

Guidance for citizens / companies in EU / EEA countries

ACQUISITION OF YEAR-ROUND RESIDENT AND COMMERCIAL PROPERTY (INCLUDING FARMS)

For citizens and companies in EU and EEA countries, who wish to settle in Denmark, special rules apply if you have not previously lived a total of five years in Denmark.

You may acquire real estate as your own year-round residence without permission or with the intention of carrying out self-employment in the following cases:

- **IN CASE OF EMPLOYMENT AS AN EMPLOYEE IN DENMARK**

It must be an actual employment of significant scope with a Danish employer in Denmark.

- **IN CASE OF SELF-EMPLOYMENT**

Acquisition of the property must be a necessary precondition to exercising the self-employed business.

The established business must be actual, real and of significant scope, so that the buyer can manage financially.

If the company is not yet established, another basis, for example self-sufficiency, may apply.

- **WHEN ESTABLISHING AN AGENCY OR A BRANCH IN DENMARK OR A BUSINESS THAT WILL SUPPLY OR RECEIVE SERVICES IN DENMARK**

Again, the acquisition of the property must be a prerequisite for the business, so there is no point in buying a property to run a B&B four weeks a year.

If there is no real necessity for the property in connection with/for use to exercise the business, the conditions for the acquisition are non-existing and you will be ordered to sell the property and probably also get a fine for violating the law.

To illustrate this situation, the ruling of the High Court of Eastern Denmark (U1999.516 Ø) can be emphasized, where a German architect and contractor bought a property in Denmark, and actually converted it into a design studio and office. The purpose was to run an architectural business in Denmark and place orders with Danish companies for construction in Germany.

Although the architect had meetings with several municipalities and entered into some agreements for the supply of building materials with Danish companies, this was not enough for the property to be necessary for this relatively limited business practice.

The architect was not allowed to own the property and was fined DKK 20,000.

Cases of circumvention/attempted fraud are thus punished quite severely when they are submitted to the courts.

- **BY MEETING THE CONDITIONS FOR BEING SELF-SUFFICIENT**

This means that you must have sufficient means to be able to support yourself and your household. This is a concrete assessment, but funds corresponding to cash benefits are generally considered sufficient.

The buyer must apply for an EU residence permit and sign a declaration form.

ACQUISITION OF A HOLIDAY HOME / SUMMER HOUSE / SECONDARY HOME

The rules for EU/EEA citizens do not include holiday homes. It is thus only possible to acquire a home for year-round occupancy.

A holiday home is considered to be any home that is not used for year-round occupancy and that is not intended to be the buyer's primary residence.

If the property - originally acquired for year-round occupancy - no longer serves as a residence, the property will be converted into a second home and the conditions for the acquisition are thus non-existing. In this situation, the property must be sold.

To illustrate this situation, the Supreme Court's ruling (2006.1957) can be emphasized, where a German pensioner who had bought a house on Samsø and had actually moved there, was ordered to sell his property when, after a few years, he moved back to Germany to look after and care for a sick family member.

The assessment is thus quite straightforward from the Supreme Court, and there are no valid excuses if you have not taken up actual residence on the Danish property.

RULES REGARDING TO SUMMER HOUSES/HOLIDAY HOMES/SECOND HOMES, I.E. ANYTHING THAT IS NOT USED FOR YEAR-ROUND OCCUPANCY (EXCLUDING BUSINESS)

In principle, you must have actually lived in Denmark for five years or obtain the Ministry of Justice's special permit if you want to buy a summer house/holiday home/second home.

The main rule of five years of residence/permanent residence in Denmark applies in order to be able to buy a holiday home without a permit.

There are no special rules for EU/EEA citizens; this rule applies to all foreigners who want to buy a holiday home/second home.

If you have previously not lived in Denmark for five years, the following applies:

- **The Ministry of Justice may grant permission to purchase a holiday home/house for holiday accommodation if a buyer has a particularly strong association with Denmark.**

For instance

- regular holiday stays over a number of years (practice in the Ministry of Justice's rulings requires recurring holidays for 20-25 years)
- frequent contact with family in Denmark
- a connection to the property in question
- linguistic and cultural association, etc.

The practice of The Ministry of Justice has become stricter in recent years, and there is little chance of obtaining a permit if you have not been on holiday in Denmark quite often/regularly for 20-25 years.