

# Property Acquisition Rights (Conversion to Tenant-Ownership or Co-operative Tenancy) Act (SFS 1982:352)

(with amendments up to and including SFS 2005:904)

## *Introductory provisions*

**Section 1.** Under this Act, tenants are entitled, though an association, to acquire real property for the conversion of rental tenure to tenant-ownership or co-operative tenancy.

The right of acquisition applies to real property assessed for taxation as a tenement housing unit or, if the property is let for other than a recreational purpose, as a single-family housing unit.

The provisions of this Act concerning real property shall also apply to site leasehold. The provisions concerning registration of ownership shall, where site leasehold is concerned, instead refer to title registration of the acquisition of site leasehold.

**Section 2.** This Act does not apply if the property contains fewer than three dwelling units.

In the calculation of the number of dwelling units for the purposes of this Act, each separate unit fitted for lasting and independent use as a dwelling or for another purpose shall be counted as a dwelling unit. Garaging, warehousing and other units used primarily as storage spaces are disregarded.

## *Notice of interest*

**Section 3.** If tenants have an interest in acquiring real property for the conversion of tenancy to tenant-ownership or co-operative tenancy, notice to this effect may be given to the land registration authority for note in the land register section of the property register. Notice of interest on behalf of the tenants shall be made by a tenant-owner association or co-operative tenancy association.

The association shall append to its notice a certificate by the governing body of the association

1. concerning the number of dwelling units existing in the real property to which the notice refers,

2. that the tenants of at least two thirds of the rented dwelling units have in writing declared themselves interested in converting, and that these tenants are members of the tenant-owner association, and – if they are housing tenants and the notice concerns conversion to tenant-ownership – are registered as residing on the property, and

3. that all dwelling units in a single-family housing unit included in the notice are rented for other than a recreational purpose.

**Section 4.** The property owner and the association which has given notice of interest shall be notified by the land registration authority that notice of interest has been entered in the land register section of the Real Property Register.

**Section 5.** On a note having been made, a notice of interest is valid until the next title registration day occurring after two years from the title registration day when the note was made. If, however, an offer for purchase as referred to in Section 6 occurs during this time, the notice shall always apply until the next title registration day occurring after two years from the day on which the offer for purchase was made. The aforesaid also applies in relation to a new owner of the property unit.

An association which has given notice of interest may withdraw the same. The notice will cease to apply on the registration day when the land registration authority removes the note.

New notice of interest may be entered not earlier than the title registration day on which the validity of the previous note expired.

**Section 5 a.** To its notice withdrawing the notice of interest, the association shall append a certificate showing that the tenants of at least half of the rented dwelling units have voted, at an association meeting, against the association acquiring the real property.

#### *Offer for purchase*

**Section 6.** Real property which constitutes a tenement or single-family housing unit and to which a notice of interest applies may not be transferred wholly or partly by purchase or exchange without the association which has given notice of interest having been invited to acquire the whole of the tenement or single-family housing unit. An invitation of this kind is called an offer for purchase. Transfer by contribution to a company or association, dividend or distribution from a company or association and merger as referred to in Chap. 23, Section 1 of the Companies Act (2005:551) or partitioning as referred to in Chap. 24, Section 1 in the same act, are equated with transfer by purchase or exchange.

A transfer may be made without an offer for purchase being made to the association,

1. if the association approves the transfer,
2. if the State acquires the property,
3. if the purchaser is married to the transferor or if the purchaser or, when husband and wife acquire conjointly, one of them is a descendant of the transferor,
4. if the acquisition is made by successful bidding at an executive auction or a public auction under the Co-ownership Act (1904:48).
5. if the transfer concerns a share and the purchaser owns a share of the property already and that share has been acquired other than by gift.

Nor is an offer for purchase needed if an acquisition by the association would be oppressive, having regard to the relation between the transferor and a purchaser other than the association or the conditions of or circumstances attending such a transfer. The question of whether an offer for purchase is needed is adjudicated by the regional rent tribunal at the request of the property owner.

**Section 7.** An offer for purchase is made to the regional rent tribunal by written notice from the property owner. In this connection a property owner shall submit a written draft contract of sale, signed by himself, which shall contain particulars of the

purchase price of the property offered for purchase and other conditions for the acquisition. If a transfer requires the consent of a spouse under the Marriage Code, the spouse's consent shall be given to the draft agreement.

If an offer for purchase does not satisfy the provisions of the foregoing, the regional rent tribunal shall order the property owner to remedy the deficiency within a certain time. If the property owner complies with the injunction, an offer for purchase shall be deemed to have taken place on the day when the deficiency was remedied. If the property owner does not comply with the injunction, the offer for purchase may be rejected.

**Section 8.** The regional rent tribunal shall ensure that the association which has given notice of interest is served with the draft contract of sale. The offer for purchase or the consent to the draft contract may not be withdrawn or the draft amended after service has been effected.

After the offer for purchase, it is the duty of the property owner to give the association an opportunity of inspecting the property.

The regional rent tribunal shall, for the purpose of a note being made in the land register section of the Real Property Register, notify the land registration authority of the offer for purchase and of the day on which the offer took place.

*Acceptance of an offer for purchase*

**Section 9.** Provisions concerning decisions by tenant-owner associations to acquire buildings for the conversion of tenancy to tenant-ownership are contained in Chap. 9, Sections 19-21 of the Tenant-Ownership Act (1991:614).

Provisions concerning decisions by co-operative tenancy associations to acquire buildings for conversion of rental tenure to co-operative tenancy are contained in Chap. 4, Sections 1-5 of the Co-operative Tenancy Act (2002:93).

**Section 10.** An offer for purchase is accepted by the association notifying the regional rent tribunal in writing within three months of the day on which the offer for purchase was made, that the association has resolved to acquire the property offered for purchase on the conditions indicated in the contract of sale drafted by the property owner. On receipt of the notice, the tribunal adjudicates whether the offer for purchase has been rightfully accepted.

If, within the time indicated in subsection one, the association notifies the regional rent tribunal that the association is interested in acquiring the property offered for purchase, the time for acceptance of the offer for purchase is extended to six months from the day on which the offer for purchase was made. The property owner shall be notified to this effect by the regional rent tribunal.

The offer for purchase ceases to apply if it is not accepted within the prescribed time and in the prescribed manner or when the association has notified the regional rent tribunal in writing of its non-acceptance of the offer for purchase.

**Section 11.** If the offer for purchase has been accepted, the property owner and the association shall be deemed to have concluded a contract for the sale of the property offered for purchase on the conditions indicated in the draft contract of sale. The contract of sale shall be deemed to prescribe that a deed of purchase is to be drawn up.

**Section 12.** Even if the offer for purchase has ceased to apply, for as long as the notice of interest by the association remains in force, transfer or conversion as referred to in Section 6 (1) may not be made to any party other than the association which has given notice of interest, if the purchase price is lower or the conditions for the transfer, taken together, are notably less favourable to the property owner than was indicated in the offer for purchase. Nor may such transfer or conversion take place if a condition indicated in the offer for purchase is manifestly oppressive towards the association. If, after one offer for purchase has ceased to apply, the property owner has made a new offer for purchase with a lower price or conditions that in another way are less favourable to the property owner, and if that offer for purchase also ceases to apply, the first and second sentences shall apply to the new offer for purchase.

The foregoing shall also apply if the transfer refers to a share of the tenement or single-family housing unit.

With regard to the prohibition in subsection one, Section 6 (2) and (3) shall apply. If no exception lies, it is the duty of the transferor to obtain permission from the regional rent tribunal for the transfer.

#### *Invalidity*

**Section 13.** Transfers contrary to Sections 6 or 12 are invalid.

If registration of ownership has been granted contrary to Chap. 20, Section 6, paragraph 5 or Section 7, paragraph 13 of the Land Code, subsection one shall not apply.

#### *Special provisions*

**Section 14.** Provisions concerning the procedure before the regional rent tribunal under this Act are contained in the Regional Tenancies Tribunals and Regional Rent Tribunals Act (1973:188).

**Section 15.** Decisions by the regional rent tribunal pursuant to this Act may be contested by appeal to the Svea Court of Appeal within three weeks of the day on which the decision was made. The appeal shall be submitted to the regional rent tribunal.

**Section 16.** In matters coming under this Act, each party shall bear his legal costs in the court of appeal, except where otherwise indicated by Chap. 18, Section 6 of the Code of Judicial Procedure.