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# Topic wise content



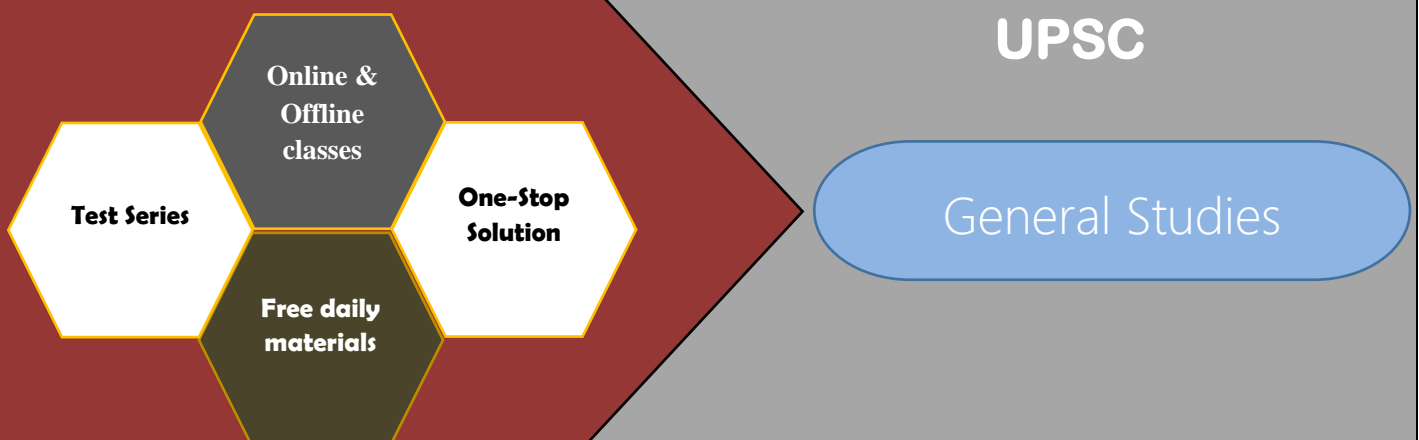
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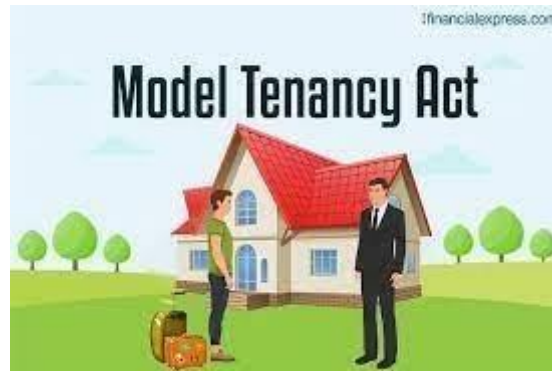
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## Model Tenancy Act

Notes for civil services preparation



## Model Tenancy Act



The Union Cabinet has approved the **Model Tenancy Act** to be sent to the States and Union Territories to **enact legislation or amend laws on rental properties.**

- The **draft Act** had been published by the **Ministry of Housing and Urban Affairs** in 2019.

### Key Points

- **Some Provisions:**

o Written Agreement is Mandatory:

- Mandatory for there to be a **written agreement** between the property owner and the tenant.

o **Establishes Independent Authority and Rent Court:**

- Establishes an independent authority in every state and UT for **registration of tenancy agreements** and even a separate court **to take up tenancy related disputes.**

**Maximum Limit for Security Deposit:**

- Limit the **tenant's advance security deposit to a maximum of two months rent** for residential purposes and to a **maximum of six months** for **non-residential purposes.**

o **Describes Rights and Obligations of both Landlord and Tenant:**

- The **landlord** will be responsible for activities like structural repairs except those necessitated by damage caused by the tenant, whitewashing of walls and painting of doors and windows, etc.
  - The **tenant** will be responsible for drain cleaning, switches and socket repairs, kitchen fixtures repairs, replacement of glass panels in windows, doors and maintenance of gardens and open spaces, among others.
- o **24-hour Prior Notice by the Landlord:**
- A landowner will have to give **24-hour prior notice before entering the rented premises** to carry out repairs or replacement.
- o **Mechanism for Vacating the Premises:**
- If a landlord has **fulfilled all the conditions stated** in the rent agreement - giving notice - and the **tenant fails to vacate the premises** on the expiration of the period of tenancy or termination of tenancy, the landlord is **entitled to double the monthly rent for two months** and four times after that.

#### Coverage:

- It will **apply** to premises let out for **residential, commercial or educational use**, but **not for industrial use**.
- It **also won't cover** hotels, lodging houses, inns, etc.
- It will be applied prospectively and **will not affect existing tenancies**.

#### Need:

- As per **Census\_2011**, nearly **1 crore houses** were lying

vacant in the country and making these houses available on rent will complement the vision of '**Housing for All**' by **2022**.

#### Significance:

- The authority will provide a **speedy mechanism in resolving disputes** and other related matters.

- It will help overhaul the **legal framework** with respect to rental housing across the country.
- It will enable creation of **adequate rental housing stock** for all the income groups thereby addressing the **issue of homelessness**.
- It will enable **institutionalisation of rental housing** by gradually shifting it towards the formal market.
  - - It is expected to give a **fillip to private participation in rental housing** as a business model for addressing the huge housing shortage.

### Challenges:

- The Act is **not binding on the states as land and urban development remain state**
- Like in the case with **RERA** (Real Estate (Regulation and Development Act), the fear is that states may choose not to follow guidelines, diluting the essence of the Model Act.

