



FAQ'S - RENTING PROPERTY

Q : If I am a tenant (old rental) of a property in Mumbai in a good area like Andheri, can I transfer my tenancy ? If yes, what amount of money can I demand from the Landlord for transfer of tenancy ?

A : Yes, you can transfer the tenancy, with the permission of the landlord. The rate is that which is prevailing in the market, the norm being that the landlord shall be entitled to 1/3 share.

Q : Now that the Maharashtra Rent Control Bill has come into force and the PUGREE has been legalised, what is the percentage of sharing between the landlords and the tenants ?

A : No fixed percentage is prescribed by the Act, but the norm is 1/3 share goes to the landlord.

Q : Is there a provision by which a landlord is bound to spend a certain percentage towards the maintenance of his property ?

A : No.

Q : Where does one register new tenancies in Mumbai ?

A : With the Registrar of Sub Assurances located at Old Custom House, Shahid Bhagat Singh Road, Fort, Mumbai-400001 and at Bandra Kurla Complex, Bandra.

Q : Is one required to register existing tenancies as well ?

A : No.

Q : If a property is kept vacant for a period of one year, can it be let out at market rent ?

A : Yes.

Q : How does one determine the market rent ?

A : There is no prescribed manner but it can be easily found out by approaching such people as the brokers, registration authority, and appropriate authorities etc.



Q : How many months rent can the landlord take as deposit ?

A : Three months.

Q : In case a tenant is not protected by the Rent Act, what is the procedure to ask him to vacate and what is the notice period required to be given ?

A : Normal procedure is to send a notice to the tenant, failing which a court case may be filed which usually takes 10 to 20 years to reach a verdict.

Q : This is with reference to the Bombay Rent Act. We are tenants of an old building, which was repaired, by all the tenants in the year 1995-96. We are 32 tenants and would like to form a Co-operative Housing Society without the landlord's permission. Can we form the society ?

A : Yes.

Q : 70% of the tenants are ready to form a society. Is there any new provision in the new rent act for forming a society ?

A : There is no new provision in the new Rent Act regarding the prescribed percentage of tenants willing to form a society.

Q : Please suggest any way to form a society without the landlord's permission.

A : Approach the registrar of Co-operative society and file the various relevant documents.

Q : I had a lease agreement for 6 years for a shop with a built in escalation clause @ 20% after 3 years. My lease expired on 31.3.2000 and my landlord has sent a written letter asking to pay rent at an enhanced rate. Is this sufficient to continue my lease or should I enter into another lease ? If I continue on the strength of this letter, are my rights affected ?

A : Yes. It is sufficient but not full proof. The rights won't be affected as long as enhanced rent is paid. It also depends on the period/tenure prescribed in the letter. It is always advisable to make a new agreement with the landlord.



Q : I am a landlord of a building. I purchased the property in May, 2000 (at "x" amount). Mr. "A" was staying there since many years and the rent receipt is in his name. He expired 12 years before, he and four sons, namely B, C, D & E. Now B has 2 daughters. "C" has 2 daughters. "D" has no children. "E" has 1 son, named "F". "F" is staying since 30 years. "F" wants to surrender his tenancy rights. B, C and D have left the flat since the last 30 years and have been staying elsewhere - what should I do as a landlord?

A : Transfer the rent receipt in favour of Mr. "F".

Q : Do B"s and C"s daughters have any right over the property ?

A : No.

Q : What type of agreement do I have to make with the new tenant, considering the new Rent Act ?

A : No, new agreement is required.

Q : If "F" gives a notice in writing, to the landlord, to transfer the tenancy right in his name since he is staying in the flat for 30 years and at the time of expiry of his grandfather, he and his father "E" were staying there, is it admissible to transfer the tenancy in "F"s name and then transfer to the new buyer ?

A : Yes.

Q : If I take an indemnity bond from "F" that there are no legal heirs, or if he indemnifies me, then is it possible for "B, C, D" to take some legal action against me ?

A : No.

Q : Would the transfer fee that I get, be my capital gain or my income ?

A : The transfer fee will be treated as income not capital gain.



Q : "M" purchased a flat in June 96 from a bank employee. The bank employee has not discharged the loan till date. For the purpose of flat registration and society transfer, M requires a NOC from bank. M paid stamp duty (under amnesty scheme). The bank employee has not paid the maintenance charges of the flat before June-96 also. Can society ask "M" to pay the maintenance charges prior to the June 96? What is the procedure to get NOC from the Bank? Is "M" the legal owner of the above flat ? Can "M" sell the flat again ?

A : Yes, if "M" has not obtained NOC from the society at the time of possession. You can get NOC by repaying the outstanding loan amount. M is not the legal owner till NOC from the bank is obtained. Yes. Provided "M" obtains the NOC from the bank and Society.