

# Tenants of large, old flats face 200-times rent hike

## State Decides To Amend Rent Control Act

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**Mumbai:** In a controversial move, the state government plans to make tenants living in flats over 847 sq ft (carpet) and tenanted shops above 540 sq ft pay the prevailing market rent by amending the Maharashtra Rent Control Act, 1999. Housing minister Prakash Mehta said the decision was taken in a meeting with CM Devendra Fadnavis on Wednesday.

Housing activist Chandrashekhar Prabhu said at least 3-4 lakh tenants living in larger flats and around 2,000 commercial shops will be badly affected. Take for instance, a middle-class family in

### 540 SQ FT+ TENANTED SHOPS ALSO HIT



Tenants living in flats over 847 sq ft (carpet) and tenanted shops above 540 sq ft to pay prevailing mkt rent

There are around 16,000 old tenanted buildings in the island city. Of these, an estimated 2,000 buildings have apartments sized over 850sq ft

We want to encourage rental housing. Landlords are reluctant to give out their tenements on rent because of the Rent Control Act

—Prakash Mehta |  
STATE HOUSING MINISTER

People living in large tenanted apartments are not necessarily rich. They are mainly middle-class families who have inherited these flats.

The govt's decision will be opposed tooth-and-nail  
—Chandrashekhar Prabhu |  
HOUSING ACTIVIST

south Mumbai occupying a 1,000 sq ft flat and currently paying a nominal rent of Rs 300 a month. If their Rent Act protection goes, they will

suddenly find themselves paying a market rent of over Rs 70,000 a month.

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# Rent move may hit SoBo hotels too

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Advocate S N Shroff, said, "The Centre's draft Model Rent Control Act too does not provide any protection to tenants as there is no provision for regulation of rent and tenants can be evicted arbitrarily. It will result in eviction of tenants across the country if adopted by states. We have written letters to the Union ministry objecting to the draft."

Officials said the state government has given an undertaking while adopting the Pradhan Mantri Awaas Yojana (Housing For All) that it will incorporate certain provisions of the Centre's Model Rent Control Act in the state Act. To avail of funds under this scheme, the Centre has made it mandatory to carry out the amendment.

"We want to encourage rental housing. Landlords are reluctant to give out their tenements on rent on account of the Act. While 90-92% of the tenants will be unaffected, those who live in flats above 847 sq feet will be charged rents at the prevailing

market rate," said Mehta.

Mehta said the government's earlier attempt to amend the Act met with huge opposition on account of misunderstandings. "A large number of tenants will be unaffected," he reiterated.

In case of commercial tenants, all those whose shops are below 540 sq feet carpet will be unaffected. Tenants whose shops are larger than this area will have to pay

### DECISION WILL FACE OPPN

market rent. Officials said in all around 200 cessed buildings in the island city with residential plus commercial tenements will be covered under the new law.

"The rights of the tenants will be protected; only they will have to pay the prevailing market rent," said an official.

Utsal Karani, member of the Action Committee for the Protection of Tenant's Rights, said the Act is applicable across the state and does not distinguish between cessed and non-cessed properties. "Thousands across the state will be affected and

not just in the island city," he said.

Karani said the 1999 Act had only excluded banks and corporates with paid-up capital of over Rs 1 crore and they had to pay the prevailing market rent. He said in 2004-05 the state Congress government had rejected a similar proposal of the Centre when seeking funds under the Jawaharlal Nehru National Urban Renewal Mission saying the matter was before a nine-judge bench of the Supreme Court.

Niranjan Shetty, chairman, Indian Association of Hotels and Restaurants (AHAR), said all hotels in the island city are tenanted properties, (unless those already redeveloped), and these would be affected by the amendment.

Prabhu said discrimination between larger and smaller tenancies will not be entertained by the courts. "People living in large tenanted apartments are not necessarily rich. They are mainly middle-class families who have inherited these flats," he said.

"The government's decision will be opposed tooth-and-nail," he added.