



THE NEW DANISH LEASE ACT EXPLAINED

4 November 2021

Background

In 2014, a majority part of The Danish Parliament entered a settlement, as it was agreed that the Danish Lease Act (in Danish: “*Lejeloven*”) and the Housing Regulation Act (in Danish: “*Boligreguleringsloven*”) should be fused into one simple “Danish Lease Act”.

The main purpose of the bill is to create a simple structure for the tenancy law in Denmark. Hereby stating that it is not the purpose to change the substance of the law. The simplification is primarily found in the fact that the rules regarding the relationship between the tenant and the landlord will be found in one law, while the rules that are of a “public law” nature will be contained within a new Housing Regulation Act, e.g., the new Housing Act shall primarily regulate the relationship between the landlords and public authorities.

The new act is set to enter into force on 1 July 2022.

The Hearing Stages

The bill has now been through numerous “hearings” (In Danish: “*Høring*”), where the bill was met with criticism, as representatives of both tenants and landlords stated that the bill was not a simplification. The bill would simply keep the level of difficulty that the two separate laws already have. The representatives argued that the boost of extra provisions in the bill would confuse and would not make the new Danish Lease Act easier to navigate. Moreover, the representatives argued that the bill should be dropped and that a new revised version of the bill should be put forth.

The bill, however, has now been put forth for the Danish Parliament to be passed into Danish Law. The procedure of Danish Law stipulates that a bill must be processed in three separate stages, and the bill has been presented for the Danish Parliament for the first time on 28 October 2021.

The Legal Standing Point changed through the Explanatory Notes

As stated above, the bill did not have its purpose to change the legal standing point of the parties involved. However, in the hearing phases, the explanatory notes (in Danish: “*Lovbemærkninger*”) to the bill were reviewed. These explanatory notes included some essential changes to the parties’ legal positions. In other words, the general wording of the provision is not changed, but the understanding of these wordings will henceforth have a new meaning. This is in direct contradiction to the purpose of the bill, as the above mentioned would only create more confusion and less transparency.

The bill is 360 pages long and the documents regarding the hearing phases are close to the same amount. This means that we will not clarify and narrow down the exact differences in the new Danish Lease Act. However, we will point out some of the differences in the following:

Declaratory Rules

The present Danish Lease Act is highly affected by the principle of “deviation,” as there is left some room for the tenant and the landlord to agree upon different terms than those stipulated in the Act. This is seen as a right for the tenant and the landlord, as sometimes the circumstances create a need for flexibility. The new bill shall further complicate this, as there are some provisions that henceforth will be mandatory, e.g., the bill chapter 11 regarding notice of commencement of work at the property.

The Obligation to Offer (In Danish: “*Tilbudspligt*”)

There has been an expansion in the obligation to offer. This is seen directly in chapter 24, as the legislators have in fact changed the wording of the provisions.

The obligation is expanded, as now a division of a company (In Danish: “*Spaltning*”) will also trigger the obligation to offer. A division of a company can either be by the company being divided and ceasing to exist, after which two or more new companies arise, or by the way that the company being divided continues, and a new separate company arises. Where the division of the company means a transfer of the property to a new company the disposition triggers an obligation to offer.

Our Comments

As stated above, the above mentioned is not a rigorous examination of all the differences from the present Danish Lease Act. There is change upon tenancy law in Denmark, and therefore the real estate industry, landlords, tenants, representatives, and lawyers will have to use significant time and resources on educating themselves on the new rules. Moalem Weitemeyer will follow the next stages of the legislative process of the Danish Parliament and will keep our readers updated.

Moalem Weitemeyer has vast experience in assisting in matters related to the Danish Lease Act. We continuously advise a wide range of clients in lease matters related to e.g., compliance, negotiations, or disputes. For further information please do not hesitate to reach out to us.

If you have any questions or require further information regarding any of the above, please do not hesitate to contact us:



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