

# Condominiums: introduction of a works fund

The Law of 30 June 2022 amending the amended Law of 16 May 1975 on the status of condominiums for the purpose of introducing a works fund ("**Law**"), which entered into force on 1 October 2022, has introduced a mandatory works fund for condominiums for the purpose of promoting the renovation, and in particular the energy renovation, of these buildings.

Co-owners are required to build up financial reserves to anticipate the costs of renovation works. In practical terms, these reserves are made up of a mandatory annual contribution, the amount of which is decided by a simple majority vote at the general meeting. A minimum amount is set per square metre of energy reference area, based on the energy quality of the relevant building.

The works in question are the following:

- maintenance, repair, improvement, remodelling, renovation of buildings (heating, ventilation, walls, windows, roofing, ...),
- building of infrastructures in preparation for the fitting of technical ducts in the common areas of the building, in particular for the installation of charging stations for electric vehicles,
- installation of energy production and storage facilities using renewable energy sources (solar, wind and geothermal energy).

The works, as such, are decided by a majority vote of all co-owners at the general meeting.

The contributions paid are attached to the units and are definitively acquired by the co-owners' association. They may not be reimbursed if the unit is sold.

Any potential buyer needs to be able to know the amount of contributions acquired for the unit in which he or she is interested.

The advantages of setting up such a fund are the spreading of expenses over time and the availability of funds, which makes it easier for co-owners to decide whether or not to carry out work.

For any further information please contact us or visit our website at **[www.elvingerhoss.lu](http://www.elvingerhoss.lu)**.

The information contained herein is not intended to be a comprehensive study or to provide legal advice and should not be treated as a substitute for specific legal advice concerning particular situations.

We undertake no responsibility to notify any change in law or practice after the date of this newsletter.