



# Condominium Legislation in Romania

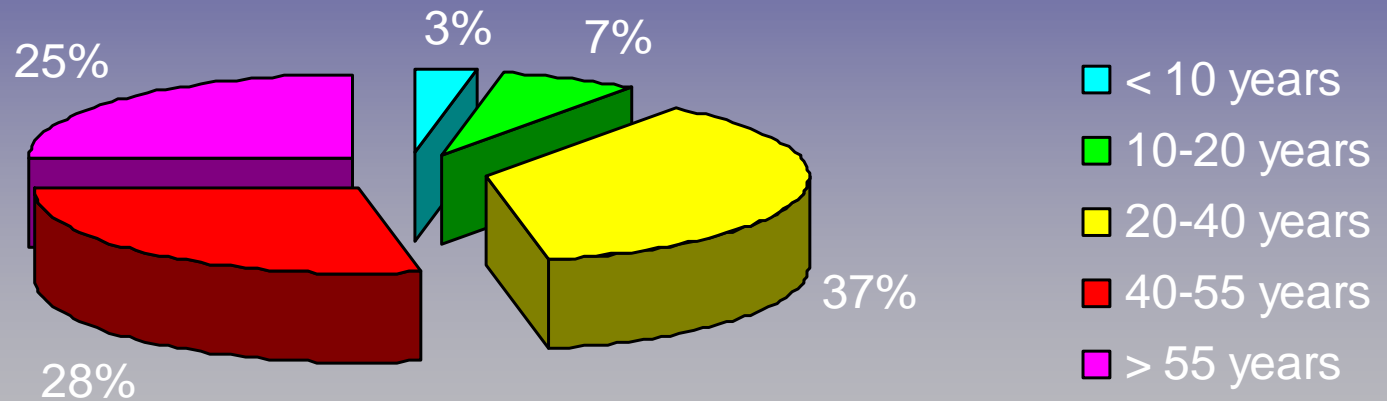
**Mihai MEREUTA**  
President  
*HABITAT League of Romania*



# RO context

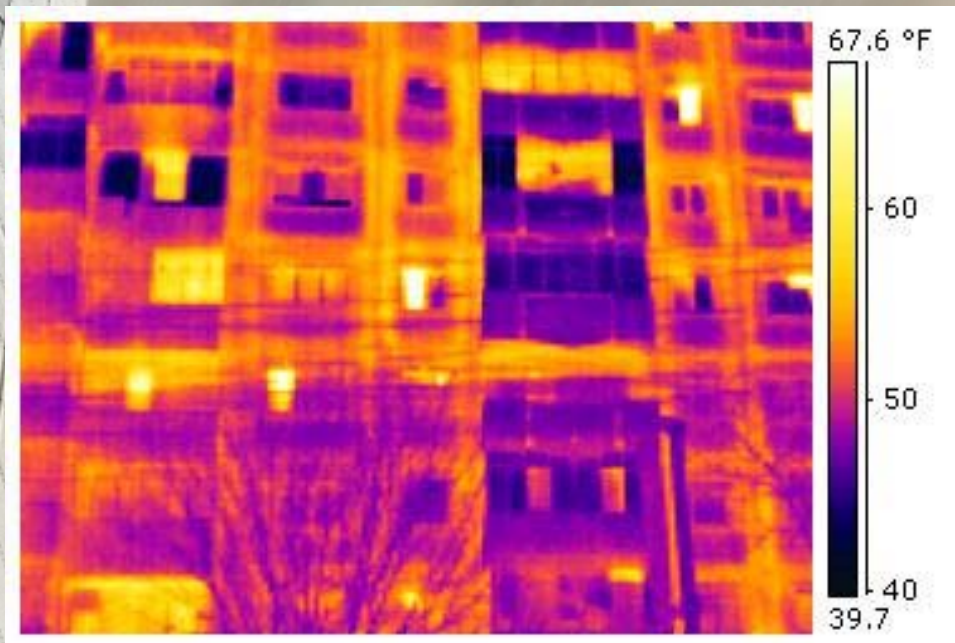
- Total number of population:  
21,681,000
- Total number of dwellings:  
8,107,114 (52.5% in urban)
- 97.5% in private ownership
- Apartment block type:
  - 3,102,027 dwellings
  - 7,821,169 inhabitants
  - 2.29 room number/dwelling
  - 34.79 sqm/dwelling

## STRUCTURE OF THE EXISTING BUILT STOCK BY AGE



# Building stock quality

- major structural problems (improper isolations and poor maintained internal and external infrastructure determining energy losses and high costs of public utilities)





# National Policy

## ***Two intervention targets***

### **1. BUILDING NEW RESIDENTIAL AREAS**

- construction of new rental public housing
- construction of new housing in private property with mortgage credit

### **2. REHABILITATION OF THE EXISTING HOUSING STOCK**

- rehabilitation for the reduction of energy loss to multileveled housing buildings
- retrofitting of multileveled housing buildings ranked in the 1st seismic risk class

## ***Main institutional actors***

- Ministry of Transports, Construction and Tourism
- Ministry of Administration and Internal Affairs
- National Inspectorate for Constructions
- National Agency for Energy Efficiency
- Local authorities (prefect offices, municipalities)



# Legislation

- main pieces -

- **Law no. 114/1996 on dwelling** (sets the general framework of building, exploitation and administration of dwellings)
- **Government Ordinance no. 85/2001** on the organisation and functioning of homeowners' associations
- **Government Decision no. 400/2003** for the approval of the Methodological Norms on the organisation and functioning of homeowners' associations



# Relevant definitions

- ***Block of flats - building - condominium*** - a property of which certain parts are individual properties, and the rest, joint property
- ***Space (flat)*** - a part of a building based on individual property which together with the quota of the joint property constitutes a real estate unit
- ***Joint Property*** - all the parties in a building which are not flats and which are meant for joint use by all the owners in that building. The joint property is indivisible and is held by the owners of individual flats, according to calculated quotas
- ***Quota*** - the quota of ownership to each individual property flat, from the joint property. It is registered in the title deed



# Relevant definitions (cont.)

- ***Owner*** - the person or group of persons who owns that space, namely flat, in a condominium
- ***Owners' association*** - the organization of the owners of all the flats in a building with several private or mixed property flats
- ***Association agreement*** - the document which certifies the decision of the owners to associate themselves, after registering the property in the land register
- ***Joint expenses*** - the expenses or financial obligations of the associations, that are connected to the exploitation, repair or maintenance of the joint property



# Homeowners' association

- set up and registered on the basis of the decision of at least half plus one of the number of the owners of flats and spaces with other destination;
- acquires legal personality on the basis of the conclusion of the judge delegated at the local financial body within the judicial district of which the building is located
- Management ensured through general meeting of the homeowners, executive committee, President, Auditors Commission, Manager

# Rights and obligations

## - flat owners -

- to maintain the flat in good condition, on his own expense.
- No owner may affect the right of joint or individual property.
- The administration, maintenance and repairs of the joint property are the responsibility of the association, and the costs shall represent joint expenses.
- The owners' association, by a majority vote may take measures regarding the improvement of comfort and the efficiency of the building.
- the keeping of the harmonious and unitary aspect of the entire building shall be taken into account.
- The owner may bring in improvements or modifications to his flat, without endangering the structural integrity of the building or of the other flats.
- The owner cannot change the aspect of the joint property without obtaining the acceptance of the owners' association.
- If a flat owner causes damages to any part of the joint property or to another flat, he has to repair the damage or to pay the expenses for the repair works



# Local authorities involvement

- The local authorities have organised specialised compartments for the guidance and control of homeowners' associations
- The main tasks are to guide in the field of association management, technical maintenance, building rehabilitation and to control in the field of accountancy and labour legislation
- To issue a proof of payment in due time of the obligations to the homeowners association in case the owners want to sell their flats or spaces with other destination
- To authorise the condominium managers on the basis of exams
- To draft local council decisions for penalty if the law is infringed



# Evaluation

## Legislation & policy (+ & -)

- Almost 10 years of special regulation in the field
- Detailed accounting secondary legislation
- Weak results yet (only 50% of the former tenants' associations became HOAs)
- Long duration of trials for debts' recovery
- No results of the national programmes for rehabilitation & consolidation
- Huge prices of the houses built through the State's specialised body (National Agency for Dwellings)



# Evaluation (cont.)

## Involvement of stakeholders

- HOAs are not recognised as partners in delivering the national housing policies (they are usually considered end-consumers)
- The local authorities are legally obliged to organise the training and informative activities in partnerships with HOAs

For further information:  
Mr. Mihai MEREUTA  
President  
League of Homeowners' Associations  
HABITAT – Romania  
[asprohabitat@yahoo.com](mailto:asprohabitat@yahoo.com)  
Phone: + 40 744 75 14 16  
Phone/Fax: + 40 21 335 50 25  
PO BOX 49 – 82, Sector 2, Bucharest, Romania



Thank you !