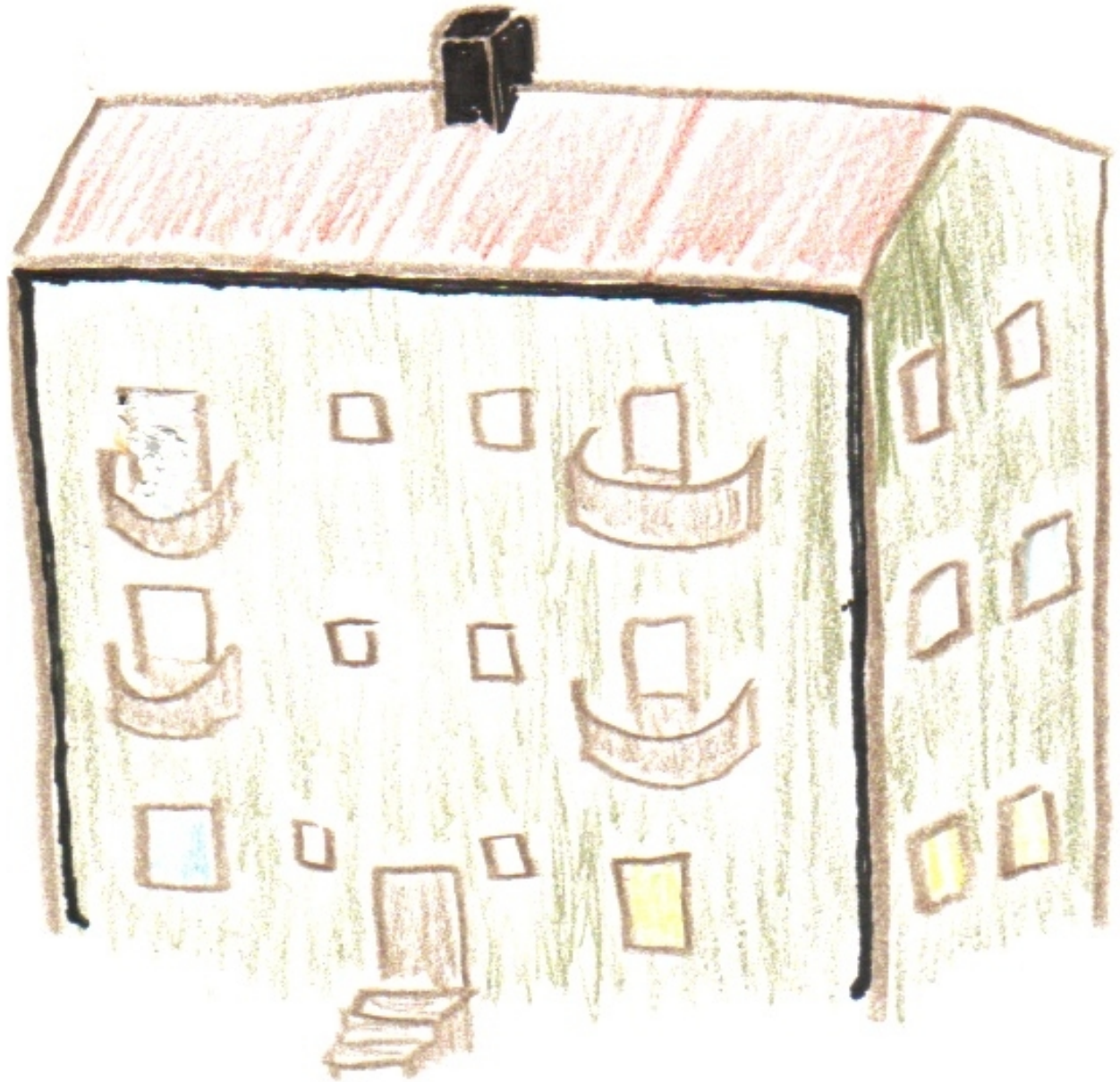


## Building management at a small scale



Gunnar Björing

Boksidan

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There are a lot of demands of economic, social and technical nature required from a multifamily house owner. In addition, he/she has to go through all of the possibilities offered on various technological "improvements". And he should also develop the product to, if possible, improve the economy. This book summarizes information needed to perform the administrative task successfully, but isn't obvious to know about. Especially for those who, more or less involuntarily and without the guidance of experienced colleagues, ended up as house owners. Which might be the case for those who are elected to the board of the Housing association where they happened to live.

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# Regulatory requirements

Just as in all other areas, the property management industry is regulated by laws and government directives, the most relevant ones are probably the following:

## Subletting

You, as a property owner, decides<sup>1</sup> (Justitiedepartementet 1970:994) if to allow subletting or not. And there are several reasons not to do it. The most important one is that the second tenant is not a contract party with you and therefore it may be more difficult to make him liable for damage in the house. Moreover, it can reduce the affinity of the house, especially in the case of condominiums.

- <sup>1</sup> Besides if the first tenant because of age, illness, temporary work or study in another location, long-term mobility, special family circumstances or similar circumstances has good reasons for subletting and you do not have reasonable cause to refuse it.

But regardless of if the first tenant has any of these reasons or not, he or she must first get your consent before the rental begins. Otherwise it is a basis for dismissal. To some extent, reduce the risk of any problems, you can ask for the following documentation of the lease:

1. The tenant's reason for subletting.
2. Rental period.
3. The tenant contact information while the letting is in progress.
4. Contact information for the second tenant.
5. Contact information for those who will be responsible for the apartment under the first tenant's absence.
6. Something to show that the second tenant is committed to the building regulations and other relevant guidelines.
7. If the lease is for more than 2 years, the second hand tenant has better right to stay than the first tenant (i.e. he can not get rid of his tenant if things go bad). To counter this, the parties should sign a contract in which the second tenant waives any claim to tenure. Such contracts can be downloaded from [www.hyresnamnden.se](http://www.hyresnamnden.se).

## Contact information

The property owner is responsible (Justitiedepartementet, 1970:994) to post contact information in a conspicuous place in the house.

## Housing temperature

The property owner is responsible (Justitiedepartementet, 1970:994) to provide elements or the like in residential apartments. And they shall be (Ministry of Health, 1983:616) maintained satisfactorily heated by the property owner, except where the residents themselves account for the heating cost.

## Home finishes

The landlord must (Justitiedepartementet, 1970:994), with certain exceptions, and with reasonable intervals provide wallpapering, painting and the like. Tenants, however, has the right, at their own expense to paint, set up wallpaper and the like in the apartment. If that reduces the apartment's utility value, the landlord has the right to have compensation for the damage.

## Fire alarms

In newly built residential, there must be smoke/fire alarms. But there is no requirement about that for older homes. The Swedish authorities<sup>2</sup>, however, recommend (Statens Räddningsverk, 2007:1):

"In every dwelling there should be at least one working smoke alarm on every floor. The detector should be installed according to the manufacturer's instructions and placed in such a way that a fire can be detected early. The detectors should be installed so that a sleeping person can be worked up by the signal. The detector should be checked regularly, and when the home is not used for a long time. There should be procedures for regular replacement of batteries according to manufacturer's instructions. Smoke alarms or other devices shall be placed according to the manufacturer's instructions and adapted to the building or the property layout. The distance between the detectors in an accommodation should normally not be larger than 12 meters. A smoke detector usually covers about 60 m<sup>2</sup>. "

<sup>2</sup> Former Swedish Rescue Services Agency (Statens Räddningsverk).

#### Broadband

The property owner has no obligation to provide broadband.

#### Mailboxes

Under current rules (Post- och Telestyrelsen, 2008:6) mail to residents in the apartment block should in the first place be placed in mail boxes on the ground floor. But if there are no such boxes, the mail should be delivered to the traditional letterboxes on the apartment doors.

#### Noise

A dwelling (Socialdepartementet, 1983:616) should provide adequate protection against noise.

#### Fireplaces

Fire inspection of fireplaces that are installed for the sake of coyness, shall take place every 8 years (Statens Räddningsverk, 2005:9). The interval between cleaning sessions for the same is decided by the municipalities, but MSB recommends that the municipalities shall require that they are swept every 4 years. Often the chimney sweeper in the area knows when the fire control and cleaning should be done and they announce the property owners when it's time. My experience is that they want to come more frequently since it is provided for fireplaces that are used frequently, and that's probably rarely the case in apartment buildings. Thus, it can be relatively easy to convince them to list the fireplaces among those with a maximum range.

#### Energy audits

Energy audits shall be conducted every ten years (Justitiedepartementet, 2006:1592, 2006:985). It shall be made by a person who is certified to do so. The result of the declaration shall be posted in a conspicuous place in the building. The result shall also announce if there a radon measurements and a Mandatory Ventilation Control (OVK) has been done and approved. A copy of the declaration shall also be submitted to the Building and Planning Authority (which is handled by the provider).

#### Storage

The property owner is required to provide storage in the house or its vicinity to the tenants (Justitiedepartementet, 1970:994).

#### Garage doors

If they are motorized, they shall, as a rule, be inspected every two years (Boverket, 1994:25). If the inspector notes serious shortcomings (Miljödepartementet, 1999:371), he should notify the municipality. Which in turn may issue a fine to the property owner unless the deficiencies are corrected within a specified time.

De-icing and snow on stairs, etc.

If someone falls and hurt themselves because the property owner mismanaged the snow removal and/or sanding of building roads and stairways on the premises, the property owner can be sentenced to pay damages to the victim (Justitiedepartementet, 1972:207).

#### Elevators

Elevators should be checked once a year (Boverket, 1994:25) by a person who is certified to do so. If the inspector notes serious shortcomings (Miljödepartementet, 1999:371), he should notify the municipality. Which in turn may issue a fine to the property owner unless the deficiencies are corrected within a specified time.

#### Littering

Nobody is allowed to litter outdoors in a place that the public has access, or visibility, to (Miljödepartementet, 1998:808).

#### When the lease ends

If it is a lease of a dwelling (Justitiedepartementet, 1970:994), the tenant may terminate the lease so that it terminate at the earliest in the end of the month, three months after the termination (i.e. if the contract is terminated on December 15, the property owner have the right require rent until March 31). When the lease period has expired, the tenant has to leave the apartment the next day and at the latest 12 pm that day keep the apartment available for the next tenant to enter it. But if the day on which the apartment is to be left or accessed is a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve, it shall instead take place on the first following week day.

#### The condition of the building

According to the Planning and Building Act (Miljödepartementet, 1987:10), the facades of the building shall be kept in a tidy condition and maintenance must be adapted to the building's value from the historical, cultural<sup>3</sup>, environmental and artistic point of view as well as to the surrounding area. Installations which are for fire protection and accessibility for the disabled has to be held in good condition.

<sup>3</sup> If the house is of particular historic interest one may in some cases receive funding from the provincial government to ensure the conservation of the interesting details, see the [www.lansstyrelsen.se](http://www.lansstyrelsen.se).

#### PCBs

Anyone who owns a house that was equipped with sealant or anti-slip flooring mass during the years 1956-1973 has to examine whether it is a PCB product (Miljödepartementet, 2007:19). If so, the owner has to ensure that the PCB product is removed by 30 June 2011. If the products have been used inside the house, you can, however, wait until 30 June 2013.

#### Radon

Radon is a material that emits radioactive gas. The gas can, at high levels and years of exposure, cause lung cancer. The Welfare Board (Socialstyrelsen, 1999:22, 2004:6) recommends that if the annual mean of the measured concentration turns out to exceed 200 Bq/m<sup>3</sup> radon air<sup>4</sup> should be considered a nuisance to the residents' health. Measurements are done through hanging an absorbing device in one residence per floor (and all homes in the basement and ground floor) for 3 months under the period October to April.

Measures to reduce radon levels can, for instance, be improved ventilation.

4. Radon gas is measured in Becquerel's per cubic meter (Bq/m<sup>3</sup>) air. Normal level is estimated to be about 100 Bq/m<sup>3</sup> in average in Swedish homes. In 2003, the Building and Planning (Boverket, 2003) estimated that out of a total of approximately 2.3 million multi-family housings in Sweden, about 115 000 has a radon concentration above 200 Bq/m<sup>3</sup>.

### Snow on roofs and balconies

According to the Ministry of justice (Justitiedepartementet, 1993:1617):

*"snow and ice that could fall and injure people or property in a public place shall without undue delay be removed from roofs, gutters and similar devices. This shall be done in such a way that it does not thereby occur a risk for persons or property to get damaged. The responsibility for the actions of the first and second paragraphs rests on the owner or as a result of a use agreement, or any other basis is in the owner's place."*

Snow on apartment balconies, however, is the tenant's responsibility.

### Waste disposal

There should be spaces or facilities for the disposal of household waste, which can be used by all residents (Boverket, 1993:57). And these should be no more than 50 meters from the building's entrance.

The obligation to also handle bulky waste the property owner can, however, through a paragraph in the lease agreement, be released from that obligation. If a tenant, despite that, leaves bulky waste on the property, he/she can be charged for the costs it causes the landlord. For other types of waste, such as paint cans, paper, packaging, and batteries the property owner is not required to keep any waste disposal system.

### Cleaning

The law (Justitiedepartementet, 1970:994) states that if the sanitary conditions are not reasonably acceptable the house is not considered to reach the minimum acceptable standard. What different people consider to be an acceptable level is very different. My experience is that some tenants do not seem to care about it at all, while others are directly finicky. The easiest way to find out how it is on your particular house is probably to ask the residents and then try to draw conclusions about a level that hopefully will satisfy the majority. One important thing to consider is whether any of the residents are allergic to dust or fur. Then you should try to adjust the cleaning so that it is possible for him/her to stay in the house.

### TV-antenna

The property owner is responsible (Kulturdepartementet, 1996:844) to provide the public TV channels: TV1, TV2, TV4, SVT 24 and Children/Knowledge Channel in each dwelling at no cost to the residents. If a significant number of households are connected to the network, use it as their principal means to receive TV broadcasts. TV1 and TV2 shall in principle be provided with analogue signal while the rest can be provided with digital signals.

### Roof

All buildings shall (Miljödepartementet, 1987:10), if there is a chimney on the roof, have devices for ascension to the chimney, and protection against falls from the ceiling. For buildings built after 1960 there is also additional requirements depending on when the house was built.

### Telephone

The property owner is not obliged to provide phone contacts.

### Laundry

The property owner is obliged to provide means to wash clothes in the house or its vicinity (Justitiedepartementet, 1970:994).

### Water heater

Electric water heaters that are bigger than 500 litres shall undergo installation inspection and periodic inspection (Arbetsmiljöverket, AFS 2005:03). In addition, they shall undergo additional inspections if they:

- Has undergone substantial repair or alteration.
- May have been damaged.
- Must be used with significantly changed operating conditions.
- Are stationary, but have been moved.

- Is to be used after the life length, according to the manufacturer, has expired.

#### Water traps and floor drains in homes

Tenant shall (Justitiedepartementet, 1970:994) take good care of the apartment and it's appurtenance during the rental period. He/she is obliged to pay all damages that has incurred, even if it is caused by negligence, or by any guest. This means that the tenant is obligated to ensure that the apartment traps or floor drains are not plugged. If it is plugged, the tenant shall correct the error.

#### Water

To avoid legionella bacterias<sup>5</sup> in the tap water (Boverket, 1993:57) hot water in houses built after 1993 should at least be 50 ° C hot in each tap. But it must not be hotter than 65 ° C then there is a risk of scalding. But regardless of the house's age the water should not be harmful to health (Socialdepartementet, 1983:616). Boverket recommends that, in order to prevent the growth of legionella bacteria, one should clean hot water heaters regularly, remove blind pipes, and sometimes flush the system through with 70 ° C water for 5-30 minutes.

<sup>5</sup>. They can cause pneumonia and we are infected by that we breathe them in water droplets.

#### Kitchen ventilation

Sweeping of kitchen ventilation<sup>6</sup> in homes is now voluntary. But Mandatory Ventilation Control (OVK, Boverket, 1991:36) shall be done every 6 years if the house has natural ventilation or only fan controlled exhaust. If the house also has fan-driven supply ventilation, the inspection interval is 3 years. Those who have accepted checks made before the introduction of shorter intervals, however, has the right to wait until the time of expiry. The verification is done during the heating season, i.e. between October to March. The property owner shall (Miljödepartementet, 1991:1273) allocate a certificate of verification, in a conspicuous place in the building.

<sup>6</sup>. Exhaust ducts and associated equipment from stoves in restaurants and catering shall however be fire safety checked every two years (Statens Räddningsverk, 2005:9).



# Technical management

A central part of the technical management is to have control over the actions that needs to be done and how they should be prioritized in relation to each other. To keep track of this, systematic inspection rounds ought to be done (see table 1) of that which is the property owner's responsibility. On such inspection rounds, it is advisable to bring:

1. Knife.
2. Flashlight.
3. Pen and paper.
4. Bit screwdriver with assorted bits.
5. Wrench and polly grip.
7. All relevant door keys.
8. Radiator aeration key.
9. Lubricant for hinges and locks.

The steps you find necessary to do, in case you do not have the financial means to do everything at once, has to be put in an order of priority. An alternative to this is to make a maintenance plan. But it is more or less the same thing, since even if a particular action is scheduled to be performed a certain period, it will still be postponed if it then something more important has appeared, or if the situation hasn't got more urgent. An appropriate order of priority can be (the higher the priority, the more motivated the action is in relation to the cost of it):

1. Preventing obvious risks of injury.
2. Secure property survival<sup>7</sup>.
3. Enhancing the capacity to bring in incomes<sup>8</sup>.
4. Reduce costs.
5. Raise property value<sup>9</sup>.
6. Raising comfort/satisfaction in the house<sup>10</sup>.
7. Others<sup>11</sup>.

<sup>7</sup> I.e. correct deficiencies that if it is not corrected quickly will cost much more to correct it later.

<sup>8</sup> For example, if a local is vacant, it is often very rewarding to tidy it then can be rented by someone.

<sup>9</sup> It can have a major mental value, even for those who are not thinking about selling the property, that it becomes more valuable. Furthermore, the measures probably also improve the comfort. But what is reasonable to invest depends very much on where the house is located. An investment in the backwoods might not add value to the same extent as the cost. While it may be the opposite in attractive locations. What is value of increasing are probably things that are emphasized in ads for condominiums and real estate.

<sup>10</sup> Some comfort measures are inexpensive and therefore well justified, such as to remove blemishes. While others, such as installing elevators, is more doubtful. But what is cheap/easy varying over time. For example, it is cheap to fix small damage of the painting if a painting company is contracted for a larger work.

<sup>11</sup> As a property owner one almost constantly gets propositions about all sorts of "improvements" that appear to have little positive impact regardless of viewpoint, such as systems with key tags or automatic laundry booking.

Table 1a. Proposed checkpoints for inspection round on the roof (the explanations follows after the tables).

Where	What	Remedied Now or Later (why).
Roof panel	Rust	Now (risk for holes in the panel and it gets more expensive as time goes on, because the need for grinding increases and that is what takes the most time).
"	paint is missing	Later (risk for rust, but not acute).
tile	Broken tile or tiles loose	Now (risk of water ingress and it gives a bad impression and it is also inexpensive to fix, if it is easy to access).
Ladders & gang ways	Rust	Now (if it is severe, otherwise in connection with another paint job).
"	Inadequate screwed	Now (danger of falling).
Roof towards street or walkway	No snow fences	Now (cheap to install snow fences in relation to what it costs to shovel the roof + you do not have to put up warning signs).
Gutters etc.	Rust	Later (they shall be changed, but it can wait until there are holes in them or when other measures that require a skylight are to be done).
"	Paint is missing	Later (they will rust and it gives a bad impression, but painting can wait until other measures that require a sky lift are to be done).
"	Leaves	Now (causing corrosion and / or water splashes on the facade and it is also an inexpensive task if it is accessible).
"	Fixing faulty	Now / later (depending on how it is accessed and the risk that it fall down).
Antennas	"	Now / later (depending on how it is accessed and any risk of collapse).

**Table 1b. Proposed checkpoints for inspection rounds in the attic.**

Where	What	Remedied Now or Later (why).
The entire wind	Mold smell	Now (cause and remedy should be investigated, see moisture damages).
Timber structures	The wood is black	Now (that it should be looked into now, for it can be an ongoing leakage, see moisture damages).
"	Visible mold	Now (for several reasons, see moisture damages).
"	Small holes mostly in large diameter timber that appears to be made of pests	Now (cheap since the pest removal companies are paid by property insurance, see pests).
Penetrations through the roof	Leaks	Now (risk for water penetration when it rain, see moisture damages).
Storage	Unmarked and there is more storage than the number of apartments	Now (cheap to put up a notice with labelling requirements and they can reveal if there are stores that can be rented out).
Common areas	Private objects	Now (cheap to put up notices about removing things and it increases the pleasant atmosphere).
Lighting	Broken fixtures	Later (expensive to bring in an electrician just for that, but cheap if you have an electrician there for other reasons, and it increases the pleasant atmosphere).
"	Broken bulbs	Now, switch to LED lights (cheap, because you can do it yourself).
Ventilation ducts	Cracks, holes, etc.	Now (it is spread warm air in the space, causing condensation, see moisture damages).
Fans	Noise	Now (it does not get better, and it's easier to fix before there are bearing failure if it is a ball bearing that sounds, if it's the fan belt it has to be tightened, or if the fan wheel wobble because it is dirty, it is also easy to fix).
"	No maintenance routine	Now (i.e. create a maintenance routine).
The underside of the roof	Visible leaks	Now (risk of water entering the rain, see moisture damages).

Table 1c. Proposed checkpoints for inspection rounds in stairwells and entrances.

Where	What	Remedied Now or Later (why).
The entire stairwell	Things are kept in the stairwell	Now (see fire, moreover, it is cheap to put up notices about removing things and it increases the pleasant atmosphere).
Handrails	Inadequately secured	Now / later (depending on whether you can fix it yourself or need to bring in a carpenter. In the latter case, it should be coordinated with other measures).
Surface	Colour damage	Now / later (if you have touch-up paint and can do it yourself is repentance an easy way to increase the pleasant atmosphere otherwise it can wait and coordinated with other paint jobs).
"	unjustified holes	Now / later (if you can do it yourself, joining / filling is an easy way to increase the pleasant atmosphere otherwise it can wait and coordinated with other paint job).
"	Discoloration / spots	Now / later (depending on who does it).
Stair switch	Broken	Now (risk for electrical shock especially for the cleaning person).
"	The bulb in the switch does not light up	Now / later (depending on whether you have such light bulbs).
Lighting fixtures	Defective	Now (very much discomfort).
"	Broken bulbs	Now, switch to LED lights (cheap, if you can do it yourself and it causes a lot of discomfort).
window	Hard to open	Later (when they are painted, especially since they should not be since then it may get rain on the floor).
"	Dirty	Taste and amenity issue
Apartment doors	Different / Ugly nameplates	Taste and amenity issue
"	Broken glass on the letterboxes	Later (i.e. when you still need bring in a glass artisan).
"	Tape pieces, etc. from previous appropriations	Now (if you can peel it off immediately).
Common doors	Stains et cetera	Later (in conjunction with another painting).
"	Door holder broken	Now (cheap to fix and annoying).
"	Grinds	Now (easy if you have a lubricant).
Entrance doors	Door closers do not close or closes too hard	Now (for several reasons, in particular, if you can fix it yourself by increasing/decreasing the spring pressure on the closer).
Entrance floor	Mottled, soiled, dull	Matter of taste if you think it's worth crystallizing (stone and marble). or polishing (linoleum).

Table 1d. Proposed checkpoints for inspection rounds in the apartments.

Where	What	Remedied Now or Later (why).
All doors	The lower edge is scraping the floor	Now (destroying the floor and easy to fix, i.e. more wear rings).
"	Defective insulation strips	Now (simple, provides better noise reduction).
"	loose doorknobs	Now (if it is just a matter of tightening the screws).
"	Grinds	Now (easy if you have the lubricant).
Entrance door	Defective bell	Later (if it is not easy to fix).
Fuse box	Broken (e.g. glass gone). or missing fuse holder	Now (dangerous).
"	Unmarked fuses	Later (no acute risk and it takes some time to do if there is no marking in the other apartments that matches with the current).
Heat radiator	Thermostat missing	Now (easy to fix, and without a thermostat, they go at full power).
"	Stains of water under the radiators	Now (risk of water damage, see moisture damages).
"	They are not hot enough	Now (simple, i.e.: 1. Unscrew the thermostat low (note: the nut is sometime locked with a locking screw). 2. Exercise the valve pin. 3. Lubricate the valve pin. 4. Air the element (if they are in need of aeration they usually make some noise. 5. Balance the system (i.e., reducing the flow to the hot element and increase to the cold ones).
Fireplaces	Lacks spark protection	Now (easy to fix and there is a risk of fire, see fire).
"	They are in use even though they are not OK	Now (risk for fire or smoke in the house, see the fire).
Ventilation valves	The valves are closed	Now (easy to instruct that the valves should be a little open even in the winter otherwise the ventilation will not work properly. The function can be checked through holding a lit cigarette lighter near the valve. It is okay if the flame is folding outwards to the valve. Intakes are often under windows (so that the radiator heats the incoming air).
Balconies	Bearing structures corroded	Now (in serious cases there is a risk for accidents).
Window and balcony doors	Exterior paint damage on windows/balcony doors	Now (relatively cheap to fix compared to replacing windows/doors, see facade damage).
"	Strain between frames & -door/window	Now (cheap points in terms of energy savings and comfort provided that the ventilation will still be acceptable. Which is not obvious because the ventilation in old houses were designed so that fresh air should enter between the frame and the window).
Floor and ceiling mouldings	Gaps between floor / ceiling and sockets	Now / later (cheap if you can fix it yourself, it increases comfort and looks nicer).
Floor	Squeaks, fails or leaning	Never (it is usually just comfort issue and expensive to fix).
Walls & woodwork	Colour Injuries & holes	Now / later (if you can do it yourself it is an easy way to increase the pleasant atmosphere otherwise it can wait and be coordinated with other paint jobs).
Bathroom	Mold smell	Now (see moisture damages).
"	Unsealed holes or penetrations in walls	Now (it can be moisture behind the moisture barrier, see moisture damages).
"	Loose sink or toilet	Now (the pipes can break, see moisture damages).
"	Exhaust ventilation clogged	Now (easy to fix directly and prevents moisture damage, make mold & dampness).
"	Ventilation clogged	Now (it prevents moisture damage, see moisture damages).
"	The clamping ring in the floor drain is loose	Now (risk of moisture damage, see moisture damages).
"	Open joints / cracks in the plastic carpet or vinyl flooring	"

Bath, toilet and kitchen	Unsecure electrical installations	Now (dangerous).
"	Water is dropping	Now / later (i.e. when it is appropriate, for it is distracting and increases the consumption of water).
"	The water beam is weak or straggly	Now (it's easy to clean the filter when you're there).
Kitchen	Clogged filters in the ventilation hood	Now (i.e. tell the resident to clean the filter).
"	Leaking water under the sink	Now (risk of moisture damage in the kitchen furniture/floor, see moisture damages).

**Table 1e. Proposed checkpoints for inspection rounds in the basement and other premises.**

Where	What	Remedied Now or Later (why).
Whole basement	A smell of mold since there is moisture trapped behind the dense layer	Now (cause and remedy should be investigated, see moisture damages).
"	Mold smell due to inadequate ventilation	Now (it can be easy to fix by making more ventilation holes).
"	Traces of pests	Now (see pests).
Walls	Colour that bulges / has released	Now / later (see moisture damages).
"	cracks	Now / later (see cracks).
Floor	Floor paint / carpet bulges / has released	Now / later (see moisture damages).
Heater	Dirt filter on the return line is clogged	Now (cheap and otherwise the system does not heat properly).
"	The settings on the control panel faulty	Now (set right at once).
Water heater	The safety valve has got stuck	Now (as it suggests that it is broken, which is dangerous).
"	Rust spots or drips rusty water out of the overflow pipe	Now (if there is rust holes in the water heater it will spray a lot of water, see bad water pipes).
Expansion tank	low water	Now (that is fill with water). Note If the water level drops, it may indicate a leakage in the system.
Water pipes	galvanized	Now (high risk for holes, see bad water pipes).
'	Poor suspended	Now / later (cheap to fix when you have a suitable craftsman in the house and they could fall down which in turn causes water damage).
'	Un-insulated long distances	Now (cheap to fix in relation to energy saving and / or temperature losses and condensation problems).
" + sewer pipes	Poor suspended	Now (cheap and they can fall or break, resulting in water damage and discomfort).
Sewer pipes	Rust spots (often in the bends and horizontal parts).	Now / later (see bad sewer pipes).
Laundry room	Dirty	Now (easy to fix with grants and / or changes cleaning routines, but it increases comfort and reduces much mismanagement).
"	The colour falls from the walls because of the large quantity of hot and humid air	Now (it prevents moisture damage and can be simple to partially remedy with improved ventilation (holes in the door.) And cleaned air intakes in the ventilation see moisture damages).

"window	Condensation	"
"drying room	The drying machine consumes a lot of electricity	Now (it costs a lot of money, better to install a dryer cabinet/ dry tumbler).
" Electrical installations	Broken or wrong	Now (risk for electrical shock).
" drying cabinet	Lint in the fan / fan filter	Now (cheap and easy to fix at once).
Garbage room	Constantly odours	Now / later (depending on whether there is a simple measure to improve the ventilation or not).
"	Very much garbage / often full containers	Now (easy to order larger / multiple barrels).
"	Improper waste (electronics, glass, etc.).	Now (i.e. investigation about what it would cost to get more fractions collected, it can be very affordable).

Table 1f. Proposed checkpoints for inspection rounds outdoors.

Where	What	Remedied Now or Later (why).
External lighting	Consumes electricity + lights wrong times	Now (change to CFLs with ambient light sensor, simple to do, they last longer, use less energy and glows only when needed).
All surfaces	Graffiti	Now (see break-ins and vandalism, in addition it is often easy to do yourself with the right solvents, which for example regarding spray paint is thinner).
Brick facades	Minor cracks in rocks or joints	Never (see facade damage, brick facades).
"	Clogged drain holes in the bottom	Now (easy to fix and prevent moisture damage in the materials behind the bricks).
Plastered facades	The plaster has come loose	Now / later (depending on whether they can be addressed without building an advanced scaffold, in the latter case it will probably be quite expensive. Contact plastering firm for quotation, see facade damage, plastered facades).
"	The plaster has come loose from the wall it sounds muffled and the surface layer is soft (a knife goes easily through).	"
Wooden facades	The colour has come loose	Now (see facade damage, wooden facades).
"	Mold and discoloration	Now (cheap to fix at an early stage, see facade damage, wooden facades).
"	The paint is loose	"
"	The wood is rotten, a knife goes easily through	Now (its hurry before even internal structural components are damaged).
Stained wood	Dry, cracks, has not been oiled in a few years	Now (easy to fix, i.e. oil it).
Oak door etc.	Have not been oiled in a few years (sun-bleached surface).	"
Plate work	The paint has come off and / or rust	Now (cheap to fix (paint). Before it becomes more rust if it is easy to access without scaffolding, also it looks much neater).
Drainpipes etc.	Fixing faulty	Now / later (depending if it is possible to access without sky lift or the like and when appropriate craftsmen are in place for other reasons).
Drainpipes	Holes	Now (since there will be water leakage damaging the façade and it can be easily fixed with the appropriate tape).
Drainage wells	Filled with leaves, sand or water	Now (they do not work, making water flow on the facade and or it become puddles).
The whole place	Rubbish	Now (it does not get better by if nothing is done about it, i.e. cleaning. And rubbish is unpleasant and increases the risk for vandalism, see burglaries and vandalism).

"	Weeds	Partly a matter of taste, but easy to fix the worst
"	High grass	Partly a matter of taste, but property owners are expected to cut the grass
"	Unkempt bushes and trees	Now (easy to fix).
Paths and gangways	Icy	Now (someone can get hurt, and it may be enough to place a sandbox there).
Swings	Large cracks in the rubber in the mounting of the tires seat	Now (it is mandatory (Ministry of the Environment, 1987:10). To maintain them so that the risk of accidents is limited).
Fixed playground equipment	Too little sand around them	Now (kids can hurt themselves when they jump).
"	Poorly fastened, degenerated ropes or rotted wood parts	Now (kids can hurt themselves).

## References to table 1

### Fire

Property owners should work with systematic fire prevention that the owner of apartment buildings<sup>12</sup> could be meet through:

- Making sure that things never are kept in hallways or stairwells. Because they can be an obstacle for residents who are trying to get out and for the fire department when they are trying to get in.
- Ensuring that there are at least 2<sup>13</sup> escape routes to all areas where it usually lives of people.
- Making sure that what is intended to be firewalls<sup>14</sup> really is.
- Ensuring that there is some form of ventilation of smoke in the stairwell (if the house has more than two floors). Ventilation can consist of smoke hatches, or windows on each floor.
- Ensuring that there is at least one smoke detector in each dwelling.
- Ensuring that the smoke detectors function is tested at least once a year. Which is done by pressing the test button or by holding a newly extinguished candle under it.
- Being aware of unwary residents and inform them, if necessary, on how to use fire places<sup>15</sup> without spreading smoke in the premises. Or install stow guards<sup>16</sup> to those who are likely to forget pots on the stove.

<sup>12</sup>. If there are workshops, care, or meeting facilities or if it is a historically important building there are other more comprehensive regulations.

<sup>13</sup>. In older apartment buildings where it is difficult to make alternative escape routes in the form of fire stairs on the exterior façade, authorities accept, however, that the fire brigades ladders is considered to be the second escape.

<sup>14</sup>. Since most fires occur in individual homes the most important fire walls are those who separate the apartments from the stairwell. Partly to reduce the risk of fire spreading from a burning apartment, but above all to prevent smoke to spread out into the stairwell and into other apartments.

<sup>15</sup>. Example of instructions for firing in a fire place:

Obtain firewood.

Note! Plastic or similar must not be used as it can make the furnace so hot that it bursts.

Pack the wood so that the air supply to the fire is good. The fire burns more even if the wood is placed on a foundation consisting of cross placed logs.

Increase the flow of fresh air in your home by opening the inlet air vents or windows.

Open the damper in the fireplace completely.

Check if there is a flow though the stove by holding a lit cigarette or a lit candle near by. If the flame turns in the direction of the fire place the flow and the direction of the flow is OK, if it on the other hand turns into the room, it is not OK.

The latter may be remedied through heating up the chimney. This in turn can be achieved by inserting a few leaves of a magazine inside the small gaps of the oven sides and then close the hatch.

If that does not help increase the amount of supply air to the room by further opening the apartment airs vents or windows.

Light the fire.

When the wood caught fire: close interior doors and open the small dampers in them.



When the stove is hot: close the upper damper slightly.

Note1! Never leave burning fireplace with open outer and inner doors unattended.

Note2! Never light a fire with wet wood, garbage or painted/oiled wood. Because then increases the risk that it is tar in the smoke, which in turn increases the risk for soot.

Note3! If it begins to get smoky in the apartment: Open the top damper completely and possibly also a window and close the gaps.

Note4! Wait a few days to empty the ash.

- <sup>16.</sup> A stove guard is a gadget that you yourself can plug in the cooker 3-phase sockets before the stove contact. When it is activated it breaks the power to the stove.

### Bad water pipes

It is common in older houses that the cold water pipes are wholly or partly made of galvanized iron. These iron pipes rust internally and in the end it will be holes in them. It is a serious problem because it is so high water pressure in those pipes that it will spray large amounts of water before someone comes to turning off the water. In addition to this serious risk, the flow in them will gradually decrease with time, because of that the internal corrosion cake expands and makes the active diameter smaller and smaller. Moreover, there will be rust spots around the taps because the water carries small amounts of rust through the pipes. It is most urgent to replace the iron pipes where they are connected with copper ones. This because the metal ions will migrate from the less noble metal iron to the more noble copper ditto if there is some water on the pipes. Which often is the case because cold water pipes in general are colder than the air in the space in general, and thus there is condense on them.

### Bad sewer pipes

Drain pipes in cast iron will rust. Which in turn leads to the hole that sewage is running through becomes smaller and smaller in the same way as in cold water pipes. Also sewer pipes may rust so that it becomes leakage and sewage flows into the floors and walls. The most sensitive points of the system are the horizontal bends because there water hits the tube walls and the wastewater can also become stagnant instead of just run through as it does in the following sections. Moreover the horizontal pipes in the kitchen and bathrooms is made of much smaller dimensions than the standing sewage tribes, and that in turn makes them easier to clogg.

Replacing old sewer pipe is not expensive but many times these are built into floors and walls. Why it is expensive to expose the tubes and the remake the floors/walls afterwards. It is therefore reasonable to take the opportunity to renovate the surface layers of the bathrooms or kitchens in the same time. But otherwise there are simple and affordable ways to renovate old sewer pipe without replacing them, such as relining.

### Facade damage, wooden facades

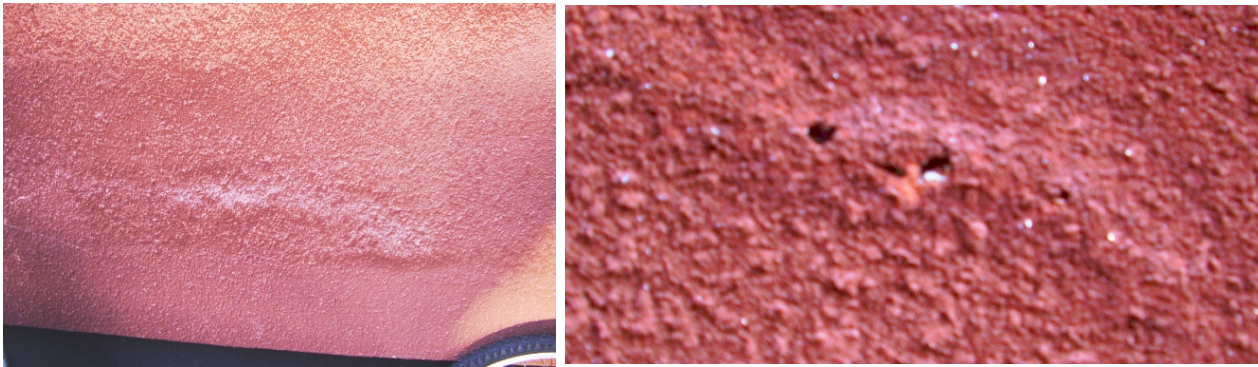
The paint on wooden facades, as well as all other exterior painted surfaces, degenerates over time (see figure 1). Which allow water to penetrate the wood and eventually destroy it. The more sunlight and/or water, the painted surface is exposed to the faster the process. It is usually the worst at the bottom because all the water that hits the wall above the surface sooner or later runs down there, but sometimes also because it splashes up from the ground or from plants nearby.



Picture 1. Paint that is degenerated.

### Facade damage, plastered facades

Even plastered facades degenerate over time (see figure 2 & 3). The more water that ends up on the façade, the faster it goes. Which means that finally the plaster is destroyed. First in the bottom, but often also at the top. The more the plaster releases the more water comes in between plaster and wall, and the faster the plaster releases further.



Picture 2- 3. Plaster damage. The plaster has come loose from the wall and is just joined together through the outer layer of spray plaster. The surface bulges out a bit and if someone tests with a knife tip on the surface it goes through. The stage before this is that it sounds muffled when you knock on it with the knife, but the tip does not go through. When it collides with perfectly healthy plaster, however, the sound is a lot less muffled.

### Facade damage, brick facades

Brick facades usually have nearly infinite lifespan. Minor cracks in the joints or cracked stones are often just an appearance issue and restorations may become more visually disturbing than the cracks.

### Dampness damages

Water that enters the building elements can cause major damage. The most obvious internal traces that it to some extent has happened, in addition to dripping water or puddles, is often:

- Stained (darkened) wooden surfaces<sup>17</sup>.
- Dark spots on the wallpaper or paint.
- Carpets that are bubbled.
- Colour that has bubbled or is loose.
- Odours of mold (smells like and old cellar).
- Plaster that bulge, is discoloured or has loosened<sup>18</sup>.

<sup>17</sup>. This discoloration can, besides normal soiling, be due to that the water has seeped into the wood and started the process of decomposition. There may well be an ongoing process or a previous ditto, now stalled due to, for example, that the roof sealed. If the spots are cooler than the surrounding areas (which means they are wet), it is either because there is an ongoing water leak or water condenses on the surface. The latter is due to the hot air (which may contain more water vapour than colder ones, without feeling damp) is cooled down on a colder surface, such as a poorly insulated room corners. When air is cooled, it can not hold as much water and thus the water is transformed to visible water, i.e. condenses.

In order to determine whether the wood is healthy, you should test it with a knife. If the knife goes in easily, the wood is rotten (See figure 4) and has thus lost much of its buoyancy. For proper functioning of the structure it should then be replaced with new wood. Then you should consider how water enters. For example, by waiting until it rains if the reason could be a leakage in an outer wall or ceiling. If not, or if leaking water installations are excluded and the stains are dry, one should (a day when it's cold outside) test if the spots are wet. If this is the case, the spots are due to condensation.

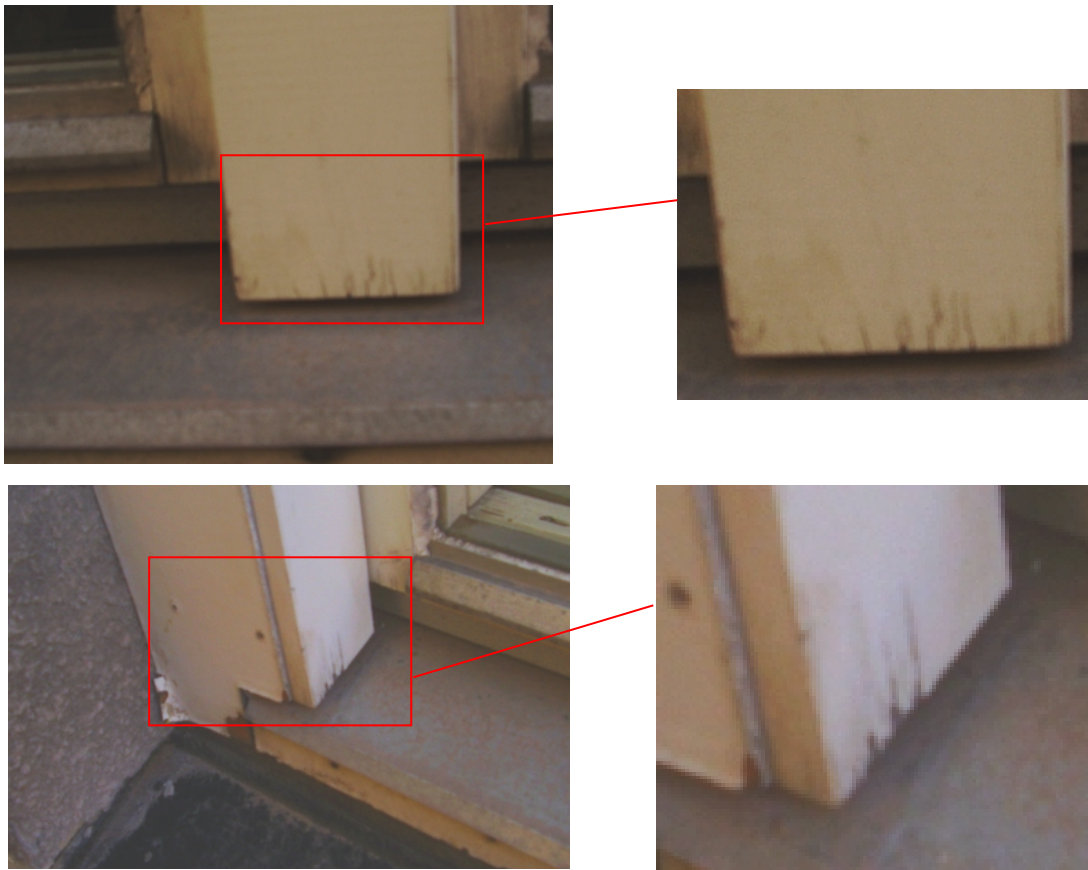
If inspection indicates leaking roof, facade, or water installations the problem must be addressed immediately to avoid serious damage. If it is a question of condensation, however, it is not as urgent and the measures to be taken

are different. They are then mainly to improve the ventilation of the space. In addition, if it is a cold attic of the solution can also be to reduce ventilation (SP, 1995:6) or to seal the floor, so that hot air does not penetrate from below.

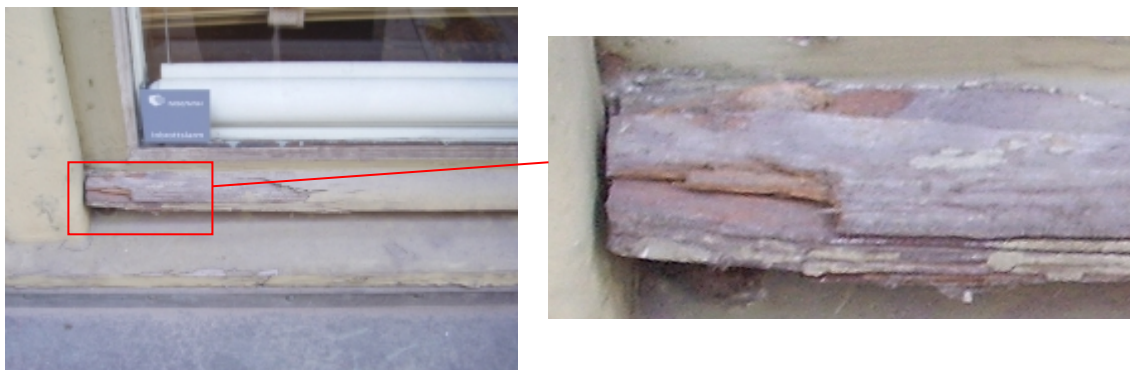
18. Try tapping the plaster. If you hear a hollow sound, the plaster probably has come loose. In the case of minor damages on basement walls, it can be sufficient to knock down the loose plaster and cower the holes with a water permeable plaster (lime plaster) and ditto colour (silicone resin paint). If the damage to basement walls, however, is extensive or if they are otherwise disruptive and is also found in inner walls, it can be a matter of pumping out water from under the floor. If the damage is located on the exterior walls and the ground outside the house consists of permeable materials like soil, it may instead be a matter of digging up around the house, drain and cover the foundations with a barrier layer. If the surfaces around the house are made of asphalt or the like, which more or less frequently is the case around house in stone cities, a thorough investigation of what is the cause of the problem, is required, before any actions are planned.

### Window damage

Window joinery degenerates gradually and it starts at the bottom (see figure 5-7). But it is a fairly extensive and expensive<sup>19</sup> to replace windows, but cheap to maintain them. If they are in good condition and they are designed so that repainting can be made from inside the apartments.



Picture 5 & 6. Incipient window damages on about 15 years old windows.



Picture 7. Window damages that has gone so far that the wood is bad.

- <sup>19</sup>. If the current building is located so that residents are exposed too much noise from road or rail, Trafikverket may be willing to pay for new exclusive triple-glazed windows in the bedrooms that faces the road or railway.

## Burglary and vandalism

Researchers (Boverket 1998) state that:

- The less private a place feels, the greater the likelihood that there will be crimes committed. For example, it is more likely that an unlocked bike standing alone in a courtyard will be left alone than if it is placed on the pavement. And the clearer the borders between the public and the private are, the better. Among other things, possible intrusions become more obvious.
- In buildings that give the impression that no one cares, there is a higher risk for vandalism.

One conclusion to be drawn from the latter is that property managers constantly must ensure that it is not rubbish inside or outside the buildings. And you should ensure that graffiti and broken windows are repaired as soon as possible. Regarding the problem researchers recommend the introduction of symbolic barriers such as fences with gates, lock on the doors, and more.

## Cool or drafty

Many complaints from residents are about cold and/or drafty homes, so if that is the case, you probably will sooner or later find out. It may be due to lack of insulation or an insufficient heating system. The overall quality of the Insulation is quite clear shown in the energy declaration. If the house has high energy consumption, it can be wise to add some additional insulation. If so, is the simplest and cheapest additional insulation can be done through injecting loose wool on the attic. It takes a few hours and cost less than 10 000 SEK for a small apartment block.

But if the house is drafty it does not necessarily show in the results from the energy declaration. Draft is generated when cold air enters, mainly through skirtings and cornices of the walls and around the windows. Even if the house in general is well insulated. The draft might be felt on the back of the hand if it is cold outside. It can also be seen in the form of dirt from the dirty outside air which has penetrated through the structure. Alternatively, you can let the heat shoot house. If the problem lies in one of the following, they are so easy to fix that it should be done before further investigations are carried out:

- If draft penetrates through gaps under/above floor or in-between the walls and the roof: Loosen the ledges and dense root cavities and/or injecting grout into the gap in-between.
- If it is drafty around the windows: Remove the liners inside or (if so) outside and caulk with mineral wool.
- If it is drafty between the windows frames/door panels and frames: Install or replace existing seals. But be aware that the window seals, in older houses, which originally were more permeable (made of fabric) were supposed to be air inlets. That is why the radiators are mounted underneath (to heat the air that came in through the sealing). So if the gap is sealed, it may be required to provide the window with a slit valve to make the ventilation acceptable.



### Mold and rot

Musty smell reminiscent of that in potato cellars, may be due to mold. Mold spores are everywhere. They can, put it simply, be said to be the organism "seeds". for spores to grow up, it requires more moisture than it normally is indoors (that there is water in the form of condensed droplets or water soaked wood) and nutrient (= wood and the like). Mold in itself does not degrade the wood strength, but it smells so bad that it is difficult and unhealthy to live with. Decay, however destroys wood.

These problems can often be quite easily reduced, by taking up vents at a few different places to the space in question.

### Pests

Some pests can in a relatively short time eat parts of a wooden structure. It can be difficult to directly find the animals. However, you can sometimes see suspicious pinholes in, for instance, wood rafters and perhaps wood dust around or below the holes.

### Cracks in masonry or cast walls

Small cracks in such walls generally have no technical significance, but if it is large and deep horizontal cracks, the wall has lost part of its load-bearing function. The cracks may be due to that the ground under the wall sinks (see picture 8). If the ground continues to sink, there is also a risk that the wall finally collapses. To investigate, you can cover the cracks. If the cracks develop, they will be visible again. Alternatively, you can bring in experts who can assess the risks the cracks entails.



Picture 8. Cracks in a basement wall because the ground beneath the wall had sunk, and the wall was not supported by piles. When we drilled holes in the wall, we found that it was about 0.3 meters between the ground and the underside of the wall. To ensure the function we built a beam construction, resting on piles down to bedrock, outside of the wall. The design did both keep the wall upright and took over its load supporting function.



## Contractors

When an action is decided, remains the often most difficult part of the work, namely, to ensure that it gets done. For smaller jobs, there are usually no other option than to hire craftsmen on a current account. Since it is not reasonable to request quotes for small jobs, moreover, it is not certain that it will be cheaper because they have to take in account possible problems that probably won't occur.

However, for larger projects, it is often worthwhile, if possible, to bring in quotes from several contractors, especially if you do not already have very good contact with a suitable one. For example, the quotes for my last purchases from seemingly similar firms were distributed as follows:

- Work 1: 570 000 SEK 1 090 000 SEK and 976 000 SEK.
- Work 2: 34 016 SEK and 87 200 SEK.

Whether you intend to use a trusted contractor to perform work on current account or with fixed fee one should make document that at least is a list of what to do. Since regardless of how careful and conscientious the contractor is, it is easy to forget.

In more complex cases, it may be wise to hire a structural engineer who designs the plans and also hopefully reconcile during the work, that it is properly done. Since even a sloppy firm for a layman in the field may seem to do very serious work. As a layman it might also be difficult to assess the severity of the possible carelessness. In addition, in many cases, it is mandatory to appoint a quality manager. Which the construction company hopefully can provide.

Notwithstanding other circumstances, it is usually easier for yourself and cheaper, the more small tasks you can collect to a single contractor. Since the contractor's travel and start-up time is shared between more tasks. Moreover, the latter, in particular in the case of painting, can use delays in a more efficient manner.

Finally, it is important to have a well-known rule regarding projects in mind at all planning of future projects:

**Small projects often take more time than what was planned, and big ditto pull often cost more than planned.**



# Financial management

The current financial management consists of several different elements (see table 2).

Table 2. Ongoing financial management of properties in addition to accounting and audit purposes.

Financial management includes	Difficulty and Comments
Keeping account of incomes and expenditures	Easy if you consider the Internet-connected bank account as cash book
Handling out rental fees <sup>20</sup>	Simple and not even necessary to do
Reconciliation of incoming rents	Simple can be done for example in an Excel table with one row per rental item and a worksheet per year
Requirements management / debt collection	Could be psychologically stressful
Verification of supplier invoices	Can be difficult to determine what is reasonable
Payment of suppliers <sup>21</sup>	Easy registration on Internet banking
Payment of expenses, salaries, fees, taxes and social contributions	"
Register / unregister as an employer	Easy
Calculation of taxes and social contributions	Easy once you learned it
Writing reports to the tax authorities about the above	"
VAT returns	Quite difficult since only the costs <sup>22</sup> accruing on the VAT premises may be deducted against the tax you pay
Rental negotiations	Usually quite simple
Preparation of leases	Simple with standard contracts <sup>23</sup>
Respond to inquiries, tax proposals, etc... from authorities	"

<sup>20</sup>. For the collection of rents some property owners chooses to send monthly invoices to the tenants, other sends them quarterly while others never announces payments (other than when the rent increases). Which is to be preferred depends on factors such as:

- The real estate market in your area. The more difficult it is to get tenants, the greater the likelihood that they misbehave with the payments and the greater may be the need to remind them to pay.
- The age of the tenants. The younger customers, the more likely it is that they pay the fee online. And those who pay via the Internet often have no need for a bill. Unlike those who pay at the bank or through example. private giro in letter form.
- The share of commercial customers. Commercial customers would like to have a basis for any payment, but it is not obvious that this is so.

<sup>21</sup>. For payment of the ordinary bills, I consider that there is no alternative that beats Autogiro. A phone call to order form and possibly an envelope with a stamp. Thereafter it forever solved. Other bills are usually not so many that the payment process is burdensome.

<sup>22</sup>. Neither dwellings nor premises are normally subject to VAT. But you are entitled to ask the Tax authorities to decide that a part of the house become subject to VAT. The first advantage is that you can offset the VAT on the costs premises causing you (for heat, garbage collection, water and repairs) receives a portion of the tax which the tenant pays you. Without cost for the tenants, provided that they receive tax from their customers. Let's say that the room is 10% of the rentable area. Then, one could assume that it consumes 10% of the common VAT coated utilities. In this case, the deduction of the corresponding part of the VAT for these costs, i.e. 10%. But it may be that it is a business requires more heat (say 15%) and produces more rubbish (say 20%), though it consumes very little water (e.g. 5%). If you have numbers that support this think that it would be reasonable to actually pull off these more accurate fractions of VAT. But the Tax authorities (Skatteverket, 2008) suggest that one should deduct the same fraction of each charge. Which means that you either have the option to go to 10% of such tax or a weighted average of the various expenditure items. The other advantage is that you get the VAT you paid to renovate/build the premises back from the Tax authorities.

<sup>23</sup>. Leases and other formal documents, is wise to download from the Internet.

In most cases, the income is fairly given in advance and the most dramatic thing that happens is that a tenant or a condominium member stops paying or that a previously leased space becomes redundant. Some expenses, such as property tax is also not possible to do anything about. Other expenses like water, regular garbage collection and district heating are only possible to reduce through reducing consumption. Still other costs such as insurance, electricity, cleaning and interest may be reduced partly by reducing consumption but also by choosing other suppliers. The difference in the economic impact of an active choice, however, is often quite small (see table 3).

Table 3. Differences between three different suppliers of the same product for an ordinary apartment building with about 30 apartments and modern technical standard in Stockholm.

Type of cost	Annual consumption	Yearly cost with the cheapest supplier (including VAT)	Yearly cost with the "in between" supplier	Yearly cost with the most expensive supplier
Mortgage costs	5 000 000 SEK in loan and non fixed intrest <sup>24</sup>	75 500	77 500	82 000
Cleaning	Weekly cleaning of common premises. <sup>25</sup>	25 625	26 850	44 000
Electricity	20 000 kWh non fixed price <sup>26</sup>	18 040	18 460	19 060
Insurance	Self risk 8.000	17 187	54 000	58 752
Sum		136 352	176 810	203 812

At the time of writing the "variable" interest rates is low, i.e. around 1.6%. Which means that for those property owners who have variable rates the interest expense represent a much smaller proportion of the costs than before. But if interest rates were higher or for the owners who have interest rates that are tied to a higher percentage, the interest expense might in many places, by far, be the largest item of expenditure if the house is mortgaged up to (say) three-quarters of its market value. If the owner now chooses to fix their interest rates, they would during a five-year period be approximately 4.4%. Which on a five million SEK loan make a cost difference of about 140 000 SEK/year compared to variable interest rates. At present, it is thus obviously a good deal to have variable interest rates. But a year earlier the variable interest rates were around 6%, and then those tied their interest rates a few years earlier at, say, 3% in both 2007 and 2008 made a decent profit on this. Those who consider themselves experts in the field, however, tend to more or less in unison claim that variable interest rates always pays off in the long run.

A financial transaction that can be very profitable is to buy the land if it is leasehold and the municipality is willing to sell it. For example, I as a representative of a property owner was offered, by the municipality to acquire the leasehold of 1.6 million SEK. And the rent for the land was 127 000 SEK/year, thus it would have been a profitable business to borrow money and buy the land whatever interest the owner had paid to the bank (up to 7.9% interest).

<sup>24</sup>. A low, medium, and high "variable" interest according <http://www.konsumentbankbyran.se/artikel/:s> link to today's rates: <http://svt.se/svttext/web/pages/231.html>.

<sup>25</sup>. Two entrances, one elevator, two staircases swept and wiped, door glass cleaned, scrapers emptied, window sills and handrails wiped once/week.

<sup>26</sup>. A low, medium and high electricity price according to the Energy Market Inspectorate website: <http://www.ei.se/elpriskollen/min-berakning/jamfor-avtal/>.



In the case of condominiums, the situation is a bit special. In that way that often both the association and the individual members has loans on the house. There are several reasons for this, mainly:

- They choose to put some of the cost for the purchase of the property on the condominium associations so that it would not seem too expensive to become a member.
- The association has taken loans to finance renovations because they received interest subsidies from the government for this.

But the thing that speaks against this is that the individual members have a reduction on their income tax for interest on loans that are their own, which they can not get on the association's loans. Therefore some condominium associations who have loans now choose to shift the loan to the members and then reduce the fee accordingly. Which might be worth thinking about for associations with large loans and no assets (i.e. rental units) that can be sold in the future and create capital to solve the loans. One benefit in addition to the direct economic effect is that it can increase the value of the condominiums. Another advantage is that the members under certain circumstances can deduct capital when calculating the tax when they sell their condominium.

## Social management

My experience is that one usually does not need to contact ones tenants. But if that is the case, apart from the notifications about upcoming technical measures, it is mainly because they have not paid the rent/fee. Some of these pay sometimes too late but they always arrange it within a week or so and then it is not a real problem. Since you still do not have any interest on the money. Then there are those who have missed one or more payments that they are behind, but otherwise handle it. They are more of a problem but still nothing compared to those who stop paying and instead delivers a lot of stories about that money is coming, et cetera. The former kind one may be forced to live with if the house is located in a place where it is not natural to have all of the apartments occupied all the time. As it is in many places in Sweden. The latter variety, however, can in the long run be costly and a mental torture. Then it can in my opinion be worth<sup>29</sup> to start an eviction process if the tenant does not want to move voluntarily, even if the home/premises are not so easy to rent out. An eviction process, in Sweden, works so that you write a letter to the tenant where you explain that he/she will be kicked out, but that he can regain the right to stay if he/she pays within three weeks from the time he/she got the message. If it is a dwelling one must (Justitiedepartementet, 1978:314) then also writes to the social welfare department in the municipality. Standard forms for the above letters are available for download on the Internet.

<sup>29</sup>. Since the process of getting rid of the tenant may take time, like six months, and you probably will not get any rent during the time it becomes very costly. It demonstrates how important it is to be wary when accepting tenants with documented payment problems.

To get rid of a residential tenant for other reason than he/she doesn't pay the rent, it requires according to my experience:

1. He/she has misbehaved, for example. been disturbing, quite often and for a longer period.
2. The disturbances have been documented.
3. Social services have been approached.
4. He/she have had written warnings.
5. There are witnesses (preferably independent ones, such as police officers).

The documents you have as evidence shall be sent to the court for rental matters. They then requests a response from the tenant after which there is a trial. On the trial the property owner and the tenant submit their views of the matter and any witnesses tell (under oath) their observations. Then the property owner states his claim, then it's all finished. Afterwards the judges committee discuss through what sentence they feel is appropriate.

However, if there is a business tenant who is dismissed, it is, in my experience, much easier. But more expensive, since they usually are entitled to compensation equivalent to one year rent and the costs for moving.

For many social problems that can occur, there are no laws governing what residents can or can not do. Instead, it is common sense that applies. To increase the residents' awareness of what this means, you can attach the regulations, such as those below, to the lease agreements:

Tenant agrees to:

- Not play music or otherwise creating noise, evenings and nights (weekdays. 22:00 to 7:00, other days 22:00 to 10:00 a.m.).
- Not carry out noisy work such as nailing, drilling or vacuuming, evenings and nights (weekdays. 20:00 to 07:00, other days 20:00 to 10:00).
- Not smoke in the house's public areas.
- Not park a car or other vehicle so that it interferes with the traffic flow on the site.
- Keep the supervision of any pets so they do not disturb, damage or pollute somewhere on the property.
- Observe that it is required to maintain order and condition on the property and to ensure that this is also followed by both household members and guests.
- Not install anything on the facade.
- Not place any objects in the entrance, staircase, attic and basement corridors.
- Follow the rules and guidelines for booking and use of the laundry room.
- Not change the apartment's fixed equipment.
- Not leave windows or balcony doors open during the cold part of the year.
- In winter, keep the apartment heated so that the water does not freeze in the pipes.
- Not place a flower box or the like on the outside of the window or balcony railing.
- Not grill on the balcony or terrace.
- Not flush fluids (e.g. cooking oil) or objects that could jam the property drains.
- As soon as possible notify deficiencies arising in the apartment as well as the possible presence of vermin to the landlord.

## Increase revenues

Increase the area that generate revenue

The most obvious way to increase<sup>30</sup> this surface is to build another house on the property or extend the existing houses. But there is often a much easier and cheaper way. Since in the majority of the properties I managed, there has been scope for increasing the area that generates revenue by converting non-revenue generating space, in the following ways:

- Convert common areas such as corridors and stairway enclosures to individual surfaces, i.e. expand any adjacent dwelling/office or make a completely new<sup>31</sup> dwelling/office.
- To rent out storage spaces that the property owner previously utilized.
- To rent extra storage space that was formerly freely used by a tenant.
- Create patios for individual apartments<sup>31</sup> perhaps with direct entrance<sup>32</sup> to them.
- Create parking spaces.

A variant of converting surfaces, which has more positive effects than just that the lettable area increase, is to remake the laundry room to an office or a home. Combined with the installation of washers and dryers in every apartment. In addition to that some of the technical problems that may be associated with a general laundry facility are eliminated, the costs for electricity and cleaning of the laundry rooms will be eliminated. And the satisfaction among the majority of the residents will probably increase. It is also relatively easy to convert a laundry room into a home, since many laundries have windows and the space is already equipped with heating, electricity, water and sewage.

<sup>30.</sup> In addition to that the revenues increases, the value of the property also increase. Since the market value of rental properties is determined by multiplying the leased area with a market value per square meter (for example, 10 000 SEK/ m<sup>2</sup>). This value per square meter is determined primarily by the price of recent sales of other rental properties in the area. So in the example of one square meter price of 10 000 SEK/m<sup>2</sup>, an expansion of the leased area of 50 m<sup>2</sup> increase the property's value with 500 000 SEK, provided that the property is fairly similar to the previous properties sold in terms of condition, standard and location.

<sup>31.</sup> Planning permission is usually needed.

<sup>32.</sup> If is condominiums it is more appropriate to sell the right to indefinitely occupy the land in question, since the next member may not agree to pay a periodic fee. Which will force the board to decide whether the association will clog the patio door or allow the member to use the area outside the door as his private domain without paying for it.

Raise revenue without increasing the leased area

Any of these things can certainly be made in each apartment block:

- General increase of the rents<sup>33</sup>.
- Rental rate increases when someone moves out<sup>34</sup>.
- Conversion of surfaces with low income to areas that generate higher ditto<sup>35</sup>.
- Splitting apartments into several units<sup>36</sup>.
- Cutting the land<sup>37</sup>.
- Lease space for commercial signs<sup>38</sup>.
- Lease space for a mobile phone station<sup>39</sup>.
- Get paid for other services<sup>40</sup>.

<sup>33.</sup> In order to increase the rents it is required<sup>41</sup> (Justitiedepartementet, 1970:994) that you make an agreement about this with the tenants. Then you write a letter to each of them and propose a rent increase from a date no earlier than two months and one day in the future. In the message, you should also state that they will be required to pay the higher rent, if they do not object it before a certain date (at least two months ahead). The notice shall also contain your contact information, as well as information about that they can appeal to the Rental court and how they can do that (suggest that they contact you with a letter in which they appose the suggested new rent and you take the matter to the court).

<sup>34.</sup> If an apartment is empty, you can yourself<sup>41</sup> determine the future rent. But the new rent should not be significantly higher than rents for comparable apartments, in order to avoid the risk of losing a potential future dispute about the rent in the Rental court (Justitiedepartementet, 1970:994).

<sup>41.</sup> Assuming that the house is not covered by an agreement with the tenant association for negotiation, for then you have (Justitiedepartementet, 1978:304) to negotiate the rent increase with them.

<sup>35.</sup> As for instance remaking a garage into an office or residence.

Note! Building permit is required.

<sup>36.</sup> You can usually get more rent per square meter out of smaller apartments. Additionally, it may be easier to get smaller apartments leased out.

Note! Building permit is required.

<sup>37.</sup> If it is possible to cut off part of the land and then sell it, it can be a very good deal. If you believe that it is possible for the property in question and the cut off portion would be worth enough money, you just have to call the municipality and ask if they allow cutting of the plot.

<sup>38.</sup> A billboard on the property can give anything from nothing to several thousand SEK a month, depending on the location. If there is a suitable location on the property, it may be worthwhile to ask companies or shops nearby which is worse positioned in terms of the number of passing people.

Note if the building is in a city zone it requires planning permission to put up signs.

<sup>39.</sup> Even a mobile phone mast can give several thousand SEK a month if the situation is very suitable for a mobile phone operator with a network of their own. But if this is so, the operator has probably already contacted you. Otherwise, the operator is probably pleased with the capabilities they already have in the area around your property.

Note! In order to mount up a mobile phone mast on a property one needs a building permit.

<sup>40.</sup> There are property owners that offer additional features such as electric outlet for heating of cars, broadband, washing machine in the bathroom, freezer, security door, exclusive kitchen cabinet doors or alarm.



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