



Unregistered lease/rent agreement

Author: Navin Kumar, Advocate / Published in: HT ESTATES HOMES

HT ESTATES
HOMES
Friday, June 1, 2007 9

An unregistered lease/rent agreement cannot be cited as evidence in a court of law, says **Navin Kumar**

Legal angle



Lease or lose

One is least bothered about the legal implications of a lease or rent agreement until one is in a mess. One is so influenced and confident about the neighbourhood property dealer that one tends to consider his advice as the last word. This casual approach has led to a steep rise in property related litigations. While leasing or giving one's property on rent, it is always advisable to draw up a written agreement in respect to the leased property. The tenure, period of the lease or rent should be properly defined. Please do not forget the rent rate. The rate of rent plays an important role in deciding the legal remedy in the event of an unwanted contingency in the future.

While drawing up a lease deed or rent agreement, one often forgets to mention the nature of the property and the purpose for which it is being leased or rented. The law also requires compulsory registration of a lease deed or rent agreement, which is for a period of one year or more. Non-registration of such an agreement makes the entire exercise of drawing it up futile. An unregistered lease/rent agreement cannot be read as evidence in a court of law. These minor omissions give rise to prolonged litigation. It would therefore be prudent to take some legal help while entering into such transactions. The codification of words is equally important for tenants.

In my law school, we had to study a case in which the owner fought a bitter battle with his tenant, to get back possession of his premises. Yes, he got relief from the Hon'ble Supreme Court, but only by an increase of 20 in the rent. He did not get possession. My intention is not to question the legality of the judgment passed by the Hon'ble Supreme Court, what I intend to suggest is that prevention is always better than cure. The case mentioned above was hit by the Delhi Rent Control Act. The said Act was enacted to safeguard the interests of the tenants. And for your information, the rental limit falling within the ambit of the Act is Rs. 3,500. So, the next time, you decide to lease out your property, do get your legal facts right.

FACT FILE

WHILE leasing or giving one's property on rent, it is always advisable to draw up a written agreement in respect to the leased property.

All unregistered lease/rent agreement cannot be read as evidence in a court of law.

The author is Senior Partner in the law firm, Naresh Associates and can be contacted at lex@naresh.com