

Rent Control Laws in India : A Critical Analysis

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Abstract

The paper aims to answer two questions:

1. What is the current status of rent control laws in India and what are their main provisions when compared with each other and to the Model Rent Control Law; and
2. What have been the experiences with rent deregulation all over the world and what lessons India can glean from these experiences?

The first question has been answered by tabulating the provisions of various state rent control laws in 7 tables. The tables focus on the following aspects:

1. Basic Details (Name of Act, year of enactment and previous acts, if any);
2. Application (Cities, districts, municipalities and types of constructions);
3. Exemptions (On the basis of rent, income of tenant, ownership and date of construction);
4. Rights and Duties of Landlords (Notice of vacancy, temporary and permanent eviction rights);
5. Fair Rent Provisions (Procedure, basis of determination and revision and other charges);
6. Rights of Tenants (Right to receipt, right to deposit rent);
7. Current Developments

These tables (save the last) have also been converted into a dataset, which breaks down the laws in to their various provisions, and would facilitate further research on this subject.

The second question has been answered after studying numerous international case studies conducted by various authors. An exhaustive introduction to the conceptual and legal framework of rent controls has also been provided in the beginning of the paper. The main result that seems to have come out of the paper is that most of the states' Rent Control Acts are poorly written and executed. Despite the circulation of a Model Rent Bill by the central government to all states in 1992, little has been done to reform the archaic Rent Control Acts.

All over the world, several experiments have been done with rent deregulation. Some of them were successful, while others were not. Thus, the theoretical consensus on the harms of rent control hasn't translated into uniform and universal success of deregulation measures. There are other factors too like urban infrastructure, rural-urban migration, regulation of land use and size of land holdings, etc., which go a long way in determining the structure of rental housing markets anywhere in the world.

Thus, instead of vouching for complete deregulation of rents, India needs to reform its Rent Control laws first and bring them up to respectable standards. Subsequently, the country needs to take a fresh look on its stance on deregulation and take measures based on solid empirical research and evidence, rather than following blindly the path taken by a few countries where deregulation has worked.

Keywords: Rent control, India, deregulation

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