



The Indian Journal for Research in Law and Management

Open Access Law Journal – Copyright © 2026

Editor-in-Chief – Dr. Muktai Deb Chavan; Publisher – Alden Vas; ISSN: 2583-9896

This is an Open Access article distributed under the terms of the Creative Commons Attribution-Non-Commercial-Share Alike 4.0 International (CC-BY-NC-SA 4.0) License, which permits unrestricted non-commercial use, distribution, and reproduction in any medium provided the original work is properly cited.

RENT CONTROL LAWS IN INDIA

~ Naaz Ishrat

ABSTRACT

Rent control laws in India were enacted to safeguard tenants from exploitation during periods of housing scarcity, particularly in the post-independence urban context. While these laws succeeded in providing long-term security to tenants, their rigid structure and prolonged application have produced significant legal and economic distortions. Statutory rent freezes, limited eviction grounds, and procedural delays have weakened landlords' property rights, discouraged investment in rental housing, and contributed to the deterioration of ageing urban infrastructure. This article critically examines the historical evolution and legal framework of rent control legislation in India, analysing key judicial interpretations that have attempted to rebalance competing interests. By integrating doctrinal analysis with the lived experiences of tenants and landlords, the article questions the continued relevance of traditional rent control regimes and evaluates recent reform initiatives aimed at creating a more equitable and functional rental housing market.

INTRODUCTION

Imagine this. It is 1975 in Mumbai's crowded Dadar area. A young factory worker, Rajesh, recently arrived from a village in Uttar Pradesh, rents a one-room house of barely 200 square feet for ₹50 per month. His landlord, Mrs. Patel, a widow, assures him the rent is fair in a city struggling with a post-Independence housing shortage. Now jump to 2025. Rajesh's son, an IT professional, still lives in the same house. The rent, after small legally permitted increases, stands at ₹1,200 per month. Meanwhile, similar flats in nearby high-rises rent for ₹35,000 or more. The building itself is crumbling like cracked walls, leaking roofs, no lift and outdated plumbing. Rajesh's family feels safe and secure. Mrs. Patel's heirs, however, feel trapped; the rent does not even cover taxes or repairs. This is not fiction. This is the daily reality shaped by India's rent control laws.

India's cities are expanding rapidly. By 2036, nearly 600 million people are expected to live in urban areas. Yet only 28% of urban households live in rented homes today,

a sharp fall from 54% in 1961. This drop is largely due to rent control policies that discouraged landlords from renting out properties. Rent control laws, which differ from state to state, regulate rent levels, eviction conditions and maintenance duties. While these laws were designed to protect tenants from exploitation, they have also created aging housing stock, legal disputes and informal practices. As India moves toward a \$5 trillion economy, the question becomes unavoidable: are rent control laws still serving social justice or are they now holding cities back?

WHY RENT CONTROL LAWS WERE INTRODUCED

Rent control in India began as an emergency measure. During World War II, the British introduced the Defence of India Rules, 1939, freezing rents to prevent profiteering during shortages. After Independence, the situation worsened. Partition forced millions of refugees into cities. Bombay alone absorbed nearly 500,000 people within months. To prevent mass evictions and rent hikes, the central government issued the Rent Control Order of 1948, fixing rents at pre-war levels and restricting evictions.

States soon enacted their own laws. Delhi passed its Rent Control Act in 1958. Maharashtra followed with the Bombay Rent Act of 1947, later replaced by the Maharashtra Rent Control Act in 1999. Tamil Nadu enacted its law in 1960, Karnataka in 1961, and West Bengal in 1950. These laws shared a common philosophy: housing should be protected from market forces. Rent was fixed at 6–10% of the property's capital value, ignoring inflation. Rent increases were minimal, 4% every two years in Maharashtra and 5% every three years in Kolkata, often requiring official approval.

Over time, cracks began to appear. By the 1970s and 1980s, landlords stopped maintaining buildings. New rental housing slowed down. Attempts to liberalise such as the 1992 amendment proposal, failed due to resistance from tenant unions. Some exemptions were introduced like high-rent commercial properties or corporate tenants but ordinary residential tenancies remained tightly controlled. The result was stability for tenants but decay, black money and shortage for cities.

HOW RENT CONTROL LAWS WORK: LEGAL FRAMEWORK

Rent control laws operate under state statutes but are guided by constitutional principles, especially Article 300A, which protects property rights. Most tenancies require written agreements, stamped and registered if longer than 11 months. When agreements are oral, courts usually assume monthly tenancy terms that favour tenants.

Tenants enjoy strong legal protection. Rent can be challenged before a Rent Controller if it exceeds statutory limits. Eviction is permitted only on specific grounds such as non-payment of rent after notice, illegal subletting, nuisance, property

damage, landlord's genuine personal need or reconstruction. Courts examine eviction claims carefully to ensure landlords are not acting merely to re-let at higher rates. Tenancy rights often pass to family members after a tenant's death, allowing generations to continue living in the same property. Essential services like water and electricity cannot be cut during disputes and harassment can attract fines. These protections have real impact. In Delhi, for example, Priya, a widowed schoolteacher, has successfully resisted eviction from her ₹800-per-month flat since 2010 because landlords failed to prove genuine need. The law gave her stability during a vulnerable phase of life. Landlords, however, operate within tight limits. Rent increases are restricted, usually between 5–10% annually. Maintenance responsibilities fall largely on them, including structural repairs. Eviction proceedings are slow and costly and penalties for violations can include fines or imprisonment. This imbalance has led to over three million rent-related cases pending across India.

STATE-WISE DIFFERENCES IN RENT CONTROL LAWS

Rent control laws vary widely across states. Delhi's 1958 Act remains one of the most tenant-friendly, freezing rents for older buildings at near-1958 levels. Some South Delhi flats still rent for ₹200 per month. Maharashtra allows market rents for newer buildings but caps increases for older ones at 4% every two years. Karnataka permits higher increases but struggles with tribunal backlogs. Tamil Nadu has fully adopted the Model Tenancy Act, capping deposits at two months' rent and setting strict eviction timelines. West Bengal remains the strictest, with rents frozen since the 1940s and almost impossible eviction. Andhra Pradesh, Uttar Pradesh and Assam have fully adopted the Model Tenancy Act, allowing negotiated rents, faster dispute resolution and digital registration. This patchwork leads to confusion. Tenants migrate toward states with stronger protection, while landlords avoid renting in controlled regimes. Inter-state inequality continues to grow.

THE MODEL TENANCY ACT, 2021 AND CHANGES BY 2025

The Model Tenancy Act (MTA), introduced in 2021, aims to modernise rental housing. It does not replace state laws but offers a framework. As of December 2025, four states have adopted it fully and several others partially. The Act removes rent caps for new tenancies, requires compulsory digital registration and limits security deposits to two months for residential properties.

By 2025, additional changes strengthened the MTA framework. Rent increases now require advance notice and are often linked to inflation. Evictions follow clear timelines, with penalties for overstaying after lease expiry. Maintenance duties are clearly divided, subletting requires consent, and all payments must be digital. Disputes are handled by Rent Authorities and Courts with strict deadlines. States like Tamil Nadu and Karnataka have seen reduced disputes and increased registrations

after adopting these rules. However, old tenancies remain governed by earlier laws, creating a dual system.

ROLE OF COURTS: BALANCING LAW AND FAIRNESS

Courts have played a critical role in interpreting rent control laws. In *Gian Devi Anand* (1985), the Supreme Court upheld strict proof for eviction. In *Satyawati Sharma* (2008), it struck down permanent commercial tenancy protection. Recent judgments in 2025 have further clarified that tenants cannot claim ownership through adverse possession if rent records exist and that landlords need not refile deposit applications during appeals. These rulings have practical consequences. In one 2025 Delhi case, a widow finally recovered her ancestral home after 25 years of litigation, highlighting how judicial clarity can restore balance.

ECONOMIC AND HUMAN IMPACT OF RENT CONTROL

Rent control has reduced rental supply dramatically. Urban rental stock has halved since 1961. Many properties remain vacant to avoid regulation. Key money and informal payments are common. Controlled rents yield only 1–2% returns compared to 5–8% in the open market. Affordable housing construction has dropped significantly. In 2025, rent growth slowed slightly due to increased supply in MTA-adopting states, but housing costs remain high. Low-income households spend nearly 40% of their income on rent. Stories like Sunita's damp Delhi flat or Lakshmi's locked Kolkata house show how both tenants and landlords suffer under rigid rules.

THE WAY FORWARD

India needs balance. Rent control must protect vulnerable tenants without discouraging rental supply. Phased decontrol, rental vouchers, faster dispute resolution and legal awareness can help. Global examples show that flexible systems increase housing availability without sacrificing fairness. Rent control laws were created to protect people like Rajesh. Today, they must evolve to serve both security and sustainability. Housing should be a source of stability, not stagnation. The law must move forward carefully, humanely and with fairness at its core.

CONCLUSION

Rent control laws were created to address real social needs, but over time they have created new problems. While they continue to protect millions of tenants, they have also weakened housing quality and reduced rental supply. As India urbanises rapidly, housing laws must evolve. The goal should be homes that ensure security, fairness and dignity without turning housing into a source of endless legal conflict.

REFERENCES

Centre for the Study of Developing Societies. (2021). India's housing vacancy paradox: How rent control and weak contract enforcement cause empty homes.

<https://csep.org/working-paper/indias-housing-vacancy-paradox/>

ClearTax. (2025, August 7). Rent Control Act – Rental agreement, rights of tenant and landlord. <https://cleartax.in/s/rent-control-act>

Cushman & Wakefield. (2021, June 8). Model Tenancy Act: Fulfilling India's rental housing potential.

<https://www.cushmanwakefield.com/en/india/insights/model-tenancy-act-fulfilling-indias-rental-housing-potential>

Deshpande, A., & Jha, S. (2025). Do housing regulations affect rural–urban migration? Evidence from rent control in India. *Journal of Economic Geography*.

<https://academic.oup.com/joeg/advance-article/doi/10.1093/jeg/lbaf021/8151868>

Drishti Judiciary. (2025, February 27). Bonafide requirement under Rent Control Act.

<https://www.drishtijudiciary.com/current-affairs/bonafide-requirement-under-rent-control-act>

Economic Times. (2025, November 4). Tenant sublets house to a family of seven; legal heirs of landlord file for eviction but face challenge to their ownership—finally win in Delhi HC. *The Economic Times*.

<https://m.economictimes.com/wealth/legal/will/tenant-sublets-house-to-a-family-of-seven-legal-heirs-of-landlord-file-for-eviction-but-face-challenge-to-their-ownership-finally-win-in-delhi-hc/articleshow/125072909.cms>

Caru, V. (2013). The colonial state, the nationalist movement, and rent control legislation in the interwar period. *Le Mouvement Social*, (241), 81–96.

<https://shs.cairn.info/journal-le-mouvement-social1-2013-1-page-81?lang=en>

