



## RättHyra.nu



### **Nobody should have to pay an exorbitant rent**

RättHyra.nu want to help people who have paid an exorbitant rent for their sublet flat to get back their rightful share of the rent. We run the process to 100% for our clients allowing them to avoid having to face their landlord at the rent tribunal. By taking a share of any disbursement there's no risk, and if we get nothing back, the customer does not have to pay at all.



## Abstract

Rätthyrarna nu vill hjälpa människor som har betalat en exorbitant hyra för sin subletta lägenhet att få tillbaka sin rättvisa andel av hyran. I Sverige finns det 140 000 hushåll som subletter och ungefär 10-15% av dem betalar en exorbitant hyra. Vi har noterat den allmänna tvekan att inte gå vidare med ärenden som dessa och under 2010 fick Malmö Hyresdomstol endast 35 fall, vilket är ett tydligt bevis på detta. Vi hjälper människor för en del av den potentiella återbetalningen, vilket innebär att våra kunder aldrig behöver riskera någon tid eller pengar. Vår erfarenhet i liknande fall kommer från ett fall i Köpenhamn 2009/2010 där vi representerade 43 studenter [REDACTED]

[REDACTED] Detta gav oss idén att detta skulle kunna bli ett företag på grund av en liknande situation på den svenska marknaden. Vår erfarenhet hjälper oss att få tillbaka den maximala kompenseringen, vilket bidrar till ännu större kundvärde. Vår primära marknad är universitetsstäder där problemet med exorbitant hyra är mycket vanligt. [REDACTED]

[REDACTED]

The team consists of Daniel Losinski and Petter Selvehed from the Master's Program in Entrepreneurship at Lund University and Martin Hagforsen who studies his last semester at the Business Law Program at Linköping University with a focus on tenancy law.





---

|                                       |    |
|---------------------------------------|----|
| Marketing Initiatives and Media ..... | 24 |
| Profitability and financing .....     | 25 |
| ██████████ .....                      | 25 |
| ██████ .....                          | 26 |
| ██████████ .....                      | 26 |
| ██████████ .....                      | 26 |
| ██████████ .....                      | 26 |
| ██████ .....                          | 27 |
| Attachment 1 .....                    | 29 |
| Attachment 2 .....                    | 30 |
| Attachment 3 .....                    | 31 |



## Business idea

In Sweden there are 140 000 households that are subletting and they are the victims of the housing crisis. Throughout Sweden, the subletting of apartments is growing rapidly and many are paying to high rents. Rent tribunals can be found at eight sites in Sweden and helps with a variety of matters, including rent disputes, and here you can report any exorbitant rent.

To report to the rent tribunal is free but not always that easy. The tenant must begin with a valuation of his apartment and subsequently represent himself in court with the landlord on the other side. The law says that the rent should be in level with the public interest and this requires that you are familiar with the rules and regulations that exist. We know it creates uncertainty about what to do which often leads to that people don't report.

*"There are still many who do not know what rules to apply or you're in a dependent position, you may rent it from someone you know or you do not want to report because they want to continue renting."*

- Elsa Reimer Peterson, operations manager for network  
jagvillhabostad.nu

Our idea is to help the tenant with this by handling the report, represent them in court and ensure that no legal issues are overlooked. The report and the ruling applies for up to 12 months retroactively, [REDACTED]

The payment for our representation will be a share of the amount paid back, which means that the customer is also not at risk of losing any money or time on the case. The business model of this type of case is unique and customized so the customer, with minimal effort, should be given the possibility of a fair rent, without having to take a risk on something they are not versed in. The customer does not pay anything if we lose in the rent tribunal so we take any potential risks.

Our primary target group is individuals who lack the knowledge, time and / or commitment to pursue a case on their own. We will focus on individuals but in the long



run also include all accommodations, such as private apartment buildings or student households, where all residents can be included in a class action case.

[Redacted text block containing multiple paragraphs of blacked-out content]

**Market plan**

The market in Sweden include individual tenants, individuals and groups living at private landlords as well as businesses, all of which are affected by exorbitant rents. Our focus will be on individuals who are subletting, and below you can see a description of the overall market.

**Description of market**

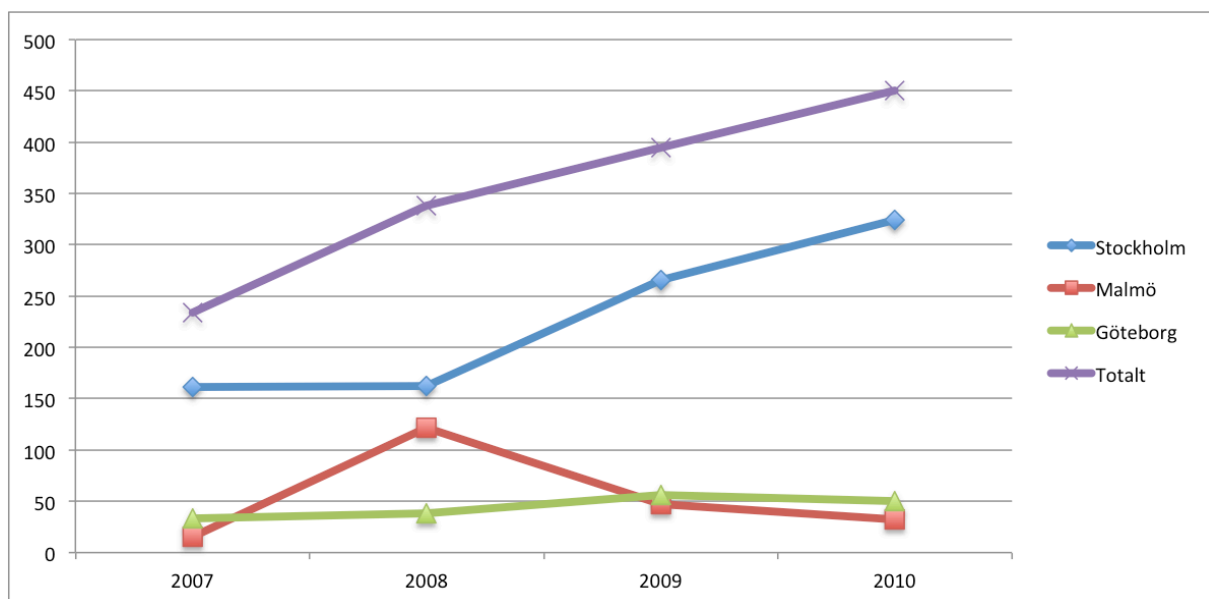
We will in the first year concentrate on individuals in the major cities of Stockholm, Malmo and Gothenburg as well as student towns such as Lund and Uppsala. These five



cities are the most vulnerable to the housing crisis and therefore we believe that the need is greatest here, plus the team has good knowledge about all these cities. We will engage in Lund and Malmö because of its proximity to Malmö Rent Tribunal and to get a better experience around the processes.

According to Statistics Sweden 2.2 percent of the rent and condominium households are sublet apartments, which is equivalent to 140 000 people. This can be compared to figures from the Malmö Kommunala Bostad AB (MKB) and Lund Kommunala Fastighet AB (LKF), which says that 1.5 percent of their apartments are sublet apartments. We do not know for sure what the difference is due to but one explanation may be the exorbitant rents. Anyone who is subletting may not charge a margin on the rent but exceptions may be made in the event that the apartment is furnished and it is normally a premium of 10-15%. When it comes to condominiums the law says that the rent shall be public, which is difficult for an individual to judge. A common misconception is that a condominium owner is entitled to collect a rent equal to his costs for the apartment, for example association fees and loan rates, but this is not okay. When there are few apartments, many make some money on renting out their apartment, and while in many cities, especially in major and student cities, there is extreme housing shortage, the result is that many charges and accept the huge exorbitant rents.

After the reports were decreasing (halved) between 2004 and 2006, they are now increasing and show a growth trend, at least in Stockholm according to the rent tribunal.





**Unfair rent for premises**

There are major differences in the handling case of unfair rents for premises compared with those for apartments. In addition, other consequences follow. Does a local tenant experience that he pays a high rent; he shall cancel the rent to a change in conditions. In the dismissal, he shall specify the rent he is willing to pay. Reasonable rent is, unlike the case with residential apartments, a market rent as determined by comparing the equivalent space of the same type in the same locality. A number of parameters such as condition and location are important. Rooms are more unique than apartments, which make them difficult to compare. If the comparison can't be made by the parties involved the rent tribunal can make this assessment. The landlord can choose not to accept the new rent, with the result that the tenant's contract ends. Is the landlord refusing on reasonable terms and the tenant is terminated, the tenant is entitled to compensation for the loss he suffers from that the contract does not continue. The amount of compensation is determined not by the rent tribunal, but the district court.

All together, this means that we choose not to target local tenants.

[Redacted text block]

[Redacted text block]





[REDACTED]

The case in Copenhagen has given us good experience in how customers' attitudes are to the service we provide. Following is a summary of comments that we received from those involved in the Copenhagen case, along with our handling of the case.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

We have spoken to a number of people who live in sublet apartments and asked what would get them to let someone else deal with a rental case for them. We asked why they chose to pursue the case themselves and got the following response:

- They have a sublet contract with a chance of renewal and a notification would take away the possibility of extension.
- They do not want to end up in disagreement with their landlord as this could terminate the contract early.



- They did not know their rights and how to report.
- They believe they have no chance at the rent tribunal to receive any money.

### Long-term possibilities for revenue

Franchise - to allow an expansion of operations and future revenues one opportunity is to franchise the concept in foreign markets with similar housing markets such as Sweden.

Actively seeking shared accommodation - active investments in major cases, such as an entire apartment building, where we can bring a class action in the rent tribunal is one approach that generates a more profitable, more effective handling than individual cases.

Competitors to for example BostadDirekt and BoPunkten with fair rent guarantee - our long term experience and the objective of fair rents lead to a mature business where we can guarantee that the landlord takes a fair rent for their apartment to the tenant, this allows for expansion of our business and new revenue channels.

Cooperation with the municipal housing companies - a possible collaboration includes LKF or MKB, which can strengthen our legitimacy and support while they advertise themselves as housing companies that work for fair rents. Collaboration like this is close at hand and would streamline our processes much more.

[REDACTED]

[REDACTED]





---

## Industry analysis

The number of cases to the rent tribunal has varied in number in recent years and is largely dependent on the amount of publicity about rents in the media. We feel however that there is no option to appeal their rent that meets client requirements and reluctance to go out in a lawsuit. Below is a brief description of what options you have as a customer.

### Operations at the rental and tenancy tribunals

The rent tribunal can mediate disputes between landlords and tenants or between the one subletting and the tenants if the parties themselves can not agree. The rent tribunal also examines certain rents and tenant matters and deal with matters relating to specific management of residential properties. Anyone who buys a property in certain cases require the consent of the rent tribunal to validate the purchase.

The rent tribunal normally consists of three members. The chairman is a lawyer and is called rent council, the other members are so-called interest of members, of whom one is well versed in property management and is familiar with the tenants or tenant-holder relationships. There are eight rent tribunals in Sweden and most of the rent tribunals' decision can be appealed to the Svea Court of Appeal which is situated in Stockholm.

### Other options

There are other ways for people to make a report and enforce their case, but these options often means more work and higher costs. Below are our nearest competitors and alternatives available to us.

### The rent tribunal

Individuals can file a claim to the private rent tribunal, this is free but not always that easy. The tenant must begin with a valuation of his apartment and at a later stage represent himself in the rent tribunal, which can be compared with a normal trial, with the landlord on the other side. The rent tribunal is an authority so there is no direct marketing or profit-making, and this is creating additional space for us as an actor. The option of lodging a complaint to the rent tribunal means a lot of work and time and the



fact that having to represent yourself in court do not appeal to everyone. Many do not bother to report because they need to be familiar with the rules and regulations that exist. As much as 90% of the cases ends with a settlement, which means that tenants and landlords meets in their requirements. Statistics show that if one chooses to wait for a subsequent assessment of the rent tribunal board the outcome is generally higher. The rent tribunal, however, is good at convincing the parties to a settlement and this is therefore a situation where our role would bring direct value to our customers because we can negotiate for a fair reimbursement.

### The Swedish Union of Tenants

Another organization working for affordable rents are The Swedish Union of Tenants where you can join for an annual fee of 960 kr. They help their members and negotiate with local authority, housing and private landlords that the rent should be set according to the practical value of the apartment, that is, to match the apartment's quality and standard. This organization is our main competitor and provides support and advice to its members but requires that the "victim" is processing the case and is expected to participate in any litigation at the rent tribunal. The association is a very strong organization with more than half a million members and is clearly our main competitor. The organization does not work retrospectively which means that if the client has not become a member at the beginning, he does not have the same right to advice and support in court. As the target customer for us is mainly students, this is a highly relevant problem because a large proportion are not members of the association and thus lose the right to help from The Swedish Union of Tenants.



### Law firm

People can turn to a law firm and make use of their knowledge in the field with associated paperwork and allow them to represent one in court. However, this is a costly alternative and the victims usually gets back a smaller amount of money after the litigation because of the high cost and risk, moreover, the high cost without any guarantee of repayment. This option is possible but nothing that is commonly represented on the market today.



**Abstainer**

The last option is of course the option to choose none. You pay a high rent but are not familiar with your rights, or there's no time or energy to take hold of the matter. To reach these people and to also get them to sign a power of attorney is probably an equally tough task to beat the competition.

There are over 140 000 households living in sublet flats, and although there are no statistics on what percentage is paid in exorbitant rent, we know that it's much and we believe that an estimate of 10% is low. This can be related to the 35 cases at the rent tribunal in Malmö 2010. In Stockholm, 288 cases in 2009, is an increase from 166 complaints in the previous year. Whatever the reason is it shows the enormous resentment that people exhibit to draw the matter further. What we have just described makes us feel that the market has a need for a private operator of such matters that actively assist the victims.

[Redacted text block]

[Redacted text block]

[Redacted text block]

[Redacted text block]



[REDACTED]

### Value chain

The industry today consists of authorities or expensive players. The alternative today is that the victims may take a costly process, or go through the authority themselves this is generally a long process. Our situation and place in the market becomes a much simpler substitute for these players where we do not impose any requirements of our customers more than the background facts and information necessary to assess the reasonableness and to complete the process. Instead of doing all the work yourself or paying the most part to a lawyer, we take a portion of the amount that the customer gets back. This also means that the customer does not need to pay out any money and we bear the full risk. Customer satisfaction is therefore high when the victim does not need to spend some time, no paper work (except to fill out a warrant), not a court visit and no outlay of money, plus, we probably get a better outcome in terms of pure money than if the client pursued the matter on his own.

### Market strategy

After examining the various parts of the market, we have found that individuals who live in sublet apartments show the best potential for our business model.

### Customers and target segments

The housing market is large and there are different types of homes and they can all suffer unfair rents. Private individuals are an audience that is easy to reach and who are often affected. Housing shortage has led to the effect that many people accept higher rents, but they often do not know on what grounds. Other victims are multiple people living in a shared apartment building and everyone pays for the high rent. In such cases, a class action is entered in which all parties are represented simultaneously. Young people, including students, are a group that does not always know their rights and that will not always cope with the high costs. This target group is often willing to create



justice but do not always know how or are reluctant because of all the paperwork associated with this. In our segmentation, we will initially focus on some of the larger towns and cities, where many students live in sublet apartments. The target audience is primarily people between 18 and 30 years and we believe that this segment both accounts for the biggest share of the market but also a less courted group of our competitors.

**Differentiation**

The differentiation of our offering compared to existing competitors in the market is mainly that we offer a service throughout the process in which the customer does not need to do more than fill out a letter saying that we are handling the matter. We are also available in a simple way and is closer to the market when we are not an agency or large law firm. On the cost issue, we differ also when our customers don't need to pay out money in the process without paying for litigation outcomes and pay the fee, depending on the amount. Being a member of an organization and pay an annual fee that might be of use are often felt a bit strange to the customers that we target towards. With our options, people contact us when it suits them and only pay for results. This, combined with our modern image of channels that reach the target audience does set us apart from our competitors.

**Marketing**

Marketing will later become our strongest competitive advantage. We will be where our main target customers, people between 18 and 30, visible and have a push- rather than pull-strategy.

[Redacted text block]

[Redacted text block]



[Redacted text block]

[Redacted text block]

[Redacted text block]

**Protection**

It is difficult to create a public protection to the service as everyone has the right to go to the rent tribunal, and all are entitled to pay a reasonable rent. The Rent Tribunal exists for such cases and are available for those affected. Rätthyra.nu are there for the affected, and supplements the implementation of the process to facilitate and take care of all the work. By offering our services and by contributing to charity, our business model to create a temporary protection for potential competitors and distinguish us from existing players in the market.





### Other restrictive protection

There is no protection against a service of this kind where individuals can complete the process themselves and offer to help them with this. Personal data will be treated as PUL, and then we will carry out matters with the client's permission in the form of a letter and it is only this document that must be correctly designed and valid for us to get running processes.

### Sustainability

The long-term sustainability of the activity, where the goal is to get rid of the rents in the housing market, is stable as it can remain profitable for the landlord to take over the lease. The "punishment" is relatively low when the landlord only needs to repay the amount plus a relatively low rate (10%). This means that people can take chances and take out the rents with the result that the market is left for us.

[Redacted]

[Redacted]

[Redacted]

|            |            |            |
|------------|------------|------------|
| [Redacted] | [Redacted] | [Redacted] |
| [Redacted] | [Redacted] | [Redacted] |
| [Redacted] | [Redacted] | [Redacted] |
| [Redacted] | [Redacted] | [Redacted] |
| [Redacted] | [Redacted] | [Redacted] |
| [Redacted] | [Redacted] | [Redacted] |
| [Redacted] | [Redacted] | [Redacted] |
| [Redacted] | [Redacted] | [Redacted] |
| [Redacted] | [Redacted] | [Redacted] |
| [Redacted] | [Redacted] | [Redacted] |

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]



---

[Redacted text block containing multiple lines of blacked-out content]

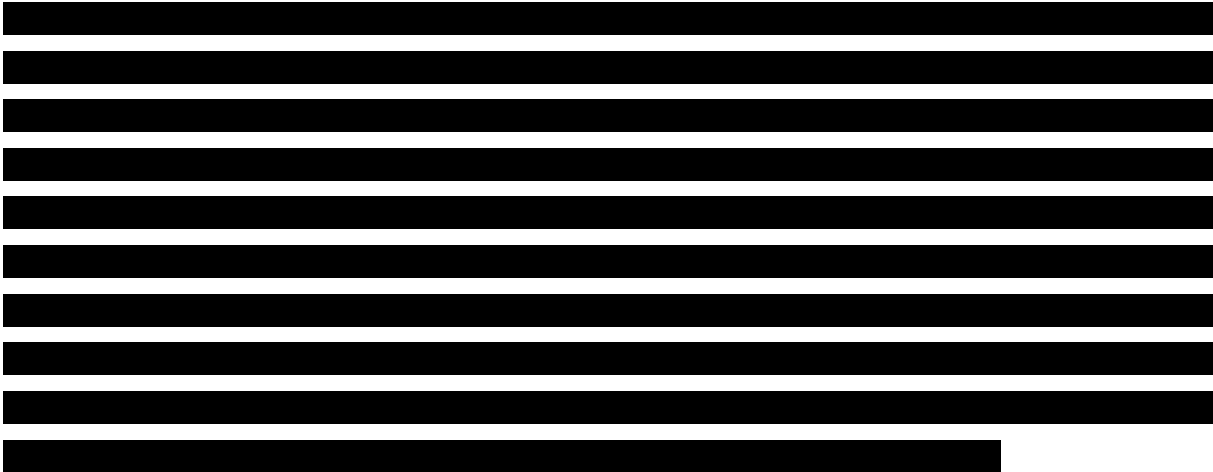


## Organization



### Management and staff

The company will start as a limited company and will primarily be driven by three people. The ownership of the company is shared equally among the three driving people (see below).



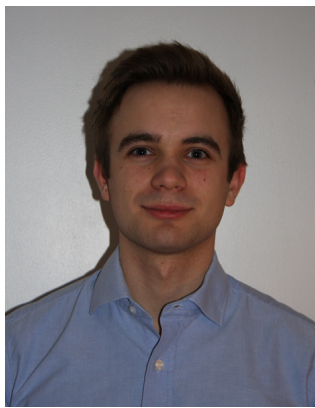
The values that permeate Rätthya.nu

- Entrepreneurial spirit - determination and drive that with his own commitment to seize new opportunities.
- Social responsibility - creating value and justice for others and contribute to society.

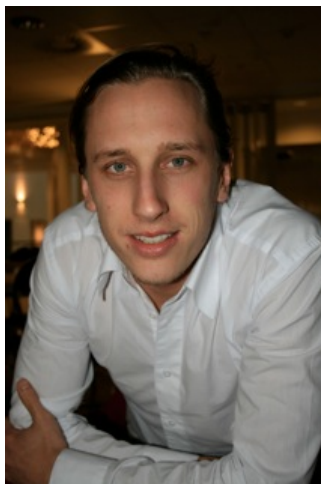


- Business opportunity - the market that is creating an opportunity for a profitable business.

The company's key competences, and be in the knowledge of tenancy law, which largely comes from the experience of previous cases. Furthermore, a large proportion of customer contact to be made electronically, so our marketing and customer contact via the site also becomes important. The company will consist of the following persons:



*Martin Hagforsen* is studying his fourth and final year on the business law program at Linköping University. He has a particular interest in the tenancy law and has written his candidate thesis within this area. Martin also has much practical experience in real estate after working on a few of the largest real estate company in parallel. Martin will be responsible for cases in Uppsala and Stockholm.



*Petter Selvehed* is an entrepreneur with a background in marketing / sales, business development and business. Petter studies in the master's program in Entrepreneurship in Lund and has been involved in many projects, which has given him a wide and valuable network of contacts. Petter is the project manager and will be responsible for cases in Stockholm and Gothenburg.



*Daniel Losinski* has a bachelor's degree in marketing and is an entrepreneur with experience in several of his own company. Daniel himself has been affected by unfair rents, both as an exchange student at CBS in Copenhagen as well as the sub letter in Lund. This experience has given him a good picture of the market and important knowledge of how this process works. Daniel also has a good record of e-marketing. Daniel will be



---

responsible for cases in Lund and Malmö.

### Summary of skills schedule

The skills scheme provides the basis of what we share in the team will work with. As for the external parties, we have identified the skills we hope to receive from each person and role.

Our key competencies are a major component of the legal elements and there is Martin a very important and critical resource within the company, even if Petter and Daniel have some expertise in this area. Martin's legal experience is impossible to replace, but would ultimately entail severe costs for both the organization and development.

In addition is our web partner, Arvid Littmark, a very important role and is also the sole of his expertise in web and customer management online. However, this is less of a risk when we take all the material and because this resource is relatively easily replaced.



|  |                                       | Kompetensnivå |                |               | Kompetensschema                     |
|--|---------------------------------------|---------------|----------------|---------------|-------------------------------------|
|  |                                       | ingen         | Viss kompetens | God kompetens |                                     |
|  | Daniel Losinski, projektledare        |               |                |               | Hyresrätt                           |
|  | Petter Selvehed, affärsutvecklare     |               |                |               | Avtalsrätt                          |
|  | Martin Hagforsen, Juridiskt sakkunnig |               |                |               | Redovisning/ finans/ ekonomi        |
|  |                                       |               |                |               | Webbhantering/ Kundhantering        |
|  |                                       |               |                |               | Projektledning                      |
|  |                                       |               |                |               | Marknadskontakter/ nätverk          |
|  |                                       |               |                |               | Affärsutveckling                    |
|  |                                       |               |                |               | Förhandlingskunskaper               |
|  |                                       |               |                |               | Ideellt/ etiskt/ informationsansvar |
|  |                                       |               |                |               | Entreprenöriell erfarenhet          |
|  |                                       |               |                |               | E-marknadsföring/ försäljning       |
|  |                                       |               |                |               |                                     |



[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

## Marketing Initiatives and Media



In February 2011 RättHyra.nu and Daniel Losinski became nominated for the "Pioneer of the Year 2011" which is a competition designed to stimulate the development of socially, economically and environmentally sustainable enterprises. We were one of ten selected for the finals which consisted of both an Internet vote, where the public could vote, the jury's choice. The result was that we got 1250 votes from the public and thus won the "voice of the people"

against the second who had just over 900 votes. In the jury selection, we were not among the top three on the ground that we did not have enough environmental contribution, which was one of the cornerstones of the competition. The results from the public, however, is what matters most to us and is also a testament to the great need and support that exists among individuals in Sweden.



On March 31, 2011 TV4's business news sent a 2 minute news feature both locally and nationwide where our business and name was highlighted repeatedly. This feature increased traffic to the website [www.ratthyra.nu](http://www.ratthyra.nu) and gave several potential customers. At the same time it contributed to the renewed attention in other media such

as Sydsvenskan, Home & Rental and more. This type of publicity is the best for our business and free.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]





[Redacted text block]

|            |            |            |            |            |
|------------|------------|------------|------------|------------|
| [Redacted] | [Redacted] | [Redacted] | [Redacted] | [Redacted] |
| [Redacted] | [Redacted] | [Redacted] | [Redacted] | [Redacted] |
| [Redacted] | [Redacted] | [Redacted] | [Redacted] | [Redacted] |
| [Redacted] | [Redacted] | [Redacted] | [Redacted] | [Redacted] |

[Redacted text block]

**Profitability and financing**

See attachment 1 & 2.

[Redacted text block]





[Redacted text block]

| [Redacted] | [Redacted] | [Redacted] | [Redacted] | [Redacted] |
|------------|------------|------------|------------|------------|
| [Redacted] | [Redacted] | [Redacted] | [Redacted] | [Redacted] |
| [Redacted] | [Redacted] | [Redacted] | [Redacted] | [Redacted] |
| [Redacted] | [Redacted] | [Redacted] | [Redacted] | [Redacted] |
| [Redacted] | [Redacted] | [Redacted] | [Redacted] | [Redacted] |
| [Redacted] | [Redacted] | [Redacted] | [Redacted] | [Redacted] |
| [Redacted] | [Redacted] | [Redacted] | [Redacted] | [Redacted] |

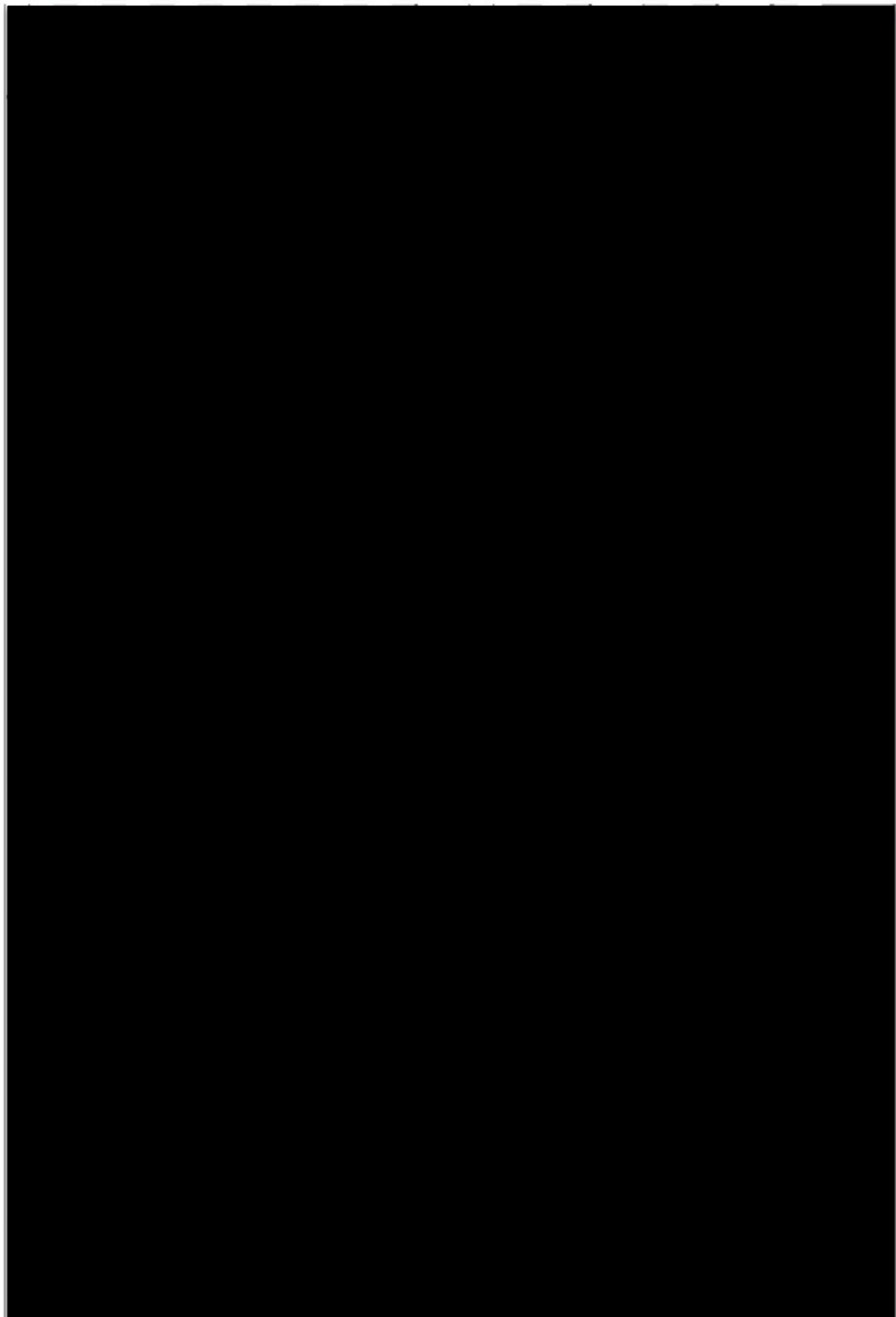


---

[Redacted text block containing multiple lines of blacked-out content]

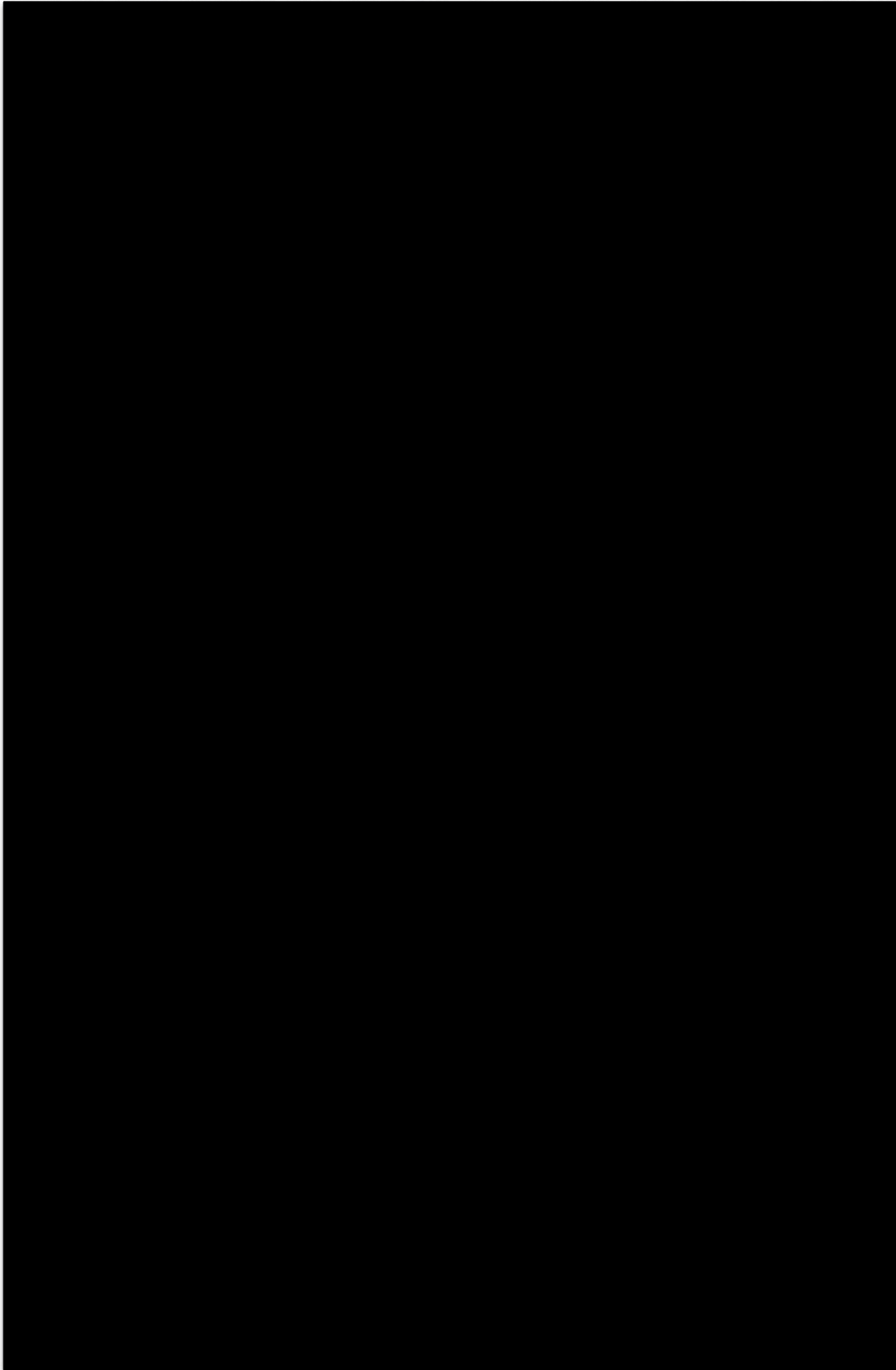


## Attachment 1





## Attachment 2



12 månaders kassflöde

Startmånad : jan-12



---

## Attachment 3

Rätthyra.nu in Media:

[Entreprenörer mot ockerhyror](#), Skånska Dagbladet

[Ett vinnande engagemang](#), Mittuniversitetet

[Pioneer of the Year](#), poty.se

<http://embed.tv4play.se/tv4play/v0/tv4video.swf?vid=1552894>, TV4

<http://www.hemhyra.se/Sidor/hyreshjalp.aspx>, Hem & Hyra

<http://www.sydsvenskan.se/lund/article1438096/Ratt-hyra-som-affarside.html>,

Sydsvenskan