



## Draft Model Tenancy Act, 2019

 [drishtiias.com/printpdf/draft-model-tenancy-act-2019](https://drishtiias.com/printpdf/draft-model-tenancy-act-2019)

Recently, the Ministry of Housing and Urban Affairs has drafted a 'Model Tenancy Act' (MTA), 2019.

- The Tenancy law is a 'model act', because land is a state subject and states will have the option to adopt or reject it.
- It envisages to balance the interest and rights of both the owner and tenant and to create an accountable and transparent ecosystem for renting the premises in disciplined and efficient manner.
- Salient features of the draft:
  - MTA stipulates a robust grievance redressal mechanism comprising of Rent Authority, Rent Court and Rent Tribunal.
  - Landlords will also be able to charge rents that are to be decided by the respective state governments, on par with market rates.

Also, It has been proposed to cap the security deposit equal to a maximum of two month's rent in case of residential properties and, a minimum of one month's rent in case of non-residential property.
  - After coming into force of this Act, no person shall let or take on rent any premises except by an agreement in writing.
  - The Model Act provides for its applicability for the whole of the State i.e. urban as well as rural areas in the State.
  - It will be mandatory for both the landlord and the tenant to inform the rent authority after getting into an agreement.
    - This will ensure that a landlord does not arbitrarily increase the rent in variance with what has been agreed to in the agreement.
    - It will also ensure that the tenant is not evicted at the whim of the landlord
  - A digital platform will be set up in the local vernacular language of the State for submitting tenancy agreement and other documents.
  - This MTA will be applicable prospectively and will not affect the existing tenancies.

- Significance of the draft MTA
  - It is expected to give a fillip to private participation in rental housing for addressing the huge housing shortage across the country.
  - It will enable creation of adequate rental housing stock for various income segments of society including migrants, formal and informal sector workers, professionals, students etc. and increase access to quality rented accommodation, enable gradual formalization of rental housing market.
  - The move could provide relief for both tenants and landlords and help take some load off India's overburdened litigation process.
  - As per Census 2011, nearly 1.1 crore houses were lying vacant in the country and making these houses available on rent will complement the vision of 'Housing for All' by 2022.
  - The draft seeks to unlock the potential of the vacant houses In India, by bringing transparency and accountability in the existing system of renting of premises and to balance the interests of both the property owner and tenant in a judicious manner.

### **Pradhan Mantri Awas Yojana (PMAY)**

Pradhan Mantri Awas Yojana (PMAY) is an initiative by the Government of India in which affordable housing will be provided. Under PMAY, it is proposed to build 2 crore houses for urban poor including Economically Weaker Sections and Low Income Groups in urban areas by the year 2022.

Scheme has four components

- Slum rehabilitation of Slum Dwellers with participation of private developers using land as a resource;
- Promotion of affordable housing for weaker section through credit linked subsidy;
- Affordable housing in partnership with Public & Private sectors and
- Subsidy for beneficiary-led individual house construction or enhancement.