

**HOUSING AND PROPERTY RIGHTS: COLLECTION OF BASIC TEXTS**  
**HOUSING AND PROPERTY DIRECTORATE (HPD)**

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**LAW**  
**ON CO-OWNERSHIP OF AN APARTMENT**  
(Official Gazette of SAPK, No. 43/80, 22/87)

Article 1

This Law regulates legal ownership and other proprietary legal relations of co-ownership to an apartment, except for those legal ownership and other proprietary legal relations, which have been regulated uniformly by the Law on Apartment Co-ownership of the Socialist Republic of Serbia, for the whole territory of the Republic.

Article 2

In accordance with provisions of this Law, co-ownership may be acquired:

1. through investment of personal and social resources in construction or purchase of an apartment,
2. through purchase of an ideal part of a socially owned apartment,
3. through investment of personal funds to finance works on improvement of housing conditions,
4. in other cases envisaged by the Law.

Article 3

Co-ownership to an apartment may be acquired if that has been envisaged by the articles of incorporation of a self-management organization of associated labour, work collective and other kind of self-management organization or community (hereinafter: social-legal person) or by a regulation of the socio-political community.

Mutual relations between owners of an ideal part of an apartment and a social-legal person who has the right of use, management and disposal of the part of the apartment that is socially owned, shall be regulated by a written contract in accordance with the Law.

The contract referred to in paragraph 2 of this Article shall regulate particularly:

1. sale of the whole apartment,
2. use or lease of the apartment
3. major repairs in the apartment.

Article 4

Investment of personal and social resources in construction or purchase of an apartment, as a way to acquire co-ownership to an apartment, may be made with a social-legal person, by pooling resources of the worker, other workers and citizens with the resources of those social-legal persons responsible for the construction or purchase of apartments within the framework of the program for meeting housing needs of workers, and citizens.

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Article 5

Co-ownership may be acquired through purchase of an ideal part of an apartment allocated for use, i.e. socially owned apartment:

1. when the occupancy right holder purchases an ideal part of the apartment which he/she uses,
2. when the occupancy right holder pays the difference in value between the larger or more comfortable apartment and the socially owned apartment that he had been using before,
3. when the previous owner purchases an ideal part of the apartment that he/she is provided as just compensation in an expropriation procedure,
4. when the previous owner or the occupancy right holder pays the difference in value between the larger or more comfortable apartment provided in an expropriation procedure or through an administrative transfer,
5. when the owner of an apartment or a family residential building, in agreement with a social-legal person, transfers to social ownership his/her building or apartment, in exchange for a larger or more comfortable apartment to which he/she shall acquire co-ownership in proportion to the value of the apartment that he/she transferred to social ownership.

Transfer of the socially owned part of the apartment in cases referred to in items 3 and 4 of this Article shall be conducted on the basis of the agreement between the previous owner and the expropriator.

In the case referred to in paragraph 1, item 4 of this Article, the previous owner and the expropriator, or the social-legal person for whose needs the expropriation was carried out, may reach an agreement that the amount of just compensation which the previous owner would be given in the expropriation procedure be considered as additional payment for the purpose of acquiring a larger or more comfortable apartment.

Article 6

Adaptations and reconstruction, which results in increasing the value of a building or a part of a building, are considered as improvement of housing conditions, for the purpose of this Law.

Works undertaken on an apartment, which increases the value of the apartment in an amount, which is smaller than the amount established by this law for acquiring co-ownership to an apartment, are considered as improvement of housing conditions.

Acquiring co-ownership to an apartment by improvement of housing conditions is possible under the following conditions:

1. if the housing need of the user of the apartment, to which he/she is entitled in accordance with the criteria –set by a self management organization responsible for meeting housing needs, is met;
2. where construction or reconstruction of premises results in the introduction of installations which were not in the apartment before such as: bathrooms, toilet, rooms, kitchens, halls, closets, central heating, water supply system, sewage system and electricity.

For the value of the works referred to in paragraph 3 item 2 of this Article, the value of these works in a socially owned housing construction shall be taken.

#### Article 7

Co-ownership to an apartment may be acquired in accordance with this Law if the value of the ideal part of the apartment on which the co-ownership right is acquired amounts to no less than 10% of the value of the apartment.

The value of the socially owned apartment on which co-ownership is acquired shall be established:

1. when the co-ownership is established by investing personal and social means for construction or purchase of the apartment, the value is the amount of the fixed price of the apartment.
2. when an ideal part of the socially owned apartment is purchased and co-ownership established by investing personal means for funding works on improvement of housing conditions, the value is the transfer value of the apartment as established by the regulations on transfer of real properties.

In the case where the owner transfers the apartment to social ownership, the value of the apartment is established in the manner referred to in paragraph 2 item 2 of this Article, at the same time when value of the socially owned apartment to which the co-ownership has acquired, is established.

A commission formed by the Municipal Assembly establishes the transfer value of an apartment under the regulations on real property and rights transfer taxes.

#### Article 8

The funds collected on the basis of establishing co-ownership to an apartment by the social-legal person that has the right to use, manage and dispose of a part of a socially owned apartment, may only be used for meeting housing needs.

#### Article 9

The contract on the basis of which co-ownership is acquired to an apartment by investing funds in accordance with Article 4 of this Law; shall specifically include:

1. Amounts, timeframes and the manner of pooling resources;
2. Size, category and position of the apartment, for construction or purchase of which the funds are invested;
3. Value of the apartment and share of personal funds, as well as the ratio between these values in percentages;
4. Conditions, manner and timeframe for fulfilment of the contract.

#### Article 10

The contract on the basis of which co-ownership is acquired to an apartment by purchase of

an ideal part of a socially owned apartment, in accordance with Article 5 of this Law, shall specifically include:

1. data on the apartment in which ownership is being acquired of an ideal part or on the apartment which is being exchanged;
2. value of the apartment and the price of its ideal part which is being purchased, or the value of the apartment which is being exchanged, as well as ratio between these values in percentages;
3. conditions, terms and timeframe for fulfilling the contract.

#### Article 11

Owner of an ideal part of an apartment may purchase ideal parts of the apartment until he/she acquires ownership to the whole apartment.

The size of ideal parts, which may not be smaller than 5% of the value of a part of the apartment, as well as other conditions for purchase of ideal parts of the apartment, shall be elaborated in a self management enactment, or a regulation issued by a social-legal person which has the right to use, manage and dispose of the apartment.

Transfer value of a socially owned apartment shall be established during each purchase of an ideal part of that apartment.

#### Article 12

Owner of an ideal part of the apartment, as a user of that apartment, has the status, rights and obligations of an occupancy right holder to a part of a socially owned apartment unless otherwise provided by this Law. When a competent body i.e. a court establishes that under the provisions of the Law on Housing Relations, the conditions for cessation of occupancy right of the owner of an ideal part of an apartment have been met, upon a request of a social-legal person, in the procedure for dissolving community by means of a sale, the court shall at the same time order the apartment to be vacated.

#### Article 13

An ideal part of an apartment to which there is an ownership right, may be inherited in accordance with the regulations on inheritance of real properties.

Inheritance of an ideal part of an apartment shall not affect the rights of legal persons that are using the apartment in accordance with the regulations on housing relations.

#### Article 14

An Owner of an ideal part of an apartment, as a user of the apartment, shall participate in the costs of investment and current maintenance of common parts of the building, in proportion to his/her co-ownership part, and shall pay rent for the socially owned part of the apartment.

#### Article 15

In case of sale of a co-ownership part, other co-owners shall have the right of pre-emptive

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purchase in the manner and under the conditions envisaged for exercising the right of pre-emptive purchase to ideal parts of an apartment in accordance with the stipulated order.

Article 16

When the value of the owned ideal part of the apartment exceeds 50% of the overall value of the apartment, depending on the size of that part, a decision by a self-management organization or a regulation issued by a social-legal person, may be provide that:

1. a spouse, a descendant, an adopted child, parents or adopters, to whom the co-owner of the part of the apartment transferred the ownership right to the ideal part of the apartment, have the right of priority of moving into the vacated apartment,
2. a co-owner of an ideal part of an apartment with ownership right who uses a part of the apartment as an occupancy right holder, may exchange that apartment for an apartment of another occupancy right holder, without approval of the social-legal person.

A Social-legal person may, within its rights, obligations and responsibilities, provide other appropriate favorable terms for purchase of the whole apartment.

Article 17

If an apartment with co-ownership right is vacated, and the method of leasing the apartment has not been regulated by a contract, or the agreement on its lease is not reached within 30 days, each party is entitled to initiate the proceedings for dissolution of the community property by sale of the apartment before the competent court.

Article 18

The person who uses an apartment which is co-owned, but who is not the owner of a part of the apartment, shall have occupancy right to the socially owned part of the apartment, and the right of lease to the part of the apartment that is owned.

With regard to rights and obligations of the person referred to in paragraph 1 of this Article, provisions of the Law on Housing Relations referring to rights and obligations of an occupancy right holder shall apply accordingly.

Compensation for use of the apartment referred to in paragraph 1 of this Article shall be the amount of the rent that would be paid if the whole apartment were used on the basis of the contract on use of apartment with an occupancy right.

Article 19

This Law shall enter into force on the eighth day from the day of its publication in the Official Gazette of the Socialist Autonomous Province of Kosovo.

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**Article 8**

It may be envisaged in a statute of a self-management organization or regulation of a social-legal person, in accordance with the Law, that the co-ownership right to an apartment be recognized to an occupancy right holder of a socially owned apartment who has invested personal resources for enlargement or adaptation, or otherwise invested his/her personal resources, which was the condition for use of the apartment, if the value of these resources amount to no less than 10% of the total value of the apartment at the time those resources were invested or paid.

**Article 9**

The Legislative Commission is hereby authorized to draft a consolidated proposal of the Law on Apartment Co-ownership.

**Note: Articles 8 and 9, which are above this note, have been issued on the basis of amendments to this Law (Official Gazette, SAPK, No. 22/87). Due to that fact they have not been chronologically included in the Law.**