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Communication from Croatia concerning the group of cases of STATILEO v. Croatia (Application No. 12027/10)

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Réunion : 1419^e réunion (décembre 2021) (DH)

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Communication de la Croatie concernant le groupe d'affaires STATILEO c. Croatie (requête n° 12027/10)
(anglais uniquement)



GOVERNMENT OF THE REPUBLIC OF CROATIA
OFFICE OF THE REPRESENTATIVE OF
THE REPUBLIC OF CROATIA BEFORE
THE EUROPEAN COURT OF HUMAN RIGHTS

DGI

30 SEP. 2021

SERVICE DE L'EXECUTION
DES ARRETS DE LA CEDH

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Zagreb, 30 September 2021

REVISED ACTION PLAN

Statileo group v. Croatia

Statileo, app. no. 12027/10, leading judgment of 10 July 2014, final on 10 October 2014

Mirošević – Anzulović, app. no. 25815/14, judgment of 4 October 2016, final on 4 October 2016

Bego and Others, app. no. 35444/12, judgment of 15 November 2016, final on 15 November 2016

Gošović, app. no. 37006/13, judgment of 4 April 2017, final on 4 April 2017

Skelin Hrvoj and Đuričić, app. nos. 23414/15, 52161/15, judgment of 10 June 2021, final on 10 June 2021

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I. CASE DESCRIPTION

1. These cases concern violations of the applicants' right to peaceful enjoyment of their property between 1997 and 2015 on account of statutory limitations on the use of private flats by landlords, including through rent control scheme for flats subject to protected leases (violations of Article 1, Protocol No. 1).
2. Following the introduction of the communist regime in the former Yugoslavia, the authorities seized privately owned properties and allocated them to certain individuals for permanent (lifelong) and unrestricted use (specially protected tenancy) against the payment of a nominal fee covering only maintenance costs and depreciation. Owners thus formally retained their property rights but were not able to freely use their properties, derive profit from it or evict tenants.
3. In 1991 the Republic of Croatia became independent. The special tenancy scheme was transformed through the introduction of the 1996 Lease of Flats Act. The Act established a special category of lessees (protected lessees), which were previous holders of specially protected tenancies in respect of privately owned flats or those who did not purchase their flats under the Specially Protected Tenancies (Sale to Occupier) Act. Such protected lessees are subject to a number of protective measures, such as the obligation of landlords to contract a lease of indefinite duration; payment of protected rent (*zaštićena najamnina*), the amount of which is set by the Government; and a limited list of grounds for termination of the lease.
4. In March 1998 the Constitutional Court invalidated as unconstitutional certain sections of the Lease of Flats Act, including the provision under which the landlord could terminate the protected lease only if he or she had provided the protected lessee with another habitable flat under housing conditions that were not less favourable for the lessee. Following this decision, the domestic court's case-law specified that a landlord is entitled to terminate the lease contract of a flat to a protected lessee only if (a) the landlord does not have other accommodation for himself or herself and for his or her family, and is either entitled to permanent social assistance or is over sixty years of age; or (b) the lessee owns a suitable habitable flat in the same municipality or township where the flat in which he or she lives is located (§§ 39-49).
5. The applicants in *Statileo*, *Mirošević-Anzulović*, *Gošović* and *Skelin-Hrvoj and Đuričić* refused to enter into lease contracts with the protected lessees who occupied their flats. Between 1997 and 2007 the protected lessees therefore instituted civil proceedings against them. The domestic courts ordered the applicants to conclude protected lease contracts stipulating the protected rent significantly below the market rent. Between 2009 and 2015 the Constitutional Court dismissed their constitutional complaints.
6. In 2005, the applicants in *Bego and Others* instituted civil proceedings against the State seeking payment of difference between the protected and the market rent that they could have obtained if their flats had not been subject to the protected lease scheme. The domestic courts dismissed their civil actions. Between 2011 and 2012 the Constitutional Court dismissed their constitutional complaints.
7. In *Statileo*, the European Court indicated under Article 46 of the Convention that the problem underlying the violation concerned shortcomings in the legislation itself, in particular: (i) inadequate level of protected rent, (ii) restrictive conditions for the termination of protected leases and (iii) the absence of any temporal limitation to the protected lease scheme.
8. The European Court particularly highlighted that due to restricted possibilities for the termination of protected rent, protected lease in many cases lasts for two or sometimes even three generations (*Statileo*, § 132).
9. The European Court therefore considered that the Croatian authorities "should take appropriate legislative and/or other general measures to secure a rather delicate balance between the interests of landlords, including their entitlement to derive profit from their property, and the general interest of the community – including the availability of sufficient accommodation for the less well-off" (*Statileo*, § 165). In this connection the European Court noted that the legislative reform was under way at that time (*Statileo*, §§ 77-80).

II. INDIVIDUAL MEASURES

10. At the outset, the authorities would like to indicate in December 2018 at the 1331st DH meeting (CM/Del/Dec(2018)1331/H46-8) the Committee invited the authorities to provide information on the outcome of the reopened proceedings in the cases of *Bego and Others* and *Gošović* that were pending at that time.
11. In response, the Government would like to provide information on the steps taken to complete the reopened proceedings in these cases. In addition, the Government would like to provide information on the individual measures in the *Skelin-Hrvoj and Đuričić* case. Relevant details are set out below.

A. Reopening of proceedings in *Bego and Others*

12. The Government reiterates that the case of *Bego and Others* concerns five applicants (*Ante Bego, Jakica Bulić, Doris Knego, Ingrid Knego* and *Ivo Matas*) whose civil claims for damages against the State seeking the difference between the protected and the market rent was dismissed by domestic courts. Following the European Court's findings, they requested reopening of the impugned proceedings before the Split Municipal Court. Information in respect of each of these applicants is set out below.

1. *Ante Bego*

13. On 14 December 2016 the applicant requested reopening of the impugned proceedings before the Split Municipal Court. His request was granted and the impugned judgments were quashed. Shortly afterwards, the applicant passed away and his heirs took over the reopened proceedings in 2019. On 24 May 2019, the Split Municipal Court rejected the civil claim finding that applicant lodged the civil action for unjust enrichment instead of a civil action for damages. The Split Municipal Court was thus prevented from deciding on damages, as indicated by the European Court. The applicant's heirs appealed. On 1 October 2019, the Slavonski Brod County Court dismissed the appeal and upheld the first-instance judgment. This judgment thus became final and the reopened proceedings were brought to an end. The applicant filed a constitutional complaint, and the proceedings are pending before the Constitutional Court.

2. *Jakica Bulić*

14. The applicant passed away in 2012 (*Bego and Others*, §4). The applicant's heirs requested reopening of the impugned proceedings before the Split Municipal Court on 14 December 2016, and their request was granted. On 13 May 2019 the Split Municipal Court partially accepted the damages claim. Following the appeal lodged by both parties, on 27 January 2020 the Zagreb County Court partially upheld the first instance judgment, and reversed the remaining part. Notably, the Zagreb County Court adjusted the amount of compensation pursuant to the newly developed case-law of the Supreme Court (see below). The judgment ordering the compensation covering the difference between the market and the protected rent therefore became final and the reopened proceedings were brought to an end. The applicant filed a constitutional complaint, and the proceedings are pending before the Constitutional Court.

3. *Ivo Matas*

15. On 14 December 2016 the applicant requested reopening of the impugned proceedings before the Split Municipal Court, and his request was granted. On 10 May 2019 the Split Municipal Court partially granted the applicant's claim. Following the appeal lodged by both parties, on 13 December 2019 the Šibenik County Court upheld the first-instance judgment in part regarding compensation and remitted the proceedings with regard to costs and expenses. The part of the judgment granting compensation thereby became final. A final decision on costs and expenses has been adopted and became final in April 2021. The applicant's appeal was dismissed, and the proceedings are currently pending before the Constitutional Court following the applicant's constitutional complaint.

16. In addition, the Government would like to indicate that on 23 February 2018 the applicant in *Ivo Matas* lodged a civil action requesting the issuance of a judgment substituting the addendum to the protected lease contract. The applicant indicated that the protected tenant's daughter is also living in the apartment and that she should be indicated in the contract as a member of the household. On 21 November 2018, the Split Municipal Court accepted the civil claim. Appellate proceedings are currently pending.

4. *Doris and Iris Knego*

17. On 15 December 2016 the applicants requested reopening of the impugned proceedings before the Split Municipal Court. Their request was granted and the impugned judgments quashed. On 22 November 2018 the Split Municipal Court rendered the first-instance judgment granting the applicants' civil claims. Following the appeal by both parties, on 21 February 2021 the Zadar County court rendered a final judgment awarding the applicants compensation covering the difference between the protected and the free market rent. The proceedings have thus been brought to an end before regular courts. However, the applicants filed a constitutional complaint and the proceedings before the Constitutional Court are still pending. In the meantime, on 24 March 2021 the State Attorney's Office filed a request for leave to file a revision with the Supreme Court. The Supreme Court has yet to decide on this request.
18. On 17 May 2019, the applicants moreover sought eviction of the protected tenants before the Split Municipal Court. Following the decision on the withdrawal of a judge to whom the case was originally assigned, the case has been assigned to a different judge, and the proceedings are still pending.

B. Reopening of proceedings in *Gošović*

19. It is recalled that in *Gošović* the applicant refused to enter into a lease contract with the protected tenant who therefore instituted civil proceedings against the applicant. The domestic courts ordered the applicant to conclude a lease contract stipulating the protected rent significantly below the market rent (*Gošović*, §§ 9-14). In response to the European Court's findings, on 28 April 2017 the applicant in *Gošović* requested reopening of the impugned proceedings before the Split Municipal Court. The applicants' request was dismissed on 11 July 2019. The Split Municipal Court indicated that the applicant's request concerns proceedings on the conclusion of the protected lease contract, and not damages against the State. It noted that if the applicant wished to seek damages against the State covering the difference between the market and the protected rent, he should lodge a civil action in this respect. The applicant appealed and the proceedings are currently pending.
20. To the best of the Government's knowledge, the applicant has not instituted proceedings for damages against the State.

C. Reopening of proceedings in *Skelin-Hrvoj and Đuričić*

21. It is recalled that the first applicant in *Skelin-Hrvoj and Đuričić* refused to enter into a lease contract with the protected tenant who therefore instituted civil proceedings against the first applicant, whereas the applicant filed a counter-claim seeking eviction of the protected tenant. By final judgments of the domestic courts, the claim seeking the conclusion of the protected lease contract was granted, whereas the applicant's counterclaim seeking eviction of the tenant was dismissed. Following the European Court's judgment, the first applicant had not availed herself of the possibility to seek reopening of the aforementioned civil proceedings.
22. It is furthermore recalled that the Court awarded the first applicant just satisfaction in respect of pecuniary damage covering the difference between the protected rent and the adequate rent in the period from December 1997 and February 2018. Following the Court's judgment, the applicant had not instituted proceedings against the state in order to claim damages for the subsequent period. However, this possibility remains open to the applicant.
23. With regard to the second applicant, it is recalled that the domestic courts issued a final decision in lieu of the protected rent contract between the applicant as a landlord and the protected tenant in

2014. Following the European Court's judgment, the applicant had a possibility to seek reopening of the said proceedings within one month from the finality of the Court's judgment. The applicant had not availed himself of this possibility.

24. Furthermore, it is recalled that the Court awarded the second applicant pecuniary damage covering the difference between the protected rent and adequate rent from 1997 until 2018 in the amount of EUR 95,100. The Court rejected the second applicant's claim for future pecuniary damage he would sustain as long as his flat was occupied by the protected lessee, finding it is not for the Court to quantify the amount of any damage which the second applicant may suffer as a result of the implementation of the rent-control scheme in the future (*Skelin-Hrvoj and Đuričić*, § 66). In that regard, the Government would like to indicate that it was (and still is) open to the applicant to file a claim for damages against the State to cover pecuniary damage in the period subsequent to that covered by the Court's judgment. To this day however, the second applicant has not availed himself of this possibility.

D. Providing redress to the applicants

25. It is recalled that the applicants claimed just satisfaction before the European Court in respect of pecuniary and non-pecuniary damage. As regards the pecuniary damage, the European Court found that the applicants must have suffered pecuniary damage as a result of their inability to charge adequate rent for leasing their flats. The European Court awarded the applicants (except in *Bego and Others*¹) pecuniary damage covering the difference between the protected rent and the adequate rent.

26. In particular, the European Court awarded just satisfaction in respect of pecuniary damage as follows:

- in *Statileo* from 2 September 2009 (when the first-instance judgment ordering the applicant to conclude the lease contract was rendered) to 6 February 2011 (the applicant's death);
- in *Mirošević – Anzulović* from 1 January 2012 (as requested by the applicant) up to the date of the European Court's judgment;
- in *Gošović* from November 2005 (as requested by the applicant) until the date of the European Court's judgment;
- in *Skelin-Hrvoj and Đuričić* to the first applicant from 5 November 1997 (the date of the entry into force of the Convention in respect of Croatia) and 28 February 2018 (as requested by the second applicant) between 1 December 1997 and 2018.

27. The Government furthermore notes that the European Court awarded just satisfaction in respect of non-pecuniary damage to the applicants in all cases of the *Statileo* group.

28. Accordingly, redress has been provided to the applicants with regard to the negative consequences of the violations sustained.

E. Assessment of individual measures

29. The Government notes that in this group of cases full implementation of individual measures is closely linked to the general measures. Notably, the possibility of landlords to regain possessions of their flats will depend on the legislative measures envisaged to put a cap on the duration of protected rent scheme. The Constitutional Court has invalidated the 2018 amendments to the Lease of Flats Act, which, *inter alia*, envisaged the abolishment of the protected rent scheme by 2023 (see more details below). The preparation of new amendments to the Lease of Flats Act is underway.

¹ In *Bego and Others* the European Court indicated that the applicants may file a request for reopening of the impugned proceedings against the State for damages (see above).

30. However, individual measures aimed at redressing the applicants for the negative consequences of the violations sustained have been undertaken. Notably, the domestic courts accepted the applicants' civil claims (*Jakica Bulić, Ivo Matas and Doris and Iris Knego*) for damages covering the difference between the protected rent and the market rent in the reopened proceedings. As regards the reopened proceedings concerning the applicants *Ante Bego* and *Gojko Gošović*, the domestic courts indicated that they failed to lodge an adequate civil claim for damages against the State and highlighted that this legal avenue remains open for the applicants to pursue should they wish to do so. To the Government's best knowledge, they did not lodge such civil claim, nor did the other applicants in *Statileo*, *Mirošević-Anzulović* and *Skelin-Hrvoj and Đuričić*.
31. In addition, the Government notes that by awarding pecuniary damage in *Statileo*, *Mirošević-Anzulović*, *Gošović* and *Skelin-Hrvoj and Đuričić*, the European Court compensated the difference between protected rent and the adequate rent for the periods found appropriate in accordance with the applicants' respective claims.
32. The Government shall keep the Committee informed on the outcome of the pending individual measures.

III. GENERAL MEASURES

33. It is recalled that in *Statileo* the Court expressly stated that the problem underlying the violation concerns the legislation itself, and that legislative and/or other general measures need to be undertaken. The Court furthermore noted that the legislative process was underway at the time when the *Statileo* judgment was rendered (*Statileo*, § 165). The Court also pointed to the complexity of the process, indicating that in resolving the issues identified in *Statileo*, a "rather delicate balance" must be struck between the interests of the landlords and general interest of the community, further pointing to the need to balance the rights of landlords and lessees against each other.
34. In accordance with the Court's findings cited above, legislative measures were deemed most appropriate to ensure an effective response to the Court's judgment.

A. Legislative measures

35. The Government has invested significant efforts in the implementation of general measures capable of directly and effectively responding to the Court's findings in *Statileo*. To that end, the authorities have adopted the 2018 Amendments to the Lease of Flats Act, whereby the protected lease was to increase gradually from 2018 to 2023 until it reached market rent values and the protected lease scheme as such was to be abolished in September 2023.
36. However, on 14 September 2020 the Constitutional Court has invalidated the 2018 Amendments to the Lease of Flats Act as unconstitutional. In its decision, the Constitutional Court found that the 2018 Amendments failed to strike a fair balance between the landlords' rights to peaceful enjoyment of their possessions and the protected lessees' rights to respect of their private and family life. The Constitutional Court concluded that the 2018 Amendments have placed a disproportionate burden on the protected lessees.
37. Notably, the Constitutional Court invalidated the provisions of the Lease of Flats Act which stipulated an increase of protected rent, and the provisions obliging protected tenants to vacate the apartments owned by natural persons no later than 1 September 2023 if they failed to conclude a new (market regulated) contract with the landlord.
38. Accordingly, the decision of the Constitutional Court has returned the process to the beginning, as the balancing of rights of those involved (owners and protected lessees) had to be conducted anew, taking into account not only the Court's findings and case-law, but also the reasons contained in the Constitutional Court's decision. This complex process was further delayed due to the COVID-19 pandemic and a natural disaster declared in Croatia due to a massive earthquake, which affected the regular functioning of state administration.

39. In December 2020 the Ministry of Spatial Planning, Construction and State Assets (hereinafter: the Ministry) has conducted public consultations on the preliminary assessment of the impact of the future Amendments to the Lease of Flats Act, which is the first step in the legislative procedure for adoption of a law by the Parliament.
40. Following these public consultations, on 21 August 2021 the Ministry formed a working group for the preparation of expertise basis for the drafting of proposal for amending the Lease of Flats Act. The working group is comprised of experts from relevant national authorities (Ministry of Spatial Planning, Construction and State Assets, Ministry of Judiciary and Public Administration, Ministry of Finance, the State Attorney's Office) and representatives of associations of owners of flats and associations of tenants living in these flats.
41. The working group has held two meetings: on 27 August and on 17 September 2021. Factual and legal issues pertaining to the elimination of causes of human rights violations as identified by the Court in the *Statileo* group of judgments have been discussed, with the aim of finding a Convention compliant and viable overall solutions.
42. Relying on conclusions reached by the working group, the Ministry shall prepare the Draft Amendments to the Lease of Flats Act. It is expected that the legislative procedure for the adoption of these amendments will begin in the fourth quarter of 2021.
43. The Government shall keep the Committee of Ministers informed on further developments in the execution process, particularly the adoption of the Amendments to the Lease of Flats Act.

B. Developments of domestic courts' case law concerning protected lease

44. Prior to the *Statileo* judgment the Supreme Court has developed case-law in cases concerning actions for eviction of protected lessees and actions for amendments to the protected lease agreement requested by landlords. In that regard, the Supreme Court expressed the stance that landlords are not entitled to file actions for amendments to the protected lease agreements (as this is an exclusive right of the protected lessees under the Lease of Flats Act). Furthermore, the Supreme Court held that ownership of a vacation home by the protected lessee or his/her family member is of no relevance to the existence and terms of protected lease, as vacation homes were not intended to be used as permanent dwellings.
45. Following the *Statileo* judgment the Supreme Court has revisited the above positions.
46. In its decision no. Rev-448/12-2 of 29 June 2016 the Supreme Court held that provisions of the Lease of Flats Act concerning protected rent served the purpose of social protection. It was therefore unacceptable for the lessee who owns a valuable piece of real estate which can be sold in order to obtain means to acquire a house or a flat to use as a dwelling to take advantage of protected lease.
47. In its decision no. Revx-751/2017-2 of 29 January 2019 the Supreme Court held that cases concerning conclusion of the protected lease agreements created an obligation for domestic courts to conduct the proportionality test. The aim of this test was to examine whether a fair balance has been struck between the conflicting interests of the landlord (peaceful enjoyment of possessions) and the interest to ensure appropriate dwelling for the lessee. In cases where the lessee owned a vacation home, the proportionality test should include a determination of its value and the possibility of the lessee to use the means acquired through the sale of this property to purchase an appropriate flat or house to use as a dwelling.
48. Furthermore, the Constitutional Court has developed long lasting case law finding that the protected lessees' (or his/her household members') ownership of habitable house or apartment in the same town or municipality results in a violation of the landlords' right to peaceful enjoyment of possessions. Examples of such decisions include: U-III-5931/2016 of 26 February 2018, U-III-7173/2010 of 10 July 2018 and U-III-4432/2011 of 25 October 2018.

49. With regard to the right to protected lease, the Constitutional Court has held that this right is dependent on the economic conditions of the lessees' household, which are connected with the market value of other real estate owned by members of the lessees household (regardless of whether such real estate is habitable). This stance was expressed in the Constitutional Court's decision no. U-III-3849/2011 of 30 January 2018.
50. Finally, in its decision no. U-III-367/2019 and U-III-368/2019 of 23 September 2020 the Constitutional Court found a violation of the landlord's right to peaceful enjoyment of his possessions in the context of domestic proceedings in which the landlord sought transformation of the protected lease agreement into an agreement with market rent due to the fact that the protected lessee's wife owned a house. In particular, the Constitutional Court emphasized the following:
- i) the right to use a flat and the right to protected rent depend on whether the lessee (or members of his/her household) own a habitable house or flat
 - ii) Lease of Flats Act has imposed on the landlords the obligation to conclude a lease contract with the protected lessee, thereby restricting his right to peaceful enjoyment of possessions
 - iii) failure of domestic courts to examine particular circumstances regarding ownership of other real estate (vacation home and flat) by members of the protected tenant's household, was contrary to the developed case law of the Constitutional Court and the Supreme Court. This failure calls into question the principle of equality before the law and therefore renders the interference with the applicant's right to peaceful enjoyment of possessions unlawful.
51. The case law of domestic courts continues to develop consistently in line with the above principles.
52. The Government deems that development of the domestic courts' case law concerning issues related to the protected lease agreements is particularly relevant during the period of pending legislative measures as it allows the landlords to protect their right to peaceful enjoyment of possessions in cases where there are special circumstances.

C. Development of the Supreme Court's case-law on compensatory remedy

53. The Government recalls that the Committee of Ministers in its decision of 6 December 2018 (CM/Del/Dec(2018)1331/H46-8) adopted at its 1331 meeting indicated that *"it would now be essential for the Supreme Court to ensure a well-functioning compensatory remedy during the transitional period² and invited the authorities to provide further information in this respect"*. In response, the Government would like to indicate that the Supreme Court developed its case-law on this point as follows.
54. In its decision of 19 December 2018 (Rev 2364/2016-3) the Supreme Court adopted the stance that the landlords are entitled to compensation covering the difference between the protected and the market rent. The Supreme Court also found that the landlords are entitled to compensation of non-pecuniary damage sustained as a result of the violation of their right to peaceful enjoyment of their possessions. It found that the lower courts misinterpreted the relevant national legislation, Article 1 of Protocol 1 of the Convention and the European Court's standards laid down in *Statileo* when they dismissed the civil claim for damages resulting from this difference.
55. The Supreme Court furthermore highlighted that the protected tenancy scheme restricted the landlords' property rights, placing an excessive and disproportionate individual burden on them. The State was therefore under an obligation to compensate the financial loss suffered by the landlords, amounting to the difference between the protected rent and the market rent. The Supreme Court highlighted that it is not necessary for the landlords to prove that they would have rented out their flats and received market rents had they not been subject to protected lease. On the contrary, it is sufficient for the landlords to indicate the market rent applicable at the relevant time for the property on the same or similar location. The Supreme Court therefore quashed the lower courts' decisions and remitted the case.

² Transitional period refers to the period in which, under the 2018 Amendments to the Lease of Flats Act, the protected tenancy scheme was envisaged to be terminated. This transitional period was set to end in 2023. However, the Constitutional Court invalidated the said 2018 Amendments.

56. Furthermore, in its decision of 22 January 2019 (Rev 1104/2018-3) accepting the claim for damages covering the difference between the protected rent and the market rent, the Supreme Court found that the three year prescription period is applicable to claims for damages resulting from the loss of rent.
57. It is noted that the Supreme Court's decisions recognized the landlords' right to compensation covering the difference between the protected rent and the adequate rent. Accordingly, the landlords may seek compensation in accordance with the Supreme Court's interpretation for the remaining period of the duration of protected lease. The Government thus deems that the case-law of the Supreme Court, as the highest regular court in Croatia, ensured an adequate compensatory remedy in line with the European Court's findings. In particular, the possibility to obtain compensation from the State provides the landlords with a practical solution to alleviate the financial burden placed on them until the abolishment of the protected tenancy scheme.
58. The data available to the Government shows that 220 actions have been filed by the landlords requesting compensation from the State covering the difference between the protected rent and the adequate rent. In cases where domestic courts already rendered their judgments, the adequate rent was determined on the basis of information available to the Tax Administration and/or Zagreb City Office concerning average market rent paid for similar apartments in the same area, or by expertize from the expert witnesses for real-estate evaluation. To date, the available data shows that the State has to pay approximately 4,900,000.00 Croatian kunas (a little over EUR 650,000.00) to the landlords on the basis of judgments awarding them compensation in line with the above practice of the Supreme Court.

D. Awareness raising measures

59. Following the awareness raising measures undertaken after the *Statileo* judgment, which include translation of all judgments and their dissemination to the relevant authorities and consultations with relevant national experts and representatives of associations of flat owners and tenants (protected lessees), the authorities have continued to raise awareness of domestic authorities on the issues identified by the Court in *Statileo group*.
60. In that regard, in 2020 the Judicial Academy has organized two trainings for judges and state attorneys on the topic: "Lease of Flats – relationship between the protected lessees and landlords and their rights and obligations". The trainings were held in June and September of 2020 and were attended by 44 participants. The training material developed specifically for these workshops covers all relevant issues of the Lease of Flats Act and its application, including the effects of the judgments of the *Statileo* group and in particular issues related to civil proceedings for damages regarding the difference between the protected and the adequate rent. The materials used for these trainings are available on the web page of the Judicial Academy.

IV. JUST SATISFACTION

61. The Government ensured that the just satisfaction awarded was disbursed to the applicants as follows: in *Statileo* on 19 November 2014, in *Bego and Others* on 31 December 2016, in *Gošović* on 25 May 2017, in *Mirošević – Anzulović* on 24 November 2016 and in *Skelin-Hrvoj and Đuričić* on 23 and 28 July 2021 respectively. The payments have therefore been made within the deadline imparted by the European Court.

V. CONCLUSION

62. As regards individual measures, the final resolution of the issues identified by the Court both on a general level and on the level of individual applicants, is inextricably linked to the implementation of the envisaged general measures. On the other hand, measures concerning providing redress to the applicants in domestic judicial proceedings have been implemented. However, some of the applicants had not availed themselves of this opportunity. With regard to the proceedings that are

still pending before the domestic courts, the Government shall keep the Committee of ministers informed.

63. With regard to general measures, it is emphasized that the authorities attempt to finally resolve the situation concerning the protected rent scheme by 2023 has been halted due to the invalidation of relevant provisions of the 2018 Amendments to the Lease of Flats Act by the Constitutional Court in 2020. The new legislative process for the adoption of relevant legislative measures is currently underway. Relevant authorities are committed to ensuring that the solutions which will be envisaged in the pending amendments to the Lease of Flats Act respond to issues identified by the Court in *Statileo* group, and at the same time satisfy the requirements expressed in the Constitutional Court's decision concerning the striking of fair balance between the conflicting rights and interests (as also indicated by the Court in *Statileo*). The Government shall keep the Committee of Ministers informed on further developments.


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Representative