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How to rent property in Ukraine*

According to the Constitution of Ukraine and other current legislation, foreigners have equal rights to rent property as citizens of Ukraine. Renting in Ukraine depending on the form of ownership is divided into state, communal (organs of local self-government) and private, and depending on that the housing relations will be regulated by the housing (in a 1 and 2 case) or civil (in the last case) legislation. The best option is conclusion of agreement of lease (rent) of property when a proprietor passes or is obligated to pass to the second side (to the tenant) the property for residence for a defined period of time and agreed payment. Consequently, such agreement must contain a set of substantial terms without which it will be invalid:

1. Parties of the agreement can be Ukrainian as well as foreign physical and legal persons. A tenant can use the property only for the residence of physical persons. If a foreign legal entity is a lessor, it cannot operate directly but only through a permanent representative office in Ukraine or legal entity – resident.
2. Object of lease - property suitable for permanent residence, for example, apartment or its part, dwelling-house or its part.
3. Purpose of lease – residence, therefore if the apartment becomes unfit for use, the agreement is discontinued with consent of both parties or through a court order.
4. Term of lease: if not noted in the agreement otherwise, it is considered automatically, that the lease is for 5 years; if a term is marked as less than 1 year– it is a short-term agreement, and when 1 year or more- medium-term. For agreements for a year and more it is needed to specify in the agreement the following additional terms:
 - Persons which will permanently live with the tenant are to be listed in agreement
 - After notifying the owner, the tenant can invite other persons for temporary stay on a unpaid basis (as guests), but the owner has the right to give 7 days notice for the guests to leave.
5. Payment for the property lease (size, order of bringing), public utilities
6. Other terms are substantial, if both parties define them as such.

An agreement is concluded from the moment of signing the Act of reception-transmission, when the apartment is given right away, or from the moment of signing of the agreement with specified time of beginning of the lease. Lease (rent) agreement is to be concluded in a written form and in accordance with the tax legislation it should be certified by a notary who will send information about the conclusion of agreement to the local tax administration and the owner will pay tax on the profit (rent payment).

An agreement can be discontinued with consent of parties or by one party. An agreement can cease to be valid when the property becomes unfit for use or for other reason. Such case requires written warning 3 months in advance. The owner can discontinue an agreement only through court if the tenant is evicted without a replacement by other property to lease. There are various reasons to discontinue the agreement immediately and without offering replacement. For example: failure to pay rent during a definite term (for 2 months at the short-term lease and 6 months at a greater term lease), destruction or damage of the property by the tenant, repeated disruptions and disturbance of neighbors etc.. In case the owner needs the property for example for himself he must give 2 months notice to the tenant.

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