

Luxembourg Rent Contracts

By Beverley Atkinson, Consultant, European Relocation Services

Your first encounter with Luxembourg rent contracts can feel like a hard knock, particularly if you are coming from the UK, Ireland, Canada or the USA and you are renting out your property in your home country. Seemingly you are responsible for all the costs and running repairs that you have to cover as a landlord back home, only now you are the tenant.

Let's look at the main features of a standard rent contract. Even if you have been renting for a while, you may read something you weren't aware of in the information that follows.

The lease period is typically one or two years for an apartment and three for a house, but this can vary. The security deposit will usually be two or three months' rent and you have to pay it and the first month's rent up front, prior to getting the keys. Should neither party cancel the lease by registered letter three months prior to the end of the rent period it will normally be tacitly renewed for another year. If you are relocated for professional reasons you can break the contract early, also with three months' notice, so long as the contract includes a diplomatic clause to this effect and you provide a certificate from your employer. You cannot break the contract early because you simply wish to move home. If you do want to break the contract it is always worth having a word with your landlord, especially if you can line up another tenant, but he is under no obligation to agree. Under no circumstances may the rent be withheld in case of a dispute, nor the security deposit used against rent at any time. If it came to a court case you would be deemed to be in the wrong. If the landlord wishes to break the contract he must prove that he needs the property for his own personal use, or that of a family member, and must give you six months' notice by registered letter.

At the entry inspection (*état des lieux*) you may also be asked to prove that you have insurance against tenant's risks (*risques locatifs*). When asking for quotes make sure that the one that appears to be much cheaper than the others includes third party liability insurance. It is a requirement for you to have this. For example, if your apartment is flooded and water leaks through the ceiling to the apartment below causing water damage, you will be covered. It has the advantage that you are also covered should you lose control of your shopping trolley and damage someone's car in the supermarket car park, or one of your kids kicks a football through the neighbour's window, for example. Do not be tempted to underinsure. An extra €10 000 of contents cover will add less than €20 on to the annual premium. You need to insure the replacement value of the kitchen as well as your own contents and personal belongings. Insurance companies spread their risks, so if you make a claim and the assessor considers the contents to have been underinsured there is a risk that only a proportion of the cost of the damage will be reimbursed, but you will be liable to the landlord for the whole cost of replacing the kitchen or any other furniture belonging to him that was destroyed.

Never drill holes into tiles or wood. Normal holes in walls for hanging pictures, curtain rails or shelves, for example, are acceptable but you will be expected to fill them in before you leave. When putting up a curtain rail, make sure you don't drill into the box containing the exterior rolling shutters. Generally, if you have received the property in a repainted state you will be expected to repaint if you leave before three years. After this period the landlord will take into account normal wear and tear, but may ask you to retouch the paintwork or repaint if it is in bad state. It goes without saying, that if you wish to make any major alterations you need the landlord's permission. When you leave the property these alterations must be left in place, unless it was agreed that they should be removed, and become the property of the landlord and will not be compensated for.

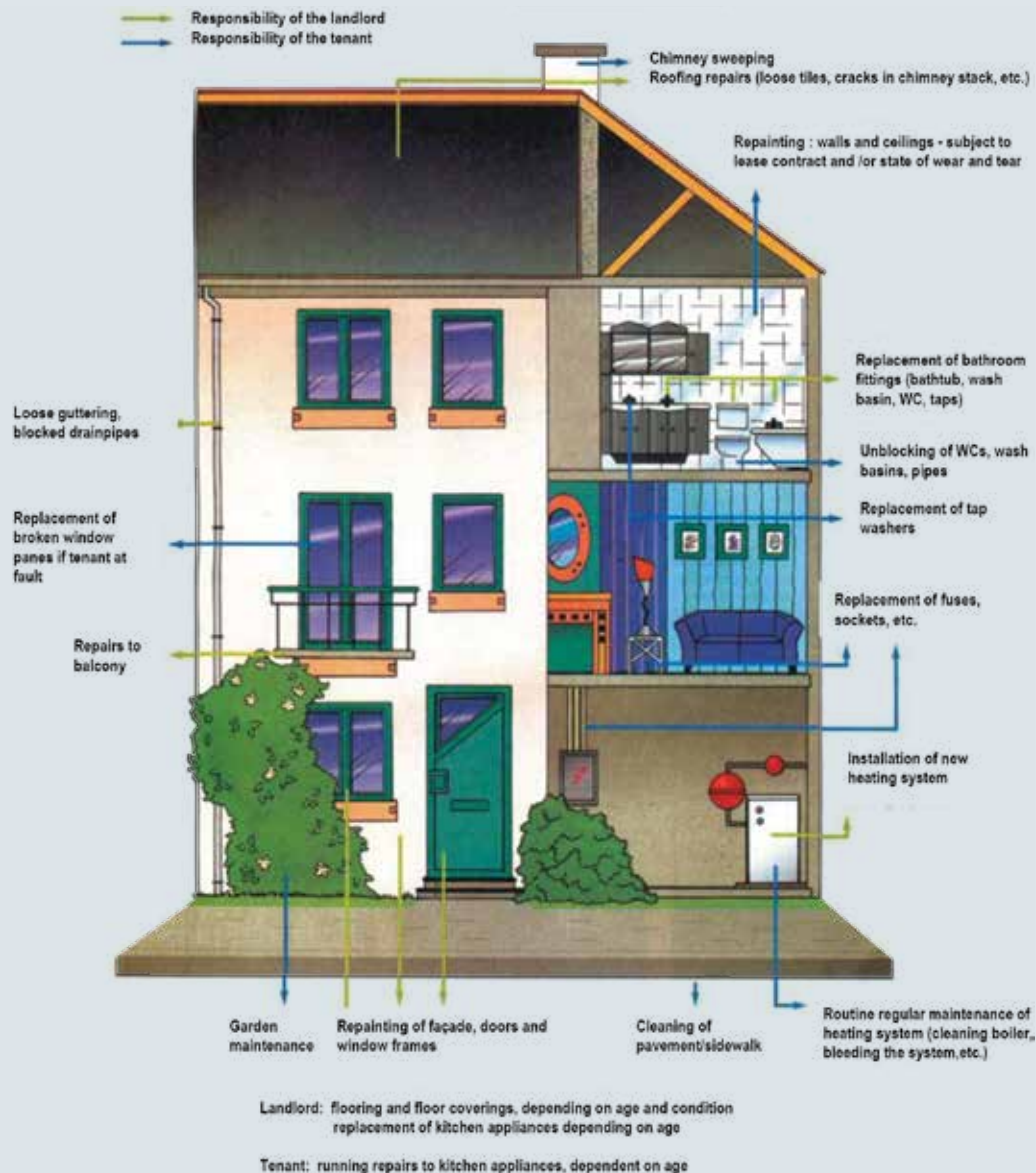
Regarding repairs and maintenance it is wise to ask the landlord which company he normally uses, plumber, electrician, for example, and call them when work needs to be done, especially if appliances or installations are still under guarantee. It is recommended that you inform the landlord when any work is done, even if it is your responsibility. Failure to make the landlord aware of any issues for which he is responsible could result in increased repair costs or more serious damage due to negligence that you could then be held liable for.

The tenant is normally considered to be responsible for the following:

- Keeping the bathroom fittings in good working order (protecting pipes from freezing, unblocking sinks and toilets, replacing tap washers and removing limescale)
- Repairing any damage caused by the tenant to electrical sockets or installations (in case of a major electrical fault inform your landlord and get an estimate from an electrician, so that it can be decided if the tenant or landlord is responsible)
- Replacing worn silicone joints in bathroom and kitchen
- Maintenance and repair of electrical appliances and light fittings - if the appliance is deemed by the repair company to be too old to repair, ask them for something in writing to this effect so that you can ask the landlord to replace it
- Replacing light bulbs

When leaving a property there will be an exit inspection, using the entry inspection (see §4) as a basis. You will be expected to have carried out all repairs, filled in any holes in the walls and retouched the paintwork, make sure all appliances including air conditioning, ventilators and alarm systems are in good working order, replace spent light bulbs, leave the garden in good order and have the property professionally cleaned, including balconies, terraces and pathways (if belonging to the house or apartment). In a house you will be asked for proof

Who repairs what?



Source: modified version of UCL document, 8 - December 2012 / N°12

that the chimney was swept and the boiler serviced within the last year. You should also make sure gutters are free of leaves and blockages. If there is a painting clause in the contract you may need to repaint. It is a good idea to have a walk-through with the landlord or estate agent as soon as you cancel the contract to avoid any unexpected issues. Please also make sure that the movers don't pack instruction manuals pertaining to the property by mistake.

The landlord should return the security deposit within three months once all the bills have been paid. In the case of an apartment block this can become a little complicated as the landlord only receives a final account once a year so will need to estimate your consumption and share of the communal charges. If this is the case, ask your landlord to look at your consumption for the previous year and try to work out what

you might owe, or be owed. Alternatively, you could ask to leave a part of the security deposit as a guarantee against bills and be reimbursed for the rest. The landlord is obliged to present you with a final account as soon as possible. Ask for any agreement reached to be put in writing and signed by both parties.

Determining what constitutes actual damage and what can be considered normal wear and tear can be a tricky one. Ensuring that you have a detailed entry inspection and lots of photographs of the general state of the property when you take it over, as well as of anything that is damaged or worn is essential. In case of dispute you can contact the ULC (www.ulc.lu) who can advise you, but you will need to join the association.