



Living in a Bostadsrätt

Tenant owned house or apartment

Are you considering buying a Bostadsrätt?

If so, you will become a member of an economic association. Does that sound strange? It can be difficult to understand. In the document "Buying a Bostadsrätt", we explain the different terms used by estate agents, banks and insurance companies when discussing Bostadsrätt. If you have any further questions, please do not hesitate to contact our estate agent for more information.

What is a Bostadsrättsförening (Tenant owned association)?

A bostadsrättsförening is an economic association with an association board. As a member of this association, you have the right to use a house without any time limits. You do not own the house physically, but you have a part of the economic association which owns the whole property. A Bostadsrätt can be an apartment, a terraced house, a townhouse, or a detached house.

The idea is that all the members can live for cost price without an external owner who would take his profit. You pay for membership in the economic association plus a monthly fee to cover your part of the association's costs for i.e., bank interest, running costs and insurance. This fee is determined every year by the association's board. The better the association's members run their association; the better the association's economy becomes which in turn increases the value of your bostadsrätt.

How does a Bostadsrättsförening start?

Three independent experienced people establish an association and elect a board. This board, commonly known as the building board, is responsible for the maintenance, transfer, and inspection of the property in which you buy your bostadsrätt. To become a member of a bostadsrättsförening, you need to sign the assignment agreement, which is usually done a few weeks before you move in. Before becoming a member, the building board takes the decisions in the association. However, a few months after you move in, the building board will step down, and you and your neighbors will take over and elect a new board.

Who makes decisions about my bostadsrätt?

One of the principles of a bostadsrättsförening is that all members can have an impact on their living environment. You and your neighbors have a say in the decisions concerning the association's houses, common areas, and activities, through the board, which is elected at the annual meetings. At the yearly meeting, also known as the decision-making meeting, you can voice your opinions and discuss important matters. Only members of the association are allowed to attend these meetings. Typically, the yearly meetings occur once a year and must be scheduled within six months of the annual financial statement.

What are the responsibilities of the committee?

During the period between annual meetings, the board is responsible for running the association. This includes financing, management of yearly fees, approval of new members, and administration of the association's statutes, which outline the rules and regulations for the association. When there are significant improvements or changes, the board must seek approval from the members during the annual meeting.

Which insurance do I need?

It is important to differentiate between insuring a rental apartment and a bostadsrätt. A standard home insurance policy provides coverage for all furniture and loose items but does not include the structure of the apartment. For a bostadsrätt, however, you are responsible for the inside of the apartment/house. Therefore, it is necessary to obtain an additional bostadsrätt insurance policy to cover this. The association can ensure that all members are covered by including this extra insurance in the association's property insurance policy, which can be incorporated into the yearly fee.

What am I allowed to do in my house?

Living in a bostadsrätt provides you with the freedom to personalize your house according to your own preferences. You can paint, decorate, and add fittings without seeking permission. However, you are responsible for the maintenance and upkeep of everything within the property. This includes the flooring, doors, kitchen cabinets, and household appliances such as ovens, fridges, and freezers. Additionally, wardrobes and non-loadbearing walls are also your responsibility. In the event of any issues, such as a broken dishwasher or a clogged sink, it is your responsibility to find a solution or contact a professional tradesperson. In certain cases, you may even have ownership over exterior decking or parts of the association's property, which will be outlined in the assignment agreement. If you have such an agreement, you are free to personalize these areas to your liking. However, it is important to note that this freedom comes with the responsibility of keeping these areas clean and in acceptable condition. If you wish to make any significant changes to the structure of the house or the outdoor area, you will need to seek approval from the board, as the association owns the building and the plot.

According to Swedish law for bostadsrätt, in chapter 7 §7, the main rule states:

Without the approval of the board, members are not allowed to:

1. Make changes to load-bearing parts of the building
2. Modify existing pipes for sewage, heating, gas, or water
3. Make other major alterations to the house/apartment

How is my new house inspected?

The house is thoroughly inspected by a certified impartial inspector before you move in. There are two inspections carried out: a pre-inspection and a final inspection. Both inspections involve the builder and the tenant-owner association's board, representing the investor. The pre-inspection takes place a few weeks before the final inspection and is conducted to identify any shortcomings or issues. At the final inspection, the inspector determines whether the house meets the required standards. You will be invited to attend the final inspection so that you can witness the inspection process and the approval of your new home. The building board is present during the inspection and will represent you, so feel free to ask them any questions you may have during the check.

Summary

Living in a bostadsrätt offers the perfect balance of freedom and responsibility. You have the freedom to personalize your home while being part of a larger community. It is a home that allows for personalization while still being part of a collective unit.