

Unofficial translation
Ministry of the Environment

No. 649

ACT ON JOINT MANAGEMENT OF RENTAL BUILDINGS

July 16, 1990

Section 1

Purpose of joint management

The purpose of joint management of rental buildings by residents and owners as provided for in this Act is to give residents decision-making power and an opportunity to influence matters related to their own housing conditions, to increase comfort and satisfaction and to promote the upkeep and maintenance of rental buildings.

Section 2

Scope of application

This Act is applied to rental buildings that are subject to the restrictions on use and assignment referred to in the Act on the Use, Assignment and Redemption of State-Subsidised (ARAVA) Rental Dwellings and Buildings (1190/1993) or the Act on Interest Subsidy for Rental Housing Loans and Right of Occupancy Loans (604/2001). (29.6.2001/605)

Further, the appropriate parts of this Act shall apply to other housing stock if the owner so decides.

Section 3

(29.6.2001/605)
Residents' meeting

The residents and other possessors of dwellings of a building or buildings belonging to a rent determination unit exercise their right in accordance with this Act in a residents' meeting.

Section 4

Convening a residents' meeting

A residents' meeting must be convened at least once per calendar year to deal with matters referred to in this Act.

A residents' meeting is convened by the residents' committee or, if no such committee exists, by the owner. The meeting must also be convened without delay to deal with any matter referred to in this Act upon notification of at least one tenth of those entitled to vote.

Invitations to a residents' meeting shall be issued at least one week before the meeting, through a notice distributed to every apartment and placed on the building's notice board. The invitation must state the matters to be dealt with at the meeting, and its time and place.

Section 5

Voting rights and eligibility at a residents' meeting

All persons over 18 who live permanently in the building are entitled to vote and also qualify for election. The direct holders of commercial or office facilities are also entitled to one vote per apartment. However, the owner of the building has no vote and does not qualify for election, even if he has an apartment in the building in his direct possession.

Only one person from the same apartment may be elected to any one body.

Section 6

Decision-making at residents' meetings

The decision of a residents' meeting shall be the opinion supported by the majority of votes cast at the meeting, unless the residents' meeting has decided, in the case of a given matter, that the decision must be unanimous, approved by a qualified majority, or supported by every person entitled to vote, or that an election must be carried out following some particular electoral procedure. It can also be decided that an election should take place in a separate poll or by mail. If the votes fall even, elections shall be decided by lot and otherwise the chairman shall have the casting vote.

Section 7

The residents' committee

The residents' meeting is entitled to elect a residents' committee or several residents' committees. If the meeting elects several residents' committees, it must also stipulate their fields of operation.

Residents' committees shall decide jointly about cooperation between committees belonging to the same rent determination unit.

Section 8

Term of office and composition of a residents' committee

A residents' committee shall be elected for a maximum of two years at any time, its term of office being decided by the residents' meeting. The residents' meeting shall also decide on the number of committee members and how they will be elected.

A residents' committee or any of its members can be discharged in mid term by a decision of the residents' meeting supported by at least half of those entitled to vote.

Section 9

Decision-making in a residents' committee

The decision of a residents' committee shall be that supported by the majority of votes cast at a meeting. If the votes fall even, elections shall be decided by lot and other-wise the chairman shall have the casting vote.

Section 10

Functions of a residents' committee

The functions of a residents' committee are:

- 1) to take part in the preparation of, and negotiate and state an opinion on, the budget proposal and rent determination proposal concerning buildings covered by the same rent determination unit;
- 2) to make proposals and negotiate annually concerning any repair measures to be included in the budget;
- 3) to take part in the preparation of, and negotiate and state an opinion on, long-term repair plans;
- 4) to take part in the preparation of, and negotiate and state an opinion on, long-term financing plans;
- 5) to make proposals for, and negotiate and state an opinion on, the content of a maintenance agreement, upkeep of the building and the arrangement of superintendents' and maintenance duties;
- 6) to supervise the execution of all maintenance, upkeep and repair measures carried out at the joint expense of the residents and other holders of apartments;
- 7) to decide on the contents of house rules;

- 8) to promote the settlement of any disputes connected with living in the building and if necessary to act as an arbitrator in cases of disturbances;
- 9) to decide on rental and distribution principles concerning joint parking places, saunas, laundry rooms and similar facilities and to supervise compliance with them;
- 10) to decide on use of joint recreation and club rooms and similar facilities and the organization of communal work efforts and other similar joint functions;
- 11) to decide any matter passed to the committee for decision or to implement any matter passed to it for action, assuming that the committee is willing to accept the task concerned; and
- 12) to make a proposal, and negotiate and state an opinion on, any other matters concerning buildings belonging to a rent determination unit.

Section 11

Right to information and duty to inform

A residents' meeting or residents' committee is entitled to obtain from the owner or his representative any information concerning the rent determination unit needed to exercise its rights under this Act. Any data given must be confirmed by an auditor if the residents' meeting or residents' committee so requests. If the correctness of the data cannot be demonstrated, the auditor must so report.

The owner must also inform the rent determination unit's residents and other apartment holders about any matters concerning the unit that may be of significance to them or to any bodies referred to in this Act in exercising their rights under this Act.

Section 12

Resident representation on the board or similar body

The residents' meeting or, if the same owner has more than one rent determination unit, residents' meetings shall be entitled to put up candidates for election:

- 1) to the board of a housing company or real estate company whose purpose is to own and manage one or several buildings as referred to in this Act;
- 2) to the board or similar body of any owners' corporation or foundation other than those referred to in subparagraph 1

whose purpose is to own and manage one or more buildings as referred to in this Act or, if matters concerning maintenance or upkeep or budget preparation and implementation rest mainly with some other body of the owners' corporation or foundation, to the latter body; and

3) if the main purpose of the owners' corporation or foundation is other than to own and manage one or more buildings as referred to in this Act, to the body of such corporation or foundation charged specifically with matters related to a rental building's maintenance and upkeep or budget preparation and implementation.

At least one of the candidates referred to in paragraph 1 above must be elected to the board, corresponding body or other body when up to four members are being elected to the said body, and at least two of the candidates if five or more members are being elected.

If there is no body as referred to in paragraph 1, subparagraph 3, the person whose duties include the maintenance and upkeep or budget preparation and implementation of a rental building as referred to in this Act shall see to these matters in cooperation with the joint management bodies referred to in this Act.

Section 13

Rental buildings directly owned by a local authority

Matters related to maintenance and upkeep or budget preparation and implementation in the case of a rental building as referred to in this Act which is directly owned by a local authority shall be dealt with in cooperation with the joint management bodies referred to in this Act.

Section 14

Residents' right to inspect handling of a rental building's finance and management

The residents' meeting is entitled to elect an inspector to monitor and review the handling of a rent determination unit's finance and management. An inspector elected by a residents' meeting has the same right to obtain information on the rent determination unit's finances and administration as applies concerning the auditor of a corporation or foundation owning a rental building. The inspector's term of office is the same as that of a corporation or foundation auditor. The inspector shall submit a report on the performance of his duties to the residents' meeting. The owner shall also be

provided with the report for his information. What is provided regarding the confidentiality duty and liability for compensation for loss of a corporation or foundation auditor shall also apply to the confidentiality duty and liability for compensation for loss of this inspector.

If the residents' meeting or residents' committee has elected an auditor for a corporation or foundation that owns a rental building, or an auditor was elected from candidates put up by the residents' meeting or residents' committee, this auditor shall also handle the duties of inspector as referred to in paragraph 1 above, unless an inspector has also been elected with the owner's consent.

If the corporation or foundation has several rent determination units, and residents' meetings or residents' committees have elected a corporation or foundation auditor, or an auditor was elected from candidates put up by the residents' meetings or residents' committees, this auditor shall handle the inspector's duties referred to in paragraph 1 for all the rent determination units, unless an inspector or several inspectors have also been elected with the owner's consent.

Section 15

Alternative modes of operation

A residents' meeting can decide not to appoint a residents' committee for the time being or for the coming term, and that the residents' meeting, the board of the owner corporation or foundation, or a similar body as referred to in section 12 or an official elected to replace the residents' committee will handle the committee's duties. It can also decide that the residents' committee or official will handle only some of the duties that rest with a residents' committee under this Act.

Section 16

Cooperation body

If the owner has buildings belonging to several rent determination units, a cooperation body between the owner and the various residents' committees can be set up to handle the matters related to joint management as referred to in this Act and concerning the said owner's entire housing stock.

The owner shall decide whether to set up a cooperation body after consulting the residents' committees or, if some rent determination unit has no residents' committee, the residents' meeting.

The cooperation body can issue recommendations and guidelines concerning matters falling within the purview of joint management if the cooperation body has no authority in the matter.

Section 17

Decision-making by the cooperation body

If there are no provisions to the contrary concerning decision-making by the cooperation body, its decision shall be the opinion supported by the majority of votes cast at a meeting. If the votes fall even, elections shall be decided by lot and otherwise the chairman shall have the casting vote.

Section 18

(22.12.2009/1581)

Neglecting an obligation placed on the owner

If the owner or his or her representative neglects a task set to him or her in this Act, the Regional State Administrative Agency may set a time during which the owner or his or her representative shall perform the task. The Regional State Administrative Agency may order the owner to perform the task under penalty of a fine. If the matter relates to neglecting to convene a meeting referred to in this Act, the Regional State Administrative Agency may authorise one of the residents to convene a meeting to handle a matter referred to in this Act.

Before an order referred to in Section 1 is issued, the owner of the building shall be reserved an opportunity to be heard in the matter. The decision on imposing a fine shall be served according to the prescribed procedure.

Section 19

More detailed provisions

More detailed provisions on the enforcement and application of this Act will be issued by decree if necessary.

Section 20

(31.1.2003/85)

Power to issue guidelines

Detailed provisions may be issued by decision of the Ministry of the Environment for arranging cooperation referred to in this Act and for other tasks referred to in this Act and in regulations issued by virtue of this Act, as well as the performance of such tasks. The Housing Fund of Finland is responsible for general guidance, and it can give instructions in matters referred to in this Act.

Section 21
Entry into force

This Act comes into force on March 1, 1991. It is also applicable to a rental building as referred to in section 2 which has received a loan before the Act comes into force.

At the latest within one year of the Act's entry into force, the owner of buildings belonging to a rent determination unit shall convene a meeting of residents to decide how to start up the activities referred to in the Act.

Measures needed to enforce this Act may be taken before it comes into effect.

Entry into force of amended provisions:

17.12.1993/1196:

This Act comes into force on January 1, 1994.

Measures needed to enforce this Act may be taken before it comes into effect.

29.6.2001/605:

This Act comes into force on January 1, 2002.

31.1.2003/85:

This Act comes into force on March 1, 2003.

Measures needed to enforce this Act may be taken before it comes into effect.

22.12.2009/1581:

This Act comes into force on January 1, 2010.

Measures needed to enforce this Act may be taken before it comes into effect.