

# The Danish Blackstone intervention prohibits the landlord against paying tenants to vacate premises

In this article, we take a closer look at the Blackstone intervention prohibition against paying tenants to vacate premises and the landlord's duty to notify tenants of landlord-tenant cases that the landlord loses in whole or in part in Denmark.



## Danish prohibition against paying tenants to vacate premises

Until now, it has been common practice to offer a tenant payment to vacate. Partly in order to improve the tenancy, and partly to get rid of tenants causing problems. From 1 July 2020, this type of agreement will be prohibited, and agreements entered into in violation of the prohibition will be void.

### What agreements are covered by the prohibition?

The prohibition covers agreements during which tenants after 1 July 2020 are offered money or other benefits to terminate the tenancy when there is no dispute over the continuance of the tenancy.

Is there a dispute as to whether the tenancy will continue, i.e. cases concerning termination, the landlord can, however, legally offer the tenant payment to vacate the premises. The prohibition does not apply if it is the tenant who institutes the agreement.

### What happens if an agreement is entered into in violation of the prohibition?

Agreements in violation of the prohibition are void, and a breach of the prohibition may have serious consequences for the landlord:

- The landlord is punishable by a fine or imprisonment for up to four months
- The tenant can demand that the landlord reinstates the tenancy on the previous terms

- The tenant can keep the money received, even if the landlord reinstates the tenancy.

## **What should the landlord do if he must reinstate the tenancy?**

The bill does not include a specific deadline for when the tenant loses his or her right to be reinstated, and this must be decided in accordance with the general rules. Thus, the landlord can easily be left in a situation where the tenancy has been radically improved and leased to a new tenant, when the tenant demands to be reinstated.

In that case, the landlord must evict the new tenant from the tenancy, which will probably impose a duty on the landlord to pay compensation to the new tenant. Since the old tenant 'resumes' the tenancy on the old terms, regardless of whether the tenancy has been radically modernized, the landlord cannot fix the rent according to the value of the tenancy.

## **Information of tenants**

As of 1 July 2020, the landlord must inform the tenants' representation or, if there is no such representation, the tenants, of decisions in landlord-tenant cases that the landlord loses in whole or in part.

## **What type of decisions must the landlord disclose?**

All decisions on landlord-tenant cases that the landlord loses in whole or in part are subject to the duty of disclosure. I.e. decisions on claims for repair, the amount of rent, termination, utilities accounts, etc. According to the bill, only won cases and cases concerning house rules are exempt from the duty of disclosure.

## **What does the landlord have to notify the tenant of?**

The notification must be in writing and contain information about the subject matter of the dispute and the final decision. In addition, the notification must contain a copy of the decision. All personal data in the decision must be anonymized, and it is the responsibility of the landlord not to disclose personal data.

## **Penalty and fine**

If the landlord fails to fulfil his duty of disclosure, the landlord is punishable by a fine or imprisonment of up to four months.

## **NJORD recommends**

As of 1 July 2020, the landlord must pay close attention to whether there is a basis for entering into an agreement where the tenants are paid to vacate the premises. NJORD will help you assess whether it is possible to enter into such an agreement and advise you on any alternatives.

Due to the duty of disclosure, a lost case can easily give rise to new landlord-tenant cases. Therefore, it is more important than ever that disputes with tenants from the start are handled professionally and competently. Our specialists in the laws governing the rights of tenants and landlords can guide you safely through any kind of dispute with your tenants.

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Blackstone intervention

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#3 Rent reduction

#4 Rules on waiting period and change of ownership