

CHECKLIST OF REFORMS RENT CONTROL

DESIRED OBJECTIVES:

Note: JNNURM requires certain reforms to be undertaken by states/ cities in Rent Control, with the objective of having a system that balances the rights and obligations of landlords and tenants to encourage construction and development of more housing stock, as well as promoting an efficient and robust rental/tenancy market, so as to improve the availability of housing across all income categories.

1. CURRENT STATUS

- a. Please provide a short note on the present Rent Control Legislation, which provides the following details:
 - i. rights of landlord to get possession back
 - ii. rights of tenants to continue their tenancy
 - iii. obligations of tenants with regard to regular rental payments/ maintenance of tenanted property/ adherence to lease agreements, if present
 - iv. provision for periodic review of rentals, in accordance with market conditions
 - v. fixing of Standard Rents, periodicity of review, and dispute resolution mechanisms

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| <ol style="list-style-type: none">I) A landlord is entitled to get possession back of his building in the following cases.<ol style="list-style-type: none">a. Failure of the tenant to pay rent regularly.b. Transfer of lease to another person.c. Use of the building for a purpose other than that for which it was leased.d. When the building is required for the personal use of the landlord.e. Where the landlord is a retired person from any armed forces.f. Where the landlord is a retired employee of the State/ Central Government.g. Where the landlord is a widow, handicapped person or a senior citizen.h. Where repairs, alterations, reconstruction is required for the building.II) Rights of tenants to continue the tenancy.<ol style="list-style-type: none">a. When the tenant is engaged in employment notified by the Government as essential services.III) Obligations of the tenants.<ol style="list-style-type: none">a. Rent shall be paid by the Tenant within 15 days after expiry of the time fixed in the agreement of tenancy.b. Tenant should not commit any act which is likely to damage the building.c. Tenant shall not transfer the lease right if there is no such provision in the agreement.IV) Provision for periodic revisions of rentals.<ol style="list-style-type: none">a. The fair rent can be enhanced up to a maximum of Rs.75% keeping in view the rental values prevailing in the locality during the 12 months prior to 05.04.1944.IV) Fixing of standard rents.<ol style="list-style-type: none">a. The Rent controller is competent to fix the fair rent keeping in view the limits mentioned item IV above. There is a provision for appeal over the order of Rent Controller to Chief Judge, Small Causes Court in Hyderabad city and elsewhere to the Sub-judge. |
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b. Please indicate whether you have adopted the Model Rent Control Legislation circulated by GOI:

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|-----|---|-----|--------------------------|-------------------------------------|
| i. | Adopted as is
No | Yes | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| ii. | Adopted with modifications. If so, please specify
No | Yes | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

REFORMS INITIATED IN THE YEAR, 2005

The Rent Control Act has been amended by Act no 17 of 2005 w.e. from 28-05-2005, providing that the provisions of this Act shall not apply:

- A. To any building belonging to the State Government or the Central Government or any Local Authority.
- B. To any building constructed or substantially renovated either before or after commencement of this Act i.e. 28-05-2005 for a period of 15 years from the date of such construction or substantial renovation.
- C. To any building exceeding a monthly rent of Rs. 3,500/- in the areas covered by Municipal Corporations and Rs. 2000/- in other areas as on 28-05-2005, i.e. commencement of the amended Act.

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|--------------------------|---|--|--------------------------|---------|---------|---------|--------------------------|--------------------------|--------------------------|--------------------------|
| c. | Please indicate the number of properties under Rent Control Act
Information will be furnished with in a month | <input type="checkbox"/> | | | | | | | | |
| d. | Please indicate whether Rent Control Act applies to new construction & new tenancies
Yes
No | <input type="checkbox"/> <input checked="" type="checkbox"/> | | | | | | | | |
| e. | Please indicate whether there are any special provisions for weaker sections of society
Yes
No | <input type="checkbox"/> <input checked="" type="checkbox"/> | | | | | | | | |
| f. | Please indicate the number of rent control cases pending in various courts related to NURM cities
Information will be furnished with in a month | <input type="checkbox"/> | | | | | | | | |
| g. | Please indicate the annual trend in new cases being filed related to rent control
Information will be furnished with in a month | <table border="0" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;">2002-03</td> <td style="text-align: center;">2003-04</td> <td style="text-align: center;">2004-05</td> <td style="text-align: center;">2005-06</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table> | 2002-03 | 2003-04 | 2004-05 | 2005-06 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2002-03 | 2003-04 | 2004-05 | 2005-06 | | | | | | | |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | | | | |
| h. | Is there any mechanism for providing guidelines to fix rents on the basis of market rates for existing tenancies
Yes
No
(if yes, please provide a brief description below) | <input type="checkbox"/> <input checked="" type="checkbox"/> | | | | | | | | |

2. TIMELINE FOR REFORMS

- a. Resolution by Government expressing commitment to establish new Rent Control system (Note: This resolution should be passed within 6 months of signing of MOA under JNNURM and a copy submitted to MOUD.)

Agreed

- b. Defining the Rights and Obligations of landlords and tenants

Year1	Year2	Year3	Year4	Year5	Year6	Year7
	Dec, 2006					

- i. rights of landlord to get possession back
- ii. rights of tenants to continue their tenancy
- iii. obligations of tenants with regard to regular rental payments/ maintenance of tenanted property/ adherence to lease agreements, if present
- iv. provision for periodic review of rentals, in accordance with market conditions

- c. Establishing a new Rent Control legislation

- i. Setting up a Committee/Team to draft/amend legislation

Year1	Year2	Year3	Year4	Year5	Year6	Year7
	June, 2006					

- ii. Stakeholder consultations

Year1	Year2	Year3	Year4	Year5	Year6	Year7
	Sep, 2006					

- iii. Preparation of Draft legislation

Year1	Year2	Year3	Year4	Year5	Year6	Year7
	Mar, 2007					

- iv. Approval of the Cabinet/ Government

Year1	Year2	Year3	Year4	Year5	Year6	Year7
		June, 2007				

v. Final enactment of the legislation by Legislature

Year1	Year2	Year3	Year4	Year5	Year6	Year7
		Dec, 2007				

vi. Notification

Year1	Year2	Year3	Year4	Year5	Year6	Year7
		Mar, 2008				

vii. Preparation and notification of appropriate subordinate legislation

Year1	Year2	Year3	Year4	Year5	Year6	Year7
			June, 2008			

viii. Implementation by municipality (ies)

Implementation agencies will be decided at the time of framing the draft legislation.

Year1	Year2	Year3	Year4	Year5	Year6	Year7
		Dec 2007				

d. Next revision of rents/rental value guidance

Year1	Year2	Year3	Year4	Year5	Year6	Year7
			Dec, 2008			

e. Setting up mechanism for periodic review of rents/ rental value guidance

Year1	Year2	Year3	Year4	Year5	Year6	Year7
			Sep, 2008			

f. Establish Dispute resolution mechanism (e.g. Special Tribunals/ Courts etc)

Year1	Year2	Year3	Year4	Year5	Year6	Year7
			Jun, 2008			

g. Any other reform steps being undertaken (please use additional space to specify)

Year1	Year2	Year3	Year4	Year5	Year6	Year7