisition of a mortgage lien, good faith exists regarding a circumstance referred to by a note as aforesaid.

Section 9. An action of superior title to real property can, with legal effect, be directed against the party for whom registration of ownership was last granted or applied for, even if that party has transferred the property before the action was brought. The party to whom the property has thus been transferred has the same status in the judicial proceedings as if the transfer had taken place during the proceedings.

Section 10. The provisions of Section 9 apply, *mutatis mutandis*, when a party wishes to apply for payment out of real property with respect to a claim for which a mortgage lien has been granted or a claim which, by law, has priority over a mortgage lien. If a dispute concerning title is noted in the land register section of the Real Property Register, an action for payment can instead be brought against the party possessing the property and claiming title.

In the case of site leasehold, the foregoing also applies when the property owner wishes to give notice of cancellation of the site leasehold agreement or to file proceedings as referred to in Chap. 13, Section 11 or Section 18.

Part two
Title registration

Chap. 19. Handling of title registration matters etc.

General provisions on title registration

Title registration

Section 1. Title registration under this Code shall take place in the land register section of the Real Property Register. Provisions concerning the Real Property Register are contained in the Real Property Register Act (2000:224).

Title registration transactions

Section 2. Title registration transactions are transactions concerning registration of ownership, mortgage or other registration as provided in Chaps. 20-24, and note transactions under Sections 29 and 30 of this Chapter.

Handling authority

Section 3. Title registration transactions are handled by land registration authorities, unless otherwise determined by the Government under Section 27. The Government determines the areas administered by the land registration authorities.

Section 4. A title registration transaction shall be handled by the land registration authority within whose area the property to which the transaction refers is situated.

Section 5. A land registration authority shall be headed by a legally trained judge.

The provisions of Chap. 4, Sections 13-15 of the Code of Judicial Procedure concerning disqualification shall apply to the person handling a title registration transaction.

Title registration day

Section 6. A title registration transaction shall be admitted on a title registration day.

A title registration day shall be held every Monday, Tuesday, Wednesday, Thursday and Friday, except on public holidays, Midsummer's Eve, Christmas Eve or New Year's Eve.

The title registration day shall be concluded at 12 noon. An application for title registration under Chaps. 20-24 or notice of note under Sections 29 and 30 of this Chapter received by the land registration authority after this time shall be deemed to have been made on the next following title registration day.

If, on the same day as an application or notice is admitted, an entry is made in the general section of the Real Property Register concerning the property unit to which the application or notice refers, the application or notice shall be deemed to have been made after the registration.

Section 7. If, by order of the court of appeal or the Supreme Court, a title registration transaction is to be re-opened by the land registration authority, the transaction shall be admitted on the first title registration day after the order was received by the land registration authority.

Transactions journal and dossiers[1]

Section 8.[2] The land registration authority shall keep a journal of title registration transactions handled by the authority (a transaction journal).

Section 9.[3] The land registration authority shall assemble the documents in title registration transactions into dossiers. The Government or the authority appointed by the Government may issue prescriptions to the effect that the dossiers, if in electronic form, are to constitute part of the transaction journal.

If the applicant or any other party has provided information or made a declaration material to the transaction, a note to this effect shall be made in the dossier. The same applies if a special investigation has been carried out in the transaction. The dossier shall also contain minutes of proceedings, injunctions and other decisions not to be entered in the land register section of the Real Property Register.

It follows from Sections 19 and 25 that the reasons for certain decisions are to be noted in the dossier.

Provisions on the handling of transactions coming under Chaps. 20-24[4]

Application

Section 10. A party wishing to apply for title registration under Chaps. 20-24 shall do so on paper. The Government or the authority appointed by the Government may issue prescriptions allowing a title registration application to be made in the form of an electronic document.

An electronic document is here defined as a recording made with the aid of automatic processing and having a content and an issuer verifiable by a certain technical procedure, in accordance with prescriptions issued by the Government or by the authority appointed by the Government.

The applicant shall submit the documents invoked in support of the application.

Section 10 a. If a title registration application is submitted in the form of an electronic document, it shall be delivered to a reception point indicated by the land registration authority for electronic documents. The application shall be deemed to have reached the land registration authority when it has reached such a reception point.

Section 11. An application shall contain particulars of the applicant's name, national registration number and postal address. The application shall also contain particulars of the applicant's residential or workplace telephone number. The

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[2] Effective from a date to be decided by the Government. Current wording is not translated.
[3] Effective from a date to be decided by the Government. Current wording is not translated.
[4] Effective from a date to be decided by the Government. Current wording is not translated.

telephone number need not be given, however, if the applicant is represented by a proxy or attorney. A number referring to an ex-directory telephone subscription need only be indicated if the land registration authority so requests.

If the applicant has a proxy, corresponding particulars shall also be submitted for the proxy. Has the applicant appointed an attorney, the attorney's name, post address and telephone number shall be indicated.

An application referring to a matter other than a mortgage shall also include particulars of the name and, where existent, the national registration or corporate registration number of the transferor, grantor or acquirer.

Section 11 a. If a title registration application is submitted in the form of an electronic document, an acquisition document or other document referred to in Chap. 20, Section 6, paragraph 1, Chap. 21, Section 2 (1) paragraph 1 of Chap. 23, Section 2 (1), paragraph 1 or a document referred to in Chap. 7, Section 5 (4) of the Marriage Code or Section 23 (2) of the Cohabitees (Joint Home) Act (2003:376) may be submitted electronically in accordance with prescriptions issued by the Government or by the authority appointed by the Government.

If an acquisition document or other document referred to in the foregoing is submitted electronically, the agreement of the electronic document with the original shall be authenticated in accordance with prescriptions which the Government or by the authority appointed by the Government may issue.

Whosoever certifies incorrectly that the electronic document agrees with the original shall, if the action implies jeopardy of proof, be fined or sentenced to not more than six months' imprisonment or, if the crime is to be considered aggravated, to imprisonment for not more than two years.

Rejection

Section 12. An application shall be rejected immediately if

1. it has not been submitted to the appropriate land registration authority,
2. it has not been made in the manner indicated in Section 10 (1), or
3. the acquisition invoked by the applicant is manifestly such that it cannot be entered in the land register section of the Real Property Register.

Postponement

Section 13. If an application refers to a property unit or part of a property unit included in an amalgamation which has been resolved on but not completed, the land registration authority shall decide postponement of the transaction. Postponement may not be decided, however, if the application is to be immediately rejected under Section 12 or immediately refused under a provision of Chaps. 20-24.

The transaction shall be re-opened on the title registration day when notice has been received by the land registration authority of the amalgamation having been completed or there no longer being any question of amalgamation.

Section 14. If necessary for the investigation, a title registration transaction may also be postponed until a certain subsequent title registration day. The same applies if an application does not contain the particulars indicated in Section 11 and the application, for this reason, cannot be considered without significant inconvenience.

If a postponement is ordered as provided in the foregoing, the applicant may be

ordered to produce the evidence or the particulars required. In cases referred to in Section 16, the applicant may also be ordered to enter appearance in person or through an attorney for a hearing. In the injunction the land registration authority may prescribe a contingent fine. If the applicant does not comply with the injunction, the application may be rejected. Information to this effect shall be included in the injunction.

Section 15. Repealed.

Communication etc.

Section 16.[5] If, owing to some particular circumstance, there is reason to suppose that the acquisition invoked by the applicant is invalid or cannot be asserted or that the measure requested would otherwise encroach on the rights of another party, the land registration authority shall give the person whose rights are affected the opportunity of returning a statement in writing, In this connection the applicant or another party may also be given the opportunity of submitting a written statement.

If necessary, the land registration authority may hold a meeting. Concerning summons to and absence from such a meeting, Section 14 (2) of this Chapter shall apply to the applicant and Sections 18 and 20 of the Judicial Proceedings Act (1996:242) to any other party than the applicant. The findings resulting from the hearing shall be minuted.

If the land registration authority finds the applicant's title to be contentious, the authority may order the applicant to file judicial proceedings within a certain time. If the applicant fails to comply with the injunction, the land registration authority may reject the application. Information to this effect shall be included in the injunction.

Dormancy declaration

Section 17. It follows from Chap. 20, Section 7, Chap. 21, Section 3, Chap. 22, Section 4 and Chap. 23, Section 3 that in certain cases the land registration authority shall declare an application dormant.

In connection with an application being declared dormant, the land registration authority may order the applicant to show whether the impediment occasioning the dormancy declaration has been eliminated. The injunction may be combined with a contingent fine. If the applicant fails to comply with the injunction, the application may be rejected. Information to this effect shall be included in the injunction.

Section 18. If an application has been declared dormant, the land registration authority shall admit it for renewed adjudication as soon as there is reason for doing so. The application may not, however, be refused without the applicant being given the opportunity of a hearing.

In a transaction as aforesaid, the land registration authority may issue an injunction as indicated in Section 17 (2).

Delivery of decision

Section 19. A decision of such a kind, in a matter coming under Chaps. 20-24, as is

[5] Effective from a date to be decided by the Government. Current wording is not translated.

required by Act of the Riksdag or other statutory instrument to be entered in the land register section of the Real Property Register shall be delivered by entry in this section of the register. The content of the decision shall be deemed to be that shown by the register.

If the decision implies that the application is not granted, the reasons for the decision shall be noted in the dossier.

Notification and certificate of decision

Section 20. The land registration authority shall notify the applicant of the decision in the matter. If statute law or any other statutory instrument requires a certificate of the decision to be issued, the certificate will constitute notification of the decision. Special notification is not needed if the certificate of decision is issued by registration in the Mortgage Certificates Register as provided in the Mortgage Certificates Register Act (1994:448).

If the decision has gone against the applicant, the notification shall indicate the reasons for the decision which have been noted in the dossier. If the decision can be appealed, information shall be tendered to this effect and also concerning the procedure to be observed by the applicant in the event of appeal.

If the decision has gone against another person testifying in the transaction, that person shall also be notified of the decision as provided in subsection two.

Section 21.
If, as a consequence of a subsequent rectification decision, the content of a certificate previously issued by the land registration authority no longer agrees with an entry in the land register section of the Real Property Register, the authority shall issue a new certificate. The certificate issued previously shall be destroyed in this connection. The land registration authority may order the holder of such a certificate to surrender it to the authority. The order may be combined with a contingent fine.

Rectification

Section 22. If the land register section of the Real Property Register contains an obvious inaccuracy, due to a clerical error by the land registration authority or another party, to some comparable oversight or to a technical fault, the land registration authority shall rectify the entry.

If the rectification may be detrimental to a property owner or the holder of a mortgage lien or the proprietor of a right for which registration has been granted or applied for, the order of priority between the acquisitions concerned shall be determined according to what is equitable.

Section 23. On the land registration authority having opened a transaction concerning rectification, this shall be noted in the land register section of the Real Property Register unless a decision in the matter is returned the same day.

Section 24. Before rectification is made, the land registration authority shall give the party affected by the rectification, if he or she is known, the opportunity of entering a statement. The authority referred to in Chap. 18, Section 5 (1) shall also be given the opportunity of entering a statement. No statement need be obtained, however, if this is manifestly unnecessary.

Section 25. A rectification decision as provided in Section 22 shall be issued by amendment or deletion of the inaccuracy in the register and entry of a note to the effect that rectification has been made. The reasons for the decision shall be noted in the dossier.

It follows from Section 21 that the land registration authority shall also issue a new registration certificate in certain cases.

Further rules of procedure

Section 26.[6] Except where otherwise indicated by this Code, the following provisions of the Judicial Proceedings Act (1996:242) shall apply to the handling of transactions by the land registration authority:

Section 12 concerning investigation of the matter,
Section 13 (1) concerning written procedure,
Section 16 concerning exchange of correspondence
Section 21 (1) concerning public domain and the conduct etc. of meeting,
Section 22 concerning the right of a party to gain access to information,
Sections 23-25 concerning evidence,
Section 27 concerning decisions,
Section 43 concerning penalties and contingent fines,
Section 44 (1) and (3) concerning incoming documents,
Section 45 concerning impediments to entering appearance,
Section 46 concerning service of documents,
Section 47 concerning attorney and assistant, and
Section 48 concerning interpreters and translation of documents.

Provisions in the sections adduced in the foregoing and referring to the court shall instead refer to the land registration authority.

Authorisation

Section 27. In the case of mortgages entered in the Mortgage Certificates Register pursuant to the Mortgage Certificates Register Act (1994:448), the Government may prescribe that notes of possession of mortgage certificates may be removed from the land register section of the Real Property Register in a different manner from that indicated by other provisions of this Chapter.

The Government may further prescribe that amendments to name and address particulars may be entered in the land register section of the Real Property Register in a different manner from that indicated by other provisions of this Chapter.

Section 28. The Government or the authority appointed by the Government may issue further prescriptions concerning the handling of transactions under Chaps. 20-24.

Note transactions

Section 29. The land registration authority shall note the following particulars in the land register section of the Real Property Register:

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[6] Effective from a date to be decided by the Government. Current wording is not translated.

1. particulars of an executive sale or expropriation or suchlike compulsory purchase which has affected a mortgage or registered right,

2. particulars of an authority's distribution of moneys which affects a mortgage or registered right,

3. particulars of an action having been brought for the cancellation or reversal of acquisition of real property or a site leasehold or of superior title to such property,

4. particulars of an action having been brought in a dispute concerning a grant of site leasehold,

5. particulars of a judgement or order having acquired force of law in a case referred to in paragraph 3 or 4 or in some other case concerning registration,

6. particulars of real property or a site leasehold having been attached,

7. particulars of an official receiver having requested the executive sale of real property or a site leasehold included in an estate in bankruptcy,

8. particulars of attached real property or an attached site leasehold having been sold,

9. particulars of real property or a site leasehold having been sequestrated or claimed for impoundment,

10. other particulars required by law or other statutory instrument to be entered in the land register section of the Real Property Register.

A note shall be entered when notification, a certificate or a distribution list indicating the matter has been received by the land registration authority.

A court shall immediately notify the land registration authority of mattes referred to in subsection one, paragraphs 3-5.

Section 30. On the land registration authority receiving information to the effect that a measure referred to in Section 29 (1) paragraph 6 or 9 has been cancelled or rescinded or that a question referred to in Section 29 (1) paragraph 7 has lapsed, the note concerning the measure shall be removed.

On the land registration authority otherwise receiving notification, as prescribed by law or statutory instrument, to the effect that a circumstance noted previously has ceased to apply, the authority shall remove the note.

The land registration authority shall remove a note which is manifestly no longer of any significance, even if no notification has been received as referred to in subsection one or two.

Section 31. In a transaction referred to in Section 29 or 30, the provisions of Sections 10, 10 a, 11 (1) and (2), 12, paragraphs 1 and 2, and 14-16, 19 and 22-26 shall apply. For such purposes, references there made to application shall also include notification. If the land registration authority refuses or rejects a request for the entry of a note, Section 20 (2) and (3) shall be applied.

The Government or the authority appointed by the Government may issue further prescriptions concerning the handling of transactions under Sections 29 and 30.

If the Government or an authority as provided in subsection two has issued prescriptions concerning the issue of decision certificates in note transactions, the provision of Section 21 shall also apply to such a certificate.

Appeal

General provisions concerning appeal

Section 32. A decision by a land registration authority in a title registration transaction may be appealed in the court of appeal by the party affected by the decision, if the decision has gone against him or her.

A rectification decision may also be appealed by the authority referred to in Chap. 18, Section 5 (1).

For purposes of appeal, unless otherwise indicated by this Code, the provisions of Section 7, Section 8 (1), Sections 9 and 10 and Section 38 (4) of the Judicial Proceedings Act (1996:242) shall apply.

Certain limitations as to when a decision may be appealed

Section 33. Section 37 of the Judicial Proceedings Act (1996:242) shall apply to appeals against decisions which are not final. A decision to declare an application dormant may always, however, be appealed by separate process.

Manner and time of appeal

Section 34. A party wishing to appeal a decision by a land registration authority shall do so in writing. The writing shall be submitted to the land registration authority.

If the appeal concerns a final decision or a decision to declare an application dormant, the writing shall reach the land registration authority within three weeks of the day on which notification or a certificate of the decision was made available to the applicant. The writing, however, may always be submitted within four weeks of the title registration day on which the decision was returned.

The appeal time provisions of Section 38 (1) and (2) of the Judicial Proceedings Act (1996:242) shall apply to other decisions which can be appealed.

Note of appeal

Section 35. If the decision appealed has been entered in the land register section of the Real Property Register, a note concerning the appeal shall be entered in the register. If there is a decision, occasioned by the appeal, which has acquired force of law, the content of the decision shall be noted in the register.

Special remedy

Section 36. Section 42 of the Judicial Proceedings Act (1996:242) shall apply concerning special remedy.

Damages

Section 37. A party suffering loss due to a technical fault in the land register section of the Real Property Register or in a device connected to the land register section of the Real Property Register at the National Land Survey, a land registration authority or an authority referred to in Chap. 4, Section 34 a of the Real Property Formation

Act (1970:988) is entitled to compensation from the State.

If the injured party has contributed to the loss by omitting, without reasonable cause, to take action for the preservation of his right or if he has otherwise contributed to the loss through his own fault, the compensation shall be reduced or eliminated entirely, according to what is found reasonable.

Section 38. An owner or right-holder suffering loss due to a rectification decision under Section 22 is entitled to compensation from the State. No compensation will be paid, however, if, having regard to the nature of the fault or other circumstances, the injured party should have realised that an error had been committed.

Section 39. The provisions of Chap. 18, Sections 5 and 7 shall also apply concerning compensation as referred to in Sections 37 and 38.

Section 39 a. Whosoever intentionally or through negligence causes purely economic loss shall make good the damage if it is caused by

1. incorrect authentication as referred to in Section 11 a, or
2. incorrect information concerning authority to represent another party in a title registration transaction.

If the damage is caused by an employee in the course of duty, the damage shall be made good by the employer.

Section 39 b. The right to damages as provided in Section 39 a shall lapse if proceedings have not been filed within ten years of the title registration transaction being decided.

Section 39 c. The provisions concerning entitlement to compensation under Sections 39 a and b may not be derogated to the detriment of an injured party.

Effect of title registration on the validity of acquisitions registered

Section 40. A question to whether an acquisition is invalid or for some other reason cannot be asserted may be adjudicated even if the acquisition has been registered. Nor does title registration preclude adjudication of the question of whether, for other reasons, the registration violates a party's right.

If, however, there are special prescriptions to the effect that the title registration has force of law or that an action must be brought within a certain time after the registration, those prescriptions shall apply.

Chap. 20. Registration of ownership

Section 1. A party having acquired real property with freehold title shall apply for registration of the acquisition (registration of ownership) within the time indicated in Section 2.

The estate of a deceased person is not obliged to apply for registration of ownership of the acquisition of property from the deceased except when the estate transfers the property. A spouse or cohabitee to whom property has been distributed in the distribution of marital property is not obliged to apply for registration of ownership of the acquisition except when the property has previously belonged to the other spouse

or cohabitee.

Section 2. Registration of ownership shall be applied for within three months after the document on which the acquisition is based (document of acquisition) was drawn up.

The time allowed for application for registration of ownership, however, is computed

1. from the completion of the acquisition, in the case of an acquisition dependent on conditions, official permission or some other such circumstance,

2. from the transfer of the property, in the case of the estate of a deceased person in cases referred to in Section 1 (2), or, if the estate inventory has not been registered at that time, from the moment of such registration,

3. from the registration of the estate inventory in the case of a person being sole distributee of the estate of a deceased party or, if he did not become sole distributee until subsequently, from the time when this happened, but, if the administration of the estate is entrusted to an estate administrator or an executor, or if the estate has been surrendered for bankruptcy proceedings, on no account from any time previous to the property being distributed to the distributee,

4. in the case of a legatee to whom property has been devised, from the time when the will acquired force of law and the legacy was released or, if an estate inventory had not been registered at that time, from the time of such registration,

5. when proceedings are filed for reversion or cancellation of an acquisition before the time limit for applying for registration of ownership expired, from the time when the judgement in which the claim was disallowed acquired force of law.

Section 3. If registration of ownership is not applied for within the prescribed time, the land registration authority may set a contingent fine for completion of the duty of registration of ownership.

Section 4. If the granting of the purchaser's application for registration of ownership is contingent on the registration of ownership of the previous owner's acquisition and the time for applying for registration of ownership of that party's acquisition has begun to run, the purchaser may also apply for registration of ownership of that acquisition. It is the duty of the predecessor in title to supply for such purpose the requisite documents in his possession.

If, by reason of testamentary disposition or some other legal act, real property has been left without an owner for the time being, a guardian *ad litem* or another person appointed to represent the prospective owner can apply for registration of ownership for the property on his behalf. After the owner has been determined, a note concerning him may be noted in the land register section of the Real Property Register.

Section 5. A party applying for registration of ownership shall submit the acquisition document and the other documents required to substantiate the acquisition. On the estate of a deceased person or an heir being sole distributee of the estate of a deceased person applying for registration of ownership of an acquisition of property from the deceased, a registered inventory of the estate of the deceased shall be deemed an acquisition document.

If registration of ownership is applied for by several applicants jointly, the application shall contain particulars of the share of the property acquired by each

applicant. In the absence of such particulars, and if the applicants do not comply with an injunction to supplement the application, the same shall be deemed to refer to shares according to the principal number.

Section 6. An application for registration of ownership shall be refused if

1. the acquisition document has not been submitted or, if it has been submitted electronically, this has not been done in the manner indicated in Chap. 19, Section 11 a or in accordance with the prescriptions issued by authority of that section,

2. the acquisition document has not been compiled in the manner prescribed by law,

3. the acquisition refers to purchase or exchange and the acquisition document contains conditions which, under Chap. 4, Section 4 or Section 28, render the acquisition invalid,

4. the acquisition refers to part of a property unit and the time limit prescribed in Chap. 4, Sections 7-9, 28 or 29 or in some other statutory provision has expired or the application for real property formation has been refused or an acquisition of this kind is otherwise invalid by law,

5. the transfer is contrary to a restriction on the transferor's right of disposal over the property and, when the transfer was made, registration of ownership had not been granted for the transferor or, if it had, a transaction concerning a note of the restriction being made in the land register section of the Real Property Register had been admitted on the title registration day,

6. the property unit has previously been transferred to a party whose acquisition, under Chap. 17, Section 1 or Section 4, has priority over the applicant's acquisition,

7. the property unit has passed by executive sale to a party other than the applicant and that sale, under Chap. 14 of the Executive Code, has priority over the applicant's acquisition,

8. the right of the applicant to acquire the property unit is contingent on official permission and the statutory time for applying for such permission has expired or the application for permission has been refused,

9. in cases referred to in Chap. 2, Section 13 a or Chap. 18, Section 3 of the Insurance Businesses Act (1982:713), the annual general meeting of shareholders has resolved not to approve the acquisition or has not approved the acquisition in time,

10. it is obvious that the acquisition, on other grounds, is invalid or cannot be asserted.

Section 7. In the absence of circumstances as referred to in Section 6, an application for registration of ownership shall be declared dormant if

1. in connection with purchase, exchange or gift, the signature of the transferor on the acquisition document is not confirmed by two witnesses and the transfer has not been made through a national authority,

2. the vendor does not have registered ownership and a case as referred to in Section 9 does not exist,

3. judicial proceedings are pending concerning cancellation or reversion of acquisition of the property unit or of superior title to the same,

4. registration of ownership is being applied for by virtue of a will, judgement or cadastral procedure which has not yet acquired force of law,

5. in the event of acquisition by legacy, this has not been released,

6. in connection with acquisition through executive sale, a deed of purchase has not been issued or, in connection with expropriation or suchlike compulsory purchase, purchase has not been completed,

7. in connection with transfer, the transferor is married and, under the provisions of the Marriage Code, the acquisition is contingent on the consent of the other spouse,

8. in connection with transfer, the transferor is a cohabitee and, under the provisions of the Cohabitees (Joint Home) Act (2003:376), the acquisition is contingent on the consent of the other cohabitee, but only if a transaction concerning a note in the land register section of the Real Property Register of notice under Section 5 (2) of that Act had been admitted on the title registration day when the transfer took place,

9. in connection with transfer through an estate administrator, the acquisition, under the provisions of the Inheritance Code, is contingent on the consent of distributees,

10. the acquisition has taken place through a gift between spouses which has not been registered under Chap. 16 of the Marriage Code,

11. the acquisition refers to part of a property unit and is contingent on property formation,

12. in connection with purchase or exchange, the acquisition is contingent on pre-emption not occurring or, in the event of pre-emption, the latter has not been completed,

13. the acquisition is otherwise contingent by law on permission being granted by a court or some other public authority,

14. the acquisition is conditional and, in the case of a gift, the condition refers to a certain time not exceeding two years from the day on which the document of gift was drawn up, or

15. the acquisition, in cases referred to in Chap. 2, Section 13 a and Chap. 18, Section 3 of the Insurance Businesses Act (1982:713), is contingent on approval by the annual general meeting of shareholders.

Section 8. If an application for registration of ownership has been declared dormant on the grounds that the transferor's signature on the acquisition document has not been confirmed by two witnesses, the transferor shall be ordered to file proceedings with a court of law within a certain time if he considers the acquisition to be invalid. If the order is not complied with, the deficiency with regard to attestation shall be no impediment to registration of ownership. A reminder to this effect shall be included in the injunction.

Section 9. If a property unit has been acquired by expropriation or suchlike compulsory purchase or has been disposed of by executive sale to pay a debt for which, in consequence of a grant of mortgage lien or on other grounds, it answers, regardless of whom it belongs to, the purchaser is entitled to obtain registration of ownership in spite of the previous owner not having such registration. The same applies to acquisition by a joint property association under Section 5 of the Joint Property Units (Management) Act (1973:1150).

Section 10. If the party claiming to have acquired real property cannot produce his acquisition document or if his acquisition document is deficient, the land registration authority shall, at his request, schedule a meeting for investigating title to the property

unit (ownership registration meeting). Such meeting shall also be scheduled if it is requested by a party who, under Section 4, may apply for registration of ownership of acquisition by a previous owner and that owner's acquisition document cannot be produced or is deficient.

An application for an ownership registration meeting shall be made in writing and shall contain an account of what the applicant knows concerning the acquisition and of the reason why the acquisition document cannot be produced or why it is deficient. In the latter instance, the acquisition document shall be submitted. The applicant shall further submit a certificate of what is shown by the property tax assessment roll concerning title during the ten years immediately preceding the application and such other written evidence as may be available.

Section 11. The land registration authority shall summon to an ownership registration meeting the applicant and any other party whom the matter may presumably concern. The land registration authority may order, combined with a contingent fine, the applicant or another party to enter appearance in person or through an attorney. A meeting may be held even if the applicant or another party who has been summoned absents himself.

The meeting is announced in a local newspaper and in the first issue of Post och Inrikes Tidningar for a quarter. The announcement shall give the name and address of the applicant and the designation of the property unit, as well as a reminder that the purpose of the meeting is to investigate title to the property unit and that registration of ownership for the same may come to be granted on the strength of findings from the meeting.

The meeting shall be scheduled for such a time that at least three months will elapse between the announcement and the day of the meeting.

Section 12. At an ownership registration meeting, through the testimony of the applicant or by some other suitable means, information shall be obtained concerning the acquisition and it shall also be investigated, as far as is possible, which person or persons during the ten years immediately preceding the application have held the property unit with a claim to freehold title. Minutes shall be kept of the proceedings at the meeting and of facts otherwise emerging in the matter.

After the minutes have been drawn up, an application for registration of ownership for the property, adducing the minutes as acquisition document, shall be deemed to have been made on the next title registration day thereafter.

The cost of an ownership registration meeting is paid by the applicant. The cost of announcement and inspection, however, is paid by the State.

Section 13. If, due to the content of the minutes and facts otherwise emerging, it must be presumed that the alleged acquisition has taken place and that, in view of the facts emerging, the applicant should be deemed the owner, the fact of only the minutes being adduced as acquisition documents shall not constitute an impediment to registration of ownership. An acquisition for which official permission is required may not, however, form the basis of registration of ownership before permission has been granted.

If, in a case referred to in the foregoing, the purchaser or any party deriving his title from him has held the property unit with a claim to freehold title during the ten years

immediately preceding the year in which an application for registration of ownership is presented for assessment, a circumstance as referred to in Section 7, paragraph 2, will constitute an impediment to registration of ownership only if registration or a note based on another party's title or claim of title to the property unit has been entered in the land register section of the Real Property Register during the said time.

In a matter of registration of ownership referred to in this section, an opinion shall be obtained from the Legal, Financial and Administrative Services Agency if this is found necessary. The Board may appeal against a decision whereby registration of ownership has been granted.

Section 14. If the applicant's acquisition is combined with a proviso restricting his right to transfer the property or to apply for a mortgage or grant a right in the same, or if his authority in such a respect is restricted by another party's right by testamentary disposition of enjoinment of the property, a note of the restriction shall be made in the land register section of the Real Property Register when registration of ownership is applied for or when information of restrictions is acquired thereafter.

Chap. 21. Title registration of site leasehold

Title registration of a grant etc.

Section 1. The grantee of a site leasehold shall apply for title registration of the site leasehold within three months after the site leasehold is granted or, if registration of ownership at that time has not been applied for on behalf of the grantor, after registration of ownership was applied for. Title registration may also be applied for by the property owner.

If title registration is not applied for within the allotted time, the land registration authority may set a contingent fine for completion of the duty of title registration.

Section 2. An application for title registration as referred to in Section 1 shall be refused if

1. the acquisition document has not been submitted or, if it has been submitted electronically, this has not been done in the manner indicated in Chap. 19, Section 11 a or in accordance with the prescriptions issued by authority of that section,
2. the provisions of Chap. 13, Sections 1-4 and Section 6 have not been complied with,
3. registration of ownership has not been applied for on behalf of the grantor,
4. title registration for the property unit has been granted or applied for,
5. the property unit has been attached, subjected to sequestration or impounded and a transaction concerning a note of the measure taken has been admitted not later than the title registration day when title registration is applied for,
6. it is obvious that, on other grounds, the grant is invalid or cannot be asserted.

If a matter concerning registration of ownership for the grantor has been postponed until a later title registration day, processing of an application for title registration of the site leasehold shall be postponed until the same day.

Section 3. In the absence of a circumstance referred to in Section 2, an application for title registration shall be declared dormant if

1. an application for registration of ownership on behalf of the grantor has been declared dormant,

2. judicial proceedings are pending concerning the validity of the grant or concerning cancellation or reversion of the acquisition of the property unit or concerning superior title to the same, or

3. the validity of the grant is conditional by law on official permission.

Section 4. If the document of grant shows the site lessee's right to grant an easement or a right to electrical power in the site leasehold to be restricted, a note to this effect shall be made in the land register section of the Real Property Register when title registration is applied for.

Section 5. Application for title registration of an agreement concerning such amendment to the content of the site leasehold as is referred to in Chap. 13, Section 21 may be made by the property owner or the site lessee after the site leasehold has been registered. Concerning such registration, the relevant parts of Sections 2-4 shall apply, with the following derogations.

If a mortgage has previously been granted or applied for in the site leasehold or if title registration of a right of user, easement or right to electrical power has previously been granted or applied for in the same or if such title registration is applied for on the same day, an application for the registration of an agreement as referred to in the foregoing shall be granted only if the grantee has consented to registration of the amendment agreement or this is substantially of no importance to the grantee's security. If the property unit or the site leasehold has been attached, made the subject of sequestration or impounded and a matter concerning a note of the measure has been admitted not later than the title registration day when title registration is applied for, the aforesaid concerning the grantee shall also apply to the attachment applicant or to the party for whose claim sequestration or impoundment has taken place.

If an agreement referred to in the foregoing is contingent on property formation taking place, the application may be granted only if the said measure has materialised.

Pending the elimination of an impediment as referred to in subsection two or three, an application shall be declared dormant.

Section 6. If it is apparent from a note in the land register section of the Real Property Register or is otherwise made clear that the site leasehold has ended as provided in Chap. 13, Section 19, a note of the termination of the site leasehold shall be made in the land register section of the Real Property Register.

An application for the cancellation of a site leasehold title registration in a case referred to in Chap. 13, Section 22 may not be granted if title registration in the site leasehold has been granted or applied for or if the site leasehold has been attached, made a subject of sequestration or impounded and a matter concerning a note of the measure has been admitted not later than the title registration day on which cancellation is applied for.

The registration of new site lessee

Section 7. If a site leasehold passes to a new lessee, the latter shall apply for title registration of his acquisition. Concerning title registration, the relevant parts of Chap.

20 apply, with the following derogations.

The application shall be rejected if title registration of the grant has not been granted or applied for or if the acquisition is contrary to Chap. 13, Section 9 (1). The time within which title registration shall be applied for does not begin to run until title registration of the grant has been applied for. The provisions of Chap. 20, Section 13 (3) do not apply.

Chap. 22. Mortgage

Mortgage of real property

Section 1. For the purposes of this chapter, a property owner is the party for whom registration of ownership was last applied for.

Section 2. A mortgage application shall be made by the property owner. It shall contain particulars of the amount of the mortgage and of the property unit or units referred to.

The mortgage amount shall be stated in Swedish currency or in a foreign currency for which a reliable Swedish currency exchange rate is continuously available.

The application may not refer to part of a property unit. It may refer to several property units conjointly only if these are in the hands of the same owner and situated in the area of the same land registration authority. If the application concerns a property unit which answers for a mortgage granted or applied for, the application must refer to the same real property as the mortgage and may not in addition thereto refer to a property unit not answering for the mortgage.

Section 3. A mortgage application shall be refused if

1. the provisions of Section 2 have not been complied with,
2. a mortgage on the property unit may not be granted, owing to a special provision or according to a note in the land register section of the Real Property Register,
3. title registration of site leasehold in the property unit has been granted or applied for,
4. the property unit has passed out of the hands of the applicant by executive sale or through expropriation or suchlike compulsory purchase,
5. the applicant is bankrupt or he is declared bankrupt on the day when the mortgage is applied for and the property unit belongs to the estate in bankruptcy,
6. part of the property unit has been attached or impounded or the property unit or a part thereof has been made the subject of sequestration and a matter concerning a note of the measure has been admitted not later than the title registration day when the mortgage is applied for, unless the application has been consented to by the Swedish Enforcement Authority,
7. a matter concerning a note as referred to in Section 7 of the Pre-emption Act (1967:868) that a municipality has resolved to exercise its right of pre-emption with regard to the property has been admitted on the title registration day and the application is made by the party who has transferred the property.

If a matter concerning registration of ownership for the applicant is postponed until a subsequent title registration day, processing of the mortgage application shall be postponed until the same day.

Section 4. In the absence of a circumstance as referred to in Section 3, a mortgage application shall be declared dormant if

1. an application for registration of ownership for the applicant has been declared dormant and the mortgage application has not been consented to by the person having registered ownership,

2. judicial proceedings are pending concerning cancellation or reversion of acquisition of the property unit or concerning superior title to the same,

3. the applicant is married and the consent of the other spouse is required under the provisions of the Marriage Code and consent or other permission under the said Code has not been given,

4. the applicant is a cohabitee and the consent of the other cohabitee is required under the provisions of Cohabitees (Joint Home) Act (2003:376) and consent or other permission under the said Act has not been given, though only if a matter concerning a note in the land register section of the Real Property Register of notice as referred to in Section 5 (2) of that Act has been admitted not later than the title registration day on which a mortgage is applied for,

5. the application is dependent by law on permission from a court of law or some other public authority.

If the application is declared dormant, the land registration authority shall issue a certificate to this effect (a dormancy certificate).

Section 5. In the absence of an impediment as referred to in Section 3 or 4, a land registration authority shall grant a mortgage. If, however, the application has previously been declared dormant, it may not be granted before the dormancy certificate has been submitted.

Section 5 a. When a mortgage has been granted, a mortgage certificate shall be issued on the basis of the mortgage. Written mortgage certificates are issued by the land registration authority, unless otherwise indicated by the Mortgage Certificates Register Act (1994:448). Digital mortgage certificates are issued by the National Land Survey.

If a digital mortgage certificate is issued instead of a written mortgage certificate issued previously, the written mortgage certificate loses its validity. If a written mortgage certificate is issued instead of a digital mortgage certificate issued previously, the digital mortgage certificate loses its validity.

Special provisions exist concerning the duty of the land registration authority to issue a new mortgage certificate or dormancy certificate instead of a cancelled document of this kind and, in a certain case, to grant a mortgage and issue a mortgage certificate when compensation by virtue of a fire insurance agreement has passed to a creditor having a mortgage lien for his claim.

Section 5 b. If, following an executive sale, moneys have been deposited corresponding to the amount of a mortgage certificate, the land registration authority, on application being made by the new owner of the property unit, shall issue a new mortgage certificate on the basis of the mortgage. Thereafter the former mortgage certificate shall apply only to the title to the moneys deposited.

Section 6. A mortgage which would confer the same priority as another mortgage

shall at the time of title registration be declared to apply after the other mortgage, if the applicant so requests. A mortgage placed after another applies after mortgage with equal or superior priority to the same, even if this is not stated in the decision.

Section 7. On application being made by the property owner and by consent of the holder of the mortgage certificate, the mortgage may be extended to include one or more additional property units (extension). Concerning such an application, the relevant parts of the provisions of this chapter concerning application for a mortgage on several property units apply.

Section 8. A mortgage certificate application being made by the property owner and by consent of the holder of the mortgage certificate, may be exchanged for two or more new mortgage certificates (exchange). On request, it shall then be determined in which order the mortgage certificates between themselves are to confer right of priority. Otherwise Section 6, point 2, applies in this respect.

Section 8 a. Mortgages charged to one property unit only may, on application being made by the property owner and by consent of the holders of the mortgage certificate, be merged to form one mortgage (merging). This mortgage shall apply with the priority right attaching to the mortgage or mortgages in the merging applying with least priority.

Merging may take place only if the mortgages

1. are charged to the entire property unit,
2. are fixed in the same currency, and
3. have the same priority or apply immediately after one another or after one another with interruption for registered right only.

Mortgages entered in the mortgage certificates register may be merged only if all mortgages involved by the measure are entered in the register and have the same holder.

A mortgage as referred to in subsection one shall be declared valid for a smaller amount than the sum total of the merged mortgages if the applicant so requests and the holders of the mortgage certificates consent.

Section 9. A mortgage charged to only one property unit may, on application being made by the property owner and by consent of the holder of the mortgage certificate, be deferred after another mortgage or title registration (deferment). A mortgage deferred after another title registration applies after title registration with equal or superior priority to the same, even if this is not stated in the decision.

Subsection one applies, *mutatis mutandis*, to a joint mortgage, with the following derogations.

Deferment after another mortgage may take place only if the mortgages are charged to the same property units and the deferment is to be effected in the same way on all of them. If a property unit answers only as indicated in Chap. 6, Section 11 (2), it is not necessary for the owner of that property unit to have seconded the application.

For deferment or title registration charged to only one of the property units, consent is also required from the holder of a registered title in another property unit encumbered by the mortgage which, after the deferment, will come to have a priority right equal or inferior to the mortgage. If the property unit answers solely as indicated

in Chap. 6, Section 11 (2), deferment may take place without being seconded or consented to by the owner of that property unit or by the owner of or the holder of a right in the residual property unit or a property unit answering, before the unit in question, for a deficiency in the residual property unit. If the deferment does not require the participation of a property owner, deferment may take place on application being made by the holder of the mortgage certificate.

If the question is one of deferment after title registration of a right charged to several of the property units, subsection four shall apply with regard to each and every one of them.

Section 10. A mortgage may be cancelled on application being made by the property owner and by consent of the holder of the mortgage certificate (cancellation). For cancellation of a joint mortgage, however, it is not necessary for the owner of a property unit answering only as indicated in Chap. 6, Section 11 (2) to have seconded the application.

Special provisions exist concerning the cancellation of a mortgage when the mortgage certificate or the dormancy certificate has been mislaid.

Section 11. On application being made by the owners of the property units and by consent of the holder of the mortgage certificate, a joint mortgage may be transferred from one or more of the property units (partial cancellation). If a property unit on which the mortgage is to remain is encumbered by a mortgage lien or another right which is registered and that right has a priority equal or inferior to that of the mortgage, the consent of the holder of such a right is required for the partial cancellation. If a property unit from which the mortgage is to be transferred answers solely as indicated in Chap. 6, Section 11 (2), partial cancellation may take place without having been seconded or consented to by the owner of that property unit or by the owner or the possessor of a right in the residual property unit or a property unit answering, before the unit in question, for a deficiency in the residual property unit. If the consent of the property owner is not required for the partial cancellation, this may take place on application being made by the holder of the mortgage certificate.

If the property units answer for several joint mortgages, one of the mortgages may not be transferred from a property unit without such measures being taken with regard to the other mortgages that the property unit will no longer answer for them conjointly with any of the other property units.

In a property unit formed by subdivision of an area acquired by a municipality for inclusion in a public space under a detailed development plan, partial cancellation may take place, at the request of the municipality, notwithstanding the provisions of subsection one that partial cancellation requires consent from property owners and holders of rights, if there is probable cause for the value of the area amounting to not more than two per cent of the value of the undivided property unit and the partial cancellation is substantially of no importance for the rights of the property owners and the holders of rights.

Section 12. On application being made by the holder of a mortgage certificate or dormancy certificate, a note of the possession shall be made in the land register section of the Real Property Register. If another party is previously noted as holder, the land registration authority, after the new possession has been noted, shall delete the earlier

note and give written notice of the measure thus taken to the party previously noted as holder. No duty of notifying a previously noted holder exists, however, if it is obvious that the notification is of no importance to him. If there is reason to suppose that the applicant does not possess the mortgage certificate or certificate, he shall be issued with an injunction to produce it.

If the party noted as holder gives notice that the possession has ended, the note shall be deleted.

Section 13. When the holder of a mortgage certificate grants consent for measures as indicated in Sections 7-11, it is necessary for the mortgage certificate to be submitted or, in the case of a digital mortgage certificate, for an impediment to exist to de-registration under Section 10 of the Mortgage Certificates Register Act (1994:448) and for no request to have been made for the cancellation of the impediment.

Section 14. If a measure as indicated in Sections 7-11 affects a mortgage application which has been declared dormant, the provision made concerning the mortgage certificate and its holder applies instead to the dormancy certificate and the holder of the same.

Site leasehold mortgages

Section 15. The provisions of Sections 1-14, except as regards joint mortgage, apply, *mutatis mutandis*, to site leasehold mortgages, for which purpose title registration of site leasehold is equated with registered ownership.

Chap. 23. Title registration of a right of user other than site leasehold and of easements and rights to electrical power

Title registration in real property

Section 1. If the holder of a right of user granted by agreement, other than site leasehold, or of an easement or right to electrical power granted by agreement wishes to apply for title registration, he shall submit the document on which the right is founded. Title registration may also be applied for by the property owner.

Section 2. An application for title registration as referred to in Section 1 shall be refused if

1. the acquisition document has not been submitted or, if it has been submitted electronically, this has not been done in the manner indicated in Chap. 19, Section 11 a or in accordance with the prescriptions issued by authority of that section,

2. a statutory provision concerning a grant of the kind to which the application refers has not been complied with and the provision does not refer to the validity of a certain proviso only,

3. the grant is contrary to a restriction, valid against the grantor, of his right of disposal over the property and, when the grant took place, registration of ownership had not been granted for the grantor or, if it had, a matter concerning a note of the restriction in the land register section of the real property resister had been admitted on the title registration day,

4. title registration of site leasehold in the property unit has been granted or applied for,

5. prior to the grant, the property unit was transferred to a party whose acquisition, under Chap. 17, Section 1 or 4, has priority over the grant,

6. prior to the grant, the grantor had been divested of the property unit by reason of executive sale or by expropriation or suchlike compulsory purchase,

7. the property unit has been made a subject of sequestration and a matter concerning a note of the sequestration has been admitted not later than the title registration day when title registration is applied for,

8. the grant refers to a lease or tenancy which, under a proviso in the document of grant, may not be registered,

9. the grant refers to a right to electrical power and written consent to title registration does not exist,

10. it is obvious that the grant is invalid on other grounds or that the right has been terminated or for some other reason cannot be asserted.

If a matter concerning registration of ownership for the grantor has been postponed until a subsequent title registration day, processing of the title registration application shall be postponed until the same day.

Section 3. In the absence of a circumstance referred to in Section 2, a title registration application shall be declared dormant if

1. the grantor does not have registered ownership,

2. judicial proceedings are pending concerning the validity of the grant or concerning cancellation or reversion of an acquisition of the property unit or concerning superior title to the same,

3. the right has been granted in part of a property unit remaining after the acquisition of an area or of a share which, according to the acquisition document, shall be parcelled out, and the question of property formation has not been finally settled,

4. the grant is contingent by law on permission from a court of law or some other public authority.

If, in a case as referred to in point 3 of the foregoing, property formation does not take place, the application is deemed to refer to the undivided property unit.

Section 4. A right which would have priority over another right referred to in this chapter or which consists of a mortgage shall, in connection with title registration, be declared valid after the other right if the applicant so requests.

A right which is placed after another right shall apply after a right having equal or superior priority to the same, even if this is not indicated in the decision.

Section 5. A registered right, on application being made by the holder of the right and with the consent of the property owner, may be deferred after another registered right (deferment). The provision of Section 4 (2) shall then apply, *mutatis mutandis*.

Section 6. A title registration may, on application being made by the holder of the right, be cancelled wholly or with respect to a certain part (cancellation). If the right has been terminated entirely or with respect to a certain part, the title registration, on application being made by the property owner, may be cancelled in the corresponding respect.

Title registration may be deleted if it is obvious that the registered right is not valid in the property unit.

Section 7. The provisions of Sections 1-6 apply, *mutatis mutandis* and with the following derogations, to a right which is based on an acquisition indicated in Chap. 17, Section 11 and is otherwise of the nature referred to in that chapter.

A right of user as indicated in Chap. 12, Section 2 of the Inheritance Code, may not be registered. An application for title registration by virtue of a will or cadastral procedure may not be granted before the will or the cadastral procedure has acquired force of law. The application shall be declared dormant pending elimination of the impediment.

Title registration in site leasehold

Section 8. The provisions of Sections 1-7 apply, *mutatis mutandis*, with regard to title registration in site leasehold, for which purpose title registration of leasehold is equated with registration of ownership. An application for title registration in site leasehold shall be refused, however, if title registration of the grant of site leasehold has not been granted or applied for.

Sundry provisions

Section 9. If, in consequence of an order as referred to in Chap. 5, Section 33 a or Chap. 7, Section 13 of the Real Property Formation Act (1970:988), a registered right comes to apply in a property unit other than that to which it has been registered, the right shall be registered in the other property unit. Title registration of this kind confers the same right of priority as if it had been effected on application.

Chap. 24. Registration of declaration concerning a fixture

Section 1. A property owner is entitled to apply for registration in the land register section of the Real Property Register of a declaration as referred to in Chap. 2, Section 3. For the purposes of this chapter, a property owner is deemed to be the party for whom registration of ownership was last applied for.

The application shall be refused if

1. an application for registration of ownership for the applicant has been declared dormant and the title registration application has not been consented to by the person having registered ownership,

2. one or more mortgages apply to the property unit and each creditor for whose claim a mortgage certificate based on such mortgage constitutes security has not, by submitting the mortgage certificate, consented to the application,

3. the applicant has been divested of the property unit by executive sale or by expropriation or suchlike compulsory purchase,

4. the applicant is bankrupt or is declared bankrupt on the day when the title registration is applied for and the property unit belongs to the estate in bankruptcy,

5. the property unit or a part thereof has been attached or is attached on the day when the title registration is applied for and the Swedish Enforcement Authority has not consented to the application,

6. the property unit or a part thereof has been impounded or is impounded on the day when the title registration is applied for and the Swedish Enforcement Authority has not consented to the application,

7. the property unit or a part thereof is a subject of sequestration or is made a subject of sequestration on the day when the title registration is applied for and the Swedish Enforcement Authority has not consented to the application.

If a matter concerning registration of ownership for the applicant has been postponed until a subsequent title registration day, processing of the title registration application shall be postponed until the same day.

Section 2. Registration of a declaration as referred to in Chap. 2, Section 3 shall be deleted on application being made by the property owner.

The provisions of Section 1 (1) and (2) apply to an application as aforesaid. Instead of the provision made in Section 1 (2) paragraph 2, however, the application shall be refused unless every creditor having a chattel mortgage on the property owner's property has, by submitting the chattel mortgage certificate to the land registration authority, consented to the application.

Section 3. The provisions of Sections 1 and 2 also apply to a site leasehold which has been registered. For this purpose, title registration of site leasehold is equated with registration of ownership.