## **CZ:** Tenant's Rights

Renters' rights and obligations in the Czech Republic

## by Ryan Scott, Published 04.12.2009, Last updated 14.01.2010

Earlier this year Expats.cz covered renting more from the landlord's point of view as well as if you are a landlord, how to keep good tenants. Now it's time to look at it from the perspective of tenants, which most of us are. Experience in this area can be pretty subjective. I've had both an angelic landlord who filled out all forms when I asked him and had repairs done on time. I've also had the nightmarish landlord who took months to repair a busted shower hose. Speak to anyone and you'll find that landlords here run the gamut. One constant are your rights and responsibilities as a tenant.

Given that tenancy laws can be tricky business, especially when you're in a foreign country, we spoke to some professionals. Ben Anderson, of Identity Property Consultants (www.id-online.cz) in Prague was one such a person. Mr. Anderson has many years of experience in the Czech property market. He also speaks Czech, so you're getting that balance of foreign perspective with a handle on the local knowledge.

The first point he stressed was that certain areas of the law can be unclear. These items are designated as 'undecided' which can give people certain leverage. The issue of deposits is often a worrisome one. Civil Code Section 686a (4) gives the tenant protection as it states the lessor is required to return the deposit no later than one month after the apartment has been "returned." Mr. Anderson adds that landlords have not returned deposits only a couple of times in his experience. Furthermore, unreasonable retention is subject to law and can be resolved in the courts.

**Something which is stated categorically in the law is the three month period of notice for lease termination of residential property.** That means if you wish to break the lease early or when no termination date has been specified, you must give your landlord three months notice. The Civil Code, Section 710(2) expressly states this period must at least be three months and finish on the last day of a calendar month. The same section states that the termination period must start on the first day of a calendar month, so there is, for once, little ambiguity. Your termination notice must also be given in writing.

Some real estate agents apparently advise tenants to take out commercial leases for their property because under the commercial code nearly all of the conditions in the lease can be negotiated and agreed by both sides. For this obvious reason, a commercial lease is much more attractive to foreign visitors who don't know how long they will stay. Mr. Anderson cautions strongly against this. In his professional opinion and experience, the law will look at the use of the property, in this case as residential, and apply the Civil Code, which requires three months' notice as stated above.

Mr. Anderson also cautions against renting regulated flats from the official tenants. These tenants are not the owners; the local municipality or a private individual are. Consequently, the lease or whatever agreement you had with the legal tenant is not binding. The worst case scenario is that you could find yourself out on your ear and your possessions locked up inside. For this reason, Mr. Anderson stresses that you make sure the landlord is the owner of the flat.

**Repairs are obviously the responsibility of the landlord, but reporting the damage is the responsibility of the tenant.** This seems like common sense. You have a leak; you tell the owner. Mr. Anderson warned me, though, that if people don't inform the landlord in time and the damage

causes further damage, the tenant can be liable for the full cost of repairs. If you do inform your landlord and you're forced to make the repairs at your own expense, you can deduct those costs from your rent, providing the damage causes severe inconvenience to your living.

Luboš Nevrkla from Mališ Nevrkla Legal (www.mn-legal.eu) expanded on the above point. According to Section 698(1) of the Civil Code, the tenant is entitled to a reasonable rental discount if the landlord, despite repeated notices by the tenant, does not repair defects that significantly or for a longer period of time reduce the quality of use of the leased apartment.

Mr. Nevrkla shared information on other areas of tenant's rights.

**Generally, a landlord does not have the right to enter your flat or house.** However, there are two exceptions. The first, which is in accordance with Section 692(3) of the Civil Code, allows the landlord to enter in order to measure or regulate heating or water or other technical fixtures providing they provide written notice. Secondly, as stipulated in Section 665(1) of the same code, the landlord can request entry to check that the property is being used appropriately. The law does not state that the landlord requires written notice.

Another right you should be aware of is that **you should be notified three months in advance, in writing, of any rent increase,** provided that your landlord is increasing the rent to the 'target rent' for the area as given in the table by the Ministry for Regional Development. The table can be found here (in Czech). The increase comes into effect from the 1st January each year. The provisions for this increase are given in the Act of Unilateral Increase of Rent, which is valid until 2012. In the opinion of Mr. Nevrkla, this law applies more to so-called regulated apartments. Most private apartments have rent at the market rate or even above, so the law usually does not apply to them. Mr. Nevrkla also adds that it is possible for a tenant and landlord to agree to the terms of rent increase in writing. One example is that the rent will be indexed to inflation.

One right the landlord has which is indisputable is the right to refuse that his/her property be used as a place of business. The reason for this is that the landlord is generally liable for what happens in his/her property, so your business activities could make your landlord liable for possible legal damages.

If you do enter into legal problems with your landlord, Mr. Nevrkla recommends trying to settle out of court to avoid a lengthy and/or costly dispute. In case this happens, the Czech Civil Code, Contract Law, Rental Agreements is available here (in Czech). Should your case go to court, Mališ Nevrkla are qualified to offer representation as property law is one of their core services.

So, if you are a first-time renter here a few things to keep in mind:

Compare your rent to the market rent by looking at other properties in your area or checking with the Ministry of Regional Development

Make sure that the person who is renting the flat to you is the legal owner by contacting the Land Registry Office (Katastrální úřad).

Insist on a written lease agreement in which everything is stated clearly and check this with someone if necessary.

Souce: http://www.expats.cz/prague/article/real-estate/tenants-rights/