

Duration of property lease:

It is common in practice to provide for a one- or two-year duration in the lease of a residence. Then, the lessee ("tenant") feels the need to leave the house because "the lease is up". But also the lessor ("owner") a month or two before leaving "subtly reminds" him that in a short time the house must be vacated.

This common practice, however, is subject to the law. That the property lease has a minimum three-year duration, even if it has been agreed for a shorter period.

According to article 2 par. 1 of Law L. 1703/1987: REGULATION OF RESIDENTIAL LEASES, as replaced by par. 5 of article 1 of L. 2235/1994 the lease of a property for residence is valid for at least three (3) years , even if it has been agreed for a shorter period of time or for an indefinite period. A shortening of the three-year period is allowed with a newer agreement, which is at least six (6) months after the beginning of the lease contract and is evidenced by a notarized document. If the contractual term is set to be less than three years and there is no agreement to adjust the rent for the remaining period, the rent paid increases annually by seventy-five percent (75%) of the cost of living index, as determined by the Bank of Greece for the immediately preceding twelve (12) months.

Advance rent is only allowed for the current rental month. It is prohibited for the lessee to pay a guarantee for the performance of the contract in an amount greater than two months' rent.

The delay in payment by the lessee of the expenses of the common users of the lease and any other monetary debt, which concerns the rent and is borne by him according to the agreement, has the legal effects of delay of the lease. The same applies when the lessee does not pay the compensation that has been finally awarded for damages or changes in the rent.

So, even if a term of one or two years has been agreed upon, the lease will be valid for three years during which the lessee has the right to stay in the lease and the obligation to pay the rent. If he wishes to leave before the end of the two years, he must pay each month's rent until the end of the three years to the owner. On the other hand, the owner cannot require the tenant to leave before the three years.

But let's say that the lessee lives in the lease for three years, either because the contract had a three-year duration or because due to the regulation of the law one of the contracting parties makes use of it. After the three years, but also after the end of the contractual term of the lease if it is longer than three years, the lease becomes indefinite and either party can terminate it without compensation. Thus, the tenant can leave without the owner being able to react, but the owner can also require the tenant to leave, and in case he refuses, obtain legal eviction.

Source: Lawspot

Regards,

INVST Real Estate