THEWES & REUTER

Legislation on residential leases

compiled and updated by

Marc THEWES
Avocat à la Cour
Chargé de cours associé
à l'Université du Luxembourg

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Disclaimer

The laws and regulations in the document have been compiled and translated with great care but readers should always bear in mind that the only official versions of these texts are those published in the Official Journal of the Grand-Duchy of Luxembourg (from 1 January 2017) and in the *Mémorial du Grand-Duché de Luxembourg* (until 31 December 2016).

Updates

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Civil Code (excerpts)

Civil Code of 21 March 1804, as amended.

TITRE VIII. – The contract of lease

Chapter I. – General provisions

Art. 1708. There are two kinds of contract of lease:
- the lease of things; and
- the lease of work.

Art. 1709. The lease of things is a contract by which one party binds himself to provide the enjoyment of a thing to the other for a certain time, in return for a certain price that this other party obliges himself to pay the former.

Art. 1710. The lease of work is a contract whereby one of the parties binds himself to do a certain thing for the other for a price they agreed upon.

Art**. 1711.** These two kinds of lease are further subdivided into several particular types:

The lease of houses and of movables is called a lease for rent; that of rural property, a rural lease; that of work or of service, a hire; that of animals whose profits are divided between the owner and the one to whom he entrusts them, a livestock lease;

Estimates, an agreement, or a fixed price for the undertaking of a work for a determined price, are also leases, when the material is furnished by the one for whom the work is done.

These last three types are governed by special rules.

Art. 1712. Leases of national property, of the property of municipalities, and of public institutions are subject to special rules.

Chapiter II. – Of leases of things

Art. 1713. One may lease all kinds of things, both movables and immovables.

Section I. - Rules common to the lease of houses and of rural property

Art. 1714. One may lease either in writing or verbally.

Art. 1715. If a lease made without writing has not yet been carried out even in part, and one of the parties denies its existence, proof may not be adduced through witnesses, however low the price may be, and even if it is alleged that a deposit was paid.

The oath can only be deferred to the party who denies the lease.

Art. 1716. When there is a dispute as to the price of a verbal lease whose performance has begun, and no receipt has been given, the owner shall be believed upon his oath, unless the lessee chooses to request an appraisal by experts; in which case, the costs of the appraisal are charged to him, if the appraisal exceeds the price that he has declared.

Art. 1717. A lessee has the right to sublease or even to assign his lease to another person, unless that right has been forbidden to him.

It may be forbidden in whole or in part.

Such a clause is always strictly construed.

Art. 1718. The provisions of Article 595, paragraphs 2 and 3, relating to leases made by usufructuaries, apply to leases made by a tutor without authorization of the family council.

Art. 1719. The lessor is bound, by the nature of the contract, and without need of any particular stipulation:

1° To deliver the thing leased to the lessee;

2° To maintain the thing in a state that permits the use for which it was leased;
3° To secure to the lessee a peaceful enjoyment for the duration of the lease;

Art. 1720. The lessor is bound to deliver the thing in good repair of all kinds.

He must, during the term of the lease, make all the repairs which may become necessary, other than those the lessee is required to make.

Art. 1721. A warranty is owed the tenant against all vices or defects of the thing leased that prevent its use, even if the lessor did not know of them at the time of the lease.

If a loss of any nature is suffered by the tenant as a consequence of these vices and defects, the lessor must indemnify him.

Art. 1722. If, during the term of the lease, the thing leased is wholly destroyed by a fortuitous event, the lease is terminated by operation of law; if it is destroyed only in part, the lessee may, depending on the circumstances, demand either a reduction in the price, or the very cancellation of the lease. In either case, no indemnification is owed.

Art. 1723. A lessor may not, during the term of the lease, change the condition of the thing leased.

Art. 1724. If, during the lease, the thing leased needs urgent repairs that cannot be postponed until the end of the lease, the lessee must allow the repairs, whatever inconvenience they cause him and although he is deprived of a part of the thing leased while they are being made.

But if these repairs last more than forty days, the rent shall be reduced in proportion to the time and to the part of the thing leased of which he has been deprived.

If the repairs are of such a nature that they render uninhabitable what is required for the lodging of the lessee and his family, he may have the lease terminated.

Art. 1725. A lessor is not bound to warrant the lessee against violent disturbance that third persons cause to his enjoyment, when such third persons do not claim any right to the thing leased; but the lessee may file any appropriate action against them in his own name.

Art. 1726. If, on the contrary, the lessee or the rural lesssee has been disturbed in his enjoyment in consequence of an action relating to the ownership of the thing, he is entitled to a proportionate reduction of the rent of the lease or agricultural lease, provided that a notice of the disturbance and of the impediment have been given to the owner.

Art. 1727. If those who have committed the acts of violence claim to have some right on the thing leased, or if the lessee himself is summoned in court to be ordered to relinquish all or part of the thing leased, or to allow the exercise of some servitude, he must call the lessor in warranty and shall be dismissed from the suit, if he so demands, by naming the lessor on whose behalf he possesses.

Art. 1728. A lessee is bound to two principal obligations:

1° To make use of the thing leased as a prudent administrator and according to the purpose intended by the lease, or according to the purpose presumed under the circumstances, if there is no agreement to that effect;
2° To pay the price of the lease at the times agreed upon.

Art. 1729. If the lessee does not make use of the thing leased as a prudent administrator or if he uses the thing leased for any purpose other than the one for which it was intended, or if some damage may result to the lessor, the latter may, according to the circumstances, have the lease terminated.

Art. 1730. If an inventory of the condition of the premises leased has been made between the lessor and the lessee, the latter must return the thing in the same state, according to that inventory, except for what has been destroyed or has been deteriorated by old age or by an unforeseeable and irresistible event.

Art. 1731. If no detailed inventory of the premises was made, the lessee is presumed to have received the premises in a good state of repairs that a lessee is bound to make, and must return the premises in the same state, unless there is proof to the contrary.

Art. 1732. He is answerable for the deteriorations or losses occurring during his enjoyment, unless he proves that they did not occur through any fault of his.

Art. 1733. He is answerable in case of fire, unless he proves that it is not through his fault that the fire broke out.

Art. 1734. If there are several lessees, they are all liable for a fire in proportion to the rental value of the part of the building they occupy;

Those of the lessees who prove that the fire could not have started in their accommodation will not be liable whereas the remaining ones will be liable according to the preceding paragraph.

If it is proved that the fire started in the accommodation of one of them, that lessee alone is liable within the same limits and without prejudice that the liability he would have incurred in case of negligence.

If the owner himself inhabits part of the rented buildings, he will be considered as if he was a tenant for the purpose of applying the provisions of this article. However, if it is unknown where the fire started, the owner will have an action against the lessees only if he can prove that the fire did not start in the part of the building occupied by him.

Art. 1735. A lessee is responsible for the deteriorations and losses that occur on account of the act of persons of his household or of his sub-lessees.

Art. 1736. If a lease had been entered into without a writing, one of the parties may give the other a notice of termination only by observing the periods of time fixed by the usage of the place.

The notice period for terminating a residential lease contract is three months, unless otherwise provided in a written contract which provides for a notice period that is longer than three months.

Art. 1737. A lease ceases as a matter of law at the expiration of the term fixed, when the lease has been made in writing, without it being necessary to give a notice of termination.

Art. 1738. If, at the expiration of a written lease, the lessee remains on the premises and is allowed to continue in possession, a new lease is thereby created and its effect is regulated by the Code article governing leases made without a writing.

Art. 1739. Where a notice of termination has been issued, the lessee, although he has continued his enjoyment, may not claim the benefit of a tacit reconduction.

Art. 1740. In the instances mentioned in the two preceding Articles, the security given for the lease does not extend to the obligations resulting from the extension of the lease.

Art. 1741. The contract of lease is terminated by the destruction of the thing leased and by the failure either of the lessor or of the lessee to perform their obligations.

Art. 1742. The contract of lease is not terminated by the death of the lessor nor by the death of the lessee.

Art. 1743. If the lessor sells the thing leased, the buyer may not evict the rural lessee or the lessee who has a lease in authentic form or whose date is certain, unless he has reserved that right in the contract of lease.

Art. 1744. If it had been agreed at the time of the lease that in the event of a sale the buyer could evict the rural lessee or the lessee and if no stipulation had been agreed as to damages, the lessor is bound to indemnify the rural lessee or the lessee in the following manner.

Art. 1745. In the case of a lease of a house, an apartment, or a shop, the lessor shall pay damages to the evicted tenant in an amount equal to the price of the lease, during that period of time which, according to the usage in the locality, is granted between the notice of termination and the departure.

Art. 1746. In case of a lease of rural property, the indemnity which the lessor must pay the farmer shall be one-third of the price of the lease for the whole time that still remains to run on the lease.

Art. 1747. The indemnity shall be fixed by experts when manufactures, factories, or other establishments that require large advances of funds are concerned.

Art. 1748. The buyer who wishes to make use of the option reserved by the contract of lease to evict the lessee in case of a sale is also bound to inform him within the period of time which is customary in the place for notices of termination.

He must also inform the tenant of rural property at least one year in advance.

Art. 1749. Lessees may not be evicted unless the damages referred to above have been paid to them by the lessor or, if he does not pay them, by the new buyer.

Art. 1750. If the lease has not been made by authentic act or if it lacks a date

certain, the buyer is not liable to pay any damages.

Art. 1751. Buyers with a reverse repurchase agreement may not expel the lessee until the moment where they become absolute owners though the expiry of the time limit set out for the reverse repurchase.

Section II. - Special provisions for residential leases

Art. 1752. The lessee who does not furnish the house with sufficient furniture may be evicted, unless he gives sufficient security to answer for the rent.

Art. 1753. The sub-lessee is liable to the owner only up to the amount of the price of his sub-lease that he may owe at the time of the seizure, without that sub-lessee being able to set off payments he has made in advance.

The payments made by a sub-lessee either under a stipulation contained in his lease, or as a consequence of the usage of the place, are not deemed to have been made in advance

Art. 1754. The repairs which are incumbent upon the lessee or those of minor maintenance for which a lessee is also responsible, unless otherwise stipulated, are those which are considered as such by the usage of the place and, among others, the repairs to be made: to fireplaces, backplates, mantelpieces and mantelshelves, to the roughcasting of the lower parts of walls of apartments and other places of accommodation, up to one meter in height, to the stones and tiles of the bedrooms, when only a few are broken, to window panes, unless they have been broken by hail or other extraordinary accidents and by force majeure, for which a lessee may not be held responsible, to doors, casements, boards for partitioning or closing shops, hinges, bolts, and locks.

Art. 1755. None of the repairs considered as incumbent upon a lessee may be charged to lessees if they are occasioned by old age or force majeure.

Art. 1756. The cleaning of wells and cesspools shall be the responsibility of the lessor, unless there is a clause to the contrary.

Art. 1757. The lease of the furniture provided to furnish a whole house, a whole main part of a building, a shop, or all other apartments is supposed to be made for the ordinary duration of leases of houses, main parts of buildings, shops, or other apartments, according to the usage of the locality.

Art. 1758. The lease of an accommodation shall be considered to have been made for an unspecified duration if the written contract does not specify for what length of time the parties intended to be bound.

Art. 1759. If the lessee of a house or an apartment continues his enjoyment after the expiration of the written lease, without objection on the part of the lessor, he shall be considered as occupying them under the same conditions, for the term fixed by the usage of the locality, and he may not leave nor be evicted except after a notice of termination issued within the time required by the usage of the locality.

Art. 1760. In case of termination owing to the fault of the lessee, the latter is bound to pay the price of the rent during the time necessary to lease again, to another, without prejudice to the damages that may have resulted from an abusive use.

Art. 1761. The lessor cannot cancel the lease, even if he declares that he wishes to occupy the house leased himself, unless there was a stipulation to the contrary.

Art. 1762. If it was agreed in the contract of lease made for a determined duration or for an unspecified duration, that the lessor might come and occupy the house, he is bound to give a notice of termination in advance, either at the times fixed by the lease contract or according to the notice period set out in article 1736.

Art. 1762-2. Express termination clauses remain subject to assessment by the competent judge.

Law of 21 September 2006 on leases for residential use

Law of 21 September 2006 on the lease for residential use and amending some provisions of the Civil code (Official journal A n° 175 of 2 October 2006, p. 3150), amended by the laws of 22 October 2008 (Official journal A n° 159 of 27 October 2008, p. 2230), of 5 August 2015 (Official journal A n° 169 of 1 September 2015, p. 3958), of 2 September 2015 (Official journal A n° 174 of 9 September 2015, p. 4148), of 23 December 2016 (Official journal A. n° 274 of 27 December 2016, p. 5139), of 2 August 2017 (Official journal n° A 734 of 16 August 2017) and of 31 August 2018 (Official journal n° A 823 of 14 September 2018).

Chapter I – General provisions

Art. 1er. (1) Leases for residential use are governed by articles 1713 to 1762-2 of the Civil code with reserve of the specific rules provided by the present law.

(2) Subject to the provisions of articles 16 to 18, the present law exclusively governs the lease, un the basis of a written or verbal lease agreement, of accommodations for residential use to individuals (physical persons) independently of the use provided in the lease agreement unless a justified opposition by the lessor in case of a change of such use by the tenant during the time of the agreement.

« (L. 5 August 2015) (3) The law does not apply:

a) to buildings used for commercial, administrative, industrial, artisanal purposes or for the practice of a liberal profession;
b) to secondary residences;
c) to units that are not accessory of the accommodation;
d) to hotel rooms;
e) to housing facilities for the temporary accommodation of foreigners under the law of 16 December 2008 on the reception and integration of foreigners in the Grand Duchy of Luxembourg;
f) to furnished or unfurnished accommodations in special housing facilities as retirement homes, centres for elderly people, geriatric centres, centres for disabled people and more specifically furnished or unfurnished accommodations under the amended law of 8 September 1998 on the relations between the State and organisms operating in the social, family and therapeutic fields;
g) (L. 31 August 2018) « to furnished or unfurnished accommodations put at the disposal of individuals as social assistance by a commune, a syndicate of communes, a social office, a non-profit association, a foundation or a societal impact company governed by the amended law of 12 December 2016 on the creation of social impact companies whose share capital is made up of 100% impact shares, operating in the housing field. »

However, for the buildings under point a), the provisions of chapter V on the settlement of disputes and the provisions of chapter VIII on the final, abrogating and transitory provisions shall apply. For the housing facilities and accommodations under points e), f) and g), the provisions under chapter V on the settlement of disputes shall apply. Articles 3 to 11 and 15 do not apply to accommodations leased under articles 27 to 30ter of the amended law of 25 February 1979 on housing assistance. They shall however apply to the accommodations leased under article 28, paragraph 4, of the amended law of 25 February 1979 on housing assistance. »

Art. 2. Lease assignments (sub-renting) on leases for residential use is only forbidden in case this is expressly provided in the lease agreement.

The provisions of articles 3 to 11 also apply to the relationships between principal tenants and subtenants or assignees.

Chapter II. – Determination of rent and charges

Art. 3. (1) Rental of an accommodation for residential use may not generate for the lessor an annual income exceeding a rate of 5 % of the capital invested in such accommodation.

(2) In absence of an agreement between the parties, the invested capital is the capital used :

– for the initial construction of the accommodation and its outbuildings as for instance garages, parking spaces, garden, attic and cellar, that are put at the disposal of the tenant and of which the cost is determined on the day of their completion;

- for improvement works of which the cost is determined on the day such works are completed and which may only cover rental repairs or smaller maintenance works;
- for the land on which the accommodation is located, of which the price is determined on the day such land is acquired, however the price of the land may also be determined on a flat rate basis by the lessor with 20 % of the invested capital.

(3) This invested capital is re-valued on the day the lease is signed or on the day the rent is adapted by multiplication with the corresponding coefficient in the revaluation coefficient table under article 102, paragraph 6, of the amended law of 4 December 1967 on income tax.

If the accommodation was built fifteen or more years ago, the invested capital determined on the basis of the above-specified modalities, with the exception of the price of the land on which the accommodation is built, including the fees of the notary, which are not taken into account for the calculation of the discount, is reduced by 2 % for each additional period of two years, unless the lessor proves that he has invested an equivalent amount in the maintenance or the repair of the accommodation. These costs are also re-valued based on the modalities under paragraph 1. Should the invested amount not be equivalent to the amount corresponding to the discount, it will be compensated with the discount. Should the invested amount exceed the discount, it will be carried forward to future discounts.

(4) If the invested capital as defined above may not be determined on the basis of documents and if the lessor and the tenant disagree on the amount of the rent, the most diligent party shall appoint a sworn construction expert who will determine the investment capital, after revaluation and discount.

However, in case of alienation against payment, the acquisition price figuring in the authentic property transfer deed and the fees of the notary, are deemed to correspond to the invested capital after revaluation and discount on the day of the signature of such deed.

In the event that the above-mentioned evaluation or the presumption under paragraph 2 is challenged by the party who has proven that it may obviously not correspond to the comparable market value, without however such party being able to determine the actual invested capital, the , the committee for rents, seized in accordance with article 8, determines the invested capital taking into account the value of the land, the volume of the rented building, the rented space, the quality of the equipment, the maintenance or repair state of the accommodation and the finish/standing thereof.

(5) The rent of any accommodation for residential use as determined based on the foregoing provisions either upon agreement of the parties, either by the committee for rents, either judicially, may only be subject to adaptation every second year.

This period of two years does not end with the change of the lessor. However, it will end automatically with the change of the tenant without prejudice of the provisions of article 13, paragraph 1.

Art. 4. The rent for furnished accommodations with the exception of the ones specified under article 1, paragraph (3), may in no case exceed the double of the rent determined in accordance with article 3. The value of the furniture is taken into account for the determination of the rent.

Art. 5. (1) The signature of the lease may not be subject to the payment of amounts other than the rent.

(2) The parties may however agree on a rental guarantee, which may not exceed three months of rent, to cover the payment of the rent or other liabilities arising from the lease agreement.

In the event of a rental guarantee, a written and contradictory inventory of the premises shall be signed at the latest on the day the tenant is granted the use of the premises.

The lessor may not refuse, even after the signature of the lease, a rental guarantee in form of a bank guarantee.

(3) The lessor may charge to the tenant only the amounts of which he can prove that he disbursed them for the account of the tenant.

The tenant may only be charged the costs incurred for energy consumption, routine maintenance of the accommodation and the common areas of the building, minor repair works as well as the taxes regarding the use of the accommodation.

The lessor may request the payment of appropriate advances on these costs. Such advances can be adapted to the actual incurred costs for the account of the tenant over the previous years.

Common expenses for several accommodations are allocated annually based on a calculation method to be agreed upon by the parties.

If the costs incurred are the result of a calculation for a building subject to the status of co-ownership approved by the general meeting in accordance with the legislation on the status of co-ownership of buildings, the positions of this calculation at charge of the tenant under the present law are deemed justified and due. Evidence to the contrary is admitted.

Upon request of the tenant, the lessor shall communicate a copy of the extracts from the co-ownership rules on the intended use of the building, the enjoyment and the use of the private and common areas and specifying the proportion of the rented lot in each of the category of charges.

(4) Advances on charges may also be fixed based on a flat rate by the parties if such flat rate corresponds to the usual consumption and charges of the tenant. They may be adapted during the lease.

During the lease the parties may agree to change the modalities of the advances either to flat rate payments or from flat rate payments to the payment of advances.

(5) The contractual value clauses differing from the modalities provided by the present law will cease to apply as of the first term following the date of a claim sent by registered letter to the lessor.

Any other provisions included in the lease agreements and aiming at the non-application of one of the provisions of the present law are automatically null and void.

Art. 6. Articles 3 to 5 will not apply to accommodations with non-standard modern comfort :

a. with a rent of more than 269 Euro, value to the number one hundred of the weighted cost-of-living index on 1 January 1948 ; or
b. with an invested capital under article 3, paragraphs (2), (3) and (4) :
   – per m² of floor area, calculated in accordance with the provisions of the land registration legislation for co-ownerships, for an accommodation that is part of a co-ownership, of more than 618 Euro, value to the number one hundred of the construction price index in 1970; or
   – per m² of floor area, calculated in accordance with the provisions of the legislation on housing assistance, for single family homes of more than 450 Euro, value to the number one hundred of the construction price index in 1970 ;

Provided that the lease agreement clearly specifies that it is an accommodation under the present article and that it is not subject to articles 3 to 5.

Art. 7. (1) In the communes of 6 000 or more inhabitants, one or several committees for rents shall be established.

Several committees for rents are established for all the communes of less than 6 000 inhabitants. A grand-ducal regulation will determine the area of territorial competence and the registered office of these committees.

(2) The missions of the committee for rents, hereinafter the "committee" shall be defined by the provisions of the present law.

(3) Each committee shall consist of a chairman and two assessors. There are as many alternate members as actual members. The actual and alternate members are appointed for a period of six year. Their mandates are renewable.

One of the assessors is chosen from the lessors and the other from the tenants. The same applies to their respective alternates.

The commissions are renewed following the general elections of the municipal councils within three months after the installation of the elected councillors. In the event of the full renewal of the communal council of a municipality of 6 000 or more inhabitants as a result of the dissolution or dismissal of all its members, the new council shall, within three months of its installation, renew the commission.

For municipalities with 6 000 or more inhabitants, the effective and alternate members are appointed by the municipal council. The chairman of each commission and his deputy are chosen, as far as is possible, from the members of the municipal council.

For municipalities of less than 6 000 inhabitants, the chairman of the commission is appointed by the Minister responsible for Housing among the functionaries he has under his orders. The effective and alternate members of the committees are appointed by a vote by correspondence on the basis of ballot papers drawn up by the Minister responsible for the Interior on the proposal of the municipal councils concerned.

Until the first day of the fourth month following the general elections of the communal councils, the municipal councils propose to the Minister responsible for the Interior candidates in the forms established by Articles 18, 19, 32, 33 and 34 of the modified law of 13 December 1988 on Municipalities. Each municipal council concerned has the choice either to propose a candidate for the duties of effective member respectively of alternate member among the persons who are lessors and another candi-date

to the functions of an effective member as alternate member among the persons who are tenants, each domiciled in the territory of one of the municipalities forming part of the area of territorial jurisdiction of the commission, or to renounce to propose any candidate. If a single candidate is proposed for a position of member of the commission, it is declared elected by the Minister having the Interior in his attributions. Late proposals are not taken into account.

The minister responsible for the Interior inscribes on the ballot papers the candidates proposed to him by the municipal councils and forwards them to the communes within fifteen days at the latest from the first day of the fourth month. The Minister responsible for the Interior shall transmit to each municipality as many ballot papers bearing the names and surnames of the proposed candidates and electoral envelopes as the communal council has members, stamped and bearing the indication of the Ministry of the Interior and the position of member of the committee which is to be filled by the vote.

The college of the mayor and aldermen, either sends by registered mail with acknowledgment of receipt, or gives against receipt to each member of the council a ballot and a voting envelope.

The communal councillors fill in the ballot papers and place them in the electoral envelopes which they transmit immediately to the college of the mayor and aldermen. These are collected by the college of the mayor and aldermen to be transmitted together by registered mail to the Minister responsible for the Interior within fifteen days from the receipt of the ballot papers and voting envelope. Envelopes sent late are not taken into account, the date on which the registered letter was sent being taken as proof.

The minister responsible for the Interior installs a polling station composed of officials whom he has under his command, one of whom acts as president. The polling station shall count the ballot upon receipt of the ballot papers of the communal councillors of the communes forming part of the territorial jurisdiction of a commission.

Each municipal council may appoint, among its non-candidate members, an observer who attends the counting operations.

Candidates are elected by a simple majority. In the event of a tie vote, the president of the polling station draws a lot to decide the candidate who is elected.

The Minister responsible for the Interior communicates to the Minister responsible for Housing and to the communes concerned the results of the poll in the form of a statement of the elected members as soon as the counting operations are closed. The list of elected members is considered as admission to the committee concerned

If the communal council of a municipality of less than 6 000 inhabitants forming part of the territorial jurisdiction of a commission is not installed until December 31 of the year of the general elections of communal councils, the Minister responsible for the Interior suspends the establishment of the ballot papers until all the communal councils have proposed a candidate within one month from the date of installation of the last communal council without prejudice to provisions of paragraph 5.

Should an assessor lose his quality of landlord or tenant, he shall be deemed to resign by law from the committee. It is provided for its replacement in the forms and under the procedure of designation.

The chairman and assessor members of commissions may be replaced. The replacement of a member of a commission of a commune of 6 000 inhabitants and more is made by deliberation of the municipal council. The replacement of the chairman of a commission comprising several communes of less than 6 000 inhabitants is done by the Minister responsible for Housing. The replacement of an assessor is made on the proposal of one of the municipalities in the area of territorial jurisdiction of the commission. This proposal is notified to the Minister responsible for the Interior, to the Minister responsible for Housing and to the other communes concerned. Within one month from the notification, the municipal councils propose candidates for the replacement, which takes place according to the nomination procedure.

In case of a vacancy of the seat of an actual or deputy member following to death, resignation or for any other reason, the vacancy is filled within three months. The replacing member shall complete the time in office of the member he is replacing.

(4) In the communes with 6,000 inhabitants and more the meeting place of the committee is an appropriate room put at the disposal by the communal administration. For each committee covering communes of less than 6,000 inhabitants, an appropriate room is put at the disposal by the communal administration of the registered office of the committee.

(5) In communes of 6 000 or more inhabitants, the secretary of the commission is appointed by the municipal council among the officials of the commune. For the

other commissions, the Minister responsible for Housing designates the secretary among the officials whom he has under his orders.

(6) In the communes of 6,000 inhabitants and more the compensation to be paid to the members and the secretary of the committee as well as any other operating expenses of the committee shall be at charge of the commune.

For the other committees the compensation for the members and the secretary as well as the other operating expenses shall be allocated in equal shares among the communes.

The amounts of the compensation to be paid to the members and the secretary are determined by a grand-ducal regulation.

Art. 8. The party which shall deem to be entitled under the provisions of the present law to ask for an increase or a decrease of the rent shall previous inform in writing the other party of its decision for such request to be admissible before the committee. If no agreement was found within one month, the claiming party may submit a request to the college of the mayor and aldermen of the commune in which the accommodation is located. The college of the mayor and aldermen will immediately transfer the request to the competent committee.

Every application shall specify the object of the request. It may not be admitted during the first six month of the lease.

The committee will convene the parties by registered letter with acknowledgment of receipt providing in addition to the day, time and place of the meeting a copy of the application of the claiming party. The convening notice shall be sent at least eight days before such meeting. If a party was not reached in person, the rental committee will convene the parties within a fortnight in order to be valid. The second notice is validly sent to the domicile.

Art. 9. (1) The parties shall appear in person or through an authorized representative before the committee on the day, time and at the location provided in the convening notice and will submit their comments.

(2) The committee may collect any information it shall deem useful before fixing the rent. It may among others visit the rented premises.

On an exceptional basis, the committee may request the assistance of an expert. The fees for this intervention will be paid in advance by the requesting party and be allocated among the parties in the decision of the committee or, in case of appeal, by the competent tribunal taking into account the outcome of the proceedings.

(3) The committee shall undertake best efforts to reconcile the parties.

In case of conciliation, minutes will be drafted with the conditions of the agreement. Such minutes will be signed by the parties or their authorized representatives and by the chairman of the committee.

In case of absence of conciliation or absence of one of the parties, the committee will determine the rent due and/or the advances to be paid on the charges based on the rules provided under articles 3 to 5.

(4) In case the rent is determined, the minutes will include the valuation of the accommodation with regard to the legal and regulatory criteria as well as the amount of the rent.

The members of the committee will sign the minutes and a copy will be sent as soon as possible by registered letter to the parties providing the means of appeal as well as the formalities thereof so that the terms to lodge an appeal against the decision under article 10 will apply.

(5) The committee shall render its decision within three months as of the transmission of the application to the committee. In absence of any decision within this period of time, the requesting party may directly go before the justice of peace.

(6) The parties may agree to entrust an arbitration mission to the committee in which case the decision shall be binding for the parties and directly enforceable.

Art. 10. Against the determination of the rent by the committee proceedings can be launched before the justice of peace of the location of the accommodation. Such proceedings, in order to be admissible, shall be launched within the month of the notification of the minutes of the committee. The application will be submitted, examined and judged in accordance with the proceedings under articles 19 to 25. The copy of the minutes of the committee will be appended to the application.

If no procedure is launched after the notification of the decision of the committee within the imparted deadlines, it is irrefutably deemed that the decision of the committee is accepted by both of the parties.

The decision of the justice of peace may be subject to opposition or appeal under the formalities and deadlines provided by articles 23 and 25.

Art. 11. The determination of the rent by the committee for rents or by the judge may enter into force as of the first term starting

after the date on which the competent college of the mayor and aldermen were seized with the application under article 8.

If under the provisions of the present law the rent is increased by more than 10% following a decision of the committee for rents or a request before court, the increase shall apply by annual thirds. The tenant shall however have the right to terminate the lease despite any agreement to the contrary with a period of notice of three months.

Chapter III. – Duration of the lease agreement

Art. 12. (1) The lease agreement may be concluded for a fixed or unlimited period of time. In absence of a written document, it is deemed to be concluded for an unlimited period of time.

(2) Every lease agreement covered by the present law, with the exception of the agreement regarding an accommodation as defined by article 6, terminated for any reason whatsoever, shall be extended unless:

a. the lessor declares that he needs the leased premises to occupy them himself or to have them actually occupied by a parent or relative up to the third degree inclusively;
b. the tenant does not fulfil his obligations ;
c. there are other serious and legitimate reasons to be established by the lessor; the transfer of the ownership of the accommodation is not a serious and legitimate reason.

(3) Notwithstanding Article 1736 of the Civil Code, the period of notice in the cases specified in paragraph (2), point a, is six months. The termination letter shall be written, motivated and accompanied, if applicable, by the pertaining documents and be sent by registered letter by post with acknowledgment of receipt. In order to be valid, it shall mention the text of the present paragraph.

Within three months of the acknowledgment of receipt at the post, the tenant may, in order to be admissible, request an extension of the termination deadline before the justice of peace. In absence of this request, the lessor may request from the justice of peace a decision authorizing the forced eviction of the tenant at the end of the termination period of six months. However the tenant may still submit a request for the suspension of the enforcement of the decision under articles 16 to 18. In this case, the eviction of the tenant from the accommodation shall occur imperatively at the latest fifteen months after the date the termination letter of the lease agreement was sent. The decision authorizing the forced eviction of the tenant may not be subject to opposition or appeal.

In case of a request for the extension of the termination period, the parties shall be convened before court within two months. Unless the request is seriously contestable or contested, the justice of peace shall grant an extension of the termination period to the tenant provided he justifies before the end of the initial term of six months, based on documents, to be in the progress of building or transforming an accommodation belonging to him or to have rented an accommodation under construction or transformation, or to have taken useful and extensive measures to look for a new accommodation. The extension of the termination period may in no case extend beyond twelve months after the initial term of six months. The benefit of suspension, under articles 16 to 18, will no longer be applicable. The decision granting or refusing the extension of the term shall be a legal enforceable title for the forced eviction of the tenant after such term. It may not be subject to opposition or appeal.

(4) If the accommodation was put, even for free, at the disposal of an individual only because of an employment contract between the parties, the eviction of the tenant may be ordered by the justice of peace if such employment contract was terminated.

Should the tenant remain in the possession of the accommodation after the end of the employment contract, he shall pay a compensation for occupying the accommodation to be determined in accordance with the provisions of article 3.

(5) By derogation from article 1743 of the Civil code, the buyer of an accommodation that is completely or partially rented, may not evict the tenant of which the lease does not have a fixed term before the purchase deed, but who was put in possession of the premises before such date unless one of the conditions defined under paragraph (2) is fulfilled.

(6) The buyer of the rented accommodation who wants to occupy such accommodation himself or have it occupied by a parent or relative up to the third degree inclusively, shall sent a registered termination letter of the lease agreement to the tenant within

three months of the acquisition of the accommodation.

In this case, the provisions under paragraph (3) shall apply with the exception that the tenant shall leave the accommodation imperatively at the latest twelve months after the date the termination letter of the lease was sent.

Art. 13. If the tenant is abandoning his domicile or in case of his death, the lease agreement shall continue for an unlimited period of time :

- to the benefit of the spouse having lived together with the tenant or of the partner having signed a partnership agreement with the tenant and having lived as a couple with the latter;
- to the benefit of the descendants, ascendants or the partner, living in a domestic community with the tenant since at least six months of the date the latter abandoned the domicile or died and who had registered their official address in the accommodation with the commune during this period of time.

In the event of several applications the judge shall decide on the basis of the interests involved.

These provisions shall not impact the rights of the lessor against the tenant having abandoned this accommodation.

In the absence of persons fulfilling the conditions under the present article, the lease agreement shall be terminated by law by the death of the tenant.

Art. 14. Except in case of force majeure, the former tenant is entitled to damages if within the three months of his departure, the accommodation is not used for the purposes provided as a reason for the termination of the lease, either in the termination deed of the lease or in the request before court or in the court decision.

The three-months period is suspended during the renovation and transformation works actually undertaken.

If the tribunal finds that the reason provided to prevent the extension of the legal term was wrong, the tenant is entitled to damages, which may not be less than the amount of the rents for one year.

Art. 15. The tenant whose lease runs for at least eighteen years has a pre-emption right on the rented accommodation, unless it is sold by public auction or assigned to a member of family of the lessor, parent or relative up to the third degree included or it is subject to a free transfer.

The lessor shall communicate the sale offer by registered letter to the tenant. In this offer the lessor shall inform the tenant that he has the right to submit a counter-offer. The tenant has one month to use his right to submit a counter-offer. His silence means that he has rejected the offer.

If the tenant submitted a request to be granted a loan with a financial institution located in the Grand Duchy, this period is extended by one month. The tenant may only sell the accommodation to a third party for a price that is higher than the one offered.

The pre-emption right may only be exercised if the tenant has rented the entire building or if the apartment he is renting is governed by the co-ownership regulations.

If the accommodation is sold to a third-party buyer despite the pre-emption right of the tenant, the tenant may claim dam-ages from the seller which may not be less than the amount of the rents for one year.

Chapter IV. The protection of persons sentenced to leave their accommodation

Art. 16. The justice of peace, in tenancy matters, may order upon request of the party sentenced to leave the accommodation, be it a tenant or an occupant with neither right nor title, that the enforcement of the decision will be suspended.

The suspension may not exceed three months but it may be extended two times each time for a maximum of three months. The suspension will only be granted if, due to the circumstances, the applicant seems to deserve this favour and if he proves to have taken useful and extensive steps to look for a new accommodation unless the suspension is incompatible with the personal needs of the other party.

The justice of peace determines the financial compensation due by the party sentenced to leave the accommodation for the time of the suspension because of such party's temporary stay in the premises taking into account the damage resulting from this for the lessor.

If after a sentence to leave the premises by the first level jurisdiction, the appeal of the sentenced party is declared not admissible or null, or if the eviction is confirmed by the appeal court, independently of the deadline granted by the appeal judge to the party sentenced to leave the premises, such party may no longer submit a request for the

suspension of the enforcement of this decision.

Any request for the suspension or the extension of the suspension is not admissible after a period of time of more than one year after the day the judicial proceedings were launched and the end of the period of time to leave the premises determined by the sentence providing for the eviction or in the order granting the above-mentioned suspension.

By derogation from the previous paragraph and notwithstanding the provisions under article 12, paragraphs (3) and (6), any request for suspension or extension is also irrevocable at the end of a period of time of twelve months as of the date the buyer of a rented building informed the tenant by registered letter or at the end of the period of time of fifteen months as of the date the lessor has informed the tenant by registered letter that he wants to occupy the building himself or have it occupied by a parent or relative up to the third degree inclusive.

Art. 17. The request for suspension shall be submitted in the form an application to be deposited with the office of the justice of peace. The parties are convened for the first available hearing.

The decision regarding the request will be recorded in the court's docket. This decision may not be subject to any appeal.

Art. 18. If the period of time granted by the decision to the tenant to leave the premises is more than fifteen days, the request for suspension shall be submitted, in order to be admissible, at the latest three days before the end of this period of time. The request for extension of the suspension shall be submitted, in order to be admissible, at the latest three days before the end of the suspension. A decision will be taken immediately, however the request shall have a suspensive effect.

Chapter V. – Dispute resolution

Art. 19. The justice of peace is competent, even if the title is contested, to decide on any disputes between lessors and tenants with regard to the existence and the implementation of building leases.

The competent justice of peace is the one of the location of the accommodation that is the subject of the disputed lease.

Art. 20. The request submitted to the justice of peace under article 3, 3° of the New Code of civil procedure will be in form of a simple application to be deposited with the office of the justice of peace in as many copies as parties involved in the dispute.

The application will provide the name, first name, profession and domicile of the parties. It will include a summary of the means in support of the request and specify the object of the request.

The date of the deposit shall be recorded by the court writer on an unstamped paper register to be kept in the court's office. The justice of peace will counter-sign and initial this register. The court writer will also record in this register the date of the registered letters under the present law.

Art. 21. The court writer will convene the parties by registered letter with acknowledgment of receipt. He will append a copy of the application for each defendant. The letter shall provide the name, first name, profession and domicile of the applicant, the object of the application, the day and time of the hearing before the justice of peace at least eight days in advance. The convening notices will furthermore contain in order to be valid the information required under 80 of the New code of civil procedure.

Art. 22. Regarding the examination and the decision of such cases, the ordinary procedure for cases before the justice of peace shall apply if not derogated by the provisions of the present law.

If an investigation or expertise is required, the court writer will summon the witnesses and experts by registered letter with acknowledgment of receipt. The letter shall specify the object of the investigation or the expertise.

Within fifteen days of the sentence pronunciation, the court writer will send a copy of the sentence on plain paper to the parties by registered letter.

Art. 23. In the event one of the parties does not appear before court either in person or through a representative, the justice of peace shall rule in accordance with the provisions of articles 74 to 89 of the New Code of civil proceedings. The absent party may submit an opposition with the court's office within fifteen days of the notification under article 22, paragraph 3.

In this case the convening notice shall be sent as provided under article 21.

Art. 24. In an order the justice of peace may take any accessory measures and more specifically determine the temporary rent. Articles 15, 16 and 17 of the New code of civil procedure shall apply.

Art. 25. The appeal shall be brought before the district court. It shall be submitted in order to be admissible within forty days as of the notification of the sentence if it is contradictory and, if the sentence was rendered in absence, within forty days as of the day the opposition is no longer admissible. The ordinary procedure in commercial matters shall apply for the submission of the appeal as well as for the examination and the decision on the case.

Chapter VI. – The tasks of the municipal authorities

Art. 26. The municipal administrations have the task, to the extent possible, to guaranty the accommodation of all the persons having their domicile on the territory of the commune.

Art. 27. « (L. 5 August 2015) The municipal council may by way of a communal regulation, force the owners of buildings and parts of buildings that are not occupied and used for residential purposes located on the territory of the commune to register them with the municipal administration within a period of time determined by said council.

Violations of the provisions of the preceding paragraph will be punished with a fine between 1 and 250 Euros. »

Art. 28. Every commune is authorized to annually request from the lessors, renting one or several accommodations located on the territory of the commune or from the tenants of an accommodation located on the territory of the commune, information about the amount of the rent and the charges to be paid to the lessor as well as about the type and the space in m^2 of the rented premises.

Such information may be used to compile a rental register in order to know the average amount of the rents requested for the various types of accommodations in a commune or in a part of such commune.

The request for information is made via a form put at the disposal of the lessors or the tenants by the municipal authorities. It shall be returned, duly filled out and signed by each recipient lessor or tenant to the municipal authorities within the period of time provided on the form. If this is not the case, the defaulting recipient may receive a fine of an amount to be determined by a municipal regulation under the provisions of the municipal law.

In the event of a request from the minister in charge of housing, the results of the information collected in a given commune the municipal authorities will communicate these results to the minister.

Chapter VII. – Special measures for the safeguarding of movable property of persons sentence to leave their accommodation

Art. 29. (1) In case of a forced eviction of a person sentenced to leave the premises such person is occupying, the movable property found in such premises shall be transported at cost of the evicted person, who shall pay such costs beforehand, to a place specified by such person.

(2) If the evicted person does not specify any location, if they refuse or are not able to pay the transport cost beforehand, the bailiff in charge of enforcing the eviction sentence will have the movable property transported at the cost of the evicted person to be paid beforehand by the commune of the location of the eviction upon request of the bailiff, to premises specified under article 30.

(3) The bailiff compiles, at the cost of the evicted person, a report with the inventory of the transported property and a short description of the state of such property. A copy of this report is given to the evicted person and the municipal administration.

Art. 30. (1) The commune shall store, in an appropriate location, the movable property of the persons evicted under the conditions of article 29, paragraph (2). It may proceed to the destruction of perishable, unhealthy or dangerous goods and refuse the storage of property of which the safekeeping would cause difficulties or abnormal costs.

(2) The storage in the location provided under the preceding article may be subject to the payment of a fee to be determined by the commune.

(3) Unless a written agreement to the contrary between the commune and the evicted person, the stored property shall be collected within three months as of the date it was deposited in storage against the payment of the transport costs paid beforehand by the commune and the storage fees incurred. The commune may waive the payment by the evicted person of such costs and fees.

(4) At the end of this period of time the commune sends summons to the evicted person by registered letter requesting such person to collect the property. If after this period of time three months have elapsed without that the evicted person nor the seizing party have contacted the municipal administration, the commune may sent, by registered letter, to the evicted person and the seizing party final summons to collect the property within fifteen days, with the information, that in absence of doing so, it shall be irrefragably deemed that the evicted person as well as the seizing party have waived to claim the delivery of the stored property. The commune may then proceed to sell the property in storage or to use it otherwise.

(5) The commune shall withhold from the product of the sale the fees and other expenses mentioned under paragraph (3). The balance shall be transferred to the Caisse des consignations. The owner of the goods and movable property or his beneficiaries may request the payment thereof during a period of time of ten years. After this period of time, the amount shall revert to the commune.

Chapter VIII. – Final, abrogating and transitory provisions

Art. 31. (…)

Art. 32. (…)

Art. 33. (…)

Art. 34. (1) Are abrogated:

- the amended law of 14 February 1955 on the amendment and the coordination of the legal and regulatory provisions regarding leases;
- articles IV and V of the law of 27 August 1987 on the reform of the legislation on leases.

(2) By derogation from paragraph (1), first dash, article 6 of the amended law of 14 February 1955 will apply for as long as the grand ducal regulation provided under article 7, paragraphs (1) and (6), of the present law has not entered into force.

(3) By derogation from paragraph (1), lease agreements signed before the entry into force of the law and regarding luxury housings under article 5 of the amended law of 14 February 1955 on the amendment and the coordination of the legal and regulatory provisions regarding leases shall continue to apply until the end of the lease.

Art. 35. The rents agreed before the entry into force of the law may only be adapted to the level resulting from the application of the present law after written notification to the tenant.

The tenant occupying an accommodation by virtue of a lease agreement signed before the entry into force of the present law has a period of time of three months as of the request for the increase of the rent of the lessor in application of the provisions introduced by the present law, to terminate the lease agreement.

Should he terminate the lease agreement, he may not be subject to any adaptation of the rent.

If the tenant does not terminate the lease agreement and the increase of the rent exceeds 10 %, the increase shall apply by annual thirds.

Art. 36. The present law shall enter into force on the first day of the month following is publication in the Official Gazette (Memorial).