

### Republika e Kosovës

Republika Kosovo-Republic of Kosovo Qeveria - Vlada - Government

# REGULATION (GRK) No.19/2023 ON THE RULES AND PROCEDURES FOR THE PROPERTY ADMINISTRATION AND THE IMPLEMENTATION OF THE VOLUNTARY RENTAL SCHEME OF THE KOSOVO PROPERTY COMPARISON AND VERIFICATION AGENCY<sup>1</sup>

<sup>&</sup>lt;sup>1</sup> Regulation (GRK) No.19/2023 on the rules and procedures for the property administration and the implementation of the voluntary rental scheme of the Kosovo Property Comparison and Verification Agency, has been approved in the 178th Meeting of the Government of the Republic of Kosovo, with the Decistion No. 12/178, dated 13.12.2023

#### The Government of the Republic of Kosovo,

Pursuant to Article 93 (4) of the Constitution of the Republic of Kosovo, Article 21 of Law No. 05/L-010 on Kosovo Property Comparison and Verification Agency, as amended and supplemented by Article 15, paragraph 10 of Law No.08/L-052, and pursuant and Article 19 (6.2), Article 8, paragraph 4, subparagraph 4.5 of Law No. 08/L-117 on Government of the Republic of Kosovo, to Article 19 (6.2) of Regulation No. 09/2011 on the Rules of Procedure of the Government (Official Gazette, No. 15, 12 September 2011),

Issues:

REGULATION (GRK) No.19/2023 ON THE RULES AND PROCEDURES FOR THE PROPERTY ADMINISTRATION AND THE IMPLEMENTATION OF THE VOLUNTARY RENTAL SCHEME OF THE KOSOVO PROPERTY COMPARISON AND VERIFICATION AGENCY

### Article 1 Purpose

The purpose of this Regulation is to establish the rules and procedures for the property administration and the voluntary rental scheme of the Kosovo Property Comparison and Verification Agency.

### Article 2 Scope

The provisions of this Regulation shall apply to the Kosovo Property Comparison and Verification Agency and the parties related to the properties under administration and the implementation of the voluntary rental scheme.

### Article 3 Definitions

- 1. Terms used in this Regulation shall have the following meanings:
  - 1.1. "Property under administration" means a property under the KPCVA administration;

- 1.2. "Lessee" means a natural person, or an entity who takes in use and possession the property leased out by the Agency in exchange for payment;
- 1.3. "Lessor" means the Agency, which administrates the property taken in use or possession by the Lessee in exchange for payment;
- 1.4. "Claimant Requesting Administration" means a successful Claimant, a property right holder, a close family member, and heirs who filed a successful request for administration or who later joined the procedure;
- 1.5. "Inspection of the property" means a visit to the property under the Agency administration in order to identify the occupants, damages, planting or harvesting of agricultural crops, and to notify the central or local institutions about decisions or actions, as well as any illegal actions that may occur on the properties under administration;
- 1.6. "Successful Claimant" means a Claimant whose claim was granted by a decision of the Housing and Property Claims Commission, Property Claims Commission, and the Kosovo Supreme Court Appeals Panel;
- 1.7. "Close Family Member" means a natural person as determined by the applicable legislation;
- 1.8. "Abandoned Property" means any property that the owner, holder of property, use, or possession rights, or their close family members have ceased using, whether it is vacated or occupied, except in cases where the property or use rights holder is temporarily absent.
- 1.9. "Property or Use Right Holder" means a successful claimant who requested to place the property under administration.
- 2. Other terms used in this Regulation shall have the same meaning as the definitions set out in the Law No. 08/L-052 on Amending and Supplementing the Law No. 05/L-010 on Kosovo Property Comparison and Verification Agency.

### Receiving Requests for Aministration and Placing the Properties under Administration

- 1.Successful claimants, property right holders, close family members, and heirs who receive a decision from the Property Claims Commission or a notice for implementation are entitled to submit a request for property administration;
- 2.The KPCVA shall continue the property administration and the implementation of the rental scheme, pursuant to Law 08/L-052 on Amending and Supplementing the Law No. 05/L-010 on Kosovo Property Comparison and Verification Agency and this Regulation;

3. The Agency, upon review of the request related to paragraphs 1 and 2 of this article and based on the decision of the Property Claims Commission, if the property satisfies the conditions outlined in this Regulation, shall place the property under its administration.

# Article 5 Rejecting Administration Requests

- 1. The Agency shall reject a request for administration in the following cases:
  - 1.1.the claimant fails to submit required documents within 45 days of submitting the request for administration, which prove that he/she is a close family member of the property right holder or his/her heir:
  - 1.2.during the inspection, it is determined that the property is a forest;
  - 1.3.during the inspection, it is determined that the property has been expropriated, or any facility or road has been constructed by the local or central authorities of the country;
  - 1.4.the property is being used by a third party based on an agreement with the successful claimant, property right holder, close family members, or heirs;
  - 1.5.the property hase been repossessed by the property right holder;
  - 1.6.the residential building where the property is located has been demolished by local or central authorities;
  - 1.7.during the inspection, a third-party alledges to be the owner of the property, and presents a certified purchase contract concluded with the property right holder or his/her heirs;
  - 1.8.during the inspection, it is found that structures have been constructed on the property, depending on their puspose;
  - 1.9.based on the documents in the case file, the property cannot be located and the relevant data is unvailable from relevant municipal cadastral offices or the Kosovo Cadastral Agency, and the successful claimant, property right holder, close family members and heirs fail to submit the necessary documents within 60 days of notification by the Agency.
- 2.In all cases of rejecting the request for administration, the Agency shall notify the successful claimants, property right holder, close family members, and heirs.

# Article 6 Property Administration

1. The Agency shall administer properties through:

- 1.1.Regular property inspections;
- 1.2. Eviction of illegal occupants;
- 1.3. Notification of claimant regarding the physical condition of property.

# Article 7 Property Inspection

- 1. The Agency shall administer the property through inspection, with a minimum of two visits per calendar year. During these visits, the relevant officials shall conduct detailed inspections of the property under administration:
  - 1.1.checking for signs of illegal occupation, depending on whether the property is residential, commercial or agricultural;
  - 1.2.checking for property damage if the property is residential or commercial;
  - 1.3.checking for planting or harvesting of agricultural crops if the property is agricultural;
  - 1.4.receiving information about any possible activity of any instituition regarding the property;
  - 1.5.collecting all relevant information related to any legal or illegal activity concerning the property.
- 2. The Agency can conduct additional inspections upon the request of the claimant who has requested administration.

# Article 8 Eviction of Illegal Occupants from Properties under Administration

- 1.If during the inspections of properties under the administration of the Agency, the property is found occupied, or if clear signs indicate that the property is being illegally occupied by natural or legal persons, the relevant official(s) shall:
  - 1.1.inform the Property Administration Unit about the situation in the property;
  - 1.2.enter the necessary data in the designated application of the Agency to notify the unit responsible for issuing an eviction warrant;
- 2. The eviction of the illegal occupants from the property under administration shall be carried out in the shortest possible deadline but no later than 30 days from the visit to the property;

3. The Property Administration Unit shall supervise and coordinate the process of evicting illegal occupants from properties under administration.

# Article 9 Notification of Claimant about the Property Status

- 1. The Agency shall be obligated to notify the claimant about the status of the property under administration if requested by the claimant requesting administration, in any official language of Kosovo chosen by the claimant;
- 2.In relation to the request as per paragraph 1 of this article, the Agency can notify the claimant by phone or in writing, attaching photos taken during the property visit;
- 3.In all cases where the claimant requesting administration alleges that the property is being illegally occupied, the Agency shall inspect the property to verify its status, and inform the claimant;
- 4.If the property inspection conducted as per paragraph 3 of this Article confirms illegal occupation, the occupant(s) shall be evicted following the eviction procedures outlined in this Regulation and the applicable legislation for the eviction of illegal occupants.

# Article 10 Rights and Obligations of the Claimant Requesting Administration

- 1. While the property is under administration, the right of the ownership or use right holder to possess the property shall be suspended.
- 2. While the property is under administration, property administration claimants requesting administration shall have the right to:
  - 2.1.request repossession of the property;
  - 2.2.request removal of property from administration without eviction and closure of the case;
  - 2.3.receive information about potential damages caused by illegal occupants or damages caused as a result of obsolescence;
  - 2.4.be informed about legal actions taken by the Agency, addressed to other institutions regarding the illegal occupants.
- 3. Claimants requesting property administration shall be obligated to inform the Agency if they:
  - 3.1.have taken possession of property;

- 3.2.have sold the property or a part of it;
- 3.3.have entered into a rental agreement with third parties;
- 3.4.have transfered possession or ownership to a third party in any other form.

#### Rights and Obligations of the Agency Regarding the Properties under Administration

- 1. Rights and obligations of the Agency regarding the properties under administration are as follows:
  - 1.1.it is considered the possessor of a property under administration;
  - 1.2.it shall have the right to request and collect information about the properties under administration. concerning its authorizations, related to the administration process;
  - 1.3.it shall reasonably endeavour to minimize the risk of damage to any property under its administration, but it is not responsible for any damage or loss to the property or its contents;
  - 1.4.it shall be obligated to act in the best interest of the property right holder concerning the property under administration;
  - 1.5.it shall be obligated to restore the property under administration to the claimant upon request, except in cases where, due to legal or other actions, the restoration of the possession is impossible;
  - 1.6.it shall be obliged to close the claim and remove the property from administration upon the request of eligible persons under this Regulation.

### Article 12 Voluntary Rental Scheme and the Rental of Properties

- 1. The Agency may rent out any properties under its administration that have been agreed to be included in the rental scheme in writing by the claimant requesting administration;
- 2. The relevant unit of the Agency shall be responsible for maintaining an up-to-date list of all data related to the properties in the rental scheme and properties that are waiting to be rented out, and for publishing this list on the Agency's website and other appropriate platforms to effectively advertise them;

- 3. The relevant unit of the Agency shall also be responsible for creating waiting lists of potential lessees for each regional office and municipality, taking into account the rental requests and the availability of properties in the rental scheme in the municipalities;
- 4.All properties listed in the rental scheme, whether they are being used under a lease agreement or not, shall be inspected in accordance with the rules for the inspection of properties under administration.
- 5. The Agency shall ensure that the rented property is used appropriately and not in a manner that could devalue or damage the property;
- 6.Regarding the properties in the rental scheme, the Agency shall be considered as the lessor and, through authorized officials, shall conclude lease agreements with lessees;
- 7.Lease agreements may be concluded for a period from 6 to 12 months with possible extention;
- 8. Upon signing a lease agreement, the lessee shall be obligated to pay a deposit equal to two months' rent to cover any potential damages;
- 9. When concluding an agreement, the Agency should reserve the right to terminate the contract within 1 month from the lessee's notification;
- 10. The Agency shall reserve the right to terminate a lease agreement immediately, without notice, in all cases where continuous damage to the property due to the lessee's improper use is established.

### Article 13 Amount of Rent

- 1. The amount of rent shall be determined according to the formula below:
  - 1.1. Commercial and Residential Property:

#### (A\*B\*D\*E+F-G)/12

1.2. Agricultural Property:

#### A\*C\*D\*E\*12

- 1.3. Usable Surface of the property (A);
- 1.4. Value of the Property (B) as estimated by the Tax Department of the relevant Municipality.
- 1.5. Agricultural Property Rent (C): another requirement for determining the rental price of an agricultural property is the classification of the land. This classification should be based on land classification provided in the Possession List issued by the Municipal Cadastral Office (and not by parallel institutions).

- 1.6. Adjusting based on Physical Condition (D): if the property inspection reveals that the property's physical condition is poor, as evidenced by pictures and descriptions, a 25% discount on the rental price will be applied. If the agricultural property has a functional irrigation system, the rental value shall increase by 25%;
- 1.7. Annual Investment Income (E): this is the average monthly interest paid by banks in Kosovo on deposits equivalent to the property value, calculated annually (excluding agricultural properties);
- 1.8. Physical Depreciation of the Capital Value of the Property (F): refers to the monthly reduction in its value based on the property's age, which is typically around 80 years old; (excluding agricultural properties);
- 1.9. Lack of owner services: properties under administration lack usual owner services, including ongoing maintenance. As a result, a 10% rent discount applies to all properties (excluding agricultural properties);
- 1.10. Monthly Rent Calcualtion. (Excluding agricultural properties).
- 2. The Agency shall withhold 10% of the rental amount for service costs in all contracts.

#### **Properties under Administration Inherited from the HPD Mandate (continued)**

- 1. The same provisions that apply to other cases under administration and rental scheme shall also apply to the properties placed under administration and rental scheme from the inherited mandates;
- 2.Before restoring possession of property, the Agency shall be obligated to verify ownership, housing, or use rights documents, as well as the inheritance decision, as the case may be, submitted by the claimant requesting repossession;
- 3.Upon restoring possession, the Agency shall ensure that no ongoing proceedings exist before any administrative or judicial body regarding the verification or restoration of the property, housing, or use rights;
- 4. The Property Administration Unit shall lead and monitor the restoration of property possession and the amount of collected rent, after veryfying the documents mentioned in paragraph 3 above;
- 5. With the restoration of possession or possibly collected rents, the Agency shall not confirm any property, housing, or use rights for the claimant requesting repossession, or the recipient of the collected rents:
- 6.The claimant requesting repossession shall be informed about the legal effects of repossession, as well as the potential legal consequences of the illegal deprivation of property rights, if the allegations and the submitted documents are false.

### Termination and Suspension of Aministration in Relation to the Property Claims Commission Decisions

- 1. The Agency shall terminate administration in all cases where a claimant requesting property administration requests termination through a request for closure or repossession;
- 2. The administration shall be terminated in all cases where the property has been sold to a third party, provided that the purchase contract has been positively verified by the Agency or the purchase has been confirmed by the property right holder, successful claimant, close family members, and heirs;
- 3.If the property, housing or use right holder has passed away and the claimant or his/her close family members notify the Agency of any disputes or challenges initiated regarding the inheritance, the Property Administration Unit shall terminate the administration and inform the parties in the proceedings;
- 4. The administration shall be terminated in all cases where the administered property has been expropriated;
- 5. The Agency shall suspend the property administration in case the property was sold against the will of the property right holder or their heirs, and the Agency has been informed about an ongoing criminal or civil proceeding against the seller for their criminal prosecution or nullification of the contract;
- 6. The administration shall be suspended concerning any action or request related to matters of security, public health or other actions of public and state interest, which are related to the location where the property is situated or to the property under administration itself.

#### Article 16

# Termination and Suspension of Aministration in Relation to the Housing and Property Claims Commission Decisions

- 1. The property administration shall be terminated in relation to the decisions of the Housing and Property Claims Commission through repossession and closure requests, and the Administration Unit shall lead and supervise the process of restoring possession, or closure;
- 2.Residential property administration shall be terminated in all cases where the residential facility or house has been demolished by a local or central authority;
- 3.Residential property administration shall be terminated in all cases where the successful claimant has passed away, and the close family members have notifed of any disputes or challenges initiated regarding the inheritance before a competent court;
- 4.In all cases where the Agency is notified that the successful claimant or the party authorized by law has requested to purchase an apartment under the applicable legislation, but the competent

body rejected the purchase, and the rejection was upheld by a final court decision, the Agency shall terminate the administration of the property;

5.In all cases where the Housing and Property Claims Commission referred certain issues to the competent courts and the parties have notified that the proceeding before the court has been initiated, the Agency may suspend the administration of the property;

6.In all cases where a final court decision has been issued regarding a matter that was not considered by the Commission, the Agency may terminate the administration of related requests.

#### Article 17 Transitional Provision

Upon entry into force of this Regulation, the Agency shall continue the administration and the rental scheme for all the properties that were under administration before the entry into force of Law 05/L-010 on KPCVA, following the confirmation by the parties, utilizing all the available communication means of the Agency.

### Article 18 Abrogation

Entry into force of this Regulation, shall abrogate the Administrative Instruction (GRK) No.07/2017 on Procedures, Conditions and Criteria for the End of Administration of Properties under Administration and those included in the Rental Scheme of the Kosovo Property Comparison and Verification Agency.

### Article 19 Entry into force

This Regulation shall enter into force seven (7) days after its publication in the Official Gazette.