

Q-1. What are the objects of the U.P Urban Building (Regulation of Letting, Rent and Eviction) Act, 1972 and what are its salient features?

Ans- As per the government, once this law is enforced, the agreement between the tenant and the landlord will be much more transparent, and as a result, the contract of rent will be much more fair:

- Tenants and landlords have to notify the rent authority as and when they execute the rent agreement. If one party fails to notify, then the other party can notify the rent authority after one month so that it helps in establishing the records of agreement with the rent authority.
- Payment of security deposits that are chargeable under the rent agreement have been regularized. Previously, a security deposit of two to six months' rent was required by the landlord. As per the new ordinance this has been capped for two months and not more than two months. For non-residential premises it has been capped at 6 months.
- In case tenants fail to vacate after the expiry of tenancy agreement, parties have been given the option to extend or renew the lease on new terms or if the tenant fails to renew the lease, the landlord has the right to approach the rent authority and seek eviction.
- The law gives a safety net and boosts confidence of home buyers, who invest in real estate keeping rental income in mind.
- Landlords used to cut down essential supplies such as electricity and water when tenants were unable to pay rent. Now it cannot be done. If the landlord does so, tenant can immediately approach the rent authority for interim directions and the authorities can order immediate restoration of such essential services.
- In the case of residential property, the annual rent cannot increase by a margin of more than 5% and for non-residential areas the annual rent cannot increase more than 7%.
- The law provides a shield to tenants as they will not be subject to whims and fancies of landlords other than what is prescribed under the law.
- In case, the landlord tries to increase the rent to disproportionate levels, the tenants can approach the rent authority Under Section 10 of The Ordinance and then the rent authority will determine the new rental which is commensurate with the market rate.

Q.2 – What properties are exempted from the operation of U.P. Urban Buildings Act?

Ans- Section 2(1) in The U.P. Urban Buildings (Regulation of Letting, Rent and Eviction) Act, 1972

(1) Nothing in this Act shall apply to-

(a) any building belonging to or vested in the Government of India or the Government of any State or any local authority ; or

(b) any tenancy created by grant from the State Government or the Government of India in respect of a building taken on lease or requisitioned by such Government ;, or

(c) any building used or intended to be used as a factory within the meaning of the Factories Act, 1948 ;

(d) any building used or intended to be used for any other industrial purpose (that is to say, for the purpose of manufacture, preservation or processing of any goods) or as a cinema or theatre, where the plant and apparatus installed for such purpose in the building is leased out along with the building :

Provided that nothing in this clause shall apply in relation to any shop or other building, situated within the precincts of the cinema or theatre, the tenancy in respect of which has been created separately from the tenancy in respect of the cinema or theatre ; or

(e) any building used or intended to be used as a place of public entertainment or amusement (including any sports stadium, but not including a cinema or theatre) , or any building appurtenant thereto ; or

(f) any building built and held by a University or any other statutory corporation or' by a society registered under the Societies Registration Act, 1860, or by a co-operative society, company or firm, and intended solely for its own occupation or for the occupation of any of its officers or servants, whether on rent or free of rent, or as a guest house, by whatever name called, for the occupation of persons having dealing with it in the ordinary course of business.

Q.3- What do you understand by standard rent? Explain the procedure to determine the standard rent under the Act?

Ans. Section 3(k) "Standard rent", subject to the provisions of Section 6,8 and 10, means- (i) in the case of building governed by the old Act and let out at the time of the commencement of this Act—

(a) where there is both an agreed rent payable therefore at such commencement as well as a reasonable annual rent [which in this Act has the same meaning as in Section 2(f) of the old Act, reproduced in the Schedule] the agreed rent or the reasonable annual rent plus 25 per cent thereon, whichever is greater;

(b) where there is no agreed rent, but there is a reasonable annual rent, the reasonable rent plus 25 percent thereon;

(c) where there is neither agreed rent nor reasonable annual rent, the rent as determined under Section 9 ; (ii) in any other case, the assessed letting value, for the time being in force, and in the absence of assessment, the rent determined under Section 9." The reasonable annual rent has the same meaning as in Section 2(f) of U.P. Act No.3 of 1947.

Section 9 of the Act provides for the manner in which standard rent is to be determined which is as follows:- "9. Determination of standard rent.-

(1) in the case of a building to which the old Act was applicable and which is let out at the time of the commencement of this Act in respect of which there is neither any reasonable annual rent nor any agreed rent or in any other case where there is neither any agreed rent nor any assessment in force, the District Magistrate shall, on an application being made in that behalf, determine the standard rent.

(2) In determining the standard rent the District Magistrate may consider—

(a) the respective market-value of the building and of its site immediately before the date of commencement of this Act or the date of letting, whichever is later (hereinafter in this section referred to as the said date);

(b) the cost of construction, maintenance and repairs of the building ;

(c) the prevailing rents for similar buildings in the locality immediately before the said date;

(d) the amenities provided in the building;

(e) the latest assessment, if any, of the building;

(f) any other relevant fact which appears in the circumstances of the case to be material. [2-A]

Subject to provisions of sub-section (2), the District Magistrate shall ordinarily consider ten percent per annum on the market value of the building (including its site) on the said date to be the annual standard rent thereof, and the monthly standard rent shall be equal to one-twelfth of the annual standard rent so calculated.]

Q.4. Discuss the prohibition of letting without allotment order and deemed vacancy of building in certain cases?

Ans - Prohibition of letting without allotment order.- Save as hereinafter, provided, no person shall let any buildings except letting without allotment order issued under section 16.

Deemed vacancy of building in Certain cases.- (1) A, landlord or tenant of a building shall be deemed to have ceased to occupy the building or part thereof if-

(a) he has substantially removed his effects therefrom, or

(b) he has allowed it to be occupied by any person who is not a member of his family, or

(c) in the case of a residential building, he as well as members of his family have taken up residence, not being temporary residence, elsewhere.

(2) In the case of a non-residential building, where a tenant carrying on business in the building admits a person who is not a member of his family as a partner or a new partner, as the case may be, the tenant shall be deemed to have ceased to occupy the building.

(3) In the case of a residential building, if the tenant or any member of his family builds or otherwise acquires in a vacant state or gets vacated a residential building in the same city, municipality, notified area or town area in which the building under tenancy is situate, he shall be deemed to have ceased to occupy the building under his tenancy :

Provided that if the tenant or any member of his family had built any such residential building before the date of commencement of this Act, then such tenant shall be deemed to have ceased to occupy the building under his tenancy upon the expiration of a period of one year from the said date.

(4) Any building or part which a landlord or tenant has ceased to occupy within the meaning of sub-section (1), or sub-section (2) , or sub-section (3), shall, for the purposes of this Chapter, be deemed to be vacant.