

Model Tenancy Act

June 3, 2021

In news- The cabinet gave acceptance to the Model Tenancy Act (MTA). The government had first released the draft of the MTA in 2019.

Key features of the Act:

- It aims to **bridge the trust deficit between tenants and landlords by clearly delineating their obligations.**
- It will balance the interest and rights of both the owner and tenant in an accountable and transparent manner.
- The Act will **encourage the growth of rental housing** as it is a preferred option for different segments including migrant workers, professionals, and students.
- It will provide a **model for urban and rural properties**, as well as a template for residential and commercial properties.
- It would **take people from informal to specific contract arrangements** between landlord and tenant.
- In **case of dispute** between landlord and tenant, a **rent authority, or a rent court** would be available for speedy resolution.
- Within two months of executing the rental agreement both landowner and tenant are required to intimate to the Rent Authority about the agreement and within seven days a unique identification number will be issued by the Rent Authority to both the parties.
- A **tenant** will have to submit a **security deposit of two months** for residential premises and for commercial property, a tenant will have to pay six-month rent.
- The **tenant cannot sublet a part of or the whole property to someone else.**
- A **digital platform will be set up in the local vernacular language of the State** for submitting tenancy

agreement and other documents.

- If a landlord has fulfilled all the conditions stated in the rent agreement 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.
- The landowner would give a **notice in writing three months before revising rent** and the landlord cannot hike the rent in the middle of the tenure.
- A landowner **cannot cut power and water supply in case of a dispute** with the tenant.
- The Act states that a landowner cannot enter the rented premises without 24-hour prior notice to carry out repairs or replacement.
- **Landlord will be responsible to repair structural damages** and undertake measures like whitewashing walls and painting doors and windows.

More information -
<https://journalsofindia.com/draft-model-tenancy-act-2019/>