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# Private and Common Responsibilities for the Management of Condominiums

The Swedish Case in an International Context

## 1. Introduction

Ownership of apartments has existed for a long time in many countries around the world.<sup>1</sup> Indirect or direct apartment ownership in particular has been a much used and well-functioning form of such rights, especially in Europe and the Nordic countries. As the society has developed, new forms have emerged and today various types of apartment ownership exist. Many potential problems are connected with owning property units in close connection with each other within a building, as usually is the case for apartments. One of these main problems is management and the responsibility for it. The responsibility can be in the hands of the individual owners or joint between the owners, depending on the chosen solution. This paper presents the Swedish condominium system, which has recently been introduced, and, comparing it with some international case studies, shows some possible solutions for managing condominiums.

### 1.1 The Condominium as a Form of 3D Property Right

The condominium can be regarded as a form of three-dimensional (3D) property right, if defining 3D property as real property that is legally delimited both vertically and horizontally.<sup>2</sup> The main forms of 3D property rights internationally, if including the full range of such rights in the broad sense, are the independent 3D property, the condominium, indirect ownership and granted rights.<sup>3</sup> Condominium is a common and wide-spread form and exists all over the world in areas such as Australia, Canada and South America.<sup>4</sup> The two main condominium (or apartment ownership) forms are the condominium ownership type and the condominium user right type.<sup>5</sup> The condominium ownership type means that each apartment resident owns the apartment he or she occupies, while the common parts of the building and surrounding land usually are owned jointly by all the residents of the building. This form, also called the dualistic form, can be found, for example, in Denmark and Germany, and was recently introduced in Sweden.<sup>6</sup> The condominium user right, on the other hand, is a form where the apartment occupants jointly own the entire building and

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1 See e.g. van der Merwe 1994; Bugden, Allen and CCH Conveyancing Law 1997.

2 Paulsson 2007: 31.

3 Paulsson 2007: 32.

4 van der Merwe 1994; Paulsson 2007.

5 Paulsson 2007: 36.

6 Paulsson 2007: 36.

surrounding land together and the share of the property each owner has gives the right to occupy a specific apartment in the building. This monistic form exists, for instance, in Norway and the Netherlands.<sup>7</sup> The condominium is usually well defined and is considered to consist of three components, which are the ownership to a part of the building, a share in the common property and membership in an association for the management of the building. A condominium building consists, in the most common case, of apartments, which are privately used, and common parts, which may include parts of the building such as roof, facades, stairs, elevators, facilities and main pipes providing certain services.

The indirect ownership has a legal person as the formal owner, which stands between the resident and the property.<sup>8</sup> This legal person could be a co-operative, an association, a limited company, etc.<sup>9</sup> The tenant-ownership form in Sweden is a form of apartment right where a tenant-owner association owns the building in which the members live. The tenant-ownership represents a share in the capital of the association, not in the actual building. The right to use a specific dwelling is connected to the membership of the association. In the limited company system, which exists for example in Finland, housing joint stock companies own buildings. Each tenant is granted an exclusive user right to a particular apartment by acquiring shares in the company.

A combination of the various forms of 3D property rights is possible in many countries, for example a further subdivision of the independent 3D property type into condominium apartments and a mixture with other forms within the same building, leading to a complex but flexible system. Countries with the condominium type in many cases also have forms of indirect ownership, such as tenant-ownership and tenancy forms.

## 1.2 Management

When developing and using a successful and lasting system for 3D property rights in general and condominiums in particular, there are certain key factors that seem to be of particular importance, regardless of legal system.<sup>10</sup> These factors were selected in this study based on what can be expected as problem areas for 3D property rights and modified according to the results of a study comparing systems for 3D property rights in some countries, where the main juridical and organizational problems were related to these areas and led to amendments to the legislation in these countries.<sup>11</sup> The factors concern:

- boundaries between the apartments and between apartments and common parts;
- common property and what is included in it;
- co-operation between property units and different solutions for it, such as easement and joint facilities;

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<sup>7</sup> Paulsson 2007: 37.

<sup>8</sup> Nordisk Ministerråd 1997: 22.

<sup>9</sup> Lilleholt et al. 2002: 29.

<sup>10</sup> Paulsson 2007: 320.

<sup>11</sup> Paulsson 2007.

- management and the forms and responsibilities for it;
- settlement of disputes between the owners; and
- insurance solutions and what should be private and joint responsibility for it.

The factor that seems to create more problems is management. Many of the other factors are also connected with this aspect. In general, when dealing with individuals sharing the same resources, management aspects are important.<sup>12</sup> It is thus essential to have a structured and efficient organisation for management in order for the apartment scheme and the community of owners to function properly. It is important not only for the owners, but also for financial institutions with an interest in the scheme to keep the management well organised. To have good management will also reduce the risk of disputes, especially to avoid the inability to act when more extensive renovations shall be decided and implemented. The earlier forms of apartment ownership in Germany, for example, had insufficient regulation in this area, which led to conflicts between the owners.<sup>13</sup> The complexity and increasing size of condominium complexes in the society today put higher demands on the managers and a need for professional managers has emerged.

Management of condominiums includes aspects such as:

- level of investment;
- level of maintenance;
- decisions about extensive renovations;
- rules of behaviour in common areas;
- work and organization of administrative bodies; and
- mechanisms for resolving conflicts.

All these aspects are sources of potential problems and conflicts if not regulated properly. As we will see, there are different ways of organising the management.

### 1.3 Methodology

This paper is based on a study that was made on 3D property rights with the purpose of establishing the fundamental principles regarding such rights by studying such systems in other countries and presenting key factors essential to a well-functioning system for this kind of rights.<sup>14</sup> The study presented three different 3D property rights models, which were exemplified by the independent 3D property model in Sweden, the condominium form model in Germany and a combination of these two forms as evidenced by the legal systems of two states in Australia; New South Wales and Victoria. For the purpose of this paper, focus on and further analysis of the management aspects of condominiums; espe-

<sup>12</sup> Ostrom 1990.

<sup>13</sup> van der Merwe 1994: 4; Weitnauer 1995: 691.

<sup>14</sup> Paulsson 2007.

cially related to private and common responsibilities, were made. The aim is to investigate different types of solutions used for the management of condominium and how the responsibility can be divided into private and common responsibilities, based on the experience of the selected countries. The purpose is not to find the best solution, since this depends to a large extent on the form of condominium, the legal system of the country, etc., but rather to point out what questions that should be solved in order to create a successful management system for condominium rights and to give examples of different solutions aiming at obtaining that.

Australia is a federal state, where each state in the federation has its own constitution and legal system.<sup>15</sup> Only two of these states are presented more in detail in this paper, but some regulations are common and are described more in general here, not relating specifically to a certain state. Germany is a federation, where each state has its own parliament with certain legislative rights, but the important legislation is the same, or similar, for the entire country.<sup>16</sup> Real property regulation, generally speaking, is uniform for the entire country.<sup>17</sup> The description in this paper refers to Germany as a whole and not specific states. The countries/states in this study were selected based on several criteria, such as representation of different types of 3D property rights, countries with stability and long experience within the field, as well as availability of material and contacts. The general information about the legal systems of 3D property rights in the selected countries, and in particular about the management issue dealt with in this paper, was gathered through literature studies, both by directly examining the laws and by reading scientific literature and informational material on the subject. A study visit was made to the Australian states and to Germany and interviews were conducted with both legal experts and practitioners within the field.

The method of comparative law was used for the comparison made in this paper. The comparison is not intended to be comprehensive, but rather to point out areas relevant to the topic of private and common responsibilities for the management of condominiums. The analysis in this study was made from a static perspective, looking at systems for 3D property rights mainly with the rules and legislation currently in force. The fact that legislation and practice is constantly changing makes it difficult to keep the static perspective in the comparison. Many other difficulties are connected with comparative studies of legal systems, which have to be taken into account when interpreting the results of such studies.<sup>18</sup> One way of avoiding problems with direct rule-comparison in this study has been to compare functions and describe different possible solutions for the management of condominiums.

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<sup>15</sup> Zweigert and Kötz 1998: 221.

<sup>16</sup> Bogdan 1993: 187.

<sup>17</sup> Hertel and Wicke 2006: 4.

<sup>18</sup> See e.g. Bogdan 1993; Bogdan 2004; Zweigert and Kötz 1998; van Hoecke 2004; David et al. 1974; von Bar 2004.



This paper contains only brief general descriptions of the condominium systems in the selected countries and their forms of management.<sup>19</sup> The purpose is only to give a background and a frame for the specific management issues and solutions that are presented based on the case studies and on general literature on the subject. More specific methods of organization of the management and ways of separating private and common responsibilities are then presented.

## 2. Condominium in Sweden<sup>20</sup>

For many years, Sweden has had a form of 3D property right, the tenant-ownership (*bostadsrätt*), which has similarities with the condominium, but is an indirect form of ownership. Sweden introduced the independent 3D property type (*3D-fastighet*) in 2004. It is defined as a property unit which in its entirety is delimited both horizontally and vertically.<sup>21</sup> The Swedish condominium (*ägarlägenhet*) form was introduced in May 2009 and added to the existing forms of 3D property rights. It is a special form of 3D property (*3D-fastighet*), which is regulated in the legislation for traditional 2D property units. In general, the same rules that exist for 2D properties are valid also for 3D properties, with some additional special rules, and the rules for the 3D property are valid also for the condominium, with some specific rules added. The Swedish condominium is thus a form which has more similarities with the independent 3D property than in other countries, where these forms are more separated.

The Swedish condominium form belongs to the dualistic ownership type, where each occupant owns the specific part of the building that the apartment constitutes and has a share in the common property. It is defined as a three-dimensional property unit intended to contain nothing but one single residential apartment.<sup>22</sup> The condominium in Sweden can thus only be formed for accommodation purposes and only in new buildings, or buildings that were not used for accommodation during eight years before the property formation of the condominium units. This is to avoid any transformation of existing residential apartments into condominiums. In order to form the condominium, there must be at least three condominium apartments closely connected to each other. The purpose of this is to avoid a too complex property division, to enhance the opportunities for a good living environment and to promote the cooperation between adjoining apartments.<sup>23</sup> Necessary rights must be provided for the condominium, such as access and facilities.

The above-mentioned key factors for 3D property rights have been regulated to different extent. In general it is possible to say that they are not regulated in detail in the legislation. The Swedish National Land Survey, for example, provides guidelines and recommenda-

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<sup>19</sup> For more detailed and extensive information on the systems, see Paulsson 2007.

<sup>20</sup> For more information in English on the Swedish condominium system, see e.g. Eriksson and Jansson 2010.

<sup>21</sup> Swedish Land Code, Chap. 3, s. 1a.

<sup>22</sup> Swedish Land Code, Chap. 3, s. 1a.

<sup>23</sup> Proposition 2008/09:91: 58-59.

tions, but many decisions are left to be made in the property formation procedure. Some specific questions, such as insurance solutions, are not yet solved by the industry. The location of boundaries between the apartments and between apartments and common property is decided from case to case. However, as a main rule the condominium unit should contain the apartment space and the surface of the separating structures. What parts of the building that should be private or common is decided in the cadastral procedure. There is no compulsory form for cooperation between property units, but this need should preferably be solved by the formation of a joint facility and/or a joint property unit, which will include common property and facilities, such as the structural building parts, elevators and pipes. Easements will sometimes be a suitable solution for such needs. If needed, there can be several joint facilities within one condominium scheme, or separate parts within one joint facility with differentiated shares for the different parts of the building complex, but only one association per scheme is recommended. It is not regulated by law that an association must be created for the management in all cases, but if joint facilities or joint property units are formed, an association is compulsory, which means that this will be the solution in most of the cases. The association also has the role of taking action against disturbances amongst the residents and creating clear rules for management. It is possible for the association to issue house rules for the use of the common property. If occupants of the apartments cause disturbances to an extent that can not be tolerated, the condominium owner can be ordered under penalty that the disturbance should stop.

### 3. International Comparison

When looking at the situation for apartment ownership internationally, we can find different types represented, but with similar features and important questions to be solved. From the case studies<sup>24</sup> of the Swedish 3D property (*3D-fastighet*), the German condominium (*Wohnungseigentum*) and the condominium (strata title) and 3D property (stratum) in the two Australian states New South Wales and Victoria, we can find different solutions for management and private and common responsibilities for it.

#### 3.1 Germany<sup>25</sup>

Germany has the possibility of forming condominiums since the 1950ies and the system seems to be working very well, with few amendments to the legislation throughout the years. Even though the legislation is regulated quite in detail, there is a large influence from legal practice.<sup>26</sup> The condominium is seen as a unit consisting of three components that are the common property, the private property and the membership in an association.<sup>27</sup> Condominiums are possible to create also for offices and commercial premises. In order for the condominium to be formed, common property is also necessary. If there is

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<sup>24</sup> Paulsson 2007.

<sup>25</sup> For more detailed and extensive information on Germany, see Paulsson 2007.

<sup>26</sup> Demharter 2002: 72.

<sup>27</sup> Bärnann, Pick and Merle 2003: 31.

common property that should be used only by a few owners, special user rights can be given to those parts of the property specifically only for those owners.

If there are large building complexes with many owners, some issues might concern only a few of the owners. It is then possible to grant block voting rights for issues concerning a certain part of the building only for the owners involved in that. Apart from the rules provided by legislation, there are also by-laws and house rules available for the regulation of issues within the condominium building. Often building complexes may be very large, including more than a thousand condominiums. That makes it difficult for the owners themselves to handle the management of the building complex. In such cases, professional managers are hired to take care of the management.

### 3.2 Australia<sup>28</sup>

Australia has experienced the condominium system for a long time, introducing 3D properties in the 1960's. The country has been world leading in this field and has influenced the system of such rights in other countries.<sup>29</sup> Since the introduction, continuous changes in the legislation have been made; some of them due to certain problems and shortcomings with the existing legislation and others due to changes and development in society.<sup>30</sup>

One of the studied Australian states, New South Wales, has a combination of several forms of 3D property rights, where the condominium is one of them. Part strata, for example, is a combination of the stratum (independent 3D property) and strata title (condominium) within the same building, where one stratum can contain several strata title apartments. The original condominium Act was quite simple and did not regulate management to a great extent. Some of the main problems were how common property should be dealt with and how to settle disputes.<sup>31</sup> Because of this, a separate act regulating management was introduced some years later. In Victoria, the other studied Australian state, the 3D properties have been integrated into the regular real property legislation.

By-laws on practical issues are used to regulate management issues. There are both compulsory by-laws, which concern the important matters and are included in the legislation, and voluntary by-laws that are selected for each building complex. New South Wales has a system with a combination of umbrella associations and sub-associations. The umbrella association covers an entire area, dealing with issues that are general for all buildings that are included in that area. The sub-associations are members of the umbrella association and deal with issues for one specific area each, where only owners within that area take part and are concerned. Victoria has a similar system with unlimited and limited associations. The unlimited association covers the entire building complex and handles general questions, while the limited associations are limited to a certain area or part of building,

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<sup>28</sup> For more detailed and extensive information on Australia, see Paulsson 2007.

<sup>29</sup> SOU 1996:87: 112; Bugden, Allen and CCH Conveyancing Law 1997: 1-100.

<sup>30</sup> Paulsson 2007.

<sup>31</sup> Cahill 1997: 2-3.

only including issues and members within that specific part. Professional managers are possible also here, depending on the size and type of building complex.

In community schemes, with a mixture of condominiums and other types of housing within a larger area, there are often tiered management schemes, with more than one governing body. One community association will be the governing body for the entire development. The members of that body are associations that are governing smaller areas, such as a neighbourhood or precinct, or a condominium scheme. Individual owners are members of these associations on the lower level. Such management schemes can create complexity to a great extent. All associations on all levels must also hold their own meetings, have their own by-laws, etc, which creates additional needs concerning both time and money.<sup>32</sup>

#### 4. Solutions for Management of Condominiums

##### 4.1 Separation of Private and Common

Based on international experience, we can find various ways of separating private from common property within the condominium building and of arranging the management of such a building. Although management is important mainly for the common parts, individual apartments must also be taken care of properly. As mentioned, when looking at the key factors for 3D property rights, also the factors concerning boundaries and common property are connected with the management factor. The location of boundaries is important when it comes to deciding who should be responsible for the structural parts of the building and whether this responsibility should be private or common for the owners. Since the condominium building usually consists of privately owned apartments and common parts, it is important to decide to whom these parts and facilities belong in order to clarify the responsibility for it. The legislation treats this problem differently in different countries. The common property can be defined inclusively, with detailed lists of what is included in the common property, or exclusively, where common property is everything not belonging to the individual property units.<sup>33</sup> In Singapore, for example, common property simply means parts of a building or land within the condominium development that are not comprised in any apartment and that are used by occupiers of two or more apartments.<sup>34</sup> The supporting structures can thus be common property, and managed by the association, or included in the individually owned property, being under the private responsibility of each owner. Having decided what common property is, there must be a solution for the co-operation between property owners concerning this property. The occupants of the building must be given access to the structural parts, facilities, etc., and it must be decided whether the responsibility should be private or common. In the common case joint facilities can be formed, where all property units will participate. In the case of private ownership, access to parts of the building will be given through easements. Private

<sup>32</sup> Sherry 2009: 138-139.

<sup>33</sup> van der Merwe 1994: 51-53.

<sup>34</sup> Christudason 2008.



agreements can also be used to regulate the relationship between the owners, but this solution is more rarely used for condominiums. It is more common for independent 3D property cases, where no common property exists, but all facilities, etc., are included in the individually owned property units.

It is thus evident that clear rules are needed regarding ownership and use of the common parts within a condominium development. The separation of private and common is important, especially when it comes to determining the responsibility. Boundaries and rules that might be clear for existing owners and those involved in creating them, might not be as clear for succeeding owners, occupants, right holders and other actors within a condominium building complex. As we have seen, in some countries the location of boundaries and the extent of the common property are clearly regulated in detail in the legislation, but Sweden has decided on a model where this has to be decided individually for each case, which leads to more flexibility, but also more uncertainty. We can also see that the division between private and common parts is not always distinct. There are sometimes possibilities for private responsibilities of certain common parts that are intended for the use of only a few of the property owners and their benefit.

#### 4.2 Governing Bodies

Decisions that have to be made within each scheme, regardless of ownership structure and type of scheme, include level of investment and maintenance, rules of behaviour in common areas and mechanisms for resolving conflicts. There are provisions in all condominium statutes for the purpose of creating effective management.<sup>35</sup> The issuing of separate development and management acts, which we can find for example in the New South Wales case, shows that condominium developments belong to discrete but connected legal spheres of land ownership and community relationships.<sup>36</sup> In order to establish a good system for management it is important to provide legal mechanisms for it and to have clear rules regulating the management. Among these mechanisms are included some form of collective ownership of common property and amenities within and belonging to the building, rules governing behaviour within the building and a governing body that will control and administer the collective ownership and the governing rules.<sup>37</sup> The rules can be compulsory and provided by the legislation, or included in by-laws set by the owners' association. House-rules can contain detailed regulations aiming at maintaining order within the building. The management form depends both on the type of ownership and the laws, by-laws and internal rules regulating the building scheme. Despite the differences between the various forms, we can find similarities in the rules available within the different types of housing.

There is a choice between making all owners participate in the management and creating a management body for this purpose. Voluntary management by the owners is only recom-

<sup>35</sup> van der Merwe 1994: 141.

<sup>36</sup> Sherry 2009: 133.

<sup>37</sup> Sherry 2009: 133.

mended for small schemes, while very large and complex apartment schemes may need professional managers to take care of the management.<sup>38</sup> Usually there is a need for a governing body to control and administer common property and the rules for managing it. In most cases this governing body is an association, where the property owners within the condominium development are members, and which is created to deal with the management of the condominium scheme. The association is often regarded as necessary for dealing with the management issues. In some cases it is always compulsory, in other cases only where there is common property or joint facilities, such as in the Swedish case. In other cases an association is created even if there is no common property at all. Different models thus can be used for the management of condominium schemes. The owners themselves can take care of the management, a professional person or company may be contracted for this purpose, or State or municipal maintenance companies may do it, but mainly only as a short-term solution.<sup>39</sup> When all owners take part in the management through the association, it might be easier for them to be aware of the costs involved and what needs to be done, but in large associations it might be too complicated to manage everything on their own. The governing body can deal with most issues concerning the condominiums, or only some general decisions, leaving the practical issues to managers. These managers can then be professionals from the outside, which are experienced dealing with matters like this that the owners have neither the time nor the expertise to deal with. For condominiums in Sweden, the need for a compulsory association was discussed, but considered to be too restricting. However, as soon as a joint facility or joint property unit is formed for the common property, an association has to be created to take care of the management. There often is a general meeting of the owners to make decisions on administration and an executive board and/or a manager to execute the decisions and take care of the day-to-day management. As assistance to the association to carry out its managing duties there might also be others involved, apart from the executive committee also a chairman, a treasurer, a secretary, a managing agent, a caretaker, etc.<sup>40</sup>

#### 4.3 Management Levels

Within one condominium development there might also be different management levels. It is quite common and useful to have such levels within large schemes and developments, where different parts of the development and different types of facilities will be managed on different levels. These management levels can be created in different forms, such as subdividing areas and associations into sub-associations for limited areas. A large association can function as an umbrella for a larger area, with the smaller associations for limited areas as members of the larger one. Problems on one level of the nested system are usually not the same as problems on the higher general level.<sup>41</sup> If many management levels will be present, it may, however, lead to reduced efficiency and increase in costs. As we can see,

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<sup>38</sup> UN/ECE 2002: 19.

<sup>39</sup> UN/ECE 2002: 30.

<sup>40</sup> Sherry 2009: 135-136.

<sup>41</sup> Ostrom 1990: 102.

e.g. from the experience of the condominium system in Singapore,<sup>42</sup> if one association is responsible for an entire development with mixed use, it might be difficult for all owners within the development to agree on all management aspects concerning this development, since they all have different interests. Residential owners may have to contribute to the costs for public areas and commercial units may have to pay for facilities which only benefit the residential owners.<sup>43</sup> This can make it difficult for owners to agree on measures to be taken regarding management, improvements, upgrading, etc. When creating a tiered system, specific areas within the development can be exclusively used by just one group of owners within the development. The main community association will manage the common property and issues that concern all owners, while the sub-associations will manage the limited common property that is used by just a limited group of owners within the development, e.g. residential, commercial and office groups are separated.

Costs for the management of these limited areas can be paid by those affected by it, and not by the entire community. This creates a more flexible system when it comes to levying contributions and will better protect the property rights for different groups of users.<sup>44</sup> However, other problems can emerge, such as increased management costs, a need for more volunteers among the owners to take care of the management on different levels, as well as more possibilities for disputes to arise. Owners do not want to pay for the management of facilities that they do not use, such as elevators in high-rise buildings if the owners live in the buildings where there is no need for any elevators. Conflicts may arise concerning boundaries of common property and limited common property, from disparities between the by-laws and between managers. Instead of creating a tiered system of limited common property and sub-associations these matters can be regulated in the legislation. It is also possible to create separate voting rights and simple procedures for the settlement of disputes.<sup>45</sup>

It is thus useful in many cases to divide a building complex into different associations. In such a case, not all owners have to be involved in all decisions or management of the entire building if it only concerns a part of it. The tiered association system with multiple governing bodies seems to be useful in large developments and in cases where several forms are mixed within the same development. It creates flexibility and separation of interest groups. However, it also leads to increased complexity and an increased need for managers. More associations can create more costs and more complicated management. As we have seen, other solutions are also possible, such as separate block voting rights. As we have seen in the Swedish case, different management levels are not used, but a joint facility for the common parts can be subdivided into parts with different shares depending on the benefit and use for each property unit. Which is the better solution will probably depend on the type of condominium development and its specific needs.

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<sup>42</sup> Christudason 2009: 36.

<sup>43</sup> Christudason 2008.

<sup>44</sup> Christudason 2008.

<sup>45</sup> Christudason 2008.

## 5. Concluding Remarks

This paper has presented the new Swedish condominium system and compared it with some countries in order to show possible solutions for the management of condominiums and the separation of private and common responsibilities. The difference between countries and forms of 3D property rights makes it difficult to present the optimal solution for all types of condominium and legal systems, but the paper has pointed out some areas that are of importance in order to create a successful management system for condominium rights and has shown a variety of possible solutions within these areas.

There are various forms of 3D property rights internationally and in particular the condominium is a form that is very common and spread all around the world. From the case studies we can see that there are different forms of condominium and different ways of handling the management of apartment schemes. When dealing with 3D property rights in general and condominiums in particular, we can expect and also see from international case studies that there are certain key factors that are important to regulate. Some features are common and important for all types, and some issues must be solved for creating successful condominium systems and the management of these. Some of these factors comprise the determination of and the relation between private and common parts of the building, and the management of the common parts.

The condominium systems in this study have developed with time and new forms and mixture of forms have been added. New phenomena and developments in society, as well as new problems emerging, have led to the need of new solutions. The complexity has increased, and with it the need for more complex and adapted solutions. We should expect to find that certain forms are more suitable than others, given certain criteria. There might also be new possible forms of managing apartments, containing the best features from the studied systems. However, such considerations have not been made within the scope of this study. Since management is such an important factor to consider, we can expect that the choice of management form is crucial for a well-functioning system for apartment ownership.

In conclusion, it is a difficult but important task to separate between private and common responsibility for the management of condominiums. Some questions have to be solved in order to create a successful management system for condominiums. One such question is where to locate the boundary between private and common parts of the building and how to define the common property. It is also necessary to decide the type of governing body that is suitable for the condominiums and the level of participation of the owners in the management, depending on size and complexity of the condominium scheme. Another possibility to consider is to create management on different levels within a scheme, in particular if it is large and consists of areas with different types of buildings and interests. Different solutions have their own advantages and disadvantages. However, we can see from the experience of condominiums within different legal systems that it is important to clearly solve these problems. For the Swedish case, where the possibility of creating condominiums has just been introduced, it remains to be seen whether the existing solutions



will be sufficient to separate private and common responsibility, and to avoid management problems that otherwise could emerge, based on international experience.

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