

Rent Act

Act No 36, 22 April 1994

[Legislative history in the Alþingi.](#) [Legislative Bill.](#)

Entry into force: 1 January 1995. Amended by: [Act No 65/2006](#) (entry into force: 27 June 2006,) [Act No 65/2010](#) (entry into force: 27 June 2010,) [Act No 66/2010](#) (entry into force: 1 July 2010,) [Act No 162/2010](#) (entry into force: 1 January 2011,) [Act No 77/2011](#) (entry into force: 29 June 2011,) [Act No 126/2011](#) (entry into force: 30 September 2011,) [Act No 63/2016](#) (entry into force: 22 June 2016; re: applicable law, see Article 46,) [Act No 63/2019](#) (entry into force: 3 July 2019; re: applicable law, see Article 5,) [Act No 137/2019](#) (entry into force: 31 December 2019,) [Act No 121/2022](#) (entry into force: 1 January 2023, except the second sentence of Paragraph 1 and the second sentence of Paragraph 4 of Article 3, Article 4, and the third sentence of Paragraph 3 of Article 6(b), which entered into force on 1 January 2024; re: applicable law and implementation, see Article 10,) [Act No 94/2023](#) (entry into force: 20 December 2023,) [Act No 106/2024](#) (entry into force: 1 September 2024.)

Where this Act mentions a minister or a ministry without specifying or referring to a particular field, it means the **Minister for Infrastructure** or the **Ministry of Infrastructure**, which is responsible for this Act. Information on the fields covered by ministries according to presidential ruling can be found [here](#).

Chapter I. Scope, etc.

■ Article 1.

- [This Act shall apply to all leases covering the use of premises, or parts of premises, in return for payment (cf., however, the fourth paragraph,) including leases covering the subletting of premises, even in cases where such payment is made, fully or in part, by means other than money, e.g. by means of a labour contribution.
- This Act shall apply to the use of premises under a work contract or an annex to such a contract. It shall also apply to contracts which cover, amongst other things, the use of premises in return for payment, provided that this constitutes the principal content of such contracts. If a lease concerns land which is to be used in connection with the use of premises, then it shall also be subject to this Act, except in the case of use for agricultural purposes.
- Leases covered by the first and second paragraphs may cover the letting of residential premises, business premises and other premises. If premises are let both for residential and for other purposes, the provisions of this Act regarding residential

premises shall apply to such leases. The provisions of this Act which are worded so as to apply to residential premises shall apply to business premises as appropriate and in so far as the Act contains no special provisions on business premises.

This Act shall not apply to agreements on the use of premises under the Housing Co-operatives Act and the Catering Establishments, Guest Accommodation and Entertainment Act. Nor shall this Act apply to the leasing of gymnasiums and storage premises in cases where the lease period is shorter than 1 week or to leases covering the use of premises which are subject to special rules under other legislation. [Furthermore, the law shall not apply to public dwellings under the Public Dwellings Act to the extent that the Acts are incompatible. However, this Act shall be applied in parallel with Public Dwellings Act to the extent possible.] ¹⁾ ²⁾

[*^{1\)}Article 1 of Act No 121/2022*](#) [*^{2\)}Article 1 of Act No 63/2016*](#)

■ Article 2.

It shall be prohibited to enter into a lease under which the tenant of residential premises undertakes more extensive obligations and acquires less extensive rights than are provided for by this Act, unless the Act contains special provisions allowing for such deviations.

The provisions of this Act regarding business premises, on the other hand, are non-obligatory, and shall therefore apply to such premises only where no other terms are agreed upon. [The same shall apply to other premises which are deemed neither residential nor business premises.] ¹⁾

[In the case of the leasing of residential premises in a halfway house or the leasing of residential premises to students by a legal person operating on a non-profit basis with service to students as its main objective, deviations may be made from individual provisions of this Act by agreement, without prejudice to Paragraph 1, in view of the special nature and purpose of the activity. The deviations involved shall be stated in the lease. 'Halfway house' means a residential home operated with the aim of supporting the rehabilitation of individuals who in most cases have been in treatment or rehabilitation institutions, or in prison.] ¹⁾

[*^{1\)}Article 2 of Act No 63/2016*](#)

■ Article 3.

[The provisions of this Act referring to married couples and spouses shall also apply to two individuals in non-marital cohabitation or cohabitation of another type that has lasted for one continuous year. 'Non-marital cohabitation' means the

cohabitation of two individuals as registered with Registers Iceland, on condition that they have a child together, that they are expecting a child together or that their partnership has been registered for at least one continuous year.] ¹⁾

¹⁾[Article 29 of Act No 65/2010](#)

■ **Article 3a.**

- Any landlord who is a legal person operating on a non-profit basis may set legitimate and relevant conditions for the leasing of residential premises.
- If a landlord sets legitimate and relevant conditions for the leasing of residential premises pursuant to Paragraph 1, they may also require the tenant, as a further condition, to submit any information necessary to assess whether the latter meets the aforementioned conditions set by the landlord. If information of a personal nature is involved, the processing thereof shall be in accordance with the Data Protection and Processing of Personal Information Act.
- Landlords, as referred to in Paragraph 1, shall treat information submitted under Paragraph 2 in confidence.
- [When a landlord is a legal person operating on a non-profit basis, they may make it a condition for the leasing of residential premises that any housing benefits and/or special housing support from the municipality to which the tenant may be entitled are to be paid directly to the landlord during the lease period.] ²⁾ ¹⁾

¹⁾[Article 3 of Act No 63/2016](#) ²⁾[Article 1 of Act No 106/2024](#)

Chapter II. Leases.

■ **Article 4.**

- Leases for premises shall be in writing.
- [The Housing and Construction Authority] ¹⁾ shall draft special forms - one for leases for residential premises and one for leases for business premises - and forms for inspection declarations and templates for notices of termination and other announcements that this Act stipulates must be made in writing. [Those forms shall be accessible to the public in electronic format.] ²⁾
- ... ²⁾

¹⁾[Article 2 of Act No 121/2022](#) ²⁾[Article 4 of Act No 63/2016](#)

■ **Article 5.**

- [Landlords whose business is renting out residential property in accordance with the [Income Tax Act \(Act No 90/2003\)](#) shall register leases for residential premises or other premises rented for residential use in the housing database of the Housing

and Construction Authority no later than 30 days after each lease is signed. Landlords may be fined if premises of the type referred to in this Article are rented out without registration, cf. Article 5a. The obligation to register changes to the rental amount during the contract period is governed by [Paragraph 6 of Article 37]³⁾,) while the de-registration of leases is governed by Paragraph 4.

- If the lease is not registered according to Paragraph 1 upon delivery of the rented premises, the tenant shall be permitted to register the lease in the [rental register of the housing database]³⁾ of the Housing and Construction Authority.
- Alongside registration of the lease in the [rental register of the housing database]³⁾ of the Housing and Construction Authority, a party to the lease may ask the Authority to forward the lease to the county commissioner for official registration.
- The landlord must de-register leases for premises according to Paragraph 1 no later than 30 days from the end of the rental period. The landlord may be fined if they do not discharge their obligation to de-register within that period, cf. Article 5a. The lease must also be de-registered with the Housing and Construction Authority at the end of the rental period if the tenant so requests. If a party to the lease so wishes, the Housing and Construction Authority shall forward a request for de-registration of the registered lease to the county commissioner.

Leases registered in the [rental register of the housing database]³⁾ of the Housing and Construction Authority shall be exempt from the public's right to access data under [Article 5 of the Information Act \(Act No 140/2012.\)](#)

The Housing and Construction Authority may collect a fee for services provided pursuant to Paragraph 3 and the fourth sentence of Paragraph 4 of Article 16 of the Housing and Construction Authority Act (Act No 137/2019.) The fee for registering and de-registering leases according to Paragraph 3 and the fourth sentence of Paragraph 4 shall be payable by the party requesting the service.

The Minister may issue a regulation ¹⁾ laying down more detailed provisions on the implementation of this Article, including the conditions for registering leases and changes to the rental amount and the de-registration of leases in the [rental register of the housing database]³⁾ of the Housing and Construction Authority, including the information to be provided in that regard.] ²⁾

¹⁾[Regulation No 1/2023.](#) ²⁾[Article 3 of Act No 121/2022](#) ³⁾[Article 2 of Act No 106/2024](#)

■ [Article 5a.

The Housing and Construction Authority may impose administrative fines on any person who violates the obligation to register leases laid down in Paragraph 1 of

Article 5, the obligation to de-register leases laid down in Paragraph 4 of Article 5, and the obligation to register changes to the rental amount laid down in [Paragraph 6 of Article 37]^{2).} Administrative fines may range from ISK 10,000 to ISK 1,000,000 for each violation, shall be legally enforceable and shall be paid into the State Treasury, less the cost of imposition and collection.

Fines shall be determined with consideration to the seriousness of the offence, such as the scope thereof, the intended benefit, how long the illegal conduct has been going on and whether it is a repeat offence. Decisions on administrative fines must be communicated in writing in a verifiable manner to the person to whom they are directed, and each decision must be accompanied by a written justification.

The due date for an administrative fine is 30 days from the date on which the party was notified of the fine decision. If an administrative fine has not been paid within 15 days of the due date, late interest must be paid on the amount of the fine, starting from the due date. _Late payment interest is determined and calculated in accordance with the [Interest and Indexation Act \(Act No 38/2001.\)](#)

Administrative fines may be imposed regardless of whether the offence is committed intentionally or through negligence. A party to a case may appeal an administrative fine decision of the Housing and Construction Authority to the Welfare Appeals Committee within 3 months from the date on which they are notified of the decision. An appeal to the Welfare Appeals Committee shall postpone enforcement.

The power of the Housing and Construction Authority to impose administrative fines pursuant to this Article shall expire: once 5 years have passed since the lease entered into force in respect of the obligation to register under Paragraph 1 of Article 5; once 5 years have passed since the end of the lease in respect of the obligation to de-register under Paragraph 4 of Article 5; or once 5 years have passed since a change in the rental amount in respect of the obligation to register changes under [Paragraph 6 of Article 37].²⁾ The timeframe laid down in the first sentence shall be paused when the Authority notifies a party of the start of an investigation into an alleged violation. Pausing of the timeframe shall have legal effect on everybody involved in committing an offence.

In other respects, administrative fines decisions of the Housing and Construction Authority shall be governed by the [Administrative Procedure Act \(Act No 37/1993.\)](#)¹⁾

¹⁾[Article 4 of Act No 121/2022](#) ²⁾[Article 3 of Act No 106/2024](#)

■ Article 6.

Leases shall include at least the following information:

1. The names, addresses and national ID numbers of the parties.

2. A clear description of the premises to be rented (cf. Article 38, among other provisions,) [including whether the lease involves business premises, residential premises with at least one bedroom plus a private kitchen or cooking facilities, personal grooming and bathing facilities or individual rooms with or without access to shared toilets and/or cooking facilities]. ¹⁾

[3. Whether the premises are intended for special groups of tenants, such as older people and students.] ¹⁾

[4.] ¹⁾ The ownership share [of the multi-owner building] ²⁾ or of the property that is let to the tenant [together with property number and apartment number, if applicable]. ¹⁾

[[5.] ¹⁾ The reading on the electricity and hot water meters at the time when the premises are handed over (when such meters are marked separately for the rented premises) and the date on which the reading was taken.] ²⁾

[6.] ¹⁾ Whether the lease is for a fixed or indefinite period of time.

[7.] ¹⁾ The amount of the rent and whether, [when], ¹⁾ and how that amount is liable to change over the rental period.

[8.] ¹⁾ Where and how the rent is to be paid.

[9.] ¹⁾ Whether the tenant is required to put up a deposit, and if so, in what form.

[10.] ¹⁾ [The findings of an inspection of the rented premises, including inspection of fire-prevention equipment.] ¹⁾

[11.] ¹⁾ [Priority rights of the tenant under Chapter X if the lease is for a fixed period.] ³⁾

[12.] ¹⁾ Special provisions, where these are agreed and are permitted by law.

[13. The name, address and national ID number of the landlord's agent and the tenant.] ¹⁾

¹⁾[Article 5 of Act No 121/2022](#) ²⁾[Article 6 of Act No 63/2016](#) ³⁾[Article 4 of Act No 106/2024](#)

■ Article 7.

If the landlord is unable to honour their obligations towards the tenant, e.g. due to prolonged absence or illness, they shall be obliged to have an agent to whom the tenant may apply. The agent's name, address and national ID number shall be stated in the lease.

■ Article 8.

All amendments and additions to a lease that are permitted under this Act shall be made in writing and signed by the parties to the lease.

If either party is required under this Act or according to the lease to obtain the approval of the other, they may require to have such stated in writing.

■ **Article 9.**

Leases may be made for a fixed or indefinite period of time.

Leases shall be deemed to be for an indefinite period of time unless otherwise clearly agreed. The provisions of Article 56 shall apply to termination and notice of termination in respect of indefinite-period leases.

Leases made for definite periods shall expire without specific termination unless other arrangements are agreed (cf. Article 58.)

The provisions of Chapter X on tenant priority shall apply to both fixed-period and indefinite-period leases.

■ **Article 10.**

If the parties do not draft a written lease, they shall be deemed to have entered into a lease for an indefinite period, and all provisions of this Act shall apply in respect of their legal relationship.

The rent shall be the sum that the landlord is able to demonstrate that the tenant has agreed to pay.

■ **Article 11.**

The provisions of [Act No 7/1936](#) on contracts, powers of attorney and invalid legal instruments shall apply in respect of the right to set a lease aside, in its entirety or in part, or to amend a lease, if enforcing the lease could be deemed unfair or contrary to good commercial practice.

■ **Article 12.**

Tenants' rights that are based on or derive from the provisions of this Act shall be valid in respect of all persons without being specially registered (cf., however, the provisions of the second paragraph.)

In other respects, the issue of which tenants' rights shall be subject to registration, in which cases and vis-à-vis which persons shall be governed by the provisions of the Registration Act.

Any tenant who contractually secures more extensive rights than are provided for under the first and second paragraphs and wishes to ensure such rights may have the lease registered.

When the rental period ends, the tenant shall have any registered lease revoked.

If they fail to do this within one week, the lease may be revoked at the landlord's request.

■ **Article 13.**

In cases where this Act requires a party to a lease be obliged to send the opposite party a written communication of any type, that communication shall be sent in a verifiable and secure manner and within the period allowed or by the deadline specified, where appropriate. If this is done, the communication shall have the significance and the legal effect it is intended to have, even if it arrives in a corrupt form, is late or does not reach the recipient.

[In cases where this Act stipulates that a communication of any type is to be in writing, communications in electronic form which are able to be preserved and presented shall be deemed to meet this requirement if they are sent to a telephone, e-mail address or other destination specified in the lease.] ¹⁾

[Signatures pursuant to this Act may be made electronically or by hand.] ²⁾

¹⁾[Article 7 of Act No 63/2016](#) ²⁾[Article 5 of Act No 106/2024](#)

Chapter III. Condition of rented premises.

■ **Article 14.**

When rented premises are handed over to the tenant, they shall be in such a condition as may generally be deemed satisfactory in terms of their intended use and location.

[When premises are handed over, they shall be clean; all window panes shall be intact; all locks and electrical switches shall be in working order; all sanitary, heating and domestic appliances deemed as fixtures pertaining to the premises shall be in order, as shall all water and drainage pipes, the smoke detector and the fire extinguisher. Furthermore, rented premises shall in other respects meet the requirements of laws and regulations regarding fire prevention and fire safety.] ¹⁾

Premises that are let for residential occupation shall include all fixtures that were in place when the premises were shown, unless other arrangements are specifically agreed.

¹⁾[Article 8 of Act No 63/2016](#)

■ **Article 15.**

If the state of the rented premises deteriorates before the beginning of the rental period, rendering them unsuitable for the intended purpose, the lease shall be invalid.

In such cases, the tenant shall not be entitled to compensation unless the damage to the premises is the fault of the landlord or the landlord has failed to inform the tenant thereof.

■ **Article 16.**

If the rented premises are found not to be in the condition described in the lease or a condition that the tenant could expect to assume, the tenant shall within [4 weeks] ¹⁾ from the date on which the premises are handed over, inform the landlord in writing of their criticisms, indicating the corrective measures they require to be taken. Otherwise, the tenant shall be deemed to be satisfied with the premises.

The tenant shall [report any deficiencies to the landlord in writing] ¹⁾ that come to light in the premises at a later date and were not evident during the normal inspection within 14 days of their coming to the tenant's notice.

[1\)Article 9 of Act No 63/2016](#)

■ **Article 17.**

[If the landlord does not initiate measures to rectify deficiencies in the premises within 4 weeks of receiving a written notification as provided for in the either Paragraph 1 or Paragraph 2 of Article 16, the tenant may take corrective measures in respect of such deficiencies and deduct the resulting costs from the rent, on condition that they first obtain the approval of an inspector (cf. Chapter XIV.)] ¹⁾

If the landlord fails to [rectify the deficiencies in the premises within 8 weeks of receiving a notification], ¹⁾ and if the tenant does not avail themselves of their rights under Paragraph 1, the tenant may revoke the lease, on condition that there are serious deficiencies in terms of the intended use of the premises.

The tenant shall be entitled to demand a proportional reduction of their rent during the time in which nothing is done to remedy deficiencies in the rented premises.

[An inspector shall assess a reduction of rent under the third paragraph if so requested by the tenant or the landlord. The parties shall have the right to refer the inspector's assessment to the Housing Complaints Committee (cf. Article 85.)] ¹⁾

[1\)Article 10 of Act No 63/2016](#)

Chapter IV. [Works on rented premises.] ²⁾

■ **Article 18.**

Tenants must treat rented premises well and in accordance with the agreed use.

If the rented premises or fixtures thereof are damaged by the tenant, members of their household or other persons whom they authorise to make use of the premises or to enter and move about therein, the tenant shall take action to repair the damage as soon as possible. If the tenant neglects this duty, the landlord may have repairs carried out at the tenant's expense. [Before doing so, however, the landlord shall inform the tenant in writing of their criticisms, stating the corrective measures required and giving the tenant 4 weeks from the date of receipt of the landlord's criticisms in which to complete the repairs.] ¹⁾ Before having repairs carried out, the landlord shall seek the opinion of [an inspector (cf. Chapter XIV)] ¹⁾ and seek their approval for the costs involved after the work has been completed.

In the case referred to in the second paragraph, the tenant must accept the movements and activities of the repairers without any reduction in their rent, even if their use of the premises is temporarily constrained as a result of the repair work.

¹⁾Article 11 of Act No 63/2016 ²⁾Article 7 of Act No 106/2024

■ Article 19.

[The landlord shall see to the maintenance of the rented premises, both indoors and outdoors (cf., however, Article 19a.)

The landlord shall see to repairs of windows, domestic appliances deemed as fixtures pertaining to the premises, sanitary appliances, locks, taps, electrical sockets, the smoke detector, the fire extinguisher and any other fixtures in the premises if the tenant is able to demonstrate that the malfunctions cannot be attributed to neglect or oversight on the part of the tenant or of persons associated with them.

The landlord shall at all times maintain the rented premises in a condition fit for leasing. That includes having the premises painted and replacing floor coverings and other protective surfacing at suitable intervals and maintaining fire-prevention equipment as appropriate, as dictated by good practice in the maintenance of premises.

In all cases where residential premises are involved, any damage to the rented premises for which compensation may be paid under the terms of ordinary house-owners' insurance (including the own-risk liability of the policyholder according to the terms of the policy) shall be the responsibility of the landlord.] ¹⁾

¹⁾Article 12 of Act No 63/2016

■ Article 19a.

Tenants must carry out, at their own expense, minor maintenance such as replacing light bulbs and batteries in smoke detectors and clearing drains.] ¹⁾

¹⁾Article 13 of Act No 63/2016

■ **Article 20.**

[If the tenant considers that maintenance carried out by the landlord is insufficient, they shall inform the landlord in writing of where they consider that improvements should be made and call on the landlord to remedy the situation.

If the landlord does not initiate measures to rectify deficiencies in the premises within 4 weeks of receiving a written notification as provided for in Paragraph 1, the tenant may take corrective measures in respect of such deficiencies and deduct the resulting costs from the rent, on condition that they first obtain the approval of an inspector (cf. Chapter XIV.)

If the landlord fails to rectify the deficiencies in the premises within 8 weeks of receiving a notification pursuant to Paragraph 1, and if the tenant does not avail themselves of their rights under Paragraph 1, the tenant may revoke the lease, on condition that there are serious deficiencies in terms of the intended use of the premises.

The tenant shall be entitled to demand a proportional reduction of their rent during the time in which nothing is done to remedy deficiencies in the rented premises.

An inspector shall assess a reduction of rent under the fourth paragraph if so requested by the tenant or the landlord. The parties shall have the right to refer the inspector's assessment to the Housing Complaints Committee (cf. Article 85.)) ¹⁾

¹⁾Article 14 of Act No 63/2016

■ **Article 21.**

The landlord shall at all times have repair, [improvement] ³⁾ and maintenance work carried out quickly and effectively so as to cause the tenant the minimum inconvenience.

If, in the opinion of [an inspector (cf. Chapter XIV)] ¹⁾,) repair, [improvement] ³⁾ and maintenance work carried out at the landlord's instigation results in substantially reduced use or loss of use, the landlord shall compensate the tenant for this by means of a proportional reduction of their rent or in another manner agreed upon by the parties. If the parties cannot agree on compensation or a reduction of the rent, they may seek the opinion of [an inspector (cf. Chapter XIV)] ¹⁾,) whose opinion either party may refer to [the Housing Complaints

Committee] ²⁾ (cf. Article 85.)

¹⁾[Article 15 of Act No 63/2016](#) ²⁾[Article 3 of Act No 66/2010](#) ³⁾[Article 6 of Act No 106/2024](#)

■ **Article 22.**

A lease for residential premises may stipulate that the tenant shall see to, partially or fully at their own expense, any maintenance inside the premises which the landlord is supposed to see to according to this Chapter ... ¹⁾.) In such cases, the lease shall state exactly what is covered by the tenant's maintenance obligations.

¹⁾[Article 16 of Act No 63/2016](#)

Chapter V. Operating costs.

■ **Article 23.**

- [The landlord shall pay all property rates, including property tax and insurance premiums.
- In the case of residential premises in multi-owner buildings, the landlord shall pay the shared costs as provided for in Article 43 of the Multi-Owner Buildings Act, such as the contribution to the joint operation and maintenance of the common parts, including lift equipment, heating, lighting and water consumption in the common parts and also costs connected with improvements to the lot or property.
- The landlord shall pay the annual fees charged by utility companies, which are calculated on the basis of the assessed value of the premises, the volume thereof or other bases for levying charges, with no direct link to the purchase of water or power. Where such utility companies levy a special fee for the rent of meters or other such equipment which they provide, the landlord shall pay that fee.] ¹⁾

¹⁾[Article 17 of Act No 63/2016](#)

■ **Article 23a.**

The tenant shall pay water, electricity and heating costs in the rented premises. The tenant must notify the relevant utility company that they are a new user. This does not need to be done, however, in cases where the hot water meter is not specifically identified for the rented premises.] ¹⁾

¹⁾[Article 18 of Act No 63/2016](#)

■ **Article 23b.**

Deviations may be made from division of operating costs stipulated in Articles 23 and 23a, on condition that such deviations are set out in the lease.] ¹⁾

¹⁾[Article 18 of Act No 63/2016](#)

■ **Article 24.**

In cases where the service to be paid for by the tenant is sold jointly to several parties, the cost thereof shall be divided according to the provisions of statutes or agreements on the division of the right of use, in cases where that right is jointly owned, and otherwise according to the proportions laid down in the declaration of division of ownership. Where no such declaration exists, the cost shall be divided according to the ownership share of each dwelling in accordance with the legal provisions applying to the determination of ownership shares in [multi-owner buildings.] ¹⁾

¹⁾[Article 19 of Act No 63/2016](#)

■ **Article 25.**

If the landlord makes outlays ... ¹⁾ for operating costs that are to be borne by the tenant ... ¹⁾,) they shall fall due for payment on the next rent payment date. If the tenant makes outlays for operating costs that are to be borne by the landlord, they may deduct such costs from the next rent payment.

¹⁾[Article 20 of Act No 63/2016](#)

■ **Article 26.**

When work is done to connect rented premises to a heating system or district heating system, or when other improvements are made to the premises which reduce operating costs for the tenant, the landlord may raise the agreed rent by up to one half of the reduction in operating costs for the tenant resulting from such changes.

If the landlord receives a rebate for the outlays they have made in connection with the improvements referred to in Paragraph 1, the subsequent reduction of operating costs shall be to the equal benefit of both parties until the end of the rental period.

Chapter VI. Use of rented premises.

■ **Article 27.**

The tenant may not use the rented premises in any manner other than that agreed in the lease. The landlord may not, however, object to deviations from this provision that are of no significance to them or to other persons living or working in the building.

■ **Article 28.**

The tenant may not make alterations or improvements to the rented premises or

the fixtures and fittings thereof without the approval of the landlord and a [written] ¹⁾ agreement on the division of the cost and the action to be taken at the end of the rental period. ... ¹⁾

[The landlord's written approval shall also be obtained before the tenant installs permanent fixtures or other fixtures of this type. The same shall apply if the tenant intends to replace locks in the premises.] ¹⁾

[^{1\)}Article 21 of Act No 63/2016](#)

■ **Article 29.**

The tenant shall in all respects treat the rented premises in a manner that conforms to good practice regarding the treatment of premises and the intended use thereof.

The tenant shall inform the landlord without delay of any item, both inside and outside the building, which needs repair or maintenance.

■ **Article 30.**

The tenant shall be obliged to treat the rented premises properly, keep them tidy and observe established rules and good practice regarding hygiene and health.

The tenant shall follow accepted patterns of conduct in their treatment of the premises and take care not to disrupt the use made of the building by others entitled to use it or cause them inconvenience or disturbance.

If rules of conduct have been set in [a multi-owner building], ¹⁾ the tenant shall be obliged to comply with them, and such rules shall be brought to the tenant's attention.

The landlord must ensure that other persons entitled to use the building in which the rented premises are located comply with the established rules of conduct and observe the other provisions set out in this Chapter so as to ensure the interests of the tenant.

[^{1\)}Article 19 of Act No 63/2016](#)

■ **Article 31.**

Tenants of [business premises] ¹⁾ must maintain normal daily operations in the accepted manner, except when closures are necessitated by exceptional circumstances.

[^{1\)}Article 22 of Act No 63/2016](#)

■ **Article 32.**

If the rented premises are in a building that comes under the provisions of the [Multi-Owner Buildings] Act ¹⁾ the provisions of this Chapter shall apply both to the

privately owned property covered by the lease and, as appropriate, to the common parts, both inside and outside the building.

[^{1\)}Article 19 of Act No 63/2016](#)

Chapter VII. Payment of rent. Deposits.

■ Article 33.

- Rent shall be paid on the first day of each month, in advance, for 1 month at a time, unless other terms are agreed. If the due date for a rent payment falls on a public holiday, it shall be deferred to the next working day.
- Rent and other payments to be made by the tenant shall be paid at an agreed place, or alternatively at the landlord's home, place of work or other place in Iceland that they may specify.
- The tenant may, however, always make payment in a bank or send payment by post in a verifiable manner. Payment made in this way shall be deemed to have been made in the correct place and on the date that it is handed over in the bank or post office.
- If the tenant fails to make payment within 7 days of the due date, the landlord shall be entitled to demand arrears interest on the rent at the maximum rate permitted by law up to the date of payment.

■ Article 34.

- [The tenant may not be required to pay rent in advance (cf., however, Paragraph 1 of Article 33.)] ¹⁾

[^{1\)}Article 23 of Act No 63/2016](#)

■ Article 35.

- If the tenant is deprived of use of the rented premises for a longer period of time owing to official orders to evacuate people from a dangerous area where the premises are located, the landlord must compensate the tenant with a proportional discount on the rent in respect of the time such deprivation lasted or in any other way agreed upon by the parties. If the parties cannot agree on compensation or a reduction of the rent, they may seek the opinion of an inspector (cf. Chapter XIV, Article 85.) The Housing and Construction Authority must draft a standard notification form for a discount on rent owing to deprivation of use.] ¹⁾

[^{1\)}Article 26 of Act No 94/2023](#)

■ Article 36.

- [In cases where the tenant is entitled to make a deduction from a rent payment in respect of costs incurred - e.g. due to the unsatisfactory condition of the premises at the beginning of the lease period pursuant to the Paragraph 1 of Article 17 or neglect regarding maintenance pursuant to the Paragraph 2 of Article 20 - they shall submit an invoice, with accompanying documents and the signed approval of an inspector (cf. Chapter XIV,) to the landlord no later than the next due date for the payment of rent.
- In cases where the tenant is entitled to a reduction of their rent - e.g. due to the unsatisfactory condition of the premises at the beginning of the lease period pursuant to Paragraph 3 of Article 17, or neglect regarding maintenance pursuant to Paragraph 4 of Article 20, [or a limitation on the right to utilise the property pursuant to Paragraph 2 of Article 21 or deprivation of use pursuant to Article 35] ¹⁾ - the rental amount shall be reduced as agreed between the parties or according to an assessment by an inspector (cf. Chapter XIV) on the next due date for payment of the rent.] ²⁾
- A decision by the landlord to have a court rule on the legality of such an invoice shall not release them from the obligation to deem the invoice provisionally as the equivalent of lawful payment of rent.
- The landlord's right to refer the legality of the invoice to a court shall lapse if no proceedings have been instituted within [12 weeks] ²⁾ from the date on which the tenant presents the invoice or the date on which, in cases where [an assessment by an inspector (cf. Chapter XIV) has been referred] ²⁾ to court-appointed assessors, the relevant assessment is completed.

¹⁾[Article 26 of Act No 94/2023](#) ²⁾[Article 25 of Act No 63/2016](#)

■ Article 37.

- The parties may agree on the amount of the rent and on whether it is to be liable to change over the rental period, and if so how [cf., however, the third and fourth paragraphs]. ^{2).}) The rent shall, however, ... ¹⁾ at all times be fair and reasonable from the point of view of both parties.
- [When assessing whether the rental amount is fair and reasonable for both parties, account shall be taken of local customs, circumstances and the state of the rental market at any given time. The assessment shall also consider the market rent of similar premises, but also general housing costs, including: interest, taxes and fees; location, type and condition of rented premises; renovations, changes and maintenance undertaken by each party; the rental period; and other special

contractual obligations and rights naturally affecting the rental amount.

The lease shall specify the rental amount and whether, how and when it is liable to change over the lease term. [However, it is not permitted to negotiate changes to the rental amount during the rental period if a temporary lease has been entered into 12 months or less.] ²⁾

[The rental amount shall not be changed during the rental period other than what is permitted under the first sentence of paragraph 3, unless the circumstances are as described in Article 37a-37c.

Setting the rental amount when renewing or extending a lease based on the tenant's priority right to continued rental of the premises after the end of the contract period shall be governed by Paragraph 1 of Article 53.] ²⁾

[The landlord shall register the rental amount and any changes thereto in the rental register of the housing database of the Housing and Construction Authority if the contract is subject to registration under Paragraph 1 of Article 5.] ²⁾ Any change to the rental amount shall be registered within 30 days from its entry into force, and such registration shall be a prerequisite for the increase in the rental amount to take effect vis-à-vis the tenant. If the landlord fails to discharge their obligation to register under the first sentence within the statutory deadline, they can be fined (cf. Article 5a.) If the increase in the rental amount has not been registered in the [rental register of the housing database] ^{2),}) the tenant may refuse to pay the part of the rental amount represented by the increase until registration has been done.] ¹⁾

¹⁾[Article 6 of Act No 121/2022](#) ²⁾[Article 8 of Act No 106/2024](#)

■ **[Article 37a.**

When more than 12 months have passed since the entry into force of a lease for residential premises or other premises rented for residential purposes, the landlord may request an increase in the rental amount due to a significant increase in the operating costs of the premises or, if the landlord is a legal entity that rents out premises for commercial purposes, due to a significant increase in the operating costs for the total portfolio of such housing owned by them, in addition to any agreement made pursuant to the first sentence of Paragraph 3 of Article 37, if applicable.

The landlord shall request an increase in the rental amount pursuant to this article, in writing and in a verifiable way, at least 3 months before it is planned to take effect. The tenant shall notify the landlord within 30 days if they agree to the

increase in the rental amount (cf. also Paragraph 1 of Article 8,) refer any disputes about the increase to the Housing Complaints Committee or terminate the lease. Otherwise, an agreement on the increase of the rental amount shall be deemed to have been reached (cf., however, Paragraph 2 of Article 85.) The increase in the rental amount shall take effect on the date specified in the landlord's notification pursuant to the first sentence, unless the tenant terminates the lease.

The notification to the tenant shall specify when the increase will take effect as well as the reason for the increase and shall be accompanied by relevant supporting documents. The notification shall also set out the tenant's right to submit any increase in the rental amount to the Committee pursuant to Article 85.

The Housing and Construction Authority standard notification forms for rent increases shall be used. An agreement on changing the rental amount shall be made in writing and signed by the parties to the rental agreement, cf. Paragraph 1 of Article 8, and the change in the rental amount shall also be recorded in the rental register of the housing database of the Housing and Construction Authority, cf. Paragraph 6 of Article 37, if the contract is subject to registration under Paragraph 1 of Article 5.] ¹⁾

["Article 9 of Act No 106/2024](#)

■ **[Article 37b.**

When more than 12 months have passed since the entry into force of the lease and the agreed rental amount for residential premises or other premises rented for residential purposes is lower or higher than the market rent for similar premises, taking into account the factors set out in Paragraph 2 of Article 37, a party to the lease may request an adjustment of the rental amount up to the market rent, taking into account those factors.

The Housing and Construction Authority standard notification forms for rent corrections shall be used. An agreement on changing the rental amount shall be made in writing and signed by the parties to the rental agreement, cf. Paragraph 1 of Article 8, and the change in the rental amount shall also be recorded in the rental register of the housing database of the Housing and Construction Authority, cf. Paragraph 6 of Article 37, if the contract is subject to registration under Paragraph 1 of Article 5.

If the parties do not reach an agreement on the correction of the rental amount, the dispute regarding the rental amount shall be referred to the Housing Complaints Committee for a decision as soon as possible, cf. Paragraph 2 of Article 85.] ¹⁾

["Article 9 of Act No 106/2024](#)

■ **[Article 37c.**

When more than 12 months have passed since the entry into force of the lease, a landlord who is a legal person operating on a non-profit basis may request an increase in the rental amount to equalise the rental amount between similar residential premises or other premises in their possession that are rented for residential purposes, regardless of location, in order to promote a diverse composition of residents and social mixing.

The landlord shall request an increase in the rental amount pursuant to this article, in writing and in a verifiable way, at least 3 months before it is planned to take effect. The tenant shall notify the landlord within 30 days if they agree to the increase in the rental amount (cf. also Paragraph 1 of Article 8,) refer any disputes about the increase to the Housing Complaints Committee or terminate the lease. Otherwise, an agreement on the increase of the rental amount shall be deemed to have been reached (cf., however, Paragraph 2 of Article 85.) The increase in the rental amount shall take effect on the date specified in the landlord's notification pursuant to the first sentence, unless the tenant terminates the lease.

The notification to the tenant shall specify when the increase will take effect as well as the reason for the increase and shall be accompanied by relevant supporting documents. The notification shall also set out the tenant's right to submit any increase in the rental amount to the Committee pursuant to Article 85.

The Housing and Construction Authority standard notification forms for rent increases shall be used. An agreement on changing the rental amount shall be made in writing and signed by the parties to the rental agreement, cf. Paragraph 1 of Article 8, and the change in the rental amount shall also be recorded in the rental register of the housing database of the Housing and Construction Authority, cf. Paragraph 6 of Article 37.] ¹⁾

["Article 9 of Act No 106/2024](#)

■ **Article 38.**

In cases where the rental amount is determined based on the number of square metres of the rented premises, the lease must specify the criteria on which the size calculation is based. If this is not done, and a dispute arises between the parties, the most commonly used basis and method shall be used. The party who considers their rights to have been encroached upon may demand a recalculation of the area and a corresponding adjustment of the rent.

[The Minister] ¹⁾ may issue a regulation establishing instructions on calculating the area of rented premises, which shall then be used as a reference unless clear and unequivocal provisions in the lease specify otherwise.

["Article 187 of Act No 126/2011"](#)

■ **Article 39.**

Before the rented premises are handed over, the landlord may demand a deposit from the tenant in respect of proper performance of the lease, i.e. for the payment of rent and compensation for damage to the rented premises for which the tenant is liable under the provisions of this Act and general rules.

■ **Article 40.**

[If the landlord demands a deposit as provided for in Article 39, the deposit shall take one of the following forms]: ¹⁾

1. A guarantee from a bank or comparable party (a bank guarantee.)

2. A personal guarantee from one or more third parties.

3. An insurance policy covering rent payments and the return of the rented premises in good order, purchased by the tenant from a recognised insurance company.

4. [A deposit paid by the tenant to the landlord. The landlord shall keep this money in a separately marked demand deposit account with a commercial bank or savings bank bearing the maximum available rate of interest until the payment date; it shall be paid to the tenant if it does not prove necessary to draw on the deposit. No attachment may be made on this money while it is in the landlord's keeping. The landlord may not dispose of the money or make deductions from it without the tenant's approval, unless a final conclusion has been reached establishing an obligation on the part of the tenant to pay compensation. The landlord may, however, use the deposit money to pay outstanding balances of rent, both during the lease period and at the end of the lease period.

5. Payment to a landlords' mutual insurance fund of which the landlord, being a legal person renting out housing on a commercial basis, is a member. This fund may only be used to cover damages resulting from non-performance of the landlord's leases. The landlord shall keep the mutual insurance fund separate from other parts of their operations.] ¹⁾

[6.] ¹⁾ A deposit of a type other than those listed in [items 1-5] ¹⁾ as proposed by the tenant deemed by the landlord to be valid and satisfactory.

[The monetary amount or maximum insurance or guarantee provided for under

items 1, 3, or 6 of Paragraph 1 shall be determined by agreement between the parties. A payment as provided for under item 5 may never be a sum greater than the equivalent of $\frac{1}{10}$ of the rent agreed upon between the parties. The personal guarantee from a third party as provided for under item 2 of Paragraph 1 and the deposit provided for under item 4 of Paragraph 1 may not amount to more than the equivalent of 3 months' rent as agreed between the parties.] ¹⁾

The landlord may choose between the types of deposit set out in Paragraph 1, but the tenant shall have the right to refuse to advance a monetary deposit according to item 4 of Paragraph 1, providing that they offer another type of deposit in its stead which the landlord deems satisfactory.

[At the first opportunity, and no later than 4 weeks after the leased residential premises have been returned, the landlord shall inform the tenant in writing as to whether they lay any claim to the deposit as provided for in item 4 of Paragraph 1 or reserve the right to do so (cf. also Paragraph 1 of Article 64.) If the landlord has not laid a claim in accordance with the first sentence of this paragraph, they shall return the deposit to the tenant, with interest and without unreasonable delay, and shall pay the tenant default interest in accordance with Paragraph 1 of Article 6 of the Interest and Indexation Act as from the day on which 4 weeks have passed since the return of the rented premises until the day on which they return the deposit.

If the landlord lays claim to the deposit within 4 weeks of the return of the rented premises as provided for in the fourth paragraph, the tenant shall inform the landlord in writing of whether they reject or accept the claim within 4 weeks of receiving it. If the tenant rejects the landlord's claim, the landlord shall refer the dispute regarding the tenant's obligation to pay compensation to the Housing Complaints Committee, or bring a court action regarding the tenant's obligation to pay compensation, within 4 weeks of the day on which the tenant rejects the claim; otherwise, they shall return the deposit to the tenant, with interest and without unreasonable delay.

If a dispute regarding a tenant's obligation to pay compensation is referred to the Committee or brought before the ordinary courts, the deposit shall remain in the landlord's keeping pursuant to item 4 of Paragraph 1, until a final conclusion has been reached regarding the tenant's payment obligation.

At the first opportunity, and no later than 4 weeks after the return of the rented premises, the landlord shall inform the tenant in writing as to whether they lay any

claim on the deposit as provided for in items 1-3 and item 6 of Paragraph 1 or reserve the right to do so (cf. also Paragraph 1 of Article 64.) If the landlord has not made a claim in accordance with the first sentence of this paragraph, the deposit or guarantee shall lapse. When the deposit or guarantee has lapsed in accordance with this paragraph, the landlord shall return to the tenant all negotiable documents or other documentation submitted by the tenant and that the tenant has a legally enforceable interest in having returned.

If the landlord lays claim to a deposit or guarantee within 4 weeks of the return of the rented premises in accordance with the seventh paragraph, the tenant shall inform the landlord in writing of whether they accept the claim within 4 weeks of receiving it. If the tenant rejects the landlord's claim, the landlord shall refer the dispute regarding the tenant's obligation to pay compensation to the Committee, or bring a court action regarding the tenant's obligation to pay compensation, within 4 weeks of the date on which the tenant rejects the claim; otherwise, the deposit or guarantee shall lapse. The deposit or guarantee shall remain valid until a final conclusion has been reached regarding the tenant's payment obligation.

A payment made by a tenant to the landlords' mutual insurance fund under item 5 of Paragraph 1 shall not be paid back at the end of the lease period.] ¹⁾

When a deposit is put up under items 1-3 and [item 6] ¹⁾ of Paragraph 1, the landlord shall ensure, to an extent that may be deemed natural and reasonable, that the guarantors or insurance parties are informed of any non-performance on the part of the tenant and of any other matters that may have a bearing on their interests and liability.

¹⁾Article 26 of Act No 63/2016

Chapter VIII. Landlord access to rented premises.

■ Article 41.

The landlord shall have the right of access to the rented premises, with suitable notice and in consultation with the tenant so as to avoid going against their own interests or those of the tenant, in order to have improvements made to the rented premises and to inspect the condition thereof and the way they are being treated. However, the landlord may not enter the rented premises when the tenant or their agent is not present only if they have first obtained the tenant's permission to do so.

During the last 6 months of the rental period, the landlord may (cf. Paragraph 1)

show the rented premises - for a certain length of time each day, though never for more than 2 hours per day - to prospective tenants or purchasers, but shall at all times announce such visits with at least 1 day's notice. When the premises are shown in this way, the tenant or their agent shall always be present. The parties may, however, agree upon other arrangements between themselves.

Chapter IX. Sale of rented premises, assignment of the right to rent, sub-letting, etc.

■ Article 42.

- The sale of rented premises shall not be subject to the approval of the tenant. Thus, the landlord may transfer their right of ownership of the rented premises, and with it their rights and obligations vis-à-vis the tenant under this Act and the lease.
- When such a transfer takes place, the original landlord shall as a rule be released from all obligations towards the tenant, and the purchaser shall replace them completely in this respect.
- If no other arrangements are agreed upon, the purchaser shall take over all the seller's rights and obligations regarding the tenant as from the agreed day of transfer of the property.
- The legal status of the tenant shall remain generally unaltered and identical despite the change of ownership: their obligations shall not be increased nor their rights reduced.
- When a change of ownership of rented premises takes place as a result of the bankruptcy of the landlord or a sale in execution, special rules shall apply under the Bankruptcy Act and the Sales in Execution Act, which provide for exceptions from the general rules set out above.

■ Article 43.

- When rented premises are sold, the original landlord shall inform the tenant of the sale and change of ownership in a verifiable manner without unreasonable delay and not less than 30 days after the signature of the purchase agreement.
- The announcement shall state the name, address and national ID number of the new owner, the time on which the change of ownership is based as regards the tenant, how rent payments are to be made and all other matters and details which it is necessary for the tenant to be informed about.
- The tenant should pay rent, and direct all communications, complaints and notices concerning the rented premises, to the original landlord until they have

received notification of different arrangements in accordance with the first and second paragraphs.

■ **Article 44.**

The tenant may not transfer their right of tenancy or sub-let the rented premises without the landlord's approval, unless the provisions of this Chapter dictate otherwise.

It shall not be regarded as a transfer of the right of tenancy or as sub-letting if the tenant permits close family relations or relatives by marriage to live in the rented premises together with them or their immediate family, providing that the number of persons in the home remains within normal limits in terms of the size and design of the rented premises.

■ **Article 45.**

If the tenant dies before the end of the rental period, the tenant's estate at death may terminate the lease with the normal notice, even if the lease was entered into for a longer term. The tenant's surviving spouse, family relations or relatives by marriage who were members of the tenant's household at the time of their death, or made their living from employment pursued in the premises, and who wish to take over the lease with its rights and obligations, shall be permitted to do so in place of the tenant unless the landlord presents valid reasons why this should not happen.

■ **Article 46.**

If a tenant moves out of premises for which they have entered into a lease, their spouse who has lived with them in the premises shall have the right to retain the lease in the same way as is provided for in Article 45.

■ **Article 47.**

When a married couple have rented residential premises jointly and their marriage ends, the entitlement to rent the premises shall be subject to the provisions of the Marriage Act.

The spouse who makes principal use of business premises for their employment shall have a priority right to the continuing rental of the premises, irrespective of which spouse signed the lease.

The landlord's right to terminate a lease due to the end of a marriage shall be subject to the final provision of Article 45, as appropriate.

■ **Article 48.**

Neither spouse shall be able to waive in a legally binding manner the other

spouse's right to take over the lease as guaranteed by the provisions of this Chapter.

■ **Article 49.**

If the tenant of business premises dies and their estate at death decides to sell the business operations that were pursued there, the landlord shall not be able to base the termination of the lease or a request for an amendment to the substance of the lease specifically on those circumstances, provided that the sale value of such business operations depends on the continuing use of the rented premises and the fact that the same use will continue to be made of them. The same shall apply, as appropriate, if the reason for the sale of the business operations is the end of the tenant's cohabitational relationship or marriage, or the tenant's bankruptcy.

■ **Article 50.**

[When the tenant is an employee of the landlord and has been given the use of premises or a part thereof in respect of that employment, either party may terminate the lease if the tenant leaves their job at their own request, is dismissed or removed from their job or when the previously agreed employment period ends. A notice of termination of the lease pursuant to this Article shall be made in writing and sent in a verifiable manner no later than 8 weeks after the end of the employment relationship. Termination by the tenant shall take effect as soon as the notice of termination is sent, provided that they terminate the lease no later than 8 weeks after the end of the employment relationship. The notice period for the landlord is governed by the provisions of Paragraph 1 of Article 56, whether the lease is temporary or indefinite.

If a temporary lease is entered into for the use of premises or a part thereof pursuant to Paragraph 1, such a lease may never be for a shorter period of time than the employee's employment contract. The lease shall be open-ended if the employee's employment contract is open-ended.] ¹⁾

["Article 1 of Act No 63/2019](#)

Chapter X. Priority rights of the tenant.

■ **Article 51.**

The tenant of residential premises [or other premises rented for residential purposes under a fixed-term lease] ²⁾ shall have a priority right to rent the premises, providing that they are available for rent for at least 1 year.

The tenant's priority right to rent shall not apply:

1. ... ²⁾
2. if the rented premises are in the same building as the landlord lives in;
3. [if the rented premises are rented fully or substantially furnished, unless the landlord rents out a total of three or more separate apartments and/or rooms;] ²⁾
4. if the landlord takes the premises over for their own use;
5. if the landlord puts, or intends to put, the premises at the disposal of their relations in direct line of descent, adoptive children, foster children, siblings, nephews or nieces or parents-in-law for a period of at least 1 year;
6. if the landlord intends to sell the premises during the 6 months following the end of the rental period. If a sale is planned during this period, or during the 6 months following, the parties may, notwithstanding other provisions of this Act, agree upon an end to the rental period with particular conditions and upon vacating when the premises are to be handed over to the new owner. If the new owner intends to continue to let the premises out, the tenant shall have a priority right to rent them, albeit with the same limitations that apply under the other items of this paragraph;
7. if substantial repairs, maintenance work or alterations are planned during the 6 months following the end of the rental period, which, in the opinion of [an inspector (cf. Chapter XIV)], ¹⁾ would render the premises unfit for habitation for at least 2 months;
8. [if the tenant is or has been an employee of the landlord and the rented premises have been provided to them owing to or in connection with the job and the tenant leaves their job at their own request, is dismissed or removed from their job or when the previously agreed employment period ends;] ²⁾
9. if the tenant has, over the rental period, been guilty of non-performance or violation of the lease that may justify rescission thereof;
10. if the tenant has in some other way neglected their obligations or conducted themselves in such a way as to make it natural to suppose that the landlord would not wish to continue to rent them the premises, or if important reasons of another type argue against the tenant's having a priority right;
11. if a fair assessment of the interests of both parties and the overall circumstances argue against the tenant's having a priority right;
- [12. in cases where the landlord is a legal person operating on a non-profit basis and the tenant no longer meets the landlord's legitimate and relevant

conditions for the leasing of residential premises or fails to provide the necessary information to make it possible to verify whether they meet the conditions, provided that it is stated in the lease that the priority right is contingent on such conditions.] ¹⁾

["Article 27 of Act No 63/2016](#) ²⁾[Article 10 of Act No 106/2024](#)

■ **Article 52.**

[If the tenant has a priority rights pursuant to Article 51, the landlord shall ascertain whether the tenant wishes to avail themselves thereof, unless circumstances render such unnecessary, e.g. if the tenant themselves has terminated the lease. This shall be done in writing and in a verifiable way when 3 months - and no less than 6 weeks - remain of the agreed rental period or until the end of the notice period. Otherwise, the landlord shall be deemed to accept the tenant's priority right. If a temporary lease has been entered into for a period of less than 3 months, the deadline pursuant to the second sentence shall be 30 days.

If the tenant wishes to exercise their priority right under Paragraph 1 of Article 51, they shall notify the landlord thereof in writing and by verifiable means within 30 days of receiving the enquiry from the landlord referred to in paragraph 1 as to whether they wish to avail themselves of their priority right. Otherwise, their priority right shall lapse.

The Housing and Construction Authority standard notification forms for tenant priority rights shall be used. An agreement on renewing or extending a lease on the basis of tenant priority rights changing the rental amount shall be made in writing and signed by the parties to the rental agreement, cf. Paragraph 1 of Article 8, and the lease shall also be recorded in the rental register of the housing database of the Housing and Construction Authority, cf. Paragraph 1 of Article 5.] ¹⁾

["Article 11 of Act No 106/2024](#)

■ **[Article 52a.**

If the landlord considers that the tenant does not have a priority right for any of the reasons stated in Paragraph 2 of Article 51, they shall give the tenant a reasoned account of their point of view, in writing, stating the reasons preventing the tenant from exercising their priority right, at least 3 months before the expiry of the lease at the end of the notice period or the end of the rental period.

Otherwise, the landlord shall be regarded as having recognised the tenant's priority right, unless circumstances are such as to make such an announcement unnecessary, e.g. if reasons are stated clearly in the notice of termination which

exclude exercising of the priority right. If a temporary lease has been entered into for a period of less than 3 months, the deadline pursuant to the first sentence shall be 30 days.

If the tenant considers the circumstances causing the right of priority not to apply under Article 51(2) are not applicable in the case, they shall object to the landlord's position by means of a written notice that shall be sent to the landlord in a verifiable manner within 30 days from receiving the landlord's notification or from the date on which the landlord's position was made known to him by termination or other means pursuant to Paragraph 1.

If, despite the tenant's objections, the landlord believes that the tenant does not have priority right, they shall refer the dispute to the Housing Complaints Committee within 30 days of receiving notification of the tenant's objections. Otherwise, they shall be regarded as having recognised the tenant's priority right.

The Housing and Construction Authority standard notification forms for tenant priority rights shall be used for the notifications referred to in Paragraphs 1 and 2.] ¹⁾

["Article 12 of Act No 106/2024](#)

■ Article 53.

[When a lease is renewed or extended under the provisions of Articles 51 and 52, the rent shall be normal and fair from the point of view of both parties. It is likely that the rent that applied previously will be fair, and it shall be up to the party who disagrees to demonstrate the contrary, on the basis of the changes made to the aspects referred to in Paragraph 2 of Article 37. Other conditions set for the renewal or extension of the lease shall also apply, provided that they are not unfair or contrary to good rental custom.] ¹⁾

In other respects, the conditions of a renewed [or extended] ¹⁾ lease shall be the same as those of the original lease.

["Article 13 of Act No 106/2024](#)

■ Article 54.

If the landlord intentionally - for instance, by means of simulated documentation or fraudulent means - takes over rented premises, or takes action that results in the tenant's losing their priority right, they shall compensate the tenant for any demonstrable financial loss incurred.

The tenant shall submit a claim for compensation under Paragraph 1 in a verifiable manner within 6 months of the date on which they vacate the premises.

Otherwise, their right to compensation shall lapse, except where the landlord has employed deception.

Chapter XI. Expiry of the lease, termination, etc.

■ Article 55.

[Either party to a lease that is entered into for an indefinite period may terminate the lease during the rental period. Terminating leases shall be governed by Article 55a.] ¹⁾

Notice of termination shall be stated in writing and sent in a verifiable manner. The termination shall state the reasons for termination, cf. Paragraph 1 of Article 55a.] ¹⁾

¹⁾[Article 14 of Act No 106/2024](#)

■ [Article 55a.

The landlord may terminate an open-ended lease for residential premises or other premises rented for residential use in the following cases:

1. if the rented premises are in the same building as the landlord lives in;
2. If the dwelling is rented fully or substantially furnished, unless the landlord rents out a total of three or more separate apartments and/or rooms.
3. if the landlord takes the premises over for their own use;
4. if the landlord puts, or intends to put, the premises at the disposal of their relations in direct line of descent, adoptive children, foster children, siblings, nephews or nieces or parents-in-law for a period of at least 1 year;
5. if the landlord intends to sell the premises during the 6 months following the end of the rental period. In that case, the parties may, notwithstanding other provisions of this Act, agree upon an end to the rental period with particular conditions and upon vacating when the premises are to be handed over to the new owner.
6. If substantial repairs, maintenance work, or alterations are planned during the 6 months following the end of the rental period, which, in the opinion of [an inspector (cf. Chapter XIV)], would render the premises unfit for habitation for at least 2 months. In that case, the parties may, notwithstanding other provisions of this Act, agree upon an end to the rental period with particular conditions and upon vacating when such repairs, maintenance work or alterations begin.
7. If the tenant is an employee of the landlord and has been given the use of premises or a part thereof in respect of that employment, and is dismissed or removed from their job or when the previously agreed employment period ends.

8. if the tenant has, over the rental period, been guilty of non-performance or violation of the lease that may justify rescission thereof;

9 If the tenant has in some other way neglected their obligations or conducted themselves in such a way as to make it natural to suppose that the landlord would not wish to continue to rent them the premises, or if important reasons of another type justify termination of the lease.

10. If a fair assessment of the interests of both parties and the overall circumstances otherwise justify termination of an open-ended lease.

11. If the landlord is a legal person operating on a non-profit basis and the tenant no longer meets the landlord's legitimate and relevant conditions for the leasing of residential premises or fails to provide the necessary information to make it possible to verify whether they meet the conditions, provided that it is stated in the lease that their right to the rented premises is contingent on such conditions.

The Housing and Construction Authority standard notification forms for terminating open-ended leases pursuant to Paragraph 1 shall be used.

If the tenant considers the conditions for the termination of an open-ended lease pursuant to Paragraph 1 not to be met, they may refer the dispute about the termination to the Housing Complaints Committee, cf. Article 85.

If the landlord intentionally - for instance, by means of simulated documentation or fraudulent means - takes over rented premises by means of an unlawful termination of an open-ended lease, they shall compensate the tenant for any demonstrable financial loss incurred. The tenant shall submit a claim for compensation in a verifiable manner within 6 months of the date on which they vacate the premises. Otherwise, their right to compensation shall lapse, except where the landlord has employed deception. ¹⁾

["Article 15 of Act No 106/2024"](#)

■ Article 56.

The notice period for termination of a lease entered into for an indefinite period shall be:

1. [1 month for both parties, in the case of storage sheds and similar types of premises, irrespective of the purpose for which they are used.

2. 3 months for both parties, in the case of single rooms.] ¹⁾

[3.] ¹⁾ 6 months for both parties, in the case of [dwellings] ¹⁾;

[dwelling] ¹⁾ means any type of premises in which a family is able to have normal home facilities. [If the tenant has rented a dwelling for more than 12 months, the

notice period given by the landlord for termination of the lease shall be 12 months, in cases where the landlord is a legal person who leases out the dwelling in question on a commercial basis.] ¹⁾

[4.] ¹⁾ 6 months for both parties, in the case of business premises for the first 5 years of the rental period, 9 months for the next 5 years and then 1 year after a rental period of 10 years.

[Without prejudice to item 3 of the Paragraph 1, a landlord who is a legal person operating on a non-profit basis may terminate a lease for an indefinite period with 3 months' notice in cases where the tenant no longer meets the legitimate and relevant conditions set by the landlord for leasing the premises, these being stated in the lease, or fails to provide the information necessary to verify whether they meet the conditions. Such terminations shall be made in writing, stating the reason for the termination.] ¹⁾

[The provisions of Paragraph 1 governing the notice period shall also apply to the termination of a temporary lease by the landlord pursuant to Article 50.] ²⁾

¹⁾[Article 28 of Act No 63/2016](#) ²⁾[Article 2 of Act No 63/2019](#)

■ Article 57.

The notice period shall be regarded as beginning on the first day of the month following that in which the notice of termination is sent. The tenant shall have fully vacated and cleared up the rented premises by 13:00 hours on the day following the end of the notice period.

Where the length of the notice period under Article 56 depends on the length of the rental period, this shall be the time up to the date when the notice of termination is sent.

■ Article 58.

A lease entered into for a definite period shall expire on the agreed date without special notice of termination or announcement by the parties.

A lease entered into for a definite period may not be dissolved by termination during the agreed rental period [see, however, [Article 37a, Article 37c and ³⁾ Article 50] ¹⁾ It may, however, be agreed that such a lease may be terminated owing to special grounds, events or circumstances, [provided that such are not listed in this Act, in which case they shall] ²⁾ be stated in the lease. [The mutual notice period for termination shall be at least 3 months. In addition, a landlord who is a legal person operated on a non-profit basis may terminate a lease made for a definite period with 3 months' notice in cases where the tenant

no longer meets the legitimate and relevant conditions set by the landlord for leasing the premises, these being stated in the lease, or fails to provide the information necessary to verify whether they meet the conditions. Such terminations shall be made in writing, stating the reason for the termination.] ²⁾

[1\)Article 3 of Act No 63/2019](#) [2\)Article 29 of Act No 63/2016](#) [3\)Article 16 of Act No 106/2024](#)

■ **Article 59.**

[If 8 weeks elapse from the termination of a lease made for an indefinite period or according to the provisions of a lease for a definite period, and the tenant continues to utilise the rented premises and honour the terms of the lease, the lease shall be extended indefinitely, provided that the landlord did not call upon the tenant to vacate the premises after termination of the lease.] ¹⁾

[1\)Article 30 of Act No 63/2016](#)

Chapter XII. Rescinding leases.

■ **Article 60.**

The tenant may rescind the lease in the following cases:

1. If the landlord does not rectify deficiencies in the rented premises in accordance with Article 17.

2. If there is a substantial delay in the handing over of the premises. If the landlord is responsible for such a delay, the tenant shall also be entitled to compensation.

3. If, for reasons that cannot be attributed to the tenant, the quality of the premises deteriorates during the rental period to such an extent that they can no longer be used for the intended purpose or are deemed by the health authorities to pose a health hazard.

4. [If the landlord does not rectify deficiencies in the rented premises in accordance with Article 20.] ¹⁾

5. If the tenant's right is substantially curtailed as a result of legislation or other public instructions or because it is at variance with other restrictions on the property. The landlord shall also be liable to compensate for direct loss sustained by the tenant as a result of such curtailment if they were aware, or could have been expected to be aware, thereof when the lease was entered into and neglected to bring it to the tenant's attention.

6. If the tenant's normal use or domestic peace is substantially disrupted by disturbances or inconvenience arising from substantial or repeated violations, by

other persons entitled to make use of the same building, of the rules of conduct or local rules, provided that the landlord has neglected - in spite of [written] ¹⁾ requests - their obligation under the Paragraph 4 of [Article 30] ¹⁾,) or the circumstances are in other respects such that it is fair and natural that the tenant should be able to rescind the lease. Such circumstances may depend, for example, on the nature of the violations and disturbance, and also on whether further violations and disturbances are foreseeable and likely.

7. If the landlord repeatedly or substantially violates the tenant's right to have the agreed undiminished control and use of the rented premises, e.g. by obstructing or restricting utilisation or by entering or occupying the rented premises without authorisation, or if the landlord is guilty of a punishable offence against the tenant or their family.

8. If the landlord fails to honour other obligations under the lease or this Act in such a substantial or deceitful manner as to make rescission by the tenant natural or necessary.

[9. If the tenant is deprived of use of the rented premises for a longer period of time owing to official orders to evacuate people from a dangerous area where the premises are located. In such cases, the tenant must vacate the rented premises without undue delay when the orders have been lifted and no later than within 7 days from that date. If the premises are not vacated by that deadline, the landlord shall be entitled to payment of rent for the time that elapses from the deadline until the rented premises are vacated.] ²⁾

[Announcements of revocation under items 1-8 of Paragraph 1 shall be made in writing and contain the reason for the rescission. [The rescission shall be registered in the rental register of the housing database of the Housing and Construction Authority if the contract is subject to registration under Paragraph 1 of Article 5.]] ³⁾

The landlord's and tenant's rights and obligations under the lease shall lapse as from the date of rescission and the tenant shall vacate the rented premises immediately unless the parties agree otherwise, in which case the landlord shall be entitled to receive payments of rent for the time elapsing from rescission until the tenant has vacated the rented premises according to the agreement.] ¹⁾

If the tenant does not exercise their right of rescission under Paragraph 1 within [8 weeks] ¹⁾ of their becoming aware of contractual non-performance by the landlord, or if the landlord has fully rectified whatever was found to be deficient, the tenant's right of rescission shall lapse.

The tenant's right to claim compensation from the landlord following rescission shall be subject to the general rules of claim law.

¹⁾[Article 31 of Act No 63/2016](#) ²⁾[Article 26 of Act No 94/2023](#) ³⁾[Article 17 of Act No 106/2024](#)

■ **Article 61.**

The landlord shall be entitled to rescind the lease in the following circumstances:

1. If the tenant does not pay the rent or their contribution to the shared expenses under Chapter V on the correct due date and does not respond within 7 days to a written demand by the landlord for payment, provided that the demand is sent after the due date and that the landlord states in it their intention to exercise their right of rescission.

2. If the tenant is to pay part or all of the rent in the form of labour and grossly neglects that obligation or displays gross incompetence in their work.

3. [If the tenant uses the premises, the common parts (if the premises are in a multi-owner building) or the lot in a manner other than that provided for in this Act or in the lease and otherwise permitted in law and does not desist from misusing them in that manner despite a written demand by the landlord.] ¹⁾

4. If the tenant transfers their right of tenancy or misuses their right to sub-let the premises according to Chapter IX, or if the sub-tenant is guilty of any conduct of the type that entitles the landlord to rescind the lease with the original tenant.

5. If, without valid reasons, the tenant denies the landlord, or other persons, access to the rented premises, in violation of Article 18.

6. If the tenant moves out of the premises before the end of the rental period without having taken the necessary measures to look after them and protect them.

7. If the quality of the premises deteriorates while they are in the care of the tenant due to poor treatment and carelessness on the part of persons for whom the tenant is responsible, and the tenant does not respond immediately to a [written] ¹⁾ demand by the landlord to rectify the situation (cf. Article 18.)

8. If, despite [written] ¹⁾ reminders from the landlord, the tenant neglects their duty to ensure that good order is maintained in the rented premises and that they are treated well (cf. Article 30,) or if the tenant is guilty of acts of personal malice against the landlord or their family.

9. If, despite [written] ¹⁾ complaints by the landlord, the tenant of [business premises] ¹⁾ neglects their duty to maintain normal activities and conventional operations (cf. Article 31.)

10. If the tenant neglects their obligations under the lease or this Act in ways

other than those listed above in such a gross manner as to make it reasonable or necessary for them to be made to vacate the premises.

[11. If the landlord has set legitimate and relevant conditions for the leasing of the premises as provided for in Article 3a, these being stated in the lease, and the tenant has submitted incorrect or misleading information with the result that they have wrongly been considered as meeting the conditions for allocation of rented premises.] ¹⁾

[12. If the tenant is deprived of use of the rented premises for a longer period of time owing to official orders to evacuate people from a dangerous area where the premises are located. In such cases, the tenant must vacate the rented premises without undue delay when the orders have been lifted and no later than within 7 days from that date. If the premises are not vacated by that deadline, the landlord shall be entitled to payment of rent for the time that elapses from the deadline until the rented premises are vacated.] ²⁾

[Announcements of rescission under items 1-11 of Paragraph 1 shall be made in writing and contain the reason for the rescission. [The rescission shall be registered in the rental register of the housing database of the Housing and Construction Authority if the contract is subject to registration under Paragraph 1 of Article 5.]] ³⁾

The landlord's and tenant's rights and obligations under the lease shall lapse as from the date of rescission and the tenant shall vacate the rented premises immediately unless the parties agree otherwise, in which case the landlord shall be entitled to receive payments of rent for the time elapsing from rescission until the tenant has vacated the rented premises according to the agreement.] ¹⁾

If the landlord does not exercise their right of rescission under Paragraph 1 within [8 weeks] ¹⁾ of becoming aware of contractual non-performance by of the tenant, or if the tenant completely rectifies the situation, the landlord's right of rescission shall lapse. This shall not apply, however, in cases where the tenant has failed in a fraudulent manner to perform their obligations or when the grounds for rescission are failure to pay the rent at the right time (cf. item 1 of Paragraph 1.)

¹⁾[Article 32 of Act No 63/2016](#) ²⁾[Article 26 of Act No 94/2023](#) ³⁾[Article 17 of Act No 106/2024](#)

■ Article 62.

If the lease is rescinded for any of the reasons listed in Article 61, the tenant shall compensate the landlord for any damages resulting directly from their contractual non-performance. If the lease was for a definite period, the tenant shall also pay compensation equivalent to rent until the end of the rental period, or

alternatively until the time when they should have vacated the premises according to the notice of termination.

However, the landlord shall immediately take the necessary measures to let the premises out as soon as possible in return for suitable rent, and the rent income they receive, or should receive, in this manner shall be deducted from the rent compensation payable under Paragraph 1.

Chapter XIII. Returning rented premises.

■ Article 63.

At the end of the rental period, the tenant shall return the premises to the landlord, together with their fixtures, in the same condition as when they took them over. The tenant shall be liable, without limit, for any deterioration in or damage to the condition of the premises that such cannot be considered the natural consequence of the normal or agreed utilisation of the premises, or that results from circumstances or events in which the tenant was demonstrably not involved.

■ Article 64.

- The landlord shall present their demand for compensation from the tenant in writing, or reserve the right to do so, within [4 weeks] ¹⁾ of the date on which the premises are returned to them.
- If the damage or deterioration was not evident when the premises were returned to the landlord, then it shall also be described in the same way within [4 weeks] ¹⁾ of its being detected.
- If this time limit is not observed, the landlord's right to compensation shall lapse, except where the tenant has acted deceitfully.

¹⁾[Article 33 of Act No 63/2016](#)

■ Article 65.

If the landlord and tenant do not agree on a compensation sum to cover damage to the rented premises, [an inspector (cf. Chapter XIV)] ¹⁾ shall assess the damage. Either party shall nevertheless have the right to demand an assessment of the compensation amount by court-appointed assessors within [8 weeks] ¹⁾ of their being informed of [the inspector's] assessment. ¹⁾

¹⁾[Article 34 of Act No 63/2016](#)

■ Article 66.

[The agreement between tenant and landlord provided for in Paragraph 1 of Article 28 shall apply to any alterations or improvements to the rented premises at

the time that they are returned. If the tenant has not entered into an agreement with the landlord under Paragraph 1 of Article 28 regarding alterations or improvements to the rented premises or their fixtures and furnishings, the landlord shall acquire such improvements at the end of the lease period unless they choose, at that time or before, to require that the tenant restore the items leased to their original condition.

The tenant may take with them any permanent fixtures and other similar fixtures pertaining to the premises, the cost of which they have borne, in cases where what is involved does not constitute alterations or improvements to the rented premises or their fixtures and furnishings under Paragraph 1 of Article 28, provided that the tenant returns the rented premises to their original condition.] ¹⁾

["Article 35 of Act No 63/2016](#)

■ **Article 67.**

If the tenant has changed locks in the premises, they shall be obliged to hand over to the landlord all the keys to the locks without any special consideration.

■ **Article 68.**

Before vacating the premises, the tenant shall give the landlord an address to which any communications and announcements that the landlord has to deliver to them, including announcements under Article 64, may and should be sent.

Chapter XIV. Inspecting rented premises.

■ **Article 69.**

[[The tenant and the landlord, or their agents, shall inspect the condition of the rented premises, including fire-prevention equipment, at the time the lease is entered into and at the end of the lease period. The findings of the inspection carried out when the lease is entered into must be recorded in a separate inspection section in the lease. An independent inspector shall conduct that inspection if either party so requests, in which case the cost of the inspection shall be divided equally between them.] ¹⁾

If an inspection of the condition of the rented premises by an inspector is requested in circumstances other than those provided for under Paragraph 1, the party requesting the inspection shall pay the cost of the inspection. Nevertheless, the tenant and the landlord may at all times agree on another division of the cost of the inspection.

The tenant and the landlord shall agree on an inspector.

Disputes between the parties over the application of this Article may be referred to the Housing Complaints Committee.] ²⁾

The person who conducts the inspection shall perform their inspection duties with diligence, at all times observing complete impartiality towards both parties. They shall also treat as confidential all information regarding the private lives and circumstances of the persons involved which may come to their attention in the course of their work.

[Paragraphs 2, 3, 4, and 5 shall also apply to other tasks which the inspector is expected to carry out under this Act.] ²⁾

¹⁾[Article 7 of Act No 121/2022](#) ²⁾[Article 36 of Act No 63/2016](#)

■ **Article 70.** ... ¹⁾

¹⁾[Article 37 of Act No 63/2016](#)

■ **Article 71.**

... ¹⁾

[Inspections by an inspector under Paragraphs 1 or 2 of Article 69 shall be carried out by the inspector on whom the tenant and the landlord have agreed under Paragraph 3 of Article 69] ¹⁾ in the presence of the landlord and the tenant or their agents. The most detailed possible description of the rented premises shall be recorded in a special inspection report ... ¹⁾,) and the tenant [or the landlord] ¹⁾ shall be able to submit any criticisms immediately and request that matters at fault be rectified.

The inspection report shall state the property reference number of the rented premises, list all fixtures and state the date of the lease and the names of the parties to the lease.

¹⁾[Article 38 of Act No 63/2016](#)

■ **Article 72.**

Inspection reports shall be prepared in triplicate and signed by the parties to the lease and [the inspector referred to in the third paragraph of Article 69] ¹⁾ and each of these persons shall retain one copy. The inspection report shall be used as a basis in the event of a dispute regarding the liability of the tenant to pay compensation when they return the premises to the landlord.

... ¹⁾

¹⁾[Article 39 of Act No 63/2016](#)

Chapter XV. Rental agencies.

■ **Article 73.**

Only those who have received a special license [from the Minister] ¹⁾ may operate agencies dealing with rented premises under this Act, for the purposes of arranging leases or handling sub-letting or exchanges of rented premises. The professional designation of a person who operates a rental agency shall be “rental agent”.

[The Minister] ¹⁾ shall issue licences to rental agents, who shall pay licence fees to the State Treasury under the Treasury Additional Revenues Act. Licences shall be issued for 5 years at a time. The strategy shall have a term of five years at a time.

¹⁾[Article 14 of Act No 162/2010](#)

■ **Article 74.**

Any person who meets the following conditions may receive a licence [from the Minister] ¹⁾ to operate a rental agency (cf. Paragraph 1 of Article 73):

1. ... ²⁾

2. Is legally competent and has the right to manage their own financial affairs.

3. Can demonstrate that they have a good knowledge of legislation governing rent and other relevant legislation and the necessary bookkeeping skills according to the provisions of regulations set by [the Minister] ¹⁾.)

4. Puts up security, as determined by [the Minister] ¹⁾ in regulations, for the payment of costs and damages that the parties to leases may incur due to them.

A person may be denied a licence if Paragraph 2 of Article 68 of the Criminal Code applies to them.

Announcements regarding the granting of licences to operate as rental agents shall be published in the Official Gazette. Announcements regarding the withdrawal of licences (cf. Article 81) shall be published in the same way.

¹⁾[Article 14 of Act No 162/2010](#) ²⁾[Article 11 of Act No 77/2011](#)

■ **Article 75.**

Landlords' or house-owners' associations, tenants' associations, local authorities and societies or institutions may operate rental agencies in normal connection with their other activities, provided that the rental agency is under the direction of a rental agent licensed under Article 74.

■ **Article 76.**

A rental agent shall have an open office where they run their business.

Rental agents shall be responsible for ensuring that leases are entered into in

accordance with this Act. They shall be obliged to inform the parties of the rights and obligations they undertake by signing a lease and also of the general legal effects of the lease, to the extent that there is reason to do so.

Rental agents shall at all times exercise care when drawing up leases and ensure that they contain all important information.

A rental agent may not become a party to a lease which they have been entrusted with arranging.

■ **Article 77.**

Rental agents shall be entitled to a fee from the landlord for arranging a lease. This fee shall be fair in terms of the work done by the agent and the interests involved.

Rental agents may not collect fees from tenants for arranging and drawing up leases. A rental agent may, however, demand a reasonable fee or charge for costs from the tenant in cases involving special services provided for the tenant. This shall be agreed upon in advance.

■ **Article 78.**

Rental agents may undertake the collection and receipt of rent, supervision of the way premises are treated and the execution of maintenance work, the division of operating costs, the safekeeping of deposits and such other work in connection with the implementation of the lease as the parties, jointly or separately, may entrust them with on their behalf.

Authorisation entrusting a rental agent to carry out such functions shall be in writing and witnessed, and both parties to the lease shall receive a copy of it.

Consideration to the rental agent for carrying out these functions shall be fair and in proportion to the effort it requires of them.

■ **Article 79.**

Rental agents may not divulge anything that comes to their attention in the course of their work concerning the personal circumstances of their customers or matters that they entrust them with in confidence.

■ **Article 80.**

Rental agents shall be obliged to keep books in accordance with the Bookkeeping Act.

Rental agents shall keep a register of the premises that they are entrusted with renting out and shall keep copies of all leases that they draft.

[Rental agents shall be obliged to provide the Ministry with all information

necessary for it to be able to carry out supervision in accordance with Article 81.

Rental agents shall, before 15 October each year, send the Minister confirmation that they possess satisfactory insurance in accordance with item 4 of Paragraph 1 of Article 74.] ¹⁾

["Article 40 of Act No 63/2016](#)

■ **Article 81.**

[The Minister shall monitor to ensure that rental agents meet the legal requirements for licences to operate agencies offering rental accommodation. If a rental agency no longer meets any one of the conditions set for the issue of a licence, the Minister may revoke their licence, either temporarily or for the remainder of the licence period. A rental agent whose licence is revoked shall cease rental agency operations. The relevant police commissioner shall be obliged to assist in halting the operations and, if necessary, sealing the premises of the rental agency.] ¹⁾

["Article 41 of Act No 63/2016](#)

■ **Article 82.**

[The Minister] ¹⁾ shall issue regulations ²⁾ containing further provisions on rental agencies, including the conditions for granting rental agent licences ... ³⁾

["Article 14 of Act No 162/2010](#) ²⁾[Regulation No 675/1994](#), cf. [1197/2018](#). ³⁾[Article 42 of Act No 63/2016](#)

Chapter XVI. Housing committees.

■ **Article 83.**

Where local authorities' housing committees are [appointed by the local authorities under [Article 13 of the Housing Act \(Act No 44/1998\)](#)] ¹⁾,) they shall monitor rental matters under this Act and gather information about such matters in their respective local authority areas, to the extent possible. They are also obliged to provide guidance on disputes to those parties to leases who request it and attempt to resolve such disputes.

["Article 5 of Act No 66/2010](#)

Chapter XVII. [Housing Complaints Committee]¹⁾

["Article 3 of Act No 66/2010](#)

■ **Article 84.**

[The Minister shall appoint three representatives to the Housing Complaints

Committee for terms of 3 years at a time, in accordance with nominations by the Supreme Court of Iceland. Two of them shall be lawyers, and one shall have expert knowledge in the field of building construction. One of the two lawyers shall be the Chair of the Committee and shall meet the eligibility requirements for being appointed to the position of a district court judge. Alternates shall be appointed in the same way. The Committee may summon experts to provide advice and assistance if deemed necessary.

Expenses arising from the functions of the Committee shall be paid by the State Treasury.] ¹⁾

¹⁾Article 43 of Act No 63/2016

■ **Article 85.**

[In the event of a dispute between the parties to a lease regarding the contents and/or application thereof, they may, individually or jointly, seek the assistance of the Housing Complaints Committee, which shall deliver a ruling in writing at the first opportunity, normally within 2 months of its receipt of the request. [Disputes regarding the rental amount shall be expedited before the Committee, and a decision must be issued within 2 months of the case being brought.] ⁴⁾

[Disputes regarding the rental amount pursuant to Articles 37, 37a, 37b, and 37c, as well as Paragraph 1 of Article 53 shall be referred to the Committee within 3 months from the entry into force of the lease or of an agreement made later during the lease period regarding a change to the rental amount. Otherwise, the parties to the lease shall be deemed to be satisfied with the rental amount determined.] ⁴⁾

If the Committee considers the rental amount to not be fair and reasonable, the relevant party to the lease shall acquire the right to claim against the other party for overpayment. The tenant may deduct what has been overpaid from subsequent rent payments.] ¹⁾

Requests submitted to the Committee shall be made in writing, clearly stating the matter in dispute, the party's demands and the reasoning on which they are based.

The Committee shall give the opposite party an opportunity to express their views and state their demands. The party shall be granted a suitable amount of time for this purpose. Furthermore, the Committee may call for all necessary information and evidence regarding the matter, if needed.

The Committee shall normally deal with matters in writing, though it shall be able to summon the parties to the dispute, or their agents, to a meeting. In other respects, processing of the matter before the Committee shall be in accordance

with the provisions of the Administrative Procedure Act and further rules issued by the Minister on the basis of proposals from the Committee.

Rulings by the Committee shall be binding for the parties and may not be appealed to a higher authority. The parties may refer a ruling by the Committee to the courts within 8 weeks of delivery of the ruling, the legal effect thereof being deferred until a judgment is delivered. If a case is brought before a court involving a ruling by the Committee, the Committee may defer the processing of comparable cases under its examination until judgment has been delivered in the case in question.

If the Committee considers a complaint to be evidently groundless, it may order the plaintiff to pay the opposite party's costs in connection with the matter. An attachment may be made, without a prior court judgment, in order to collect the costs of the case.

Rulings by the Committee are enforceable without a prior court judgment.

The Committee shall publish its rulings.

The Minister shall, by means of a regulation ²⁾,) issue further provisions on applications to the Committee, its functions, tasks, the scope of its powers, its working conditions, etc.] ³⁾

¹⁾[Article 8 of Act No 121/2022](#) ²⁾[Regulation No 1355/2019](#). ³⁾[Article 44 of Act No 63/2016](#)

⁴⁾[Article 18 of Act No 106/2024](#)

Chapter XVIII. Publication of the Act, etc.

■ Article 86.

[The Ministry] ¹⁾ [and the Housing and Construction Authority] ²⁾ shall be responsible for publishing this Act and any regulations issued thereunder.

[The Housing and Construction Authority] ³⁾ shall monitor the development and conditions of the rental market, in consultation with local authority housing committees. [The Authority shall also work together with the Ministry on policy development in the field of rental matters, conduct analyses and research, and publish information on the rental market. The Housing and Construction Authority shall also provide the public with information regarding rental matter and deal with the registration of leases in the [rental register of the housing database.] ⁵⁾ ²⁾

[The Minister] ⁴⁾ may issue regulations containing further provisions on the application of this Act.

¹⁾[Article 45 of Act No 63/2016](#) ²⁾[Article 9 of Act No 121/2022](#) ³⁾[Article 19 of Act](#)

[No 137/2019](#) ⁴⁾[Article 14 of Act No 162/2010](#) ⁵⁾[Article 19 of Act No 106/2024](#)

Chapter XIX. Entry into force.

■ Article 87.

This Act shall enter into force on 1 January 1995. Any leases entered into before that date shall be reviewed in accordance with this Act by 1 March 1995.

...

■ [Interim provision.

The provisions of Article 50 shall be reviewed by 31 October 2021 in the light of experience.] ¹⁾

¹⁾[Article 4 of Act No 63/2019](#)