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## TENLAW: Tenancy Law and Housing Policy in Multi-level Europe

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### **Tenant's Rights Brochure for**

# **SERBIA**

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# **Tenant's Rights Brochure**

## **Serbia**

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### **1. Introductory information**

- Give a very brief introduction on the national rental market
  - Current supply and demand situation

Serbia, a typical post-transition country, has a high share of homeownership (98.3% ) and an irrelevant portion of public housing (1.7%). The Statistical Office of the Republic of Serbia (Zavod za Statistiku Republike Srbije – hereinafter SORS) identified sixteen various types of tenure. Neither homeownership nor rental tenure follow the usual patterns, since housing scarcity, increased by inflows of refugees and IDPs, have led to various housing arrangements. For example, homeowners' units are often shared with tenants, sub-tenants or relatives. The same goes for

rental units. According to Census 2011, there are 3,243,587 dwellings. Not all 98.3% of the privately owned dwellings are owner occupied. Owner occupied dwellings account for 87.5% of the stock (or 2,121,484 units). All of 1.7% of publicly owned dwellings are rented. Market rented dwellings encompass 5% of the stock<sup>1</sup>, while 5.7% of the stock is used by relatives of the owner<sup>2</sup>.

The main problems of the rental sector in Serbia are the affordability and quality of the market rentals and the insufficient supply of the non-profit rentals. There is no public authority or a similar body, which would control the quality of the market rentals, as well as the level of the rents. As far as non-profit rentals are concerned, certain progress has been made in the last few years in order to increase the supply of these units. After the Social Housing Act (*Zakon o Socijalnom Stanovanju*) has been put to force, there have been several programs, the primary concern of which was to construct new non-profit units, both for purchase and renting. However, the number of the newly constructed non-profit rental units is significantly lower than the units for sale (the ratio of units for renting versus units for sale is 1:3). There is a larger supply of market rentals in cities and larger towns, such as Belgrade (the capitol), Niš, Kragujevac, due to better employment and schooling possibilities.

It is difficult to state the average rent price in Serbia, since there is no official monitoring. In addition, there is a great difference between the capitol and other smaller municipalities. In general, prices range from 100-150 EUR per month for studio apartments to 200-350 EUR per month for larger apartments (without running costs). Rent price for non-profit dwellings is accordingly lower. It ranges from cca. 15 EUR per month to 55 EUR per month, excluding running costs. The price usually depends on the municipality and the size of the dwelling.

The average monthly running costs (irrespective of the tenure type) amount to around 70 EUR.

The average area of the dwelling in Serbia is 72,3 m<sup>2</sup> with 25,2 m<sup>2</sup> per inhabitant. Majority of dwellings is comprised of two rooms (34.6%), followed by three-room dwellings (27.9%). One-room dwellings encompass 15.3% of the stock. Four-room dwellings represent 12.3%, while larger (five and more room dwellings), encompass 9.5% of the stock.

Provision of basic amenities is good, especially in urban areas. Certain rural areas may still lack proper water supply and sewage system.

The dwellings are inhabited mostly by two-member households (25.1%). Single-member households inhabit 21.8% of the dwelling stock. Three-member households inhabit 19% of the dwelling stock, while four-member households are found in 18.2% of the stock. Worrying is the fact that the portion of the single-member households is increasing (in 2002 there were 18.1% of such households).

In addition, the population of Serbia is getting older according to the projections by the SORS. The portion of elderly (older than sixty-five years) is likely to increase 25.2% from the current 17.3%, while the portion of young (younger than fifteen years) is likely to decrease from the current 14.4% to 11.7%.

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<sup>1</sup> This is a mere approximation, since it is difficult to obtain a real number due to the inexistence of an official record.

<sup>2</sup> This percentage encompasses also the informal market rental sector.

- Main current problems of the national rental market from the perspective of tenants:
  - Affordability and quality of market rentals: higher quality market rentals are accordingly more expensive and unattainable for large portion of citizens.
  - Absence of written contracts in the market rental sector.
  - Insignificant number of non-profit rentals – only in several towns across Serbia.
  - Unawareness of the tenants and landlords of their rights and obligations from the rental relations.
  - Only few associations of tenants, situated in Belgrade (the capitol) and Novi Sad. There are no other similar organizations, which would provide for support and advice to tenants and landlords.
  - No subsidies or other housing benefits for tenants.
- Significance of different forms of rental tenure

The rental tenure in Serbia represents a less important tenure type compared to the owner-occupancy, predominately due to the high ownership rate. The non-profit sector is extremely small, while the market rental sector is mostly performed through the informal market.

- Private renting

Market sector is more important in the larger municipalities, where universities, administrative offices and branches of multinational companies are situated. In addition, the numerous IDP's and refugees found their shelter there.

Landlords in this sector are usually private persons, with the number of legal persons under private law (the so-called commercial landlords) being very small.

The contracts in this sector are left to the autonomy of parties regarding majority of contractual provisions. Most importantly, the rents are negotiated between the parties based on numerous criteria (location, equipment, etc.). Although the 1992 Housing Act (*Zakon o Stanovanju*) ought to regulate relations in this sector as well, over the course of time, its provisions ceased to produce any relevant effect. Therefore, provisions on leases in general, contained in the 1978 Obligation Relations Act (*Zakon o Obligacionim Odnosima*), govern this sector.

Important to note is that written contracts are rarely concluded. There is also no registry of these contracts.

- “Housing with a public task” (e.g. dwellings offered by housing associations, public bodies, etc.)

Housing with a public task is offered by the municipal and non-profit housing organizations. However, these organizations are not present in every municipality, due to the lack of financing. As a result, housing with a public task is unevenly dispersed across Serbia.

The units in this sector are intended for individuals in serious financial and social distress. The applicants must fulfil several criteria in order to be awarded with one of the units (for instance, permanent residence for a certain period of time in the

municipality of application, income and property census, number of family members and children, etc.). In addition, the applicants must be Serbian citizens.

The rent in this sector is set in accordance with the executive acts of the owners. Therefore, the rent is not unilaterally set for the entire sector.

Contracts are usually set as limited in time, with the possibility of the prolongation afterwards. In certain municipalities (e.g. Belgrade and Smederevo), social renters do not pay the running costs of the residence.

There is also a program intended mostly for IDPs and refugees (although the local socially underprivileged households are entitled to apply) – the Social Housing in the Supportive Environment. The primary goal of the program is to offer these individuals an adequate residence and relocate them from the collective centres. Several units are usually set in one building and offered to the respective number of households. One of the units is intended for a younger household, which acts as a housekeeper and assists other households (usually elder and physically disabled) with their chores. However, the number of such building is very small. In total, there are around 940 such buildings across Serbia.

- Some general recommendations to foreigners on how to find a rental home (including any specificities with respect to the position of foreigners on the national rental market)

Finding a market rental dwelling in Serbia can be done by browsing through the specialized web pages with rental ads<sup>3</sup> or visiting one of the real estate agencies. The former may be a more time-consuming procedure. In numerous cases the ads on these web pages are posted by the real estate agencies and not only the landlords; therefore the final result is the same as going to the agency directly. Foreigners (as well as all other prospective tenants) must be careful when choosing the real estate agency, since there have been several cases, in which prospective tenants were chiselled by the swindler agents. For instance, the agent demanded an advance payment of the commission, but provided the clients with an apartment, which was not for renting. The agent then vanished, leaving the clients without the money and the apartment.

Market landlords more often than not do not discriminate against the foreigners. However, they may demand rent to be paid in advance, as a form of security. Non-profit dwelling, on the other hand, cannot be awarded to non-Serbian citizens.

- Main problems and “traps” in tenancy law from the perspective of tenants

Prospective tenants must pay attention to several issues when negotiating a contract. In the stage of looking for the dwelling, the tenants must carefully choose the real estate agency, as described above. Once they find a prospective landlord, they must always first ask whether he is prepared to conclude a written contract and allow them to register their residence on the address of the dwelling. They must also double-check the conditions of the dwelling and the furniture (if provided). The record on the conditions must be included in the contract. In addition, the tenants must be particularly careful to clarify all the details regarding the tenure, especially if the contract was not prepared by the professional (i.e. lawyer), but the landlord himself.

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<sup>3</sup> For instance: [www.srbija-nekretnine.org](http://www.srbija-nekretnine.org), [www.kuca.rs](http://www.kuca.rs), [www.nekretnine-srbija.info](http://www.nekretnine-srbija.info).

This includes clarification of the payment of running costs (who is to pay what part of the costs), their obligations regarding the maintenance of the dwelling and repairs thereof, receiving guests, smoking, keeping animals, etc. It is also useful to agree with the landlord on some kind of a receipt for payments, if the rent is not paid on the bank account of the landlord.

It must be stressed that the court settlement of the disputes should be a measure of last resort due to the high expenses and long procedures, so it is better to clarify all the issues beforehand.

*“Important legal terms related to tenancy law”*

<b>Serbian</b>	<b>Translation to English</b>
<i>aneks ugovora o zakupu stana</i>	an annex to a tenancy contract
<i>bitni elementi ugovora o zakupu stana</i>	essential elements of tenancy contract
<i>bliži članovi porodice</i>	closer family members
<i>depozit</i>	security
<i>dodatak</i>	subsidy
<i>državina</i>	possession
<i>zakup na neodređeno vreme</i>	open ended tenancy
<i>zakup na određeno vreme</i>	limited in time tenancy
<i>zakupac</i>	tenant
<i>zakupodavac</i>	landlord
<i>zaštićeni zakupci</i>	protected tenants
<i>zelenaška zakupnina</i>	usurious rent
<i>iseljenje</i>	eviction
<i>korisnik</i>	user
<i>krivični razlozi za otkaz</i>	culpable reasons
<i>materijalni nedostatak</i>	material defect
<i>nekrivični razlozi za otkaz</i>	non-culpable reasons for termination

<i>neparnični postupak</i>	non-contentious procedure
<i>neprofitna zakupnina</i>	non-profit rent
<i>obavljanje poslovne delatnosti</i>	pursuing commercial activity
<i>održavanje</i>	maintenance
<i>opomena</i>	admonition
<i>opravdani razlozi</i>	compelling reasons
<i>otkaz</i>	termination
<i>otkazni rok</i>	notice period
<i>podzakup</i>	subtenancy
<i>popravka</i>	repair
<i>pravni nedostaci</i>	legal defect
<i>predaja stana</i>	handing over of premises
<i>produžavanje zakupa na određeno vreme</i>	prolongation of limited in time tenancy
<i>raskid</i>	mutual termination
<i>saglasnost zakupodajalca</i>	landlord's consent
<i>službeni stan za zakup</i>	employment based rental dwelling
<i>spor</i>	dispute
<i>stan za neprofitni zakup</i>	non-profit rental dwelling
<i>stanarsko pravo</i>	housing right
<i>tekući troškovi</i>	operating costs; running costs
<i>tržišni stan za zakup</i>	market rental dwelling
<i>tužba na iseljenje</i>	eviction claim
<i>tužba na ispražnjenje</i>	action for vacating premises
<i>ugovor o zakupu stana</i>	tenancy contract

<i>šteta</i>	damage
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## **2. Looking for a place to live**

### **2.1. Rights of the prospective tenant**

- What bases for discrimination in the selection of tenants are allowed/prohibited? What about, for example, status as a foreigner, student, unmarried partner, or person with a short-term work contract?

Discrimination in the selection of tenants must be observed with regard to the landlord – whether he is a market or non-profit (public) landlord. Landlord in the public sector (municipal housing funds) must not discriminate against prospective tenants unless the basis for discrimination is given in the legislation. For instance, non-profit dwellings are intended only for Serbian citizens, thus discrimination regarding citizenship is allowed. In addition, positive discrimination is allowed in this sector (for instance, determining as eligible only applicants with children enrolled in the primary schooling or giving priority to single-parents). However, discrimination based on the religion or religious belief, sex and disability are not allowed.

Market (non-commercial) landlords select tenants according to their own preferences and without restrictions.

- What kinds of questions by the landlord are allowed (e.g. on sexual orientation, intention to have children, etc.)? If a prohibited question is asked, does the tenant have the right to lie?

Market landlords are usually free to ask any type of question, whereas tenants have the right not to be honest when answering. However, there may be other legal consequences thereof, such as invalidity of the contract or liability for damages.

Public landlords (non-profit landlords) are allowed to ask different questions in order to establish whether the applicant (prospective tenant) fulfils criteria for being awarded with such a dwelling. In addition, they may request from the applicants to enclose different evidence regarding their material and family status when applying for non-profit housing. The needed documents are enlisted in the relevant legislation (e.g. regulation issued by the Government and local municipal authorities regarding allocation of these dwellings). Thus, documentation stated in the relevant legislation is not regarded as inappropriate. Tenants have the right not to answer honestly. However, such actions may lead to the termination of the contract. For instance, if the applicant alleges that he his incomes are below the threshold, when in fact they are not, may constitute a reason for termination, since the tenant does not fulfil the criteria for these dwellings.

- Is a “reservation fee” usual and legal (i.e. money charged by the landlord to allow the prospective tenant to participate in the selection process)?

Reservation fee is unusual in both the market and non-profit sector. Some swindler real estate agents have requested an advance commission. However, this is not

lawful. The agents are only entitled to the commission as agreed upon with the brokerage contract and after the contract is concluded.

- What kinds of checks on the personal and financial status of the tenant are usual and legal (e.g. the landlord requiring an independent credit report)?

Checks on the personal and financial status of the tenant are different depending on the type of the rental relation. Market landlords may demand any type of checks on the personal and financial status of the tenant. There is no legal obligation for them to do so, nor there is a provision preventing them from asking for the documents. However, some of them do so in order to be sure that the tenant will be able to pay the rent.

On the other hand, public landlords in non-profit sector have a right to demand from the tenant (as well as tenant's household members of legal age) to enclose different documents, among which are also the certificates on incomes and dependent members, certificate on received net salaries, statement on the pecuniary circumstances, etc. All of these certificates are stated in the public tender.

- What is the role of estate agents in assisting the tenant in the search for housing? Are there other bodies or institutions assisting the tenant in the search for housing?

The role of the agents is usually to present the prospective tenants with appropriate dwellings, in accordance with tenants' demand. Agents also show the selected dwellings to the tenant at his request. Other services depend on the parties' preferences. In some cases, agents assist with the preparation of the tenancy contract.

Apart from the estate agents, there are no other bodies or institutions assisting tenants in searching for housing.

- Are there any accessible "blacklists" (or equivalent mechanisms) of bad landlords/tenants? Is there a system for rating and labelling preferred landlords/tenants?

There are no formal mechanisms or lists for determining a bad or a good tenant/landlord.

## **2.2. The rental agreement**

- What are the requirements for a valid conclusion of a rental contract (is written form necessary; is registration necessary and if yes, what kinds of fees apply lawfully)?

The non-profit rental agreements (tenancy contracts) must be concluded in writing. There is no such requirement for the market rental contracts. Nevertheless, parties are advised to conclude written contracts in order to provide for the higher legal certainty of both parties. Oral agreement is also valid in front of the Court, if the party,

claiming that the rental relation existed, may prove this. For instance, the proof may be the record of all the paid rents.

There are no other formal requirements regarding the market rentals. As far as non-profit rentals are concerned, the tenants must be selected in a special procedure.

The registry of tenancy contracts has not been established. The only obligation of registration is the registration of the contract with the Tax Office (*Poreska Uprava*), for which there is no fee imposed.

- What is the mandatory content of a contract?
  - Which data and information must be contained in a contract?

Mandatory content of non-profit contracts is enlisted non-exhaustively in Article 7 of the 1992 Housing Act.

Mandatory data and information are:

- information on the parties,
- date and location of the conclusion,
- information on the dwelling,
- reasons and notices for termination,
- mutual obligations,
- maintenance of the dwelling and the building,
- the rent price,
- the manner of paying and the scope of running costs,
- the period of tenancy,
- and the individuals residing in the dwelling (i.e. users).

Important to stress is that the contract, in which the period of rental is not defined, is considered as open-ended term contract. Furthermore, the notice on the increase of the rent must be communicated to the tenant at least one month before the intended increase. The record on the condition in which the dwelling is upon handing over is the also signed by both parties and enclosed with the contract.

The mandatory content of the market rental contracts is not strictly determined with the 1978 Obligation Relations Act, but it follows from the general provisions. It includes:

- the information on the parties and the dwelling,
- the payment of the rent,
- maintenance of the dwelling,
- agreement on the scope of the use of the dwelling and the sublease,
- reasons on termination.

- Duration: open-ended vs. time limited contracts (if legal, under what conditions?)

Duration of the contract is an important feature of contracts. If the period for which the contract is concluded is not stated in the contract, it is deemed that the contract is open-ended. Both types of contracts are possible in market and non-profit sector. However, in non-profit sector, the dwelling is usually awarded for the period in which the household is in severe social and financial distress, with the possibility of prolongation. In market sector, limited in time contracts are more common, also with the possibility of prolongation.

- Which indications regarding the rent payment must be contained in the contract?

All tenancy contracts must necessarily contain the level of rent and its scope (does it include only the rent or also the running costs). Market rent is usually paid monthly, unless otherwise agreed between the parties (for instance, that the tenant is to pay for several months or a year in advance). The non-profit rent is paid monthly, until the fifteenth of the present month, unless otherwise determined in the contract.

If the non-profit landlord wishes to increase the rent, he must notify the tenant thereof, at least one month prior to the increase. This rule is not necessarily contained in the contract, but it follows from the legislation.

- Repairs, furnishings, and other usual content of importance to tenant
  - Is it legal for the landlord to shift the costs for certain kinds of repairs (if yes, which?) to the tenant?

It is legal for the landlord to shift the costs for certain kinds of repairs, since there are no strict rules regarding repairs and furnishing of dwellings in neither market, nor non-profit rentals. Provisions of the 1992 Housing Act regulate only the maintenance and repairs of the housing buildings and apartments and not the repairs of non-profit dwellings.

Therefore, the general provisions on repairs from the 1978 Obligation Relations Act apply to the repairs of individual units. The landlord, in general, is obliged to maintain the dwelling in proper condition for the entire period of the tenancy and is obliged to undertake necessary repairs. If the landlord fails to conduct the necessary maintenance work, the tenant is entitled to undertake them himself, while the landlord is obliged to reimburse any costs that emerged. For instance, the landlord is obliged to repair or replace the plumbing, which is old and worn-out.

However, the costs of small repairs, caused by the regular use of the dwelling or caused by the tenant or other person present in the dwelling with tenant's permission, as well as the other running costs, are borne by the tenant. For instance, if the tenant's child destroys one of the cupboards with the scissors, the tenant is responsible to repair it.

Tenant's responsibility is to inform the landlord on any needed repair during the period of tenancy, as soon as possible, unless the landlord is already aware of it. In addition, the tenant is obliged to inform the landlord on any unexpected hazard which could threaten the dwelling during the period of tenancy, so as to allow him to react in due manner. Otherwise, the tenant is not entitled to the reimbursement of the damage to which he was exposed, while he is obliged to reimburse the damages to the landlord. For instance, if there was a flood in the neighbour's apartment and there is a possibility of damage also in the tenant's dwelling, he must inform the landlord in order to take measures and prevent serious damage.

As far as maintenance of the housing buildings and other common parts, the owners of the housing buildings, apartments and other individual parts of multi-buildings in general are to provide for the maintenance of the buildings with all the installations, equipment and appliances, as well as the apartments and the special parts of the buildings. The main guiding principle is that the costs of repairs are borne by condominium owners according to their ownership share and not according to their actual use of the asset that needs the repair (whether it is an elevator, roof, common

are). The main goal of the maintenance is to allow safe use of the building and apartments (the so-called investment maintenance). This maintenance is in the public interest. The owners are also responsible for other undertakings: painting, cleaning of the stair halls, entrances and common areas, repairs and changes of common lightening, as well as other works for providing the maintenance of the building for its proper use (the so-called current maintenance). This means that the landlords (both non-profit and market) are responsible for this type of repairs. They cannot shift these costs to the tenants, unless otherwise agreed in the contract.

- Is the landlord or the tenant expected to provide furnishings and/or major appliances?

Furnishings in both types of rentals are usually provided by the landlord. The most necessary furniture, such as kitchen and toilet furniture and closets, are always provided. Some landlords provide also the entire furniture (also beds, tables, chairs, appliances). The equipment of the furniture is usually resembled in the higher rent price of market rentals.

- Is the tenant advised to have an inventory made so as to avoid future liability for losses and deteriorations (especially in the case of a furnished dwelling)?

In non-profit sector, the inventory (the record on the condition of the dwelling upon handing over) is mandatory. However, also the market tenants are advised to make the inventory at the very beginning of the tenancy, in order to avoid possible misunderstandings with the landlord afterwards.

- Any other usual contractual clauses of relevance to the tenant

There are no other contractual clauses of relevance to the tenant.

- Parties to the contract

- Which persons, though not mentioned in the contract, are allowed to move into the apartment together with the tenant (partner, children etc.)?

Unless mentioned in the non-profit contract, persons other than the tenant cannot move into the apartment. Tenants in non-profit rentals are legally obliged to provide the list of individuals who are to use the dwelling with them, being family members or not. Otherwise, this may constitute a reason for termination of the contract.

For market rentals, the 1978 Obligation Relations Act does not contain a rule, which would oblige the tenant to inform the landlord on who else is to use the dwelling. However, in order to avoid misunderstandings, it is better to include also the list of such individuals.

- Is the tenant obligated to occupy the dwelling (i.e. to use as tenant's primary home)?

The obligation to live in a dwelling is not contained in the legislation. However, such obligation may be deduced from the general provisions of the 1978 Obligation Relation Act, especially regarding the non-profit rentals. For instance, tenants are obliged to notify the landlord on any threat to the dwelling. Otherwise, they are liable for the damages. Unless they are residing in the dwelling, they will not be able to act accordingly. Furthermore, tenants are to use the dwelling in accordance with their purpose. Purpose of the dwellings is to be occupied. Otherwise, the housing (non-profit) stock is inappropriately used.

- Is a change of parties legal in the following cases?
  - divorce (and equivalents such as separation of non-married and same sex couples);

There are no special provisions in the 1992 Housing Act or the 1978 Obligation Relation Act on the divorce, separation of the non-marital partners or same-sex partners<sup>4</sup>. This matter is arranged in the divorce or separation procedure.

The only possibility is in the case of domestic violence. The court may order the violent partner to move out of the joint dwelling, irrespective of his ownership or tenancy right. However, it is not explicitly stipulated that the change of the parties in this case is obligatory.

- death of tenant;

Change of parties after the death of the tenant is legal in both non-profit and market rentals. The members of the non-profit tenant's family household may continue to use the dwelling. This right is given only to those members residing in the dwelling with the deceased prior to his death. The new tenancy contract is concluded with the member of the family household, who is determined by all the members consensually. If there is no other member of the family household left, the new contract may be concluded with the individual, who is no longer the member of the family household or the individual, who was a member of the family household of the previous tenant, if he continued to reside in the dwelling (for instance, a brother, a sister, etc.). The following individuals are deemed as family household members of the tenant: his marital spouse, children (born during the course of the marriage or outside, adoptees or stepchildren), parents of the tenant or his spouse, as well as the individuals, whom the tenant is legally obliged to support. These individuals have a right to conclude the new contract in sixty days following the death of the tenant; otherwise, the contract is terminated. As for the market rental relations, the contract is continued with the deceased tenant's inheritors, unless other arrangement is reached in the contract.

- apartments shared among students (in particular: may a student moving out be replaced without permission of the landlord);

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<sup>4</sup> Same-sex partners are not legally recognized in Serbia.

No strict rules regarding replacing the student, who moved out, are present in the legislation. Replacing the student, who moved out, is a matter of agreement between the parties. Some landlords prefer to find the new student on their own, while others leave this to other users.

- bankruptcy of the landlord

Bankruptcy of the landlord in general does not lead to the change of the tenant's position. If the dwelling is sold, tenant is entitled to terminate the contract, if he does not approve of the new landlord. The new landlord (buyer of the dwelling) enters into the obligations and rights of the previous landlord and is bound by the previous contract, however only, if the tenancy contract was concluded and the dwelling handed over to the tenant before the order on the enforcement.

If there was a mortgage on the dwelling and the dwelling is to be sold in the enforcement procedure (in an out-of-court procedure), the solution may be different. The tenant must agree with the conclusion of such mortgage. The reason for this is that he is obliged to empty the premises and hand them over to the new owner in fifteen days following the sale.

- Subletting: Under what conditions is subletting allowed? How can an abuse of subletting (when the tenant is offered not an ordinary lease contract but only a sublease contract) be counteracted?

Subletting is not directly prohibited with the legislation regarding the non-profit rentals. However, it is prohibited to conclude the subletting contract without the consent from the landlord. Otherwise, the landlord is entitled to terminate the contract.

The landlord (the main tenant) and the sub-tenant must conclude a sub-lease contract in writing. The landlord (the main tenant) must register the contract with the competent Tax Office. Almost the same provisions apply to the subletting as to the regular tenancy contracts. The peculiarity is that the subletting contract is terminated instantly with the termination of the original tenancy contract, regardless of the fact that the subletting contract was concluded for a longer period of time or as open-ended. The argument is that the sub-lease is based upon the original lease, and once the original lease is terminated, all the sub-leases deriving from the former (main) tenant – sub-lessor - must be terminated as well.

In market rentals, subletting is allowed, unless otherwise agreed in the contract and unless it may harm the landlord (for instance, if the dwelling might suffer greater wear and tear than economically acceptable for the landlord). If it is necessary to obtain the permission from the landlord, he could refuse to give it only due to some justified reason. The tenant guarantees the landlord that the sub-tenant will use the dwelling in accordance with the tenancy contract. If the permission was not obtained, but was needed according to the law or on the contractual bases, such contract provides no legal effects and the landlord is entitled to terminate the tenancy contract. The landlord is entitled to demand payment of any tenancy related debt owed by the sub-tenant to the tenant directly from the sub-tenant. Nevertheless, there is no direct legal relation between the owner and the sub-tenant. The same rules regarding rights and obligations of tenant and landlord apply also to relation between tenant and sub-tenant, unless otherwise agreed. Subletting is necessarily terminated with the termination of the tenancy contract. Thus, the sublet contract is a separate contract

from the tenancy contract, but the existence of subletting depends on the existence of the tenancy relation.

- Does the contract bind the new owner in the case of sale of the premises?

The position of tenant in non-profit rentals is not affected with the respective change of the landlord. The new landlord enters into the legal position of the former party and is entitled to all rights and obligations.

The similar applies if the dwelling is transferred to the new landlord after the start of the market rental contract. If the contract between the original landlord and the tenant does not stipulate the period of the lease, nor is the period set by a statute, the new landlord cannot terminate the lease prior to the termination of the statutory period of notice.

However, if the dwelling was not handed over to the tenant before the conclusion of the sale contract, the new owner is not obliged to hand over the dwelling to the tenant, unless he was aware of the tenancy contract upon the conclusion of the sale contract. In this case, the tenant has the right to reimbursement from the previous landlord. In addition, the law determines the joint and several liability of the previous landlord (the seller) for any obligations imposed on the new owner (the buyer) in respect to the tenant. In any case, the tenant is entitled to terminate the tenancy contract, respecting the statutory period of notice, if he does not approve of the new landlord.

- Costs and Utility Charges

- What is the relevant legal regulation of utilities (i.e. the supply of water, heating and electricity)? Must the landlord or the tenant conclude the contracts for provision of utilities?

Utilities are not specifically regulated in reference to the tenancy relations. Usually the rental dwellings (both market and non-profit) are already equipped with the necessary utilities, thus the tenant does not need to conclude his own contracts. If the contracts are concluded for a longer period of time (which is rare in practice), the landlord and tenant may agree that the utility bills are addressed to the tenant. However, the tenant is the addressee for the bills of utilities, which he introduced in the apartment (for instance, for internet, telephone, cable, if these were not provided beforehand).

There are no specific rules as to the arrears with the payment of bills (for instance, special rules that could apply in such situations). Supplying companies are not interested in the user of the dwelling and relations thereof.

- Which utilities may be charged from the tenant by the landlord? What is the standard practice?

Neither of the statutes regulates the scope of other costs to be paid by the tenant. Non-profit tenants with open-ended contracts pay separately the rent and the running costs (for the water supply, electricity, telephone, licence fee for radio and television). Certain tenants in non-profit rentals (for instance, tenants in the Social Housing in

Supportive Environment) pay only the running costs of apartments, while they are freed from paying the rent.

The tenants in market rentals are to cover the costs in the scope agreed upon with the landlord. This refers to the costs not included in the rent price. Such costs usually include individual running costs. If nothing is stated in the contract, the agreed amount covers only the rent, while running costs are paid separately. The tenant and landlord in market rentals may agree that the tenant is to pay a lump sum (a kind of compensation for the use of the dwelling), covering both rent price and running costs. Accordingly, the tenant has no other costs, unless otherwise agreed. However, payment of the lump sum is very rare, since the actual consumption may be a lot higher than the lump sum.

- Is the tenant responsible for taxes levied by local municipalities for the provision of public services (e.g. for waste collection or road repair)?

Tenants in both market and non-profit rentals are levied with the waste collection. In Serbia this is not paid as a tax, but as a regular monthly bill (as part of the running costs). Road repair is not paid as a municipal tax. Such payment is imposed on the drivers.

Tenants (both market and non-profit) pay the Property Tax only, if the rental contract is concluded for the period longer than one year or as an open ended. It is paid irrespective of the Property Tax by the landlord.

In practice, there are no contracts for market rentals concluded for period longer than one year or open ended contracts. Rather chain contracts are concluded.

- Is it lawful to shift condominium costs, and if yes, which ones, onto the tenant (e.g. housekeeping costs)?

It is lawful to shift the condominium costs onto the tenant. These costs are also part of the running costs. They include, for instance, housekeeping costs and costs of small repairs in the common areas. Such costs are usually paid to the manager of the building.

- Deposits and additional guarantees
  - What is the usual and lawful amount of a deposit?

Legislation does not limit the amount of the deposit. It is usually agreed between the parties in market rentals. Usual amount of a deposit (security) ranges from one to two monthly rents (although it can be also higher for more luxurious dwellings). There are no deposits in the non-profit rentals.

- How does the landlord have to manage the deposit (e.g. special account; interests owed to the tenant)?

There are no special rules on managing the deposit. Therefore, different agreements are possible between the parties. Usually, the amount of the deposit is set off with the last rent or certain repairs, if needed.

- Are additional guarantees or a personal guarantor usual and lawful? What kinds of expenses are covered by the guarantee/ the guarantor?

Additional guarantees or a personal guarantor are not usual, although they are not unlawful. Provisions on the guarantees are contained in the 1978 Obligation Relations Act (Articles 997 and further). Guarantor's obligation cannot be greater than the obligation of the tenant. If it is agreed that his obligation is greater, the value of the obligation is reduced to the amount of the tenant's debt.

### **3. During the tenancy**

#### **3.1. Tenant's rights**

- Defects and disturbances
  - Which defects and disturbances are legally relevant (e.g. mould and humidity in the dwelling; exposure to noise e.g. from a building site in front of the dwelling; noisy neighbours; occupation by third parties)?

A precise definition of defects and disturbances is not available in the legislation. Legally relevant defects and disturbances can be deduced from the general provisions on the material and legal defects of the dwelling. The landlord must protect the tenant from certain defects and disturbances and provide him the normal use of the dwelling.

Landlord is responsible to protect the tenant from the non-obvious defects, such as smell from the shafts. He is liable for defects, if he claimed that the dwelling is impeccable. Irrelevant is the fact that the tenant could have been aware of the defects or that the defects are obvious, since the landlord guaranteed that the dwelling is without any defect whatsoever.

The parties may agree that the landlord is not liable for certain material defects. However, such contractual provision is deemed null and void, if the landlord knew of the defects and intentionally withheld this, if the defect is such that it prevents the use of the dwelling, or if the landlord exploited his dominant position. For instance, the landlord is liable for repairing the leaking window, even though the parties agreed that tenant is to bear all the cost connected to the repairs of the dwelling, if the landlord knew about the broken window, but did not tell the tenant.

Exposure to noise (either by the neighbors or a building site) is relevant only if the landlord expressly asserted that the location is quiet. Otherwise, tenants are entitled to file the prohibition injunction against the person causing the noise. Mould and humidity are material defects, for which the landlord is responsible.

Occupation by the third parties is also a defect. Landlord is obliged to protect the tenant from such disturbances. The tenant is entitled to a legal protection of possession for disturbances from the third parties in the same extent as the landlord (he has this right against every third party).

However, the landlord is not liable for defects and disturbances caused by the tenant himself. For instance, if the tenant is responsible for the humidity in the dwelling (if he rarely aerates the dwelling), the landlord is not liable to eliminate the deficiency.

- What are the tenant's remedies against the landlord and/or third parties in such situations (e.g. unilateral rent reduction vs. rent reduction to be allowed by court; damages; "right to cure" = the landlord's right to repair the defect; the tenant first repairs the defect and then claims the costs from the landlord)

Tenant's primary obligation is to notify the landlord on the defect or the disturbance (material or legal) for which the landlord is liable to address without unnecessary delay, unless the landlord is already aware of it. Otherwise, he loses the right to the reimbursement of damage incurred because of the defect or disturbance, unless the landlord was aware of the defect or the disturbance. In addition, he must reimburse the damages sustained by the landlord.

In general, the rights of the tenant, when the dwelling is exposed to a certain defect, depend on the scope of the defect. If the defect is unrecoverable, the tenant can either terminate the contract or demand a decrease of the rent price. For instance, if there is a flood in the common area (not caused by the tenant, but rather due to the poor maintenance of the piping by the landlord) and there is now damp in the dwelling as well, the tenant may either terminate the contract or demand reduction of the rent. If it is possible to remove the defect without any major constraints for the tenant, the tenant is entitled to demand either removal of the defect within a set deadline or decrease of the rent price. For instance, if there was a flood, not caused by the tenant, but rather due to the poor maintenance of the piping by the landlord, and the parquet floor in the dwelling was destroyed. If the landlord fails to remove the defect within the set deadline, the tenant may terminate the contract or demand a decrease of the rent price. The length of the additional period is not determined, but it depends on the particular circumstances in each case. Therefore, the tenant may terminate the contract only if the landlord fails to remove the defect. These provisions apply also for the cases when the dwelling does not have a certain characteristic, which it was supposed to have according to the contract or its normal use, as well as if it loses such characteristic during the lease. Another example may be the leaking roof. If the roof is leaking due to a misplaced tile and the dwelling's walls are damp, the tenant is to first notify the landlord thereof. He must provide the landlord with the deadline, within which the roof should be repaired. If the landlord repairs the roof within the deadline, the tenant is entitled only to the lower rent. If the landlord fails to meet the deadline, the tenant may terminate the contract in addition to the lower rent. However, if the defect of the roof is such that it is beyond the repair, the tenant has a right to terminate the contract as soon as he becomes aware of this fact.

The tenant may also repair the dwelling on his own. However, he cannot unilaterally reduce the rent, but is obliged to demand such reduction from the court (unless parties agree to set-off the costs of the repair and the rent).

The tenant is not entitled to any reimbursement from the third parties. He may only file the possessory claims against third parties. Any reimbursement of damage must be claimed from the landlord.

- Repairs of the dwelling
  - Which kinds of repairs is the landlord obliged to carry out?

Landlord must repair any defect that was not caused by the tenant or due to his negligence, so that the normal use of the dwelling is possible. However, in market rentals, the parties may also agree otherwise. If the tenant or the individual, for whom he is responsible, inflicts certain damage, landlord is not responsible for the repair. The parties may agree that the landlord repairs also such damage, however, at the tenant's expense. For instance, landlord must repair or replace piping, if it is old and dilapidated. However, if the tenant was neglectful with the maintenance of the piping, the landlord is not responsible for the repair.

- Does a tenant have the right to make repairs at his own expense and then deduct the repair costs from the rent payment?

The explicit right of the tenant to make repairs at his own expense and then deduct the repair costs from the rent payment does not follow from the legislation. However, such right may be agreed upon between the parties in market rentals.

- Alterations of the dwelling
  - Is the tenant allowed to make other changes to the dwelling?
    - In particular, adaptations for disability (e.g. building an elevator, ensuring access for wheelchairs etc.)
    - Affixing antennas and dishes
    - Repainting and drilling the walls (to hang pictures etc.)

Tenants in both market and non-profit sector may alternate and improve the dwelling, its equipment and devices only with the written consent of the landlord, unless the parties agreed otherwise in the contract (which is rare). Tenant is allowed to make only such improvements on the dwelling without the landlord's authorization, which can afterwards be removed without damaging the dwelling. The landlord is not obliged to compensate their value, although he may, if he opts to do so.

For instance, for putting in the new tiles the tenant should obtain the consent of the landlord, since such works demand damaging the floor of the dwelling. In addition, after the removal of the tiles, it would be difficult to restore the original state of the floor. If the tenant installs a removable air conditioning system (for which he does not need the landlord's consent, since it may be removed without the damage) the landlord may opt to reimburse the costs of the installation instead of forcing the tenant to remove it.

According to the case law, the landlord may not oppose to the works by the tenant, which are needed for increasing the living conditions in the dwelling and are in accordance with modern housing standards (for instance, installation of central heating). Building an elevator or ensuring access for wheelchairs would probably also met the above criteria, if the tenant or one of the users is a disabled person. Fixing antennas has not been raised as an issue and would probably be allowed. Repainting and drilling the walls is the matter of agreement between the parties.

Tenants must be aware that performing the improvements and changes without the landlord's consent may constitute a culpable reason for the termination of the tenancy contract (since it may be deemed as use contrary to the purpose of the contract).

- Uses of the dwelling
  - Are the following uses allowed or prohibited?
    - keeping domestic animals

Keeping domestic animals is not explicitly regulated. It is the matter of agreement between the landlord and the tenant. Also, in certain cases, this may be the matter of the internal house rules of the multi-unit building or public law regulation. For instance, some municipalities do not allow certain breeds of animals (e.g. pit bull terrier) to be kept in the municipality or its part.

- producing smells

The rules of neighbourly law apply to tenants as well. Therefore, tenants must retain themselves from inflicting disturbances to other residents. This refers to producing smells and other immisions (noise, garbage, etc.).

- receiving guests over night

Receiving guests over night is in general allowed, unless there is a different agreement between the parties.

- fixing pamphlets outside

Fixing pamphlets outside is not explicitly regulated. It depends on the agreement between the landlord and the tenant. As with keeping the domestic animals, this may be the matter of the internal house rules of the multi-unit building or the public law regulation.

- small-scale commercial activity

In general, dwellings are to be used for residence. As an exception, only a part of an apartment may be used for pursuing a commercial activity; however, in such a manner so that the building and residents are not exposed to jeopardy. In addition, the building must not suffer any damage thereof, while the other residents of the building must not be disturbed in their peaceful use of the building. An example of commercial activity is law practice.

However, the landlord is entitled to terminate the non-profit tenancy contract, if the tenant uses the dwelling for pursuing a commercial activity without his consent. As far as market rentals are concerned, the landlord may terminate the contract, if the dwelling is used contrary to the contract or the purpose of the contract, without the notice period. Therefore, tenants are advised to obtain the consent before they decide on conducting the commercial activity.

### **3.2. Landlord's rights**

- Is there any form of rent control (restrictions of the rent a landlord may charge)?

The rent control is exercised only in the non-profit sector. The manner of calculations is set in the regulatory act enacted by the competent Minister. The rent price is determined two times a year for a six-month period (January-June and July-December). It depends on the area of the dwelling, quality of the dwelling and the building in which the dwelling is situated. The relevant regulatory act is the Directions on the Manner of Determining the Rent (*Uputstvo o Načinu Utvrđivanja Zakupnine*), prepared by the Minister of Construction and Urbanism (*Ministarstvo Građevinarstva i Urbanizma*).

The rent for market rentals is not subject to any control. It is a result of the negotiation between the parties, depending on the location, size and equipment of the dwelling.

- Rent and the implementation of rent increases

Rent increase in the market sector depends solely on the agreement between the parties. Rent increase in non-profit sector may be exercised only if the relevant legislation is amended or different values of dwellings are set.

- When is a rent increase legal? In particular:
  - Are there restrictions on how many times the rent may be increased in a certain period?

There are no restrictions on how many times the rent may be increased in a certain period.

- Is there a possible cap or ceiling (fixed by statute or jurisprudence) which determines the maximum rent that may be charged lawfully?

The cap or ceiling determining the maximum rent that may be charged lawfully is not present.

Landlords in non-profit rentals are bound by the rent as determined with the valid legislation on the non-profit rents.

- What is the procedure to be followed for rent increases? To what extent can the tenant object to a rent increase?

Increase of market rents has to be agreed by the parties. No particular procedure is prescribed, unless the parties agree otherwise in the tenancy contract.

Increase of non-profit rents must be communicated to the parties one month prior to the intended increase. This provision has no practical value, since the rents are increased based on the change of the relevant regulation.

- Entering the premises and related issues
  - Under what conditions may the landlord enter the premises?

The conditions, under which the landlord may enter the premises, are not regulated with any of the relevant statutes. This issue must be agreed between the parties and stated in the contract.

- Is the landlord allowed to keep a set of keys to the rented apartment?

Landlord is in general not prohibited from keeping a set of spare keys of the rented dwelling, although the parties may agree otherwise in the tenancy contract.

- Can the landlord legally lock a tenant out of the rented premises, e.g. for not paying rent?

If the tenancy contract is still in force (i.e. the landlord has not notified the tenant on the breach, giving him the deadline to rectify the situation), the landlord may not lawfully lock the tenant out (even though this is a standing practice of some landlords in market rentals). Such intrusion would be deemed as a disturbance of possession. Therefore, the tenant has a possessory protection also against the landlord.

- Can the landlord legally take or seize a tenant's personal property in the rented dwelling, in particular in the case of rent arrears?

Landlord does not have a right to seize tenant's (movable) property in case of rent arrears or other breach of the contract. The reason for this is that he does not have the possession on the movables. However, the landlord and the tenant may establish a contractual lien, pursuant to Articles 966 and further of the 1978 Obligation Relations Act. After the debt is matured, the landlord may demand from the Court that the movables are sold at the public auction or according to their current price, if the movables have a market or stock value.

## **4. Ending the tenancy**

### **4.1. Termination by the tenant**

- Open ended contract (if existing): under what conditions and in what form may the tenant terminate the tenancy?

Tenants in non-profit rentals (irrespective of the period of tenancy) must give notice at least thirty days prior to the intended moving out of the dwelling. The notice must be given in a written form. If the notice period is shorter than thirty days, the tenant must cover the rent price also for the following month. The tenant is not obliged to state any reasons for the termination of the contract. In order for the termination to be legally effective and valid, only general provisions on the declaration of will are applied (not given under threat, free from errors, etc.).

Tenants in market rentals are entitled to terminate an open-ended contract with an eight-day notice period, without stating the reasons thereof. However, the notice must

not be given at an inconvenient time<sup>5</sup>. No particular form is needed. The eight-day notice period is not mandatory, thus enabling the parties to agree upon different length of the notice period.

- Under what circumstances may a tenant terminate a tenancy before the end of the rental term (e.g. unbearable neighbours; bad state of dwelling; moving for professional reasons)?

The legislation on non-profit rentals does not regulate this matter. The only provision in this regards is that if the notice period is shorter than thirty days, the tenant must cover the rent price also for the following month. The tenant is not obliged to state any reasons for the termination of the contract.

Market rentals cannot be terminated before the agreed period of time. The exception are the below two situations. All tenants are entitled to terminate the contract, if the dwelling is hazardous in terms of health. In this case, the tenant is not obliged to comply with any notice period, not even if he knew of the hazardousness at the time of the conclusion. In addition, he cannot waive this right. The termination given under these conditions (not complying with any notice period) is meant as a sanction for the landlord, since he failed to fulfil his contractual obligation (providing such dwelling, which is in a proper condition for use). Furthermore, tenants may terminate the contract with the agreed notice period, if the landlord is changed (due to the inheritance, sale in the bankruptcy procedure, etc.).

- May the tenant leave before the end of the rental term if he or she finds a suitable replacement tenant?

In general, there is no obligation for the tenant to find a suitable replacement tenant. However, the parties in market rentals may agree on this matter in the contract. Such replacement would not be allowed in the non-profit rentals, since the non-profit tenants must fulfill certain criteria in order to be awarded with the non-profit dwelling.

#### **4.2. Termination by the landlord**

- Open ended contract (if existing): under what conditions and in what form may the landlord terminate the tenancy (= eviction) (e.g. the landlord needs the house for himself or wants to renovate and use it differently in the future)?

The valid legislation does not differentiate between the open ended and limited in time contracts regarding the termination by the landlord. However, there is a difference between the culpable and non-culpable reasons for termination of tenancy contracts, as well as different types of rental contracts. Landlords may not terminate non-profit tenancy contracts, unless one or more reasons (stipulated in Article 10(1) of the 1992 Housing Act), are present. These are:

1. pursuing commercial activity in the dwelling,
2. subleasing the dwelling or allowing persons, not stated in the contract, to use the dwelling without the consent of the landlord;
3. not paying the rent for at least three months in a row or four months throughout the year;

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<sup>5</sup>This legal standard is not defined in the statute.

4. inflicting damages to the dwelling, common areas, installations or other equipment in the building;
5. using the dwelling in such a manner, which impedes the peaceful residence of others.

These are all deemed as culpable (extraordinary) reasons for notice. The notice is to be given in a written form with a ninety-day notice period.

In market rentals, parties are to agree on the reasons for termination of open-ended contracts and the notice period. Otherwise, landlord is entitled to terminate the contract without stating any reason thereof. The notice period in this case is eight days.

- Must the landlord resort to court?

If there is no dispute between the parties regarding the termination of the tenancy (i.e. if the tenant complies with the notice period), the landlord is not obliged to resort to the court.

- Are there any defences available for the tenant against an eviction?

The only recognized defence for the tenant in the non-profit rentals refers to the period of notice. If the landlord gives notice and the notice period is to expire within the period December through February, the notice period is prolonged for additional thirty days. There are no such provisions in reference to the market rentals.

- Under what circumstances may the landlord terminate a tenancy before the end of the rental term?

Landlords in non-profit rentals may terminate a tenancy before the end of the rental term due to the same reasons and with the same notice period as in the case of open-ended contracts described above.

For market rentals, the provisions of the 1978 Obligation Relations Act allow the premature termination of the limited in time contracts by the landlord only due to certain special reasons. Such reason is the usage, which is contrary to the contract. If the tenant uses the dwelling contrary to the contract or the purpose of the dwelling or he neglects it, the landlord may terminate the contract without any notice period. The conditions are that the landlord had previously warned the tenant on the breach (but the breach continued) and that there is a possibility of great damages for the landlord. Other reason is the arrears with the rent. As in the previous case, the landlord must first warn the tenant on the arrears and give him a fifteen-day deadline to cover the due amount. There is no provision on the notice period in this case. However, if the tenant covers the due rent before the landlord gives the notice, the contract remains valid. Landlord may also terminate the contract if the tenant subleased the dwelling without his consent, if the consent was needed in accordance with the statute or the contract. In this case, the landlord must comply with the notice period from either the contract or, if there is no agreement on this, the notice period stipulated with the 1978 Obligation Relations Act (eight days).

- Are there any defences available for the tenant in that case?

There are no defences available for the tenant.

- What happens if the tenant does not leave after the regular end of the tenancy or does not hand in (all) the keys of the dwelling?

In limited in time market contracts, if the tenant does not leave the premises after the end of the tenancy, and the landlord does not oppose, a new open ended tenancy contract is concluded, under the same terms as the previous one (*tacita relocation*). There is no such provision in reference to the non-profit rentals.

If the tenant does not hand in all the keys of the dwelling, the landlord may file the lawsuit claiming the ownership over the keys (*rei vindicatio*). In addition, the landlord may also file a lawsuit for protection of possession, if the tenant uses the keys and enters the dwelling. The competent court in both cases is the local court in the municipality, in which the dwelling is located.

### **4.3. Return of the deposit**

- Within what timeframe and under what conditions does the landlord have to return the tenant's security deposit?

Security deposit must be returned at the end of the tenancy. It may either be set off with the last rent or returned, given that the dwelling remained in the same condition as it was handed over to the tenant. The parties may agree on this matter in the contract.

- What deductions can the landlord make from the security deposit?

The security deposit may be used for returning the dwelling in its original condition. For instance, it may be used for painting the dwelling, refurbishing of the parquet floor, etc. The scope of deductions depends on the agreement between the parties. It may also be used for setting off with the last unpaid rent.

- In the case of a furnished dwelling: may the landlord make a deduction for damages due to the ordinary use of furniture?

Tenants are not obliged to restore the ordinary 'wear and tear'. However, if the wear to the furniture is greater, the landlord may demand that the tenant restore the item to its original shape or he may deduct the costs of the repair from the security deposit.

### **4.4. Adjudicating a dispute**

- In what forum are tenancy cases typically adjudicated?
  - Are there specialized courts for adjudication of tenancy disputes?

There are no specialized courts for adjudication of tenancy disputes in Serbia. All actions are brought in front of the ordinary local court on the first instance, irrespective of the amount of the claim. Certain matters are dealt with in the non-contentious proceedings and others in the contentious proceedings. Competent is the court in the municipality in which the dwelling is situated.

Parties may appeal to the higher courts (the second instance). Appellate courts are competent to decide on the appeals on the decisions of higher courts and ordinary courts, for which higher courts are not competent. In both cases the appellate courts act as the second instance. The Supreme Court is competent for extraordinary legal remedies. However, the possibility of legal remedies is not unlimited. There are special requirements (required for all proceedings, appeals and extraordinary remedies) to be fulfilled in order to have an access to the second or third instance. Municipal authorities competent for the housing matters are in charge of unlawful residence and eviction procedures. The proceedings are considered as urgent matters, whereas the appeal does not withhold the execution of the decision. The Ministry competent for the housing matters deals with the appeals on the decisions of municipal organs.

- Is an accelerated form of procedure used for the adjudication of tenancy cases?

Tenancy disputes are adjudicated in an accelerated form of procedure. However, due to the backlog of Serbian courts, the actual solution of the dispute is usually given several months after the start of the proceeding.

- Is conciliation, mediation or some other form of alternative dispute resolution available or even compulsory?

The possibility of alternative dispute resolution in general is available, although there are no specific procedures developed precisely for tenancy matters. There is still no official stance on whether the tenancy disputes are arbitrable, since there is a provision stating that for tenancy disputes, courts have exclusive jurisdiction.

## **5. Additional information**

- How does a prospective tenant proceed in order to get social or subsidized housing (e.g. dwellings offered by housing associations, municipalities, public bodies etc.) or housing allowances?

The authority in charge (municipal housing organization usually) must first announce the notice in newspapers, on bulletin boards of municipalities, the Commissariat for Refugees, collective centers and City Centre for Social Work (*Gradski Centar za Socijalni Rad*). Applicants are invited to enclose all the necessary documents (evident from the notice) to the City Centre for Social Work within thirty days from the public notice. All of the eligibility criteria must be stated in the notice (housing situation, income level, health conditions, invalidity, number of household members and property situation, nationality, underprivileged groups). After the thirty days period, the Centre delivers the applications to the Committee (which is in charge of the consideration of the applications and awarding of eligibility points). Afterwards, the Committee must form the preliminary list of rightful claimants based on the number of points of each applicant. If more than one applicant has the same number of points, the priority is given to the applicants according to the number of points awarded in the following order: socio-economic jeopardy, single-parenthood, age,

households with children with developmental issues, households with severely ill members, households with member with bodily harms, victims of domestic violence, households with schooling children. The preliminary list is announced in the same manner as the notice itself.

There is a possibility of complaint, filed with the Mayor (*Gradonačelnik*) through the Committee within eight days from the public announcement of the preliminary list. After the complaint procedure has been completed, the Committee forms the final priority list of the rightful claimants. The Director of the City Center for Social Work then issues the decisions on the allocation of the apartments. The Mayor or other authorized person concludes the contracts on mutual rights and obligations with the future users. The complaint against the final priority list is not available. Housing allowances are still unavailable in Serbia.

- Is any kind of insurance recommendable to a tenant?

No specific insurance is recommendable to tenants. Insurances play more important role for landlords, for instance, general housing insurance, against natural disasters, etc.

- Are legal aid services available in the area of tenancy law?

The Free Legal Aid Act has been prepared, but has not been enacted yet. Currently, in civil procedures, institute of exemption from payment of costs applies, regulated by the Civil Procedure Act (*Zakon o Parničnom Postupku*).

The Court may dismiss the party from paying the costs of the proceedings, if the party is unable to bear the costs of the procedure due to its general financial situation. Exemption from the costs of the procedure includes the exemption from court fees and exemption from the advance deposit for expenses of witnesses, expert witnesses, investigation and court listings. The Court may dismiss the party only from paying court fees. When rendering the decision on exemption, the Court takes into account the circumstances of the claim and its value, the number of individuals, whom the party supports, as well as income and property of the party and its family members. The decision on exemption is rendered by the first instance Court upon party's written motion. The party must also submit a certificate on property status from the competent authority. The certificate must indicate the amount of tax paid by the household and individual household members, as well as other sources of income and their general financial situation. If it is necessary, the Court may, *ex officio*, obtain the required data and information on the financial status of the party claiming the exemption and the opposing party as well. The decision on the exemption is not subject to appeal.

The party may be exempt from paying the costs in total or only partially. If the party is exempt only partially, the remaining part is subject to general rule on distribution of legal costs according to success in litigation. Exemption from the costs on the first instance applies to the costs of procedure on the second instance, as well.

The Court may revoke the decision on exemption, if it finds that the party is able of bearing the costs, in total or partially.

- To which organizations, institutions etc. may a tenant turn to have his/her rights protected? [please indicate addresses, email addresses and phone numbers]

There are several organizations of tenants in Serbia. Some of them are organized on the national level, whereas other are organized on the local level (Velegrad). However, their actual role in the protection of rights of tenants in Serbia is insignificant. Little information is available on their work.

1. **The Association for the Protection of Rights and Needs of Tenants in Serbia** (*Udruženje za Zaštitu Prava i Potreba Stanara Srbije*)  
Address: Grčića Milenka 3,  
11000 Belgrade  
Phone: +38164/13 54 160  
+38111/ 38 21 943  
+38111/ 38 21 958
2. **The Association of Users of Apartments in Private Ownership** (*Udruženje Stanara u Privatnim Stanovima*) – no information on the address is available
3. **Velegrad**  
Address: Velika Moštanica,  
11262 Belgrade  
Phone: +38111/80 76 209  
+38163/387-470