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

Tenant's Rights Brochure for

SLOVENIA

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Slovenia

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1. Introductory information

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

The main characteristic of the housing market in Slovenia is its high ownership rate. According to Census 2011, there are 849,825 dwellings in Slovenia. From these, 518,127 are owner-occupied (77% of the entire stock), whereas 61,113 are intended for renting (9% of the entire stock). Non-profit dwellings represent 6% of the entire housing stock, whereas market rentals represent merely 3%. Other forms of tenure (e.g. the residents of the house are not its owners nor they pay rent¹) account for 93,480 dwellings (14% of the entire stock).

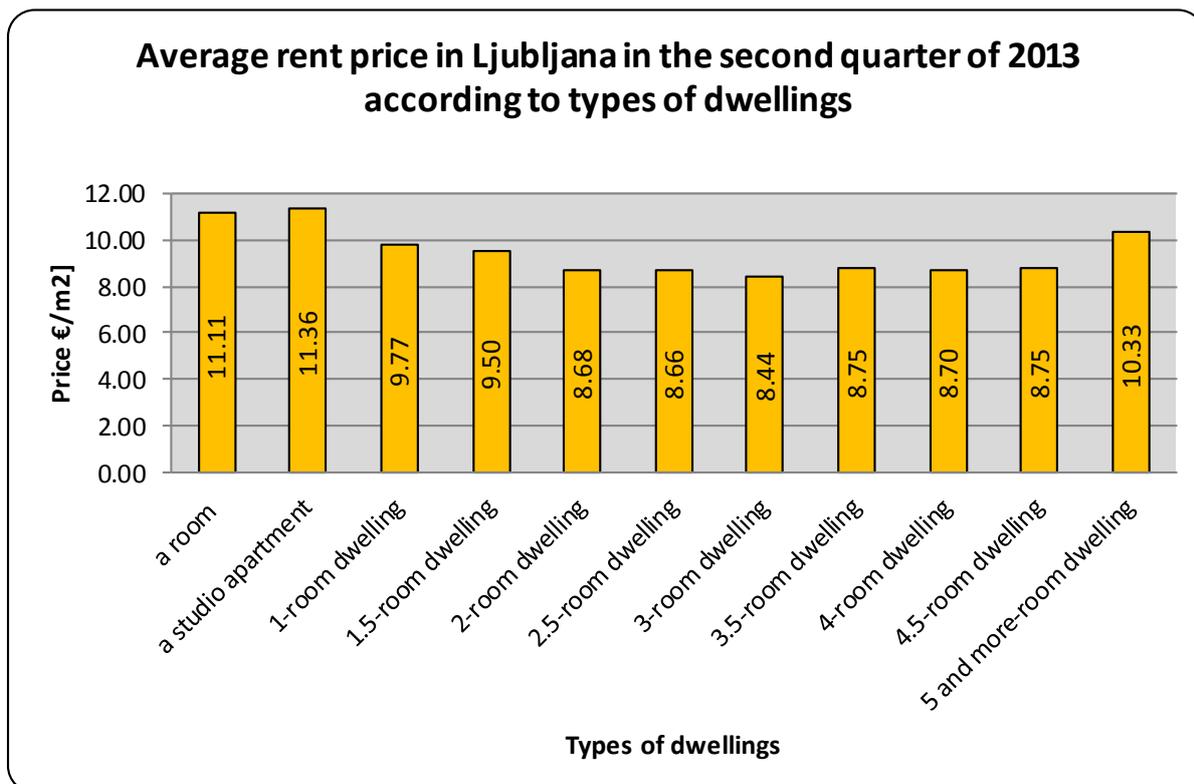
Rental market in Slovenia is currently marked by a shortage of dwellings in the non-profit sector, as well as the shortage of affordable dwellings in the profit sector.

¹ This group also includes one part of the rental sector, which is performed through informal market.

Supply in the profit sector is relatively higher than in the non-profit sector (as more prospective tenants are interested in non-profit rentals); the rents in the market sector are relatively high as well. Both demand and supply for rental dwellings are greater in centres of larger municipalities, due to employment and schooling prospectus, as well as better transport networks.

As far as the price is concerned, the calculations for the second quarter of 2013 indicate that the average rent price of a square meter of a dwelling per month in Ljubljana (capital) in market sector ranges from 8,44 EUR/m² to 11,36 EUR/m² per month, depending on the size of the dwelling, as shown in the Table 1 below. All of the prices are given without monthly running costs.

Table 1. Average rent price in Ljubljana in the second quarter of 2013 according to types of dwellings



Therefore, the rent for a 30 m² studio apartment in Ljubljana is around 330 EUR per month, while the rent for 60 m² two-room apartment amounts to 520 EUR per month. However, one must bear in mind that the prices refer to average prices, meaning that a particular dwelling may be cheaper/more expensive, depending on the location², furniture, age, etc.

Rent price for non-profit dwellings is accordingly lower. It ranges from 82 EUR for a studio apartment per month to 246 EUR for a 75 m² dwelling per month. As above, the prices are only rents, without running costs included. However, due to the shortage of supply and rather strict allocation criteria, it is difficult to obtain a non-profit apartment.

The average monthly running costs (irrespective of the tenure type) amount to around 212.3 EUR.

² Especially in smaller municipalities, the prices tend to be lower.

On average, three persons reside in a dwelling, in one or more households. There are on average 1.2 households per inhabited dwelling. An average usable area of a dwelling is 27.4 m² or 1.1 rooms (excluding the kitchen area; with included kitchen area, the average number of rooms per inhabitant is 1.4 rooms). In 27% of dwellings (or 178,337) there was 20 to 30 m² of the usable area. Less than 10 m² of usable area was in 3% (or 23,249) of dwellings. More than 60 m² of the usable area per inhabitant was in 12% of dwellings (or 84,407).

- Main current problems of the national rental market from the perspective of tenants:

- Unfamiliarity of the tenants with their rights and obligations in the rental relations – in spite of written contracts.
- Only one association of tenants, situated in Ljubljana (the capitol). There are no other similar organizations, which would provide for support and advice to tenants.
- Affordability of market rentals: only on the outskirts of municipalities.
- Subsidies in market rentals: awarded only if the parties concluded a written contract and only if the tenants applied for allocation of non-profit apartment, but failed to obtain it.

- Significance of different forms of rental tenure

Both market and non-profit sector represent an important portion of the rental market in Slovenia, even though the official statistics indicate that the portion of non-profit rentals is significantly higher (70% of all rented dwellings are non-profit, while 20% of the rented stock is market).

- Private renting

Market sector is more important in the larger municipalities, where there is a greater pressure on the non-profit dwellings. Since only a minuscule proportion of applicants is awarded a non-profit unit (for instance, in Ljubljana, only one in ten applicants is awarded with the non-profit apartment). Other reason for the increased supply of market rentals in these municipalities is that universities, secondary schools and companies are usually seated there.

The contracts in this sector are left to the autonomy of parties regarding majority of contractual provisions (among others also rents). Some limitations are imposed with the mandatory provisions of the 2003 Housing Act (*Stanovanjski Zakon*) and the Code of Obligations (*Obligacijski Zakonik*) (e.g. on usurious rent).

Landlords in this sector may be both private and legal persons (under both private and public law). However, usually landlord is a private person. Commercial landlords are usually legal persons under public law, such as the Housing Fund of Republic of Slovenia (*Stanovanjski Sklad Republike Slovenije*).

- “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. This sector is subject to regulated rent, as well as strict conditions and procedures for awarding these dwellings.

In order for an applicant to be awarded a non-profit dwelling, he must fulfil numerous legal criteria. Usually, one of the criteria is the permanent residence for a certain period of time in the municipality where the dwelling is located. Other criteria include the income and property census, number of family members and children, etc.

The advantage of this type of housing is that the contracts are concluded as open-ended. However, the landlord has a right to check whether the tenant still fulfils the criteria for awarding non-profit dwelling every five years. If the tenant no longer fulfils the criteria, the rent may be increased to market rent. If the social and financial circumstances deteriorate again, the tenant may apply for reduction of the rent to the non-profit level.

- 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)

The best options for finding a profit rental dwelling is browsing through the specialized web pages with rental ads³ or referring to one of the real estate agencies. The latter option is more expensive, since the services of agencies must be paid. Although usually the web pages contain privately posted ads, it is not unusual for the real estate agencies to post them as well.

Private landlords in majority of cases do not discriminate against the foreigners. However, they may demand rent prices to be paid in advance, as a form of security. As far as non-profit dwellings are concerned, the position of foreigners is different. Foreigners, who are citizens of the EU Member States, are equated with the Slovenian citizens pursuant to Article 160 of the 2003 Housing Act. However, the condition of permanent residency in the municipality must be fulfilled in accordance with the Aliens Act (*Zakon o Tujcih*).⁴ Citizens of third countries are not eligible for obtaining non-profit dwellings.

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

When concluding a contract, 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. The parties must, in particular, determine and divide the payment of costs (who is to pay what part of the costs), their obligations regarding the maintenance of the dwelling and repairs thereof. Parties are also advised to conclude a record on the condition of the dwelling and the furniture.

Prior to concluding the contract, the parties should clarify whether the tenant will be allowed to register his permanent/temporary residence on the address of the rented dwelling. This is especially important for households, which intend to apply for non-

³ For instance: www.salomon.si, www.nepremicnine.net, www.slonep.net.

⁴ As a rule, one must reside in Slovenia for five years in order to obtain permanent residence.

profit apartments (since one of the conditions is the period of permanent residence in the municipality), as well as for foreigners, who are obliged under the law to register their temporary residence.

“Important legal terms related to tenancy law”

Slovenian	Translation to English
<i>aneks k najemni pogodbi</i>	an annex to a tenancy contract
<i>bistvene sestavine najemne pogodbe</i>	essential elements of tenancy contract
<i>bivalna enota dejanska</i>	accommodation unit for those in severe housing distress
<i>dejanska površina stanovanja</i>	actual area of the dwelling
<i>deložacija</i>	eviction
<i>izredno pomoč pri uporabi stanovanja</i>	exceptional assistance for housing needs
<i>izročitev stanovanja</i>	handing over of premises
<i>lastna udeležba</i>	own participation for renting non-profit dwelling
<i>najem za določen čas</i>	limited in time tenancy
<i>najem za nedoločen čas</i>	open ended tenancy
<i>najemnik</i>	tenant
<i>najemna pogodba</i>	tenancy contract
<i>najemodajalec</i>	landlord
<i>namensko najemno stanovanje</i>	purpose dwelling, usually for older citizens
<i>neprofitno najemno stanovanje</i>	non-profit rental dwelling
<i>nepravdni postopek</i>	non-contentious procedure
<i>neprofitna najemnina</i>	non-profit rent
<i>obratovalni stroški</i>	operating costs; running costs
<i>oderuška najemnina</i>	usurious rent
<i>odpoved</i>	termination

<i>odpovedni krivdni razlogi</i>	culpable reasons for termination
<i>odpovedni nekrivdni razlogi</i>	non-culpable reasons for termination
<i>odpovedni rok</i>	notice period
<i>opomin</i>	warning
<i>opravljanje dejavnosti</i>	pursuing commercial activity
<i>ožji družinski člani</i>	closer family members
<i>rezervni sklad</i>	reserve fund
<i>podaljšanje najema za določen čas</i>	prolongation of limited in time tenancy
<i>podnajem</i>	subtenancy
<i>popravilo</i>	repair
<i>posest</i>	possession
<i>pravna napaka</i>	legal defect
<i>prednostna lista</i>	priority list for awarding non-profit dwellings
<i>primerna površina stanovanja</i>	appropriate area of dwelling
<i>primerno stanovanje</i>	appropriate dwelling
<i>prosto oblikovana najemnina</i>	market rent
<i>razpis za dodelitev neprofitnega stanovanja</i>	public tender for allocation of non-profit dwellings
<i>službeno najemno stanovanje</i>	employment based rental dwelling
<i>soglasje lastnika</i>	landlord's consent
<i>spor</i>	dispute
<i>stanovanjska pravica</i>	housing right
<i>stvarna napaka</i>	material defect
<i>subvencija</i>	subsidy
<i>škoda</i>	damage

<i>tožba na izselitev</i>	eviction claim; action for vacating premises
<i>tržno najemno stanovanje</i>	market rental dwelling
<i>uporabnik</i>	user
<i>utemeljene okoliščine</i>	justified circumstances
<i>varščina</i>	security
<i>vzdrževanje</i>	maintenance
<i>zaščiteni najemniki</i>	protected tenants

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?

The matter of discrimination in the selection of tenants depends on the type of the landlord. If the landlord is a public authority (national or municipal housing fund), who allocates dwellings as either non-profit or market rentals, discrimination is prohibited, unless expressly allowed. Positive discrimination is allowed. The authority in charge of the selection process may determine a specific category of eligible rightful claimants, who are prioritized. These categories usually include young families, families with small children, single parents, individuals with disabilities, etc. In addition, pursuant to valid legislation, only Slovenian citizens and citizens of the EU Member States upon the reciprocity condition are eligible for obtaining a non-profit dwelling.

Private (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?

In general, landlords in market sector may ask any type of question, while tenants have the right not to be honest. However, there may be other legal consequences thereof, such as invalidity of the contract or liability for damages.

In non-profit sector, the landlords may as well ask any type of question, as long as the answer does not affect their choice of tenant. In addition, they may oblige the applicants to enclose different evidence regarding their material and family status when applying for non-profit housing. These documents are enlisted in the relevant legislation (e.g. Rules on Renting Non-profit Apartments (*Pravilnik o Dodeljevanju*

Neprofitnih Stanovanj v Najem)). Thus, every document enlisted in the relevant legislation is not regarded as inappropriate. Tenants have the right not to answer honestly. However, if they withhold the truth regarding issues, which are relevant for awarding the dwellings, the landlord may terminate the contract. For instance, if the applicant alleges that he does not own any appropriate dwelling, although he does, the landlord may terminate the contract.

- 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 usual for the selection process when the landlord is a public authority (national or municipal housing fund), although only for awarding market rental dwellings. The fee amounts to 500 EUR and is later set off with the security or returned to the non-eligible applicants.

In market rental sector, such fee is not usual, not even by the real estate agents. The agents are only entitled to the commission as agreed upon with the brokerage contract.

- 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 depend on the type of the landlord and the type of the rental. Private and legal persons acting as landlords in market sector 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 such documents. Usually legal persons under public law have internal acts, which closely determine the type of documentation, which needs to be enclosed.

On the other hand, legal persons acting as 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, pursuant to Article 19 of the Rules on Renting Non-profit Apartments. These include statement on possible non-taxable incomes and wages for the previous calendar year, certificate on received net salaries in the year of the public tender, statement on the pecuniary circumstances, and the evidence for the payment of all previous non-profit rents, if the tenant is already in a non-profit rental.

The tenant and other family members of legal age may also authorize the landlord to obtain the certificates and other documents from the competent authorities.

- 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 to present the prospective tenants the appropriate dwellings, in accordance with tenants’ demand. The 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.

Information on the commercial landlords are available on the web pages of the Agency of the Republic of Slovenia for Public Legal Records and Related Services (*Agencija Republike Slovenije za Javnopravne Evidence in Storitve – AJPES*). However, this database contains only the data on the business of the legal person and not other possibly relevant data (e.g. manner of maintenance of the dwellings).

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)?

In general, the rental agreement (tenancy contract) must be concluded in writing. Nevertheless, 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 market rentals. For non-profit rentals, the special procedure for the selection of the tenant must be obeyed to, unless particular circumstances are present. For instance, the new contract may be concluded with one of the non-profit tenant’s household members, if the tenant moves to a nursing home or to other dwelling outside of the municipality. The new tenant must also fulfil the conditions for obtaining a non-profit apartment. He must also reside in the non-profit dwelling and must be enlisted as user in the original tenancy contract.

All rental agreements must be registered with the Geodetic Office of the Republic of Slovenia (*Geodetski Urad Republike Slovenije*) by the landlord. The registration is free of charge. In addition, landlords must also notify the Tax Office in their municipality on the contracts.

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

Mandatory content of contracts is enlisted non-exhaustively in Article 91 of the 2003 Housing Act.

These include:

- description of the dwelling, its location, area, structure, age and the manner of use,
- identification number from the Cadastre,
- communal equipment,
- information on the landlord, tenant and users,
- reasons for termination,

- type of rental relation (market, non-profit, purpose or employment based),
- mutual obligations
- maintenance of the dwelling and the building,
- rent price, as well as the manner of paying and the scope of running costs (for electricity, water, central heating and similar) and costs for operating the multi-apartment building (common costs),
- period of tenancy, if the dwelling is rented for limited time,
- manner in which the dwelling is handed over.

Parties are also able (and advised) to include any other information they find relevant (especially on the use of security after the termination of the contract, payment of the reserve fund (*rezervni sklad*)⁵, etc).

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

Duration of the contract is an important feature of contracts. Contracts for non-profit rentals are always concluded as open-ended and the parties may not change the duration. On the other hand, in market rentals, the duration of the contract is a matter of agreement between the parties. Unless the time period is stated in the contract, the contract is deemed as open-ended. Usually contracts in market sector are concluded for limited period of time of one to two years, with the possibility of prolongation.

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

Tenancy contracts must necessarily contain the indication of the level of rent and what it encompasses (only the rent or also the running costs). Rent price is usually agreed as a monthly payment, unless otherwise agreed between the parties (for instance, that the tenant is to pay for several months or a year in advance). The contracts also contain an indication on the day of the month on which the rent is due to be paid, as well as the manner of payment (in cash or bank account).

Non-profit contracts also contain the provision on the valorisation of the rent (usually stating that the rent is to be changed in accordance with the valid legislation). In market contracts, such provision is rare.

- 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?

Yes, as there are no strict rules regarding repairs and furnishing of dwellings in market rentals. Article 92 of the 2003 Housing Act and the Rules on Standards for the Maintenance of Apartment Buildings and Apartments (*Pravilnik o Standardih Vzdrževanja Stanovanjskih Stavb in Stanovanj*) regulates the obligations imposed on landlords. These provisions are intended for both non-profit and market rental landlords. However, the parties in market rentals are able to determine their

⁵ This is a mandatory payment, usually by the landlord (the owner of the dwelling), to the manager of the building. The collected funds are then used for maintenance and repairs of the common areas and other facilities in multi-unit buildings.

obligations differently with the contract. If a maintenance issue is not regulated in the contract, the provisions of the 2003 Housing Act and the Rules on Standards for the Maintenance of Apartment Buildings and Apartments apply.

In general, tenant must repair any damage that is caused by him or individuals, for which he is responsible (such as users or guests). However, there is no obligation for tenant to repair the damage, which is a consequence of a regular 'wear and tear'. For instance, if the parquet floor is dilapidated due to the usual use and not some irregular activities, the tenant is not obliged to change the whole parquet.

The primary concern of landlords is to maintain the dwelling and the common parts of the building in such a manner that the normal use of the dwelling and the common parts is possible. This means that landlords are responsible for providing the safe use of the dwelling and the common areas. Landlord is also expected to repair and maintain any piece of furnish or equipment that has been impaired due to cases other than the tenant's negligence or intentional misuse. For instance, if the boiler is damaged due to the passage of time and is no longer safe for use, the landlord is obliged to repair or replace it.

On the other hand, the repairs in non-profit dwellings are subject to strict rules, determined in the Rules on Standards for the Maintenance of Apartment Buildings and Apartments. The Rules contain detailed information on the type of repair and maintenance work attributed to both landlords and tenants. For instance, tenants are expected to regularly maintain (clean or repair) certain elements (cesspit, outer terrace, parking space, chimney, window sills on the façade, staircase, inner doorknobs, etc.). Landlord in non-profit rentals are obliged to perform large scale repairs and maintenance work, such as change of the roof, drain pipes, façade, etc.

In any case, if the landlord (market or non-profit) fails to performs his duty of repair (i.e. to provide the normal use of the dwelling), the tenant has a right to propose to the Housing Inspection to issue an order, setting the deadline for the provision of proper conditions for use. If the landlord fails to execute the order within the set deadline, the tenant may provide the needed repairs himself. The tenant may then offset his pecuniary debts towards the landlord (for instance, the rent) on the account of the repairs performed.

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

Furnishings in market rental dwellings may be provided by the landlord. The most necessary furniture, such as kitchen and toilet furniture and closets, are always provided. In some cases, the entire furniture is provided (also beds, tables, chairs, appliances). The equipment of the furniture is usually resembled in the higher rent price.

Non-profit dwellings and market dwellings provided by the HFRS are offered without the furniture (except the most necessary toilet and kitchen furniture). Therefore, tenants must provide appliances and other furniture.

- 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)?

All 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 usual contractual clauses of relevance to the tenant. Nevertheless, tenants should carefully read the contract before signing it in order to avoid any misunderstandings later.

- 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.)?

All individuals, who are residing in the dwelling apart from the tenant, must be enlisted in the contract (these are referred to as users of the dwelling). Other individuals (such as guests) may also use the dwelling up to sixty days in a three month period. For longer uses, the tenant must obtain the consent from the landlord beforehand.

If the number of users increase afterwards (for instance, if the tenant marries or his child is borne) or some of the users change (due to moving out or moving in), the tenant must notify the landlord on the change. Usually, an annex is concluded.

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

Although the obligation of the tenant to occupy the dwelling is not expressly governed, it may be assumed from other provisions of the 2003 Housing Act. For instance, the landlord may terminate the contract if the tenant does not take over the possession of the dwelling for unduly reasons or he does not begin to reside in the dwelling in thirty days from the conclusion of the contract. However, this does not imply the tenant or users must actually reside there. This provision refers to both market and non-profit rentals. In any case, tenants are liable for any damage that may arise, if they do not notify the landlord on the damage or the threat. If the tenant does not reside in the dwelling, he may not be aware of the threat.

The occupation of the dwelling may be an issue especially in non-profit rentals. In market rentals, the landlord can find a new tenant relatively quickly, so his loss of income is negligible. However, landlords of non-profit units are in more difficult position, since they must follow strict procedure for finding the tenant, which is also connected to certain expenses. Furthermore, non-profit stock is intended for those, who are in housing distress. Not residing in the allocated dwelling may imply that the tenant does not need the dwelling. As a result, pursuant to Article 103(11) of the 2003 Housing Act, tenants and users in non-profit rentals may not leave the dwelling for more than three months consecutively, since this may constitute a reason for termination.

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

Changes of parties are allowed in cases of divorce, separation of non-married couples and death of tenant. In all of these cases, the landlord is obliged to conclude a new contract with the other spouse or partner. The position of same sex partners is not expressly mentioned. However, the Constitutional Court in the Decision no. Up-259/01 (20 February 2003) has indicated that the distinction of the same sex partners in these cases may constitute discrimination.

The same applies to the cases of domestic violence. The Court is entitled to grant the tenancy only to one of the marital or extra-marital partners, who is the victim. The victim may propose the Court to decide that the dwelling, which is co-used (based on co-ownership, usufructus or tenancy contract), is left to the victim. The claim must be filed within three months from the first act of violence. Such measure must be limited to six months and may be prolonged to maximum additional six months upon victim's request, if the victim failed to find other residence.

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

There are no strict rules regarding replacing the student, who moved out. Whether a student moving out may be replaced by another student without permission of the landlord 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 change of the tenant's position whatsoever. Of course, tenant is entitled to terminate the contract, if he finds the new landlord unacceptable. The new landlord (buyer of the dwelling in the enforcement procedure) enters into the obligations and rights of the previous landlord and is bind by the previous contract. However, if the lease or tenancy relation was concluded after the acquisition of the security right or land debt, the new landlord is entitled to terminate the tenancy contract with one month termination period.

- 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 allowed only with the prior consent of the landlord. If the landlord refuses to give the consent, he is not required to justify his reasons for refusal. The landlord may agree to sublet the entire dwelling or only a part of it (one or more rooms). Subletting of non-profit dwellings is prohibited.

Subletting contract must be concluded for limited period of time. The period of duration of the subletting contract cannot be longer than the duration period of the tenancy contract. If the tenancy contract is terminated, the subletting contract is

terminated *ex lege* as well. The fact that the period for which the subletting contract is concluded has not expired does not influence the termination of the subletting contract. Therefore, the validity of subletting relationship completely depends on the validity of the tenancy contract.

Abuse of subletting is not an issue in Slovenia.

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

The tenancy contract binds the respective buyer of the premises with the same extent of rights and obligations as the seller used to have. 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.

- 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?

The relevant legal regulation of utilities is different for market and non-profit rentals. Since market rentals are usually concluded for limited period of time, it is unsound to change the registered user. On the other hand, the relevant legal regulation for non-profit sector expressly demands from the tenant to conclude supply contracts upon moving in. If some of the utilities are not provided at the start of the contract (for instance, internet connection), the tenant is usually allowed to acquire them. However, if the installation of the utility would demand certain changes of the premises, the tenant is obliged to obtain landlord's consent beforehand.

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

The tenant is obliged to cover the costs stated in the contract and not included in the rent. These may include individual running costs and common running costs.

The individual running costs for non-profit rentals are paid directly to the supplier and include: costs of heating, costs for water and sewage, costs of electricity and power consumption, costs of telephone, cable, television and radio bill, costs of used gas, costs of compensation for the use of the construction land⁶ and other costs related to the use of the apartment. The common costs are paid to the manager of the building and encompass: costs of electricity for running common appliances and lightning of common areas, costs of cleaning common areas, manager costs, costs for landscaping, other running costs and costs of regular maintenance work of smaller value in the common parts of the building, which are charged from the manager in accordance with the regulatory acts.

In market rentals the parties can agree upon the range of the costs that are to be paid by the tenant; the level of the rent price is usually in accordance with the scope of other costs borne by the tenant. The tenant and landlord in market rentals may

⁶ This cost is paid to the Tax Administration of Republic of Slovenia.

also agree that the tenant is to pay a lump-sum, covering both rent price and running costs. In that case, the tenant has no other costs, unless otherwise stated in the contract or annex. Usually a final assessment of bills for electricity or water is made at the end of the payment period, if the bills were paid as a flat rate (and not according to the actual consumption). However, paying a lump-sum is rather rare in practice.

The tenant is obliged to pay all the costs regarding the management of the multi-apartment building (for management of common parts, for costs for which individual assessment of consumption is not possible, costs of pest control, cleaning of common parts and protection against fire, etc.), while the landlord must cover all other costs (e.g. payments into the reserve fund), unless the tenancy contract states otherwise. However, the landlord (both market and non-profit) is subsidiary liable for the costs for the operating the multi-apartment building. The landlord is not subsidiary liable for costs of utilities, personally used by the tenant (for instance, services of internet provider or any other services, which are charged directly from the tenant), if he informed the manager of the building on the tenancy contract with the tenant. Otherwise, the landlord is liable for these costs directly (and not subsidiary), since he failed to inform the manager on renting the dwelling. The manager of the multi-apartment building must send a written notice to the tenant, who is in delay with the payment of bills. At the same time, he must send the information on the notice and delay to the landlord as well.

- 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 non-profit rentals are responsible also for the taxes levied by local municipalities (such as costs of compensation for the use of the construction land⁷). Parties in market rentals may agree on this, although the standing practice is that the taxes are levied on the landlord.

Waste collection is paid by the tenant, as a running cost. Road repair is irrelevant in reference to the tenancy.

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

Tenants are obliged to pay the common running costs, encompassing: costs of electricity for running common appliances and lightning of common areas, costs of cleaning common areas, manager costs, costs for landscaping, other running costs and costs of regular maintenance work of smaller value in the common parts of the building, which are charged from the manager in accordance with the regulatory acts. However, the tenant is not obliged to make the payment into the reserve fund. This cost is borne by the owner of the dwelling- unless otherwise agreed.

⁷ This tax is no longer relevant, since it was replaced by the Real Property Tax as of 1 January 2014. The tax payer of the Real Property Tax is the owner and not tenants.

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

Usual amount of a deposit (security) ranges from one to three months rent in market rentals. Exceptionally, landlords may demand higher amounts of deposit, if the dwelling is of very high standards. In non-profit rentals, the value of deposit amounts up to three months rents in accordance with the Rules on Renting Non-profit Apartments.

- 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 in the market sector. Therefore, different agreements are possible between the parties.

The Rules on Renting Non-profit Apartments, on the other hand, contain precise provisions on both deposit and own participation. Parties determine the mutual rights and obligations regarding the deposit (payment, repayment and maintaining the value of the deposit, taking into account the principle of preserving the value of a deposit equivalent in EUR) in the tenancy contract. The deposit may also be paid in instalments. Deposit is returned at the end of the tenancy. Other possibility is that the deposit is set off with the value of the last rent. If the dwelling is not restored in the condition, in which it was handed over at the start of the tenancy, the landlord may retain the deposit. Deposit is also retained if the tenant failed to pay the rent or running costs.

Conditions in connection with the payment and reimbursement of own participation⁸ are regulated by the mutual agreement between the parties. This amount is returned to the tenant in EUR in no later than ten years, with a 2% interest rate.

- 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 CO (Articles 1012 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.

⁸ These are repayable funds, paid by the tenant and intended for further generating of non-profit dwellings by the landlord. It amounts to maximum 10% of the value of the dwelling without the influence of the location

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)?

Both material and legal defects of the dwelling and disturbances are legally relevant. Landlord is responsible to protect the tenant from the non-obvious defects, as well, such as smell from the shafts. Landlord is also responsible for the absence of all characteristics of the dwelling, for which he claimed that they exist, unless the tenant was aware or could have been aware of them. The parties may agree that the landlord is not liable for certain material defects, unless he was aware of them, but failed to notify the tenant or unless the landlord misused his dominant position. For instance, the landlord is liable for repairing the leaking roof, even though the parties agreed that tenant is to bear all the cost connected to the repairs of the dwelling, if he knew about the broken roof tile, but did not tell the tenant.

Exposure to noise (either by the neighbours 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.

- 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. If the landlord ignores such notification, the tenant is entitled to propose to the Housing Inspection to order the landlord to perform the repairs of either the dwelling or the common parts of the building. If the owner refuses or fails to perform such repairs, tenant may perform them himself. Afterwards, he is entitled to the reimbursement of any costs as well as the interests thereof and can offset them with the rent or request the reimbursement of the entire amount. He may also request from the landlord to decrease the rent for the period during which he was unable to use the dwelling normally. Other possibility for tenant is to request that landlord provides him with another suitable dwelling⁹. Under the provisions of the 2003 Housing Act, tenant is entitled to perform the repairs in the dwelling, which are necessary, in order to protect lives and health conditions of

⁹ This is a more theoretical solution, since not all landlords are able to provide another dwelling.

other residents or the dwelling itself as well as the equipment therein. Tenant is then entitled to the reimbursement of the costs thereof.

As far as other disturbances are concerned, the tenant has the right (under the general civil law) to request decrease of the rent or to withdraw from the contract. This right is granted if the tenant was not able to use the dwelling substantially for a significant period of time. For instance, if the water supply in the dwelling was impaired for one day, this may not account for the substantial prevention of use. All of the requests are requested from the landlord beforehand. If he is not willing to comply, the tenant may turn to the competent court.

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

Landlord is obliged to perform any repair 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.

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

The tenant has the right to make repairs at his own expense and then deduct the repair costs from the rent payment. However, the 2003 Housing Act explicitly limits this to the repairs, which are necessary and cannot be put off in order to protect the lives and health conditions of the residents or the premises, as well as to repairs, which were not performed by the landlord in accordance with the order of the Housing Inspection.

In addition, the tenant may request that the rent is reduced for the period in which he was prevented from normal use of the dwelling due to the landlord's omission to perform repairs.

- 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. The written consent is needed in the procedures, in which the tenant obtains an administrative permit before conducting the alternations. Of course, the parties may as well agree differently in the contract.

Landlord may refuse the consent, unless the following conditions are met: the intervention is in accordance with the contemporary technical demands; it is in tenant's personal interest; the costs are borne by the tenant; the alternation will not

jeopardize landlord's interest or the interest of other condominium owners and the intervention is not to harm other common parts of the multi-apartment building and its exterior. The following situations are deemed as meeting those conditions (and are enlisted non-exhaustively): modernization or appropriate reconstruction (for meeting the needs of the household) of sewage, electricity, gas, heating or sanitary equipment; rearrangement intended to optimize the usage of electricity or increasing the functionality; improvements which are subsidized or loaned from public funds; wiring of telephone; installation of necessary antennas or other equipment for radio and television reception, if the connection to the present device is impossible. 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.

If the landlord refuses to give the consent in those cases, tenant is entitled to demand the consent from the Court in a non-contentious procedure. In some situations, the landlord is allowed to condition the consent with a statement of the tenant that he will return the dwelling in the previous condition or that he is not to demand the reimbursement of the investments.

The tenant is entitled to the reimbursement of the unamortized part of the useful and needed investment into the dwelling, performed with the consent of the landlord, unless otherwise agreed. As an illustration: if the tenant installs an air conditioning system and then resides in the dwelling for several more years, he would not be entitled to the reimbursement of the entire investment, but only to a certain proportion (since he was using the air conditioning system as well).

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.

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.

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

Keeping domestic animals is not explicitly regulated. It is the manner 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.

- 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 free in principle. The only limitation is imposed on non-profit tenants (and market tenants, if agreed so). They must obtain the landlord's consent, if the dwelling is to be used by the guest for more than sixty days in the

three-month period. Otherwise, this may constitute a reason for termination of the contract.

- fixing pamphlets outside

Fixing pamphlets outside is not explicitly regulated. It is the matter of 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.

- small-scale commercial activity

Small-scale commercial activity is regulated with the 2003 Housing Act. Such activity may be pursued, if it does not prevent other residents from peaceful use of their dwellings. For pursuing such activity, one must also fulfil conditions in accordance with the legislation. The tenant must also obtain a written consent from the landlord beforehand, as well as the consent of at least 75% of other co-owners, including those whose units' walls or ceilings boarder the tenant's unit. Otherwise, the housing inspector may prohibit further performance of the activity. In addition, failing to obtain landlord's consent or pursuing the activity in contract to the consent constitutes a culpable reason for terminating the contract.

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. In market sector the parties agree on the level of rent. In both sectors the rent must not exceed 50% or more percent of the average market rent in the municipality for the equal or similar category of dwellings, taking into account also the location and equipment of the dwelling (the so-called usurious rent). In addition, in the non-profit sector, the rent is determined by the national or municipal authority for each dwelling separately, depending on the numerous criteria. The formula for calculating the rent price and the relevant criteria are set with the Decree on the Methodology of Determination of Rents for Non-Profit Housing and the Criteria and Procedure for the Implementation of Subsidised Rents (*Uredba o Metodologiji za Oblikovanje Najemnin v Neprofitnih Stanovanjih ter Merilih in Postopku za Uveljavljanje Subvencioniranih Najemnin*).

- Rent and the implementation of rent increases
 - When is a rent increase legal? In particular:

Rent increase in market sector depends solely on the agreement between the parties, unless the increased rent meets the criteria for usurious rent. Rent increase in non-profit sector may be exercised only if the relevant legislation is amended or different values of dwellings are set. The tenant has a right to demand the reimbursement of the excessively paid rent.

There are no restrictions on how many times the rent may be increased in a certain period, nor is there a possible cap or ceiling determining the maximum rent that may be charged lawfully.

- 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 ceiling determining the maximum rent that may be charged lawfully is set with the general provisions on the usurious rent, as stated above.

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 both parties. No particular procedure is prescribed, unless the parties agree otherwise in the tenancy contract. Increase of non-profit rents may not be imposed without the amendment of the Decree on the Methodology of Determination of Rents for Non-Profit Housing and the Criteria and the Procedure for Implementation of Subsidised Rents or with formal revaluation of the value of dwellings.

- Entering the premises and related issues

- Under what conditions may the landlord enter the premises?

The 2003 Housing Act allows landlords (or their representatives) to enter the dwelling so to check if the dwelling is properly used. Tenants are obliged to allow such entry at most twice a year, unless other agreement is made between the parties.

In certain situations tenant must allow the landlord to enter the dwelling, for instance if there is a need to perform repair or improvement of the dwelling (such as installation or reconstruction of central heating, sewage, cable, and similar). However, the tenant may as well deny the entry, if such work would impose difficulties for the tenant or his family members, lead to increased rent price, interfere with tenant's own investments, or if the work is not in accordance with the benefits of the tenant and other residents in the building. Denying the entry unlawfully in these two cases is deemed as a liability based reason for termination of 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?

Landlord may not legally lock the tenant out of the premises. If a tenant breaches the contract, the landlord must give an admonition on the breach. Given that the tenant does not comply with the landlord's demand to cease with the breach within the set deadline, the landlord may file a lawsuit for termination of the contract and motion for moving out. In practice, this would mean that if the tenant does not pay the rent, the landlord must notify him on the arrears and offer him an additional deadline for the payment. If the tenant does not pay within the deadline, the landlord must file a lawsuit and cannot legally lock the tenant out of the premises.

- 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. However, landlord and tenant may establish a non-possessory¹⁰ lien with the contract. The contract must be written and signed in the form of a directly enforceable notary deed. The tenant may use these items in accordance with their economic purpose or an agreement with the landlord. However, he has no right to sell the item without the landlord's consent.

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?

Tenant may terminate the contract at any time, without stating reasons thereof, with a ninety days notice period and in a written form, unless otherwise agreed in the contract. Therefore, if particular deadline, reasons or procedure is set with the contract, the tenant must obey these.

- 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 valid legislation does not expressly differentiate between the open ended and limited in time contracts regarding the tenant's right to terminate the contract. However, the jurisprudence does not recognize the right of the tenant in limited in time contracts to terminate the contract before the end of the rental term. Therefore, it is advisable that the parties agree on this matter in the contract. In addition, the

¹⁰ This means that the items are not delivered to the landlord, but remain in the possession of the tenant or a third person.

parties should agree on the possible compensation in such case. This refers only to market rentals, since in non-profit rentals the contracts are concluded as open ended.

- 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. In non-profit sector, the culpable reasons are clearly enlisted in the 2003 Housing Act and the parties may not agree on additional reasons. These are:

1. causing significant damage to either the dwelling or common areas by the tenant or other users;
2. pursuing commercial activity in the dwelling without the permission or contrary to it;
3. not maintaining the dwelling in accordance with the Rules on Standards for the Maintenance of Apartment Buildings and Apartments;
4. not paying the rent price or other running costs within the deadline set with the contract or, if such deadline is not set, within sixty days from receiving the bill;
5. grave violation of fundamental rules of neighbourly cohabitation by the tenant or other users' manner of use, which are regulated with the house rules, or severe disturbance of other cohabitants' peaceful use;
6. performing alternations of the dwelling or installed equipment without the landlord's permission, apart from the cases regulated with Article 97¹¹;
7. use of the dwelling by other person(s), not enlisted in the tenancy contract, without landlord's consent, during more than sixty days within three months period;
8. sub-renting the dwelling without the landlord's permission;
9. refusing the entry to the landlord in cases regulated with Articles 94(3)¹² and 99¹³;
10. refusing to take over the dwelling or reside in the dwelling within thirty days after the conclusion of the contract;

¹¹ Technical modernization, which is in accordance with the tenant's interests and which do not present threat to other users of the building and the exterior of the building.

¹² Two times a year, to check the condition of the dwelling.

¹³ For performing maintenance and repair work.

11. ceasing to use the dwelling for three months consecutively by the tenant or other users;
12. providing false information for obtaining the rent subsidy in accordance with Article 121.

In market sector the same reasons apply, although the parties may agree on additional or different reasons, as well as different notice periods.

- Must the landlord resort to court?

According to the legal standing in the case law, the landlord is obliged to resort to court in order to terminate the contract. Unless the tenant complies with the notice period and vacates the premises following the landlord's termination (which practically means there is agreement on termination), the landlord is advised to terminate the contract in front of the court, in order to avoid possible subsequent lawsuit from the tenant.

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

Under the rules of the 2003 Housing Act, the tenancy contract to a non-profit tenant cannot be terminated due to failure to arrears regarding rent and other expenses. Certain conditions must be fulfilled, however: the tenant is in arrears due to exceptional circumstances, to which he and other users of the dwelling were exposed; the circumstances were unforeseeable or he could have and cannot influence them (for instance, death in the family, loss of employment, serious illness, disasters and similar); he initiated procedures for obtaining a subvention of non-profit rent and exceptional financial aid for housing within thirty days from the occurrence of the circumstances and notified the landlord thereof.

The procedure for obtaining the financial assistance is filed with the Center for social work. If the circumstances are such that there is a possibility of a long-term inability of the tenant to cover the rent, the municipality may move the tenant to another non-profit dwelling, which is more adequate, or to a housing unit, intended for temporary accommodation of individuals in need.

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

The landlord may terminate the contract before the end of the rental term due to either culpable (liability based) or non-culpable reasons.

The landlord may terminate the contract due to culpable reasons, if he respects the prescribed procedure. He must first notify the tenant on the breach in writing. The manner of the notification is not prescribed, although according to the case law, the landlord must assert himself that the tenant obtained the notification. The notification must contain the breach, manner and deadline for eliminating the breach. The deadline must not be shorter than fifteen days. If any of these elements is missing, the termination is not lawful. If the tenant does not comply with the notification within the deadline or eliminates the breach only partially, the landlord may file the lawsuit for termination of the contract and emptying the premises.

It is important to stress the tenant may prove before the Court that the culpable reason was incurred due to circumstances beyond his control or that he was unable

to resolve it in due time. If tenant's objections are justifiable, the Court may then deny the landlord's request for termination.

One of the culpable reasons for termination includes not using the premises for more than three months in a row. However, certain situations are regarded as justifiable: if the tenant is in institutional treatment due to an illness, in a retirement home for a period shorter than six months, or due to other justified reasons, such as official employment relocation or schooling in another place, military service, incarceration, etc.

One of the culpable reasons applies only to non-profit rentals. If the tenant or his partner (marital or extra-marital) owns a dwelling or a housing building, the landlord is entitled to terminate the contract. However, if the dwelling was to be rented for unlimited period and for non-profit rent on the day of the enactment of the 2003 Housing Act, the termination is not possible. However, if the tenant charges a profit rent, he must also pay the profit rent to his landlord.¹⁴

Non-culpable reasons apply to both profit and non-profit rentals. If the landlord terminates the contract for a reason not enlisted in the 2003 Housing Act or in the tenancy contract, he is to provide another adequate dwelling for the tenant. However, the tenant's rental position must not deteriorate. The adequate dwelling is the dwelling, which does not deviate from the present dwelling regarding any important feature and does not significantly reduce housing conditions of the tenant and other users.

The mere possibility of providing the tenant with another dwelling is not enough for terminating the tenancy contract. If there are no justifiable reasons, the landlord may terminate the contract under such conditions to the same tenant only once. If the justifiable reason is given, it is possible to terminate the contract regardless of whether the landlord has already terminated the contract to the same tenant.

The following reasons are deemed as justifiable: own housing needs of the landlord or his closer family member¹⁵ and objective circumstances regarding the dwelling, due to which it is no longer habitable (anticipated demolition, change in the purpose of the building, endangered safety of residence, etc.). The costs of the moving are borne by the landlord. Any disagreement is to be settled by the Court in a non-contentious procedure.

The described restriction on terminating the contract to the same tenant only once does not refer to the dwellings owned by municipalities, non-profit housing organizations, the HFRS or the state, if they are performing the changes so to assure rational occupancy of the housing stock.

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

In case of culpable reasons, the tenant may prove before the Court that the culpable reason arose due to circumstances beyond his control or that he was unable to resolve it in due time. If such allegations are justifiable, the Court may deny the landlord's request for termination.

If the tenant regards the new offered dwelling as inadequate, he may resort to the court in order to decide on this matter.

¹⁴ This usually refers to the individuals, who are obliged to rent the dwelling to the previous holders of housing right or some of their entitled relatives.

¹⁵ As such, the statute deems the needs caused by the increased number of closer family members, increased number of households in accordance with the Rules on Renting Non-Profit Apartments.

- 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?

If the tenant does not leave the premises after the end of the tenancy, he is using the premises unlawfully. Tacitly renewed tenancy contracts (meaning that the contract is automatically renewed, if neither of the parties opposes) are not recognized in Slovenia. The landlord has a right to file a lawsuit emptying the premises at any time in front of the Court.

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.

Own participation in non-profit rentals must be returned in maximum ten years with 2% interest rate.

- 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 Slovenia. 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). The possibility of extraordinary remedies in front of the Supreme Court RS is also available. However, some rather strict conditions are set in order for a decision to be rendered by the Supreme Court RS.

- 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 Slovenian 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 is available, although there are no specific procedures developed precisely for the tenancy matters, nor are these compulsory. Instead, a court-annexed mediation is usually offered to the parties. However, these types of dispute settlement are not pervasive in Slovenia.

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?

In order to get non-profit (social or subsidized) housing, a prospective tenant must apply to the public tender, when it is announced in the media. He must submit necessary documentation to the authority in charge, which is evident from the notice. Apart from the application, the applicant must submit documents on incomes, statement on ownership of property¹⁶, the present rental contract, the last decision on the income tax charged and other documentation set by the public notice. For instance, if some of the household members are disabled, relevant documentation must be enclosed (medical report). Afterwards, the decision is rendered by the housing committee in charge. Eligible tenants are divided in two different lists, A and B. Eligible tenants on list B pay own participation and security deposit, while those on the list A do not. In the case that an applicant is not satisfied with the decision, he has a right to appeal to the second instance authority (for instance, Mayor, if the dwellings are allocated by the municipality housing fund). After the final lists are composed, tenants must wait for their dwelling to be vacated or completed (in case of the newly built dwellings). The tenancy contracts are then concluded, alongside the contracts on the payment of own participation and security deposit.

The procedures of different public landlords are similar and may differ only in the documentation needed or certain criteria (e.g. some municipalities demand that the applicant must have a registered permanent address in that municipality for five years, while other may demand less).

¹⁶ With this statement, the applicant and his household members allow the organ to inquire on their personal data.

Housing subsidies (for market and non-profit dwellings, as well as the exceptional housing aid) are awarded by the centres for social work. The prospective tenant applies for the subsidy in the centre for social work in the municipality, in which he has permanent residence registered. He must enclose a particular form (application), as well as the documentation proving his property and financial circumstances. The subsidy is awarded for the period of one year and may be awarded in the following years as well. If the tenancy contract is concluded for the period less than one year, the subsidy is awarded for the same (shorter) period.

- 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, insurance of the loan, against natural disasters, etc. Tenants may, at their own discretion, insure movables in the dwelling with one of the insurance companies in Slovenia.

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

Legal aid services are available also for tenancy disputes. Free legal aid may be granted for the following legal actions: legal counseling, legal representation, all types of juridical protection in front of courts of general jurisdiction and specialized courts in Slovenia, which have jurisdiction over out-of-court settlements, exemption from court fees, as well as other legal services set by the law. The aid, however, does not cover the costs incurred during the court procedure (such as production of evidence), actual expenses and other party's attorney fees

The application for the free legal aid is filed with either the court competent for the dispute or the court in which the applicant has his residence registered. The application may be submitted at any stage of proceedings (at the very beginning or later in the process). Free legal aid may be granted only for the expenses, which occur after the submission of application.

The criteria for obtaining free legal aid are rather strict. Apart from the social and financial threshold, the essential condition for granting free legal aid is that the case is not manifestly unreasonable, that it is vital for applicant's personal and socio-economic status, that the expected result of the case is vital for the applicant or his family, that the case has probable chances for success and is therefore reasonable to file it or defend or object thereof, or that the unresolved case is the reason for the applicants financial hardship.

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

There is only one organization for helping tenants protect their rights or give information. It is the **Slovenian Association of Tenants** (*Združenje Najemnikov Slovenije*) and is situated in Ljubljana (the capitol).

The Association offers assistance and legal help to tenants regarding their rights and obligations deriving from their tenancy contracts. A membership fee is paid, amounting to 40 EUR per year. However, the membership fee is paid only by the tenants residing outside of Ljubljana, since the municipality of Ljubljana sponsors the fee for its residents.

The contact information of the Association is below.

Address: Tavčarjeva 3, 1000 Ljubljana

Telephone numbers: +3861/43-12-324

+38640/829-428

E-mail address: info@zdruzenje-najemnikov.si

Working hours: every Tuesday from 17:00 to 20:00