

Übersetzung durch Frau Iyamide Mahdi in Zusammenarbeit mit dem Sprachendienst des Bundesministeriums der Justiz.

Translation provided by Ms Iyamide Mahdi in cooperation with the Language Service of the Federal Ministry of Justice.

Stand: Die Übersetzung berücksichtigt die Änderung(en) des Gesetzes durch Artikel 4 des Gesetzes vom 5. Dezember 2014 (BGBl. I S.1962)

Version information: The translation includes the amendment(s) to the Act by Article 4 of the Act of 5 December 2014 (Federal Law Gazette I p.1962)

Zur Nutzung dieser Übersetzung lesen Sie bitte den Hinweis auf www.gesetze-im-internet.de unter "[Translations](#)".

For conditions governing use of this translation, please see the information provided at www.gesetze-im-internet.de under "[Translations](#)".

Act on the Ownership of Apartments and the Permanent Residential Right (Wohnungseigentumsgesetz, WEG)

Act on the Ownership of Apartments and the Permanent Residential Right as last amended by Article 4 of the Act of 5 December 2014 (Federal Law Gazette I [*BGBl.*], p. 1962)

Regarding the scope of application in Saarland cf. Section 3 II no. 1 Act of 30.6.1959 101-3; Entry into force in Berlin on 10.8.1951 pursuant to Art. III Act of 2.8.1951 (Gazette of Laws and Ordinances [*Gesetz- und Verordnungsblatt (GVBl.)*], p. 547)

Part 1 Apartment Ownership

Section 1 Definitions

(1) Pursuant to the provisions of this Act, title to an apartment [*Wohnungseigentum*] may be created in respect of apartments, and title to units [*Teileigentum*] may be created in respect of non-residential areas of a building.

(2) Title to an apartment comprises the separate ownership [*Sondereigentum (1)*] of an apartment together with a co-ownership share [*Miteigentumsanteil*] of the jointly owned property [*gemeinschaftliches Eigentum*] of which it is an integral part.

(3) Title to a unit is the separate ownership of non-residential areas of a building together with a co-ownership share of the jointly owned property of which it is an integral part.

(4) Title to apartments and title to units can not be created by combining separate ownership with co-ownership of several plots of land.

(5) Jointly owned property within the meaning of this Act shall be the plot of land as well as those parts, facilities and installations of the building which are neither separately owned property [*Sondereigentum (2)*] nor property owned by a third party.

(6) The provisions governing ownership of apartments shall apply *mutatis mutandis* to ownership of units.

Chapter 1 Creation of Title in Respect of Apartments

Section 2 Means of Creating Title

Title in respect of apartments may be created by means of a contractual grant of separate ownership (Section 3), or by partition (Section 8).

Section 3 Contractual Grant of Separate Ownership

- (1) Co-ownership (Section 1008 of the Civil Code [*Bürgerliches Gesetzbuch*]) of a plot of land may be restricted by way of a contract between the co-owners such that, notwithstanding Section 93 of the Civil Code, each co-owner is granted separate ownership of a specified apartment or of specified non-residential areas of a building constructed, or to be constructed, on the plot of land.
- (2) Separate ownership should only be granted where the apartments or other areas are self-contained. Parking spaces in a garage shall be deemed to be self-contained areas where their surface area is identifiable through permanent markings.
- (3) (Repealed)

Section 4 Requirements of Form

- (1) The grant and cancellation of separate ownership shall be subject to agreement between the parties about the occurrence of the change of rights and the registration of such change in the Land Register [*Grundbuch*].
- (2) The agreement shall be in the form prescribed for declarations of conveyance. The grant or cancellation of separate ownership may not be made subject to any condition or to any stipulation as to time.
- (3) Section 311b (1) of the Civil Code shall apply *mutatis mutandis* to any contract by which one party undertakes to grant, acquire or cancel separate ownership.

Section 5 The Subject and Content of Separately Owned Property

- (1) Separately owned property shall be the areas specified in accordance with Section 3 (1) as well as the integral features which are part of these areas of the building and which can be altered, removed or added, either without adversely affecting the jointly owned property or any right of another apartment owner arising out of separate ownership other than to the extent permitted pursuant to Section 14, or without altering the external features of the building.
- (2) Parts of the building that are necessary for its continued existence or safety as well as facilities and installations for the common use of the apartment owners are not separately owned property, even if they are located within the area of the separately owned property.
- (3) The apartment owners may agree that integral features of the building which could be the subject of separate ownership shall be part of the jointly owned property.
- (4) Agreements concerning the relations of the apartment owners *inter se* may be included within the separately owned property in accordance with the provisions of Chapters 2 and 3. In the event that the apartment is subject to a third party mortgage [*Hypothek*], land charge [*Grundschild*], annuity land charge [*Rentenschuld*] or charge on land [*Reallast*], the consent of such third party to the agreement as prescribed by other legislative provisions shall only be required if a right of exclusive use [*Sondernutzungsrecht*] is created, or a right of exclusive use which is attached to the apartment is cancelled, amended or transferred. Where a right of exclusive use is created, the consent of the third party shall not be required if under the terms of the agreement a right of exclusive use is simultaneously attached to the apartment that is charged in his favour.

Section 6 The Accessory Nature of Separately Owned Property

- (1) Separately owned property can not be disposed of or encumbered independently of the corresponding co-ownership share.

(2) Rights in respect of the co-ownership share shall extend to the corresponding separately owned property.

Section 7 Land Register Regulations

(1) In the case of Section 3 (1), a separate Land Register folio (Register of Apartment Ownership [*Wohnungsgrundbuch*], Register of Unit Ownership [*Teileigentumsgrundbuch*]) will be created *ex officio* for each co-ownership share. The separately owned property corresponding to the co-ownership share shall be entered on this folio and the separate ownership rights [*Sondereigentumsrechte*] corresponding to the other co-ownership shares shall be entered as a restriction on the co-ownership share. The Land Register folio relating to the plot of land shall be closed *ex officio*.

(2) (Repealed)

(3) For a more detailed description of the subject and contents of separately owned property, reference may be made to the consent to registration.

(4) The following shall be attached as annexes to the consent to registration:

1. an architectural drawing (“partition plan”) bearing the signature and seal or stamp of the building authority and showing the partition of the building as well as the location and size of the sections of the building constituting the separately owned property and the jointly owned property; all separate rooms which are part of the same apartment shall be given the same respective number.

2. a certificate issued by the building authority confirming that the requirements of Section 3 (2) have been met.

Where numbers are assigned to the individual separate ownership rights in the consent to registration, these shall be consistent with the numbering used in the partition plan. The *Land* governments may determine by statutory instrument that, and under what circumstances, the partition plan (first sentence, no. 1) and the self-containment (first sentence, no. 2) are to be issued and certified by a publicly appointed or accredited building expert instead of by the building authority. Where these duties are performed by an expert, the provisions of the General Administrative Regulation Governing the Issue of Certificates pursuant to Section 7 (4) no. 2 and Section 32 (2) no. 2 of the Apartment Ownership Act of 19 March 1974 [*Allgemeine Verwaltungsvorschrift für die Ausstellung von Bescheinigungen gemäß §7 Abs. 4 Nr. 2 und § 32 Abs. 2 Nr. 2 des Wohnungseigentumsgesetzes vom 19. März 1974*] (Federal Gazette no. 58 of 23 March 1974) shall apply accordingly. In such event, the annexes need not be in the form required by Section 29 of the Land Register Code [*Grundbuchordnung*]. The *Land* governments may transfer the authority to the *Land* construction departments by statutory instrument.

(5) The provisions relating to the Registers of Apartment Ownership shall apply *mutatis mutandis* to the Registers of Unit Ownership.

Section 8 Partition by the Owner

(1) The owner of a plot of land may, by way of a declaration to the Land Registry, divide up title to the plot of land into co-ownership shares such that each share includes separate ownership of a particular apartment and/or or of specified non-residential areas of a building constructed, or to be constructed, upon the plot of land.

(2) In the case of subsection 1 the provisions of Section 3 (2) and of Sections 5, 6 and Section 7 subsections (1) and (3) to (5) shall apply *mutatis mutandis*. The partition shall take effect upon creation of the Registers of Apartment Ownership.

Section 9 Closure of the Registers of Apartment Ownership

(1) The Registers of Apartment Ownership shall be closed:

1. *ex officio*, if the separate ownership rights are cancelled pursuant to Section 4;
 2. upon application by all the apartment owners, if all the separate ownership rights have become obsolete due to the complete destruction of the building, and evidence hereof has been provided in the form of a certificate issued by the building authority;
 3. upon application by the owner, if all apartment ownership rights [*Wohnungseigentumsrechte*] are united in one person.
- (2) Where an apartment is independently charged with a third party right, subsection 1 shall not affect the general provisions pursuant to which the consent of such third party is required in order to cancel the separate ownership.
- (3) In the event that the Registers of Apartment Ownership are closed, a Land Register folio will be created in respect of the plot of land in accordance with the general provisions; insofar as they have not already been cancelled, the separate ownership rights shall be extinguished upon creation of the Land Register folio.

Chapter 2 Community of Apartment Owners

Section 10 General Principles

- (1) Unless expressly provided otherwise, the apartment owners shall be the holders of the rights and obligations, including in particular in respect of the separately owned property and the jointly owned property, in accordance with the provisions of the present Act.
- (2) The relations of the apartment owners *inter se* shall be governed by the provisions of this Act and, in the absence of specific provisions in this Act, by the provisions of the Civil Code concerning co-ownership. Unless expressly provided otherwise, the apartment owners shall have the right to agree to deviate from the provisions of this Act. Any apartment owner shall have the right to demand an agreement deviating from the Act or the adaptation of an agreement where, for serious reasons having regard to all the circumstances applying in the case concerned and, in particular, having regard to the rights and interests of the other apartment owners, it would appear inequitable to maintain the applicable provision.
- (3) Any agreements by which the apartment owners regulate their relations *inter se* and which supplement or deviate from the provisions of this Act, as well as any amendment or cancellation of such agreements, shall be binding on the successor in interest [*Sondernachfolger*] of an apartment owner only if they have been registered in the Land Register as separately owned property.
- (4) Resolutions passed by the apartment owners in accordance with Section 23, and court decisions in legal proceedings pursuant to Section 43 need not be entered in the Land Register in order to bind the successor in interest of an apartment owner. This shall also apply in the case of resolutions passed on the basis of an agreement in accordance with Section 23 (1) which deviate from the Act or amend an agreement.
- (5) Legal steps taken in matters which may be resolved by majority pursuant to this Act or pursuant to an agreement reached by the apartment owners, where they are undertaken on the basis of a resolution passed by such a majority, shall also have effect for the benefit of, and as against, those apartment owners who voted against the resolution or did not participate in the passing of the resolution.
- (6) In relation to all aspects of administration of the jointly owned property, the community of apartment owners itself can acquire rights and be subject to obligations as against third parties and the apartment owners. The community of apartment owners is holder of all collective rights, and subject to all collective obligations, of the community, created by law and acquired through legal transactions. It shall exercise the collective rights of the apartment owners and fulfil the collective obligations of the apartment owners, as well as other rights and obligations of the apartment owners insofar as these can be asserted jointly

or are to be fulfilled jointly. The community shall bear the title “Community of Apartment Owners” [*Wohnungseigentümergeinschaft*] followed by a precise description of the jointly owned plot of land. It shall have capacity to sue and be sued before the courts.

(7) The administrative assets belong to the Community of Apartment Owners. They consist of the things and rights created by law and acquired in legal transactions in connection with all aspects of administration of the jointly owned property, as well as any obligations which have arisen. The administrative assets include in particular the claims and powers based on legal relations with third parties and with apartment owners, as well as moneys received. If all the apartment ownership rights are united in one person, the administrative assets shall pass to the owner of the plot of land.

(8) Each apartment owner shall be liable as against creditors in the ratio of his co-ownership share (Section 16 (1), second sentence) for liabilities of the community of apartment owners which arise or fall due while he is part of the community; Section 160 of the Commercial Code [*Handelsgesetzbuch*] shall apply *mutatis mutandis* in respect of liability following disposal of the apartment. Each apartment owner shall have the right, as against a creditor, to raise all objections and defences to which he is personally entitled, as well as those to which the community of apartment owners is entitled, but not his objections and defences as against the community of apartment owners. Section 770 of the Civil Code shall apply *mutatis mutandis* in respect of the defences of voidability and set-off. The liability of an apartment owner towards the community of apartment owners in respect of improper administration shall be governed by the first sentence.

Section 11

Indissolubility of the Community of Apartment Owners

(1) No apartment owner shall have the right to demand the dissolution of the community of apartment owners. This shall also apply to dissolution for important cause. No contrary agreement shall be permissible, except where the building has been wholly or partially destroyed and there is no obligation to reconstruct it.

(2) The rights of an attachment creditor (Section 751 of the Civil Code), as well as the right to demand the dissolution of the community of apartment owners in insolvency proceedings (Section 84 (2) of the Insolvency Statute [*Insolvenzordnung*]), are hereby excluded.

(3) Insolvency proceedings shall not be held in respect of the administrative assets of the community of apartment owners.

Section 12

Restrictions on Disposition

(1) An agreement that any disposal by an apartment owner of his apartment shall be subject to the consent of the other apartment owners or of a third party may be included as part of the separate ownership property.

(2) Such consent may only be denied for an important reason. By agreement pursuant to subsection 1, the apartment owner may additionally be accorded a right to the grant of consent in certain circumstances.

(3) Where an agreement has been reached in accordance with subsection 1, any disposal of title to the apartment and any contract pursuant to which the apartment owner undertakes to make such a disposal shall be ineffective unless and until the required consent has been granted. A disposal by legal transaction shall be equivalent to a disposal by way of compulsory enforcement or by the insolvency administrator.

(4) The apartment owners shall have the right to resolve by majority to cancel a restriction on disposal pursuant to subsection 1. This power may not be restricted or excluded by agreement between the apartment owners. If a resolution pursuant to the first sentence is passed, the restriction on disposal in the Land Register may be deleted. There shall be no requirement for approval pursuant to Section 19 of the Land Register Code if evidence of the resolution pursuant to the first sentence is provided. Section 26 (3) shall apply *mutatis mutandis* to such evidence.

Section 13

Rights of the Apartment Owners

- (1) Every apartment owner shall have the right, in the absence of conflicting laws or third party rights, to deal at will with the parts of the building forming part of the separately owned property and in particular to occupy them, rent them out, lease them out or use them in any other manner, and to exclude others from interfering.
- (2) Every apartment owner is entitled to use the jointly owned property in accordance with the provisions of Sections 14 and 15. Every apartment owner shall be entitled to a share of the other emoluments in respect of the jointly owned property in accordance with Section 16.

Section 14

Obligations of the Apartment Owners

Every apartment owner shall:

1. maintain the parts of the building constituting his separately owned property in such a state, and only use these, as well as the jointly owned property, in such a way that no other apartment owner suffers any disadvantage going beyond the level of disadvantage that is unavoidable when people live together in an orderly manner;
2. ensure that persons who are part of his household or business or whom he has permitted to otherwise use the parts of the plot of land or building constituting his separate ownership property or co-ownership share comply with the obligations listed in subsection 1;
3. tolerate interference with the parts of the building constituting his separately owned property and with the jointly owned property insofar as such interference is due to the type of use permitted by numbers 1 and 2;
4. allow access to, and use of, the areas of the building constituting his separately owned property, to the extent that this is necessary in order to maintain and repair the jointly owned property; any resulting damage shall be reimbursed.

Section 15

Regulations Governing Use

- (1) The apartment owners may regulate the use of the separately owned property and the jointly owned property by agreement.
- (2) In the absence of any agreement to the contrary pursuant to subsection 1, the apartment owners may resolve by majority the proper utilisation of the separately owned property and the jointly owned property having regard to its condition.
- (3) Every apartment owner may demand that the parts of the building forming part of the separately owned property and the jointly owned property be used in a manner that accords with the law, the agreements and the resolutions and, insofar as the regulation cannot be determined by reference thereto, in a manner which reasonably accords with the interests of all the apartment owners.

Section 16

Emoluments, Charges and Expenses

- (1) Each apartment owner shall be entitled to a fraction of the emoluments of the jointly owned property proportionate to his share. The share shall be determined by reference to the ratio of the co-ownership shares registered in the Land Register in accordance with Section 47 of the Land Register Code.
- (2) Each apartment owner shall be under an obligation to the other apartment owners to bear the charges in respect of the jointly owned property as well as the expenses relating to the maintenance, repair and other administration, and to the common use of the jointly owned property proportionate to his share (subsection 1, second sentence).
- (3) Notwithstanding subsection 2, the apartment owners may resolve by majority that the operating costs (as defined in Section 556 (1) of the Civil Code) for the jointly owned

property or the separately owned property, which do not have to be settled directly with third parties, as well as the administrative expenses, be recorded by reference to usage or causation and that they be distributed by reference thereto or to some other standard, provided this is consistent with proper administration.

(4) The apartment owners may, on a case by case basis, resolve by majority to distribute the costs of maintenance or repair as defined in Section 21 (5) no. 2, or of structural changes or expenses as defined in Section 22 (1) and (2), in a way other than as specified in subsection 2, provided that the divergent criterion takes into account the apartment owners' usage or ability to use it. A resolution regulating the distribution of costs in accordance with the first sentence shall require a majority of three quarters of all apartment owners eligible to vote as defined in Section 25 (2) and more than half of all the co-ownership shares.

(5) The powers granted by subsections 3 and 4 may not be restricted or excluded by agreement between the apartment owners.

(6) An apartment owner who has not agreed to a measure pursuant to Section 22 (1) shall not be entitled to take advantage of the emoluments based on such a measure; he shall be under no obligation to bear the expenses of such a measure. The first sentence shall not apply in the case of a distribution of expenses pursuant to subsection 4.

(7) The administrative expenses as defined in subsection 2 shall include in particular the costs of litigation in accordance with Section 18 and the reimbursement of damage in the case of Section 14 no. 4.

(8) The costs of litigation in accordance with Section 43 shall not be considered administrative expenses as defined in subsection 2, except where these consist of costs based on a fee agreement exceeding the statutory fees for a lawyer (Section 27 subsection 2 no. 4 and subsection 3 no. 6).

Section 17

Share upon Dissolution of the Community of Apartment Owners

In the event of a dissolution of the community of apartment owners, the shares due to the co-owners shall be determined by reference to the value of their apartment ownership rights at the time of dissolution of the community of apartment owners. In the event that the value of a co-ownership share has changed due to measures the costs of which the apartment owner did not bear, such change shall be disregarded when calculating the value of the share.

Section 18

Deprivation of Apartment Ownership

(1) Should one apartment owner be in such serious breach of his obligations towards the other apartment owners that the latter cannot reasonably be expected to remain in the community of apartment owners with him, the other apartment owners shall have the right to demand that he dispose of his apartment. The right of deprivation shall be exercisable by the community of apartment owners, except where the community of apartment owners consists of only two apartment owners.

(2) The requirements of subsection 1 shall be satisfied in particular when:

1. in spite of warnings, the apartment owner has repeatedly been in gross breach of his obligations pursuant to Section 14;

2. the apartment owner has been in default for more than three months with regard to his obligation to bear charges and expenses (Section 16 (2)) in respect of an amount exceeding three per cent of the rateable value [*Einheitswert*] of his apartment. In such event, Section 30 of the Fiscal Code [*Abgabenordnung*] shall not preclude disclosing the rateable value to the community of apartment owners or, in the event that the community of apartment owners consists of only two apartment owners, to the other apartment owner.

(3) The apartment owners shall pass a resolution by majority concerning any demand pursuant to subsection 1. The resolution shall require a majority of more than half the

apartment owners eligible to vote. The provisions of Section 25 (3) and (4) shall not apply in this case.

(4) The right set out in subsection 1 may not be restricted or excluded by agreement between the apartment owners.

Section 19 **Effect of the Judgment**

(1) Any judgment ordering an apartment owner to dispose of his apartment gives each co-owner a right of compulsory enforcement pursuant to the provisions of Part I of the Act on Enforced Auction and Receivership [*Gesetz über die Zwangsversteigerung und Zwangsverwaltung*]. This right shall be exercisable by the community of apartment owners, except where the community concerned consists of only two apartment owners.

(2) In the case of Section 18 (2) no. 2, the apartment owner may deflect the effects of the judgment up to the moment the bid is accepted by fulfilling the obligations in respect of which he has been found to be in default, including the obligation to pay the costs occasioned by the legal dispute and the auction procedure as well as all further obligations to bear charges and expenses.

(3) A settlement reached by a court or before a dispute-resolution entity in which the apartment owner undertakes to dispose of his apartment shall have the same effect as the judgment described in subsection 1.

Chapter 3 **Administration**

Section 20 **Administrative Structure**

(1) The administration of the jointly owned property shall be incumbent upon the apartment owners in accordance with Sections 21 to 25 and upon the administrator in accordance with Sections 26 to 28 and, in the event that an administrative committee has been appointed, then also upon such administrative committee in accordance with Section 29.

(2) The appointment of an administrator cannot be excluded.

Section 21 **Administration by the Apartment Owners**

(1) Unless otherwise provided in this Act or by agreement between the apartment owners, the apartment owners shall be collectively entitled to administration of the jointly owned property.

(2) Each apartment owner shall have the right to take such measures as shall be necessary in order to avert an imminent threat of damage to the jointly owned property, without the consent of the other apartment owners.

(3) Where the administration of the jointly owned property is not regulated by agreement between the apartment owners, the apartment owners may, by a majority of votes, resolve a proper administration appropriate to the condition of the jointly owned property.

(4) Each apartment owner shall have the right to demand an administration that is consistent with the agreements and resolutions and, in the absence thereof, with the collective interests of the apartment owners at their reasonably exercised discretion.

(5) Proper administration that is consistent with the interests of the apartment owners as a whole shall include in particular:

1. establishing house rules and regulations;
2. due maintenance and repair of the jointly owned property;
3. insuring the jointly owned property at its replacement value against damage by fire, as well as obtaining an appropriate level of third-party liability insurance for the apartment owners as house and property owners;

4. building a reasonable maintenance reserve fund;
5. setting up a financial plan (Section 28);
6. permitting the implementation of all measures that may be necessary to create a telephone subscriber unit, a broadcast receiver system or a power utility connector for the benefit of an apartment owner.

(6) The apartment owner for whose benefit a measure of the type described in subsection 5 no. 6 is implemented shall reimburse the costs of the damage caused thereby.

(7) The apartment owners may by majority resolution pass rules governing the manner and means of making payment, when payment shall be due and the consequences of late payment, as well as the costs of using the jointly owned property for a particular purpose or the costs of particular administrative measures.

(8) Should the apartment owners fail to implement a measure required by law, the court, at its equitable discretion, may decide in their stead in legal proceedings in accordance with Section 43, insofar as the measure is not already provided for by law or by an agreement or a resolution passed by the apartment owners.

Section 22

Particular Expenditure, Reconstruction

(1) Structural changes and expenditure going beyond the due maintenance and repair of the jointly owned property may be resolved or demanded provided that every apartment owner whose rights are infringed by the measures in a manner exceeding that determined in Section 14 no. 1 consents thereto. Such consent shall not be required insofar as the rights of apartment owners are not infringed in the manner described in sentence 1.

(2) Measures pursuant to subsection 1, first sentence, for the purpose of modernisation in accordance with Section 555b nos. 1 to 5 of the Civil Code or which serve to bring the jointly owned property in line with state of the art technology and which do not change the inherent nature of the apartment building nor inequitably disadvantage any apartment owner with respect to the others can, notwithstanding subsection 1, be resolved by a three-quarters majority of all apartment owners eligible to vote as defined in Section 25 (2) and more than half of all the co-ownership shares. The power defined in the first sentence may not be restricted or excluded by agreement between the apartment owners.

(3) In respect of measures relating to “modernizing maintenance” within the meaning of Section 21 (5) no. 2, the provisions of Section 21 (3) and (4) shall remain applicable.

(4) In the event that the building has been damaged to such an extent that its value is halved and the damage is not covered by insurance or in some other way, no resolution to reconstruct the building may be passed in accordance with Section 21 (3) or demanded in accordance with Section 21 (4).

Section 23

Meeting of Apartment Owners

(1) Matters which the apartment owners may decide by resolution pursuant to this Act, or pursuant to an agreement reached between the apartment owners, shall be dealt with by the passing of a resolution in a meeting of the apartment owners.

(2) In order for a resolution to be valid, the subject of the resolution must be stated in the notice convening the meeting.

(3) A resolution shall be valid even without a meeting if all the apartment owners give their written consent to the resolution.

(4) A resolution which conflicts with a legal provision, compliance with which cannot effectively be waived, shall be null and void. In all other cases, a resolution shall be valid unless and until it has been declared invalid by a final and binding court judgment.

Section 24

Convening of Meetings, Presiding over Meetings, Minutes

(1) The administrator shall convene a meeting of the apartment owners at least once a year.

(2) The administrator shall be obliged to convene a meeting of the apartment owners in the circumstances specified by agreement between the apartment owners and otherwise when a meeting is requested in writing by more than one quarter of the apartment owners, stating the purpose and the reasons.

(3) Where there is no administrator or he refuses to convene a meeting of the apartment owners in breach of his obligations, a meeting may also be called by the chairman of the administrative committee where one has been appointed, or by his deputy.

(4) Notice of meetings shall be given in writing. In the absence of any circumstances requiring particular urgency, at least two weeks' notice of the meeting shall be given.

(5) Unless otherwise resolved by the meeting of apartment owners, the meeting shall be chaired by the administrator.

(6) All resolutions passed during the meeting shall be recorded in writing. The written record shall be signed by the chairman and one of the apartment owners and, where an administrative committee has been appointed, additionally by the chairman of the administrative committee or his deputy. Every apartment owner shall have the right to inspect the records.

(7) A collection of the resolutions shall be maintained. In the case of all resolutions passed and court decisions reached after 1 July 2007, the collection of resolutions shall contain only the wording of:

1. the resolutions announced during the meeting of the apartment owners stating the place and date of the meeting,
2. the written resolutions stating the place and date of announcement, and
3. the operative part of court decisions in legal proceedings pursuant to Section 43 stating their date, the court and the parties involved.

The resolutions and court decisions shall be entered chronologically and numbered. In the event that they have been challenged or overruled, this shall be entered in the records. In the event that a decision is overruled, the making of an entry may be dispensed with and the existing entry deleted. An entry may also be deleted where it is of no further import to the apartment owners for some other reason. The entries, annotations and deletions pursuant to the third to sixth sentences shall be made promptly and dated. Apartment owners or third parties who have been authorized by an apartment owner to inspect the collection of resolutions shall be given access to them upon request.

(8) The collection of resolutions shall be maintained by the administrator. Where there is no administrator, the chairman of the meeting of apartment owners shall maintain the collection of resolutions unless the apartment owners have appointed some other person by majority to perform this task.

Section 25 Majority Resolutions

(1) Subsections 2 to 5 shall apply to the passing of resolutions in respect of matters which the apartment owners may resolve by majority.

(2) Each apartment owner shall have one vote. In the event that several parties are collectively entitled to apartment ownership, they may only exercise their right to vote jointly.

(3) The meeting shall be quorate only when the apartment owners present and eligible to vote represent more than one half of the co-ownership shares, calculated by reference to the size of such shares as registered in the Land Register.

(4) In the event that a meeting is not quorate in accordance with subsection 3, the administrator shall convene another meeting with the same subject. This meeting shall be deemed to be quorate regardless of the size of shares represented; attention shall be drawn to this fact in the notice convening the meeting.

(5) An apartment owner shall not be eligible to vote where the resolution concerns entry into a legal transaction with him in relation to the administration of the jointly owned property, or

the initiation or conclusion of legal proceedings against him by the other apartment owners, or where he has received a final and binding verdict in accordance with Section 18.

Section 26
Appointment and Dismissal of the Administrator

(1) The apartment owners shall resolve the appointment and dismissal of the administrator by majority. The appointment may be made for a maximum term of five years, in the case of the first appointment after the creation of title in respect of apartment ownership, for a maximum term of three years. The dismissal of the administrator may be restricted to cases where there is important cause. An important cause shall always be deemed to exist if the administrator fails to maintain the collection of resolutions in an orderly manner. No other restrictions on the appointment or dismissal of the administrator shall be admissible.

(2) Re-appointment shall be admissible; it shall require a further resolution by the apartment owners which may be passed no earlier than one year before expiry of the term of appointment.

(3) Where the appointment as administrator needs to be evidenced by means of a publicly certified document, a copy of the written record of the resolution appointing the administrator, on which the signatures of the persons listed in Section 24 (6) have been publicly certified, shall suffice.

Section 27
Duties and Powers of the Administrator

(1) The administrator shall have the authority as against, and an obligation towards, the apartment owners and the community of apartment owners:

1. to implement resolutions passed by the apartment owners and to ensure that the house rules are enforced;
2. to take all necessary measures required for the proper maintenance and repair of the jointly owned property;
3. to take other necessary steps as may be required in urgent cases to preserve the jointly owned property;
4. to levy, take receipt of and pay contributions to charges and expenses, redemption premiums and mortgage interest, insofar as these relate to matters jointly affecting the community of apartment owners;
5. to give effect to, and take receipt of, all payments and performance relating to the day-to-day administration of the jointly owned property;
6. to administer moneys received;
7. to inform the apartment owners without delay when legal proceedings pursuant to Section 43 are pending; and
8. to make such declarations as may be required to implement the measures listed in Section 21 (5) no. 6.

(2) The administrator, in the name of all the apartment owners and with effect both for and against them, shall have the right:

1. to take receipt of declarations of intent and service of documents insofar as these are directed at all the apartment owners in their capacity as such;
2. to take such measures as may be required in order to observe a time limit or prevent some other legal disadvantage, in particular to conduct a legal action brought against the apartment owners pursuant to Section 43 no. 1, no. 4 or no. 5 in court procedures prior to judgment and in enforcement procedures;

3. to enforce claims both in court and out of court insofar as he is authorised to do so by an agreement between the apartment owners or by a resolution passed by a majority of apartment owners; and

4. to agree with a lawyer that the fees in respect of legal proceedings pursuant to Section 43 no. 1, no. 4 or no. 5 be calculated by reference to a higher claim value than the statutory one, being no higher than the value of a claim assessed in accordance with Section 49a (1), first sentence, of the Court Fees Act [*Gerichtskostengesetz*].

(3) The administrator, in the name of and with effect both for and against the community of apartment owners, shall have the right:

1. to take receipt of declarations of intent and service of documents;

2. to take such measures as may be required in order to observe a time limit or prevent some other legal disadvantage, in particular to conduct a legal action brought against the community pursuant to Section 43 no. 2 or no. 5 in court procedures prior to judgment and in enforcement procedures;

3. to take such ongoing measures as may be required for the purposes of due maintenance and repairs pursuant to subsection 1 no. 2;

4. to take measures pursuant to subsection 1 nos. 3 to 5 and no. 8;

5. to hold bank accounts for the purpose of administering moneys received in accordance with subsection 1 no. 6;

6. to agree a fee with a lawyer in accordance with subsection 2 no. 4 in respect of legal proceedings pursuant to Section 43 no. 2 or no. 5;

7. to undertake other legal transactions and legal acts insofar as he is authorized to do so by an agreement between the apartment owners or a resolution passed by a majority of the apartment owners.

Where there is no administrator or the administrator is not authorized to act, all the apartment owners shall represent the community of apartment owners. The apartment owners may, by majority resolution, authorize one or more apartment owners to represent the community of apartment owners.

(4) The duties and powers of the administrator pursuant to subsections 1 to 3 may not be restricted or excluded by agreement between the apartment owners.

(5) The administrator shall keep moneys received separate from his own assets. The apartment owners may reach an agreement or pass a resolution by majority subjecting the use of such moneys to a requirement for consent by an apartment owner or a third party.

(6) The administrator shall have the right to demand that the apartment owners execute a letter of authorization [*Vollmachtsurkunde*] or grant a certificate of entitlement [*Ermächtigungsurkunde*] showing the extent of his powers of agency.

Section 28

Financial Plan, Rendering of Accounts

(1) The administrator shall prepare a financial plan in respect of each calendar year. The financial plan shall include:

1. the anticipated income and expenditure in relation to the administration of the jointly owned property;

2. the pro rata obligations of the apartment owners to bear charges and expenses;

3. the contributions due from the apartment owners towards the maintenance reserve fund provided for in Section 21 (5) no. 4.
- (2) The apartment owners shall advance funds corresponding to the agreed financial plan upon request by the administrator.
- (3) The administrator shall produce a statement of accounts at the end of the calendar year.
- (4) The apartment owners may at any time demand by majority resolution that the administrator render account.
- (5) The apartment owners shall resolve by majority upon the financial plan, the invoices and the accounts.

Section 29 Administrative Committee

- (1) The apartment owners may resolve to appoint an administrative committee by majority. The administrative committee shall be made up of one apartment owner as chairman and two further apartment owners as advisory members.
- (2) The administrative committee shall assist the administrator in the carrying out of his duties.
- (3) The administrative committee shall review the financial plan, the statement of accounts in respect of the financial plan, the accounting system and cost estimates, and shall attach its opinion before the meeting of the apartment owners resolves upon them.
- (4) The administrative committee shall be convened by the chairman as and when required.

Chapter 4 Heritable Building Right in Respect of an Apartment

Section 30

- (1) Where a heritable building right is collectively owned by several persons each owning a fraction thereof, the shares may be restricted in such a way that each of the jointly entitled persons be granted separate ownership of a particular apartment ("heritable building right in respect of an apartment" [*Wohnungserbbaurecht*]) or of specified non-residential areas ("heritable building right in respect of a unit" [*Teilerbbaurecht*]) of a building constructed, or to be constructed, on the basis of the heritable building right.
- (2) The person entitled to the heritable building right may partition the heritable building right by applying Section 8 accordingly.
- (3) A separate Land Register folio for heritable building rights shall be created *ex officio* for each share (Register of Heritable Building Rights in Respect of Apartments [*Wohnungserbbaugrundbuch*], Register of Heritable Building Rights in Respect of Units [*Teilerbbaugrundbuch*]). Furthermore, the provisions regarding apartment ownership (and ownership of units) shall apply *mutatis mutandis* to the heritable building right in respect of an apartment (and to the heritable building right in respect of a unit).

Part 2 Permanent Residential Right [*Dauerwohnrecht*]

Section 31 Definitions

- (1) A charge may be entered in respect of a plot of land to the effect that the person for whose benefit the charge is entered be entitled, to the exclusion of the owner, to inhabit a particular apartment in a building constructed, or to be constructed, upon the plot of land or to use it in some other manner ("permanent residential right" [*Dauerwohnrecht*]). Such permanent residential right may also be extended to cover a part of the plot of land located outside the building, provided that the apartment remains the primary economic focus.
- (2) A charge may be entered in respect of a plot of land to the effect that the person for whose benefit the charge is entered be entitled, to the exclusion of the owner, to use specified non-residential areas of a building constructed, or to be constructed, upon the plot of land ("permanent right of use" [*Dauernutzungsrecht*]).

(3) The provisions regarding the permanent residential right shall apply *mutatis mutandis* to the permanent right of use.

Section 32 Requirements for Registration

(1) A permanent residential right should only be created when the apartment is self-contained.

(2) For a more detailed description of the object and contents of the permanent residential right, reference may be made to the consent to registration. The following shall be attached as annexes to the consent to registration:

1. an architectural drawing ("partition plan") bearing the signature and seal or stamp of the building authority and showing the partition of the building as well as the location and size of such sections of the building or plot of land as are subject to the permanent residential right; all separate rooms which are part of the same permanent residential right shall be given the same respective number;

2. a certificate issued by the building authority confirming that the requirements of subsection 1 have been met.

Where numbers are assigned to the individual permanent residential rights in the consent to registration, these shall be consistent with the numbering used in the partition plan. The *Land* governments may determine by statutory instrument that, and under what circumstances, the partition plan (second sentence, no. 1) and the self-containment (second sentence, no. 2) are to be issued and certified by a publicly appointed or accredited building expert instead of by the building authority. Where these duties are performed by an expert, the provisions of the General Administrative Regulation governing the Issue of Certificates pursuant to Section 7 (4) no. 2 and Section 32 (2) no. 2 of the Apartment Ownership Act of 19 March 1974 (Federal Gazette no. 58 of 23 March 1974) shall apply accordingly. In such event, the annexes need not be in the form required by Section 29 of the Land Register Code. The *Land* governments may transfer the authority to the *Land* construction departments by statutory instrument.

(3) The Land Registry Office shall refuse to enter a permanent residential right in the event that no agreement has been reached in respect of the matters listed in Section 33 (4) nos. 1 to 4, in respect of the requirements for the reversionary claim (Section 36 (1)), and in respect of compensation in the case of reversion (Section 36 (4)).

Section 33 Contents of the Permanent Residential Right

(1) The permanent residential right is an alienable and heritable right. It may not be created subject to a condition.

(2) Unless otherwise agreed, the provisions of Section 14 shall apply *mutatis mutandis* to the permanent residential right.

(3) Unless otherwise agreed, the person entitled shall, in addition, have the right to share in the use of the parts, facilities and installations of the building and plot of land that are intended for common use.

(4) As part of the contents of the permanent residential right, agreements may be entered into with regard to:

1. manner and scope of use;

2. maintenance and repair of the parts of the building subject to the permanent residential right;

3. the obligation on the person entitled to pay public-law or private-law charges affecting the plot of land;

4. the insurance of the building and its reconstruction in the event of destruction;

5. the right of the owner to require the provision of security when certain requirements are met.

Section 34

Rights of the Owner and of the Persons Entitled to the Permanent Residential Right

(1) Sections 1049 and 1057 of the Civil Code shall apply *mutatis mutandis* to the owner's rights of claim to compensation in respect of alterations or deteriorations, as well as to the rights of claim of the persons entitled to the permanent residential right to reimbursement of outlays or to permission to remove an installation.

(2) Should the permanent residential right be impaired, the provisions governing claims based on ownership shall apply *mutatis mutandis* to the claims of the person entitled.

Section 35

Restrictions on Disposal

It may be agreed as part of the contents of the permanent residential right that the person entitled shall require the consent of the owner or of a third party in order to dispose of the permanent residential right. In such event, the provisions of Section 12 shall apply *mutatis mutandis*.

Section 36

Reversionary Claim [*Heimfallanspruch*]

(1) It may be agreed as part of the contents of the permanent residential right that the person entitled shall be under an obligation to transfer the permanent residential right to the owner of the plot of land or to a third party named by such owner when certain requirements are fulfilled (reversionary claim). The reversionary claim may not be separated from the title to the plot of land.

(2) In the event that the permanent residential right relates to areas which are subject to lessee protection, the owner may only make use of the reversionary claim where there are grounds on the basis of which a landlord may demand the cancellation of the lease or terminate the lease.

(3) The reversionary claim shall be statute-barred six months from the time at which the owner becomes aware that the requirements have been fulfilled, and within two years of fulfilment of the requirements irrespective of such awareness.

(4) It may be agreed as part of the contents of the permanent residential right that the owner shall pay compensation to the person entitled if he exercises the reversionary claim. As part of the contents of the permanent residential right, agreement may be reached concerning the calculation, the level of compensation or the method of payment.

Section 37

Leases

(1) In the event that the person entitled to the permanent residential right has entered into a lease or usufructuary lease in respect of the parts of the building or plot of land that are subject to the permanent residential right, the lease or usufructuary lease agreement shall cease to exist when the permanent residential right ceases to exist.

(2) In the event that the owner exercises his reversionary claim, he or the person to whom the permanent residential right is to be transferred shall step into the lease or usufructuary lease agreement in his stead; Sections 566 to 566e of the Civil Code shall apply accordingly.

(3) In the event of a disposal of the permanent residential right, subsection 2 shall apply *mutatis mutandis*. In the event that the permanent residential right is disposed of by way of compulsory enforcement, the acquirer shall be entitled to a right of termination in accordance with the provisions of Section 57a of the Act on Enforced Auctions and Receivership.

Section 38

Legal Succession

(1) In the event that the permanent residential right is disposed of, the acquirer shall, for the duration of his entitlement, step into the shoes of the alienor in respect of all obligations arising from the legal relationship to the owner.

(2) In the event that the plot of land is disposed of, the acquirer shall, for the duration of his ownership, step into the shoes of the alienor in respect of all rights arising from the legal relationship to the person entitled to the permanent residential right. The same shall apply in the case of acquisition by way of acceptance of the bid in an enforced auction, provided that acceptance of the bid does not extinguish the permanent residential right.

Section 39 Enforced Auction

(1) It may be agreed as part of the contents of the permanent residential right that, notwithstanding Section 44 of the Act on Enforced Auctions and Receivership, the permanent residential right shall remain in place in the event of an enforced auction of the plot of land even if the enforced auction of the plot of land is being pursued by the obligee of a mortgage, land charge, annuity land charge or charge on land that is prior to or equal in rank to the permanent residential right.

(2) Any agreement pursuant to subsection 1 shall be valid only subject to the consent of those entitled to a mortgage, land charge, annuity land charge or charge on land that is prior to or equal in rank to the permanent residential right.

(3) Any agreement pursuant to subsection 1 shall only be effective if the person entitled to the permanent residential right has fulfilled his due payment obligations to the owner at the moment the terms of the auction are fixed; an agreement pursuant to subsection 1 may be supplemented by an agreement to the effect that the continued validity of the permanent residential right shall be subject to further requirements.

Section 40 Payments Are Subject to Charge

(1) Mortgages, land charges, annuity land charges or charges on land that are prior to or equal in rank to the permanent residential right, as well as public charges consisting of recurring acts of performance, shall extend to the claim to payments in respect of the permanent residential right in the same way as in the case of a claim in respect of rent, unless otherwise provided in subsection 2. The remaining provisions with regard to claims for rent shall not apply.

(2) It may be agreed as part of the contents of the permanent residential right that dispositions in respect of the claim to payments, where these are stipulated to be in the form of recurring acts of performance, shall be effective as against the obligee of a mortgage, land charge, annuity land charge or charge on land that is prior to or equal in rank to the permanent residential right. Section 39 (2) shall apply *mutatis mutandis* to any such agreement.

Section 41 Special Provisions Applying to Long-term Permanent Residential Rights

(1) Permanent residential rights which are not subject to a temporal limit or have been granted for a period of more than ten years shall be governed by the special provisions of subsections 2 and 3.

(2) Unless otherwise agreed, the owner shall be under an obligation toward the person entitled to the permanent residential right to have a mortgage that is equal to or prior in rank to the permanent residential right deleted in the event that the obligee and the owner shall be one and the same person, and to consent to the entry of a corresponding priority notice of right to deletion in the Land Register.

(3) The owner shall grant reasonable compensation to the person entitled to the permanent residential right in the event that he exercises the reversionary claim.

Section 42
Encumbrance of a Heritable Building Right

(1) The provisions of Sections 31 to 41 shall apply *mutatis mutandis* to the encumbering of a heritable building right with a permanent residential right.

(2) Upon reversion of the heritable building right, the permanent residential right shall remain in place.

Part 3
Procedural Rules

Section 43
Jurisdiction

The court in whose judicial district the plot of land is located shall have exclusive jurisdiction with regard to:

1. disputes concerning the rights and obligations of the apartment owners *inter se* arising out of the community of apartment owners and the administration of the jointly owned property;
2. disputes between the community of apartment owners and one or more apartment owners concerning their mutual rights and obligations;
3. disputes concerning the rights and obligations of the administrator in respect of the administration of the jointly owned property;
4. disputes concerning the validity of resolutions passed by the apartment owners;
5. third party claims brought against the community of apartment owners or against apartment owners in respect of the jointly owned property, its administration, or the separately owned property.
6. Order for payment proceedings, in cases where the community of apartment owners is claimant. Accordingly, Section 689 (2) of the Code of Civil Procedure [*Zivilprozessordnung*] shall not apply.

Section 44
Designation of the Apartment Owners in the Statement of Claim

(1) Where the action is brought by, or against, all the apartment owners with the exception of the opposing party, the specific mention of the jointly owned plot of land shall suffice to further define them in the statement of claim; where the apartment owners are the defendants, the administrator and the substitute service agent appointed in accordance with Section 45 (2), first sentence, shall also be named in the statement of claim. The names of the apartment owners shall be provided no later than by the close of the hearing (for oral argument).

(2) Where not all apartment owners are party to the proceedings, the remaining apartment owners shall be named by the claimant in accordance with subsection 1. There shall be no need to specify the names of the remaining apartment owners where the court dispenses with summoning them in accordance with Section 48 (1), first sentence.

Section 45
Service

(1) The administrator is representative for the acceptance of service on behalf of the apartment owners where the apartment owners are the defendants or are to be summoned to attend the proceedings as third parties pursuant to Section 48 (1), first sentence, unless he is party to the proceedings as opponent of the apartment owners or it is to be feared by reason of the subject matter of the dispute that the administrator would not properly instruct the apartment owners.

(2) In case the administrator should ever be barred from acting as representative for the acceptance of service, the apartment owners shall, by majority resolution, appoint a substitute service agent and a representative of such agent even where no legal proceedings are pending. Should the court order the service of process upon the administrator [in such a case], the substitute service agent shall take over the duties and powers which the administrator has in his capacity as representative for the acceptance of service on behalf of the apartment owners; subsection 1 shall apply *mutatis mutandis*.
(3) In the event that the apartment owners have failed to appoint a substitute service agent in contravention of subsections 1 and 2 or if process cannot be served for some other reason, the court may appoint a substitute service agent.

Section 46 Rescissory Action [Anfechtungsklage]

(1) An action brought by one or more of the apartment owners seeking a declaration that a resolution passed by the apartment owners be invalid shall be directed against the remaining apartment owners and an action by the administrator shall be directed against the apartment owners. Such action shall be brought within one month following the passing of the resolution and reasons shall be given no later than two months after the passing of the resolution. Sections 233 to 238 of the Code of Civil Procedure shall apply accordingly.
(2) In the event that the plaintiff has overseen a fact from which it follows that the resolution is null and void, the court shall draw attention to this.

Section 47 Consolidation of Proceedings

Where several proceedings are brought in which actions seeking a declaratory judgment or a declaration of invalidity are brought in respect of the same resolution passed by the apartment owners, such proceedings shall be consolidated in order to be heard and decided upon at the same time. The effect of consolidation shall be that the plaintiffs in the previously independent proceedings shall be regarded as joint plaintiffs.

Section 48 Third Party Summons to Attend Proceedings, Effect of the Judgment

(1) Where an action is brought against only one or certain individual apartment owners or only against the administrator by one of the apartment owners seeking to assert a claim to which only he is entitled in a legal dispute in accordance with Section 43 no. 1 or no. 3, the remaining apartment owners shall be summoned to attend the proceedings as third parties, except where their legal interests are evidently not affected. Insofar as the administrator is not party to a legal dispute in accordance with Section 43 no. 3 or no. 4, he too shall be summoned to attend the proceedings as a third party.
(2) The third party summons to attend proceedings shall be effected by service of the statement of claim, to which the ruling made by the presiding judge shall be annexed. The third parties summoned to attend the proceedings may intervene in the proceedings in support of either of the parties. In the event that an apartment owner who has been summoned to attend the proceedings disposes of his apartment in the course of the proceedings, Section 265 (2) of the Code of Civil Procedure shall apply *mutatis mutandis*.
(3) In addition to the effects provided for in Section 325 of the Code of Civil Procedure, the final and binding judgment shall be binding for the benefit of, and as against, all apartment owners summoned to attend the proceedings and their legal successors, as well as against the administrator summoned to attend the proceedings as a third party.
(4) Where a rescissory action is dismissed as unfounded in the judgment, an assertion that the decision be null and void shall no longer be admissible either.

Section 49 Decision on Costs

(1) Where a decision is reached in accordance with equitable discretion pursuant to Section 21 (8), the costs of proceedings may also be allocated in accordance with equitable discretion.

(2) Costs may be imposed on the administrator even if he is not party to the proceedings, where the court was called upon as a result of his actions and he has been grossly negligent.

Section 50 Compensation for Costs

As necessary costs for the proper assertion or defence of their rights, the apartment owners shall be reimbursed for the costs of one authorized lawyer only, except where representation by several authorized lawyers was appropriate on grounds relating to the subject of the legal dispute.

Sections 51 and 52 (repealed)

Sections 53 to 58 (repealed)

Part 4 Supplementary Provisions

Section 59 (repealed)

Section 60 (repealed)

Section 61

Where consent as required pursuant to Section 12 has not been given, the disposal and the underlying executory transaction shall be effective notwithstanding the remaining requirements if the disposal was registered or a priority notice of conveyance entered in the Land Register prior to 15 January 1994 and it concerns the first disposal of title to this apartment since such title was created, except where there is an inconsistent final and binding court judgment. In such cases, the lack of consent shall be no bar to the effect of the legal consequences of Section 878 of the Civil Code. The first and second sentences shall apply *mutatis mutandis* in the cases referred to in Sections 30 and 35 of the Apartment Ownership Act.

Section 62 Transitional Provisions

(1) As at 1 July 2007, all pending court proceedings concerning apartment ownership or enforced auctions and all voluntary [sales by] auction in respect of which an application has been made to a notary shall be governed by the provisions of Part III of this Act which were amended by Articles 1 and 2 of the Act of 26 March 2007 (Federal Law Gazette I, p. 370) and of the Act on Enforced Auctions and Receivership in the versions applicable up to that time.

(2) In proceedings pursuant to Section 43 nos. 1 to 4 concerning apartment ownership, the provisions in respect of the complaint against denial of leave to appeal (Section 543 (1) no. 2, Section 544 of the Code of Civil Procedure) shall not apply, provided that the challenged decision was pronounced prior to 31 December 2015.

Section 63 Transitional Provisions in Respect of Existing Legal Relations

(1) In the event that legal relations which are entered into in order to produce a legal result which corresponds to the legal structures created by this Act are thereby transformed into

such legal structures, then for the purposes of calculating the associated court and notarial fees the value of the subject matter in issue shall be taken to be one twenty-fifth part of the rateable value of the plot of land and, in the case of a permanent residential right, one twenty-fifth part of the value of the right.

(2)

(3) The *Länder* may introduce legislation governing the transition of existing legal relations based on *Land* legislation to the legal structures created by the present Act.

Section 64

Entry into Force

This Act shall enter into force on the day following its promulgation.