



Danske BOLIGadvokater

**Danish lawyers specialising
in property purchases and rentals**

- 100% independent advisers



Types of dwellings in Denmark

In Denmark, there are four main types of dwellings: owner-occupied, co-operative housing, rented accommodation, and social housing.

Owner-occupied dwellings

An owner-occupied property means that the buyer obtains full ownership rights. He/she is free to determine the decoration, mortgaging, etc. An owner-occupied property could be a villa, a semi-detached house, a terraced house, a second home or a flat (commonhold flat).

There are special formal requirements when buying an owner-occupied property in Denmark. Besides entering a purchase agreement, a deed of transfer must be registered with the Land Register and a completion statement (final settlement) must be prepared.

Although, as the owner, you are primarily responsible for decisions concerning the property, you are still subject to various rules, such as building regulations, local planning regulations and homeowners' association rules.

Rented dwellings

You may also rent accommodation, where the owner of the property gives you the right to use it under the terms of a rental agreement, in accordance with the Danish Rent Act.

The tenancy starts when the rental agreement is signed and typically when the deposit and the first month's rent are paid. As tenant, you cannot make changes to the rented property without the landlord's consent. The tenancy ends when notice is given pursuant to the contract and the keys are handed over.

Please note that special rules apply to inspection reports at both move-in and move-out, and that redecoration requirements may apply when vacating the property.

Unfortunately, there have been examples of fraud where someone pretends to be the landlord without owning the property, and therefore cannot legally rent it out, or where deposits are received from tenants who are then unable to gain access.

Co-operative housing dwellings

A co-operative housing property is a cross between an owner-occupied property and rented accommodation. These dwellings are owned by the co-operative housing association, and you buy a share in the association, which gives you the right to use a specific residence in the association's buildings.

In a co-operative housing property you do not have full ownership rights, since in the association it is the majority that determines opera-

Translation key: Danish – English

The four main types of dwelling in Denmark

Ejerbolig → Owner-occupied dwelling

Andelsbolig → Co-operative housing dwelling

Almen bolig → Social housing dwelling (run by non-profit housing association)

Lejebolig → Rented dwelling

tions, loans, etc. According to the association's rules, you may be required to redecorate your dwelling if the association decides.

A co-operative housing property is subject to the Danish Act on Housing Co-operatives, which prescribes a calculation of a maximum price determined by the share value, with a supplement for improvements and special decorations, minus deductions for any faults.

The right of use of a co-operative housing property can be terminated, but as a member of the co-operative housing association you remain liable for the housing costs until a new member joins.

A co-operative housing property can be a detached house with garden, a terraced house, or a flat in a block.

Social housing dwellings

Social housing is for everyone, and there are approx. 600,000 such dwellings in Denmark. Typically, there is a waiting list in the housing associations, which can make it difficult to obtain one.

A social housing property is a rented accommodation; a rental agreement must be signed before moving in. The rent is based on the housing department's costs for daily operations and future maintenance. The housing department is not allowed to make a profit.

In a social housing association, there is tenant democracy, and as a resident you take part in decisions on operations through departmental meetings and by serving on the board.

The estate agent must not advise the buyer

In Denmark, the estate agent represents only the seller. Their job is to sell the property as quickly and for as high a price as possible. The estate agent is paid for looking after the seller's interests and must not advise the buyer. Buying or selling a house will probably be the biggest transaction of your life. There is a lot of money at stake – your money!



New property

Get the overview

BEFORE

What can you afford?

You want a new property, but you do not yet know what kind of property or exactly where you want to live.

You'll need an overview of the buying process, the pitfalls to avoid, and the phases to go through before moving in.

To get this overview, you should contact a BOLIGadvokat.

The first meeting with a Dansk BOLIGadvokat is always free of charge.

Start your property search by visiting your financial adviser to get an idea of how much you can spend. It is your responsibility to ensure that the bank has a true and fair picture of your household finances. Also be aware of the differences between loan types and conditions offered by banks and mortgage associations.

Go online

Most people begin their property search online. Here you can see the properties for sale in your chosen area, check sales periods, compare prices, and much more.

You visit the properties you like most, inspect the interior, the location and other important aspects. It is a good idea to take a walk around the area to get a feel for the surroundings.

Open House

We want to live here



You have found the property of your dreams and are ready for the first talk with the estate agent or owner.

Negotiating price and conditions is not easy. On the one hand, you want the property and might skip over details. On the other hand, you want value for money and a guarantee that there won't be any problems once you have moved in. Ask the BOLIGadvokat to attend your meetings with the seller from the start. If the BOLIGadvokat has read the documents and can advise you, negotiations will be smoother.

Get your money's worth

The Home Condition Report specifies the state of the property, detailing what needs to be attended to immediately and other needs for repair or maintenance. Such a report may be offered by the seller together with an option to take out insurance for hidden defects. The BOLIGadvokat may advise you to bring a building expert to estimate repair costs of the defects mentioned in the report and conduct a thorough check for other issues, as serious defects may be concealed. The BOLIGadvokat will offer advice regarding the insurance, securing your best interest.

The property's condition



Lawyer's reservation

Documents!

UNDER

Financing

Approval of the deal

On average, there are 150 pages of documents in a property purchase. Your BOLIGadvokat reviews them all – from the chimney certificate to the local plan and easements – ensuring you are protected against surprises after moving in.

Before completion, financing and insurance must be in place. Together with your BOLIGadvokat, you go through the offers and choose the best option for you.

You and your BOLIGadvokat have negotiated all conditions with the seller and signed the Purchase Agreement. Insert a lawyer's reservation so that you and your BOLIGadvokat have time to check the contract thoroughly. A lawyer's reservation ensures you are not bound if the BOLIGadvokat cannot approve the documents or if new information requires renegotiation. There may be other relevant reservations.

You and your BOLIGadvokat have checked that all conditions are met, and the deal is approved.

Right of cancellation

The right of cancellation runs alongside the lawyer's reservation. This right is valid for a maximum of six weekdays after both parties have signed the contract, but exercising it costs 1% of the purchase price. This is why it is usually better to exercise the lawyer's reservation than the right of cancellation.

The deal is final



You do not use the lawyer's reservation or the right of cancellation, and the payment terms are observed.

Money on the table

You deposit the payment. The funds remain in a locked account until you receive a clear deed, meaning the paperwork is approved and there are no other loans secured against the property except yours.

Guarantee for payment

Your financial institution provides a guarantee for the remaining payment, and you finalise the mortgage.

Digital registration of the deed

In Denmark, deeds are registered electronically, and the processing normally takes only a few days after digital signing. The register is public.

AFTER

The key is yours

The seller and buyer agree on a handover day. On that day you receive the keys and can read the energy meters, etc. Now the property is yours. Your BOLIGadvokat releases the payment provided the deed is clear, i.e. when it is stated that the property is unencumbered.

Completion statement

Your BOLIGadvokat prepares a settlement statement detailing the financial settlement between you and the seller, such as the distribution of prepaid costs (municipal charges, refuse collection, homeowners' association fees, etc.) and the seller's share of expenses.

CONGRATULATIONS



You have completed a safe property purchase and can now move into your new home.

Danske BOLIGadvokater

Danske BOLIGadvokater offers consultancy services on all aspects of buying property or entering into a rental agreement.

A Dansk BOLIGadvokat is one of the few independent advisers you will meet in the property market. A BOLIGadvokat has no interest in recommending one product over another. The BOLIGadvokat only advises what is best for you. When you use a lawyer from Danske BOLIGadvokater, you are guaranteed someone who looks after your interests only.

Danske BOLIGadvokater also offers 360° consultancy, taking into account all aspects of your situation – for example family matters such as prenuptial agreements, co-ownership agreements, and wills.



Find your local member
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