

# Preparing civil code changes in the housing area

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In the coming weeks, the government will discuss the proposal for amendment of the civil code which will address the situation after the deregulation of rent. The change will concern, apart from specifying the amount of rent, also the passage of flats onto an heir and conditions for exchanging flats by tenants. The proposal heading to the government expects the court subsequently to specify rent based on the so-called customary rent at a particular place and time. The court will base their decisions on expert appraisals to assess the rent customary at a particular place and time. Rent price maps, which are being prepared by Ministry of Regional Development, will be a guide for court decisions and for better orientation of tenants and owners. They should be completed in the first quarter of 2011. According to the current law, after deregulation, the owner may increase rent only after an agreement with the tenant - unilateral increases by owners are not possible. If the two parties don't come to an agreement, they may seek remedy from the courts. However, the current civil code doesn't clearly address their decision-making.

The amendment to the civil code will also concern passage of tenancy onto an heir. Passage of tenancy will not be for an unlimited period of time but for two years. "In this case, it serves mainly to protect seniors and minors," said a ministry official. In addition, conditions for exchanging flats by tenants will be new. Ministry proposal envisages that the exchange will no longer be possible without the landlord's consent.

In most of the Czech Republic, the regulation will end on the last day of this year. It concerns approximately 400,000 flats. In most regional capitals, large cities of the Central Bohemia region and in Prague, it will occur on 31st December 2012.

According to the current estimates by the Ministry, there are 670,000 rental flats with regulated rent in total. The total number of rental flats is 920,000. 470,000 of them are privately owned, 450,000 are owned by municipalities and the state.

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