

The Study on Relationship between Problems Faced By Tenants under Housing Lease Deeds and Their Place of Living

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Abstract: As a result of development in Real Estate Market, many individuals have started owning their own houses, however a very small part continues to live in rented houses or as tenants in a leased property both in urban and rural areas. But in the recent trends various cases are filed in the court and are reported in media by tenants with regarding to the lease and an ambiguity prevails with respect to the issues and challenges faced by tenants and it is also perceived that the problems faced by tenants are based on the demographic details of tenants, hence this research also aims to find out the relationship between problem faced by tenants and place of living. by virtue of non probability convenience sampling it could be found out that there is a relationship between Performance of obligations not mentioned in the lease deeds and Place of Living, there is a relationship between limitations of resources and Place of Living ,there is relationship between monetary obligations and Place of Living and there is relationship between problems faced by tenants through lease deeds and place of living. therefore the study recommends that in a lease deed it is important for the landlord and the tenant to record and recognise all obligation and rights in the lease agreement so that, there shall not be any issues arising in the future.

Keywords: *Housing, Lease Deeds, Place of Living, tenants, landlords.*

1. INTRODUCTION:

Indian Real Estate Market happens to be the second largest industry having agriculture as the first. In terms of the contribution, this industry contributes immense to the gross domestic product (GDP) and employment opportunities (OECD, 2017). Moreover, It's share to the country's GDP is expected to increase in the future years. According to statistics, India is recognized as one among the four countries which are likely to achieve a rapid progression in the arena of property ownership and housing development activities as compared to the UK and US real estate markets.

The BRIC report, has also anticipated a progressive real estate investment over a time of the following five years ("Figure 2.3. Contribution to Norway's gross domestic product, by industry," n.d.; Gledhill, 1951; OECD, 2017). The forecast for the year 2010 has put a significant part of the Foreign Direct Investment (FDI) towards investment in the Indian real estate market (Kumar, n.d.). Flying high on the wings of booming real estate, property in India has turned into a dream for each potential investor looking forward to burrow profits(Kim, Kim, & Tsolacos, 2018; Kumar, n.d.; Tiwari & White, 2010). All are eyeing Indian property market for a wide variety of reasons. It's regularly growing economy which is on a continuous rise with 8.1 percent increase witnessed in the last financial year(Kim et al., 2018; Kumar, n.d.). The blast in economy increases purchasing intensity of its kin and creates demand for real estate sector because of which many individuals have started purchasing their very own property for living (Agapitidou, 2015). According to the Times of India, "a majority of Indians have per capita space equivalent to or not as much as a 10 feet x 10 feet space for their living, sleeping, cooking, washing and toilet needs (OECD, 2010)."The average is 103 sq ft for every person in rural areas and 117 sq ft for every person in urban areas("Figure 24. Living space and GDP per capita," n.d.; OECD, 2010). With attractive loan facilities and great grounding of real estate an individual can easily claim a house for living (Hendershott & Thibodeau, 1990). According to Census National average Of individuals owning houses stands at 86.6% (Hendershott & Thibodeau, 1990; Vishram et al., 2016). Then again various individuals also live in lease, individuals mainly live in a particular place for lease for the purpose of feasibility to work and education or for the purpose of financial inconsistency(Young, Besen, & Choi, 2015).

A lease is transfer of an interest in an immovable property which is the subject of the lease and that interest is the privilege to involve and utilize the property for which the lease is given for period and on such terms and conditions as agreed between the parties.in cases of houses it is called as housing lease (Chi-man Hui & Hui, 2004). The transferor of property is called the lessor and the person to whom it is transferred is referred as a lessee, and the consideration so rendered is called rent(Morgan, 2000). Both the landlord and the tenant benefit from a lease. As a matter of first importance, it's a clear, particular, written record, and a wellspring of reference in case there are any inquiries regarding the terms of living in the apartment. It offers security to the landlord, in that it contractually guarantees that he'll have a

wellspring of income each month and will get it at a particular time. In case of housing lease the lessee is the tenant. For the tenant, it gives a secured lease rate, as well as a legal statement of the tenant's rights, should any disputes arise. In the ongoing patterns the idea of lease has acquired major and drastic changes. In spite of the fact that the structure of a lease deed remains the same the arena of inclusion in the lease deed has attained a broader point of view and the particulars involving in urban and rural leasing tends to vary. Because of which several tenants' state that they persevere through various issues, issues and challenges from the house proprietor or landlords, a natural ambiguity arises with respect to whether the problems faced by tenants are based on place of living, this research aims to find out the relationship between problems faced by tenants and place of residence.

2. REVIEW OF LITERATURE:

The essentials ingredients of a lease agreement are:

- Parties to the agreement;
- The identification of the property subject matter of the arrangement;
- Term of lease,
- Rent,
- Date of commencement and expiry(Hull, 1982)

Procedure of lease

Lease of immovable property for one year, or term exceeding one year, can just be made by registered instrument. All other leases may be made by unregistered instruments or oral agreements.

Where there is no contract or local law governing the execution of a lease deed then lease of immovable property for agricultural or manufacturing reason shall be esteemed to be on yearly basis and terminable with respect to either lessor to lessee by giving a half year take note. Then again a lease of immovable property for any other reason shall be for monthly basis, terminable by either lessor or lessee by giving 15 days take note (Piesse & Aitken, 1991).

In the absence of a lease agreement in writing or the existing agreement is quiet on the rights and liabilities of lessor or lessee then section 108 of the Transfer of Property Act sets down the guidelines to be pursued for a working relationship in a lease arrangement. When the lessor transfers the property leased to the lessee, the lessee in the absence of contract to the contrary shall have all the rights and will also be liable to all the liabilities of the lessor as he is the proprietor of it. For computing the ideal opportunity for a lease of immovable property, if time is explicitly made reference to then the lease of immovable property will initiate from that particular day and where no time is specified the lease begin from the day when it was gone into(Peppercorn & Taffin, 2013; Siddique, 2008).

Where the time is limited and the lease can be terminated before the expiration, yet the lease deed omits to specify at whose alternative it is terminable. In such a case the lessee will have the alternative to determine the lease (Goyle, 1991).

The Right of Possession:

A lease of an immovable property can be determined through 8 modes and it is only by one of these methods that the lease stands determined and the lessor gets back right of possession of the property;(Bagehot, 1873)

- By efflux of time limited thereby;
- where the interest of the lessor terminates on happening of an event;
- the interest of the lessor terminates on, or his power to dispose of the same extends to the happening of any event;
- in case the interest of lessor and lessee becomes vested;
- express surrender before the term is over;
- implied surrender;
- forfeiture;
- When the lessee renounces his character(Bagehot, 1873; Paolucci, 2011)

Problem of the study

As a result of development in Real Estate Market, many individuals have started owning their own houses, however a very small part continues to live in rented houses or as tenants in a leased property both in urban and rural areas. But in the recent trends various cases are filed in the court and are reported in media by tenants with regarding to the lease and an ambiguity prevails with respect to the issues and challenges faced by tenants and it is also perceived that the problems faced by tenants are based on the demographic details of tenants, hence this research also aims to find out the relationship between and problem faced by tenants and place of living.

3. RESEARCH METHODOLOGY AND MATERIALS:

Study area

A. As the researcher intends to take an overview on the **issues and challenges faced by tenants**, the study is divided into two categories –

- Performance of obligations not mentioned in the lease deeds.
- Restrictions limitations of resources not mentioned in the lease deeds.

Methods of study

- Analytical Method
- Quantitative method
- Comparative method
- Descriptive method

Type of research

- Applied Research
- Quantitative Research
- Explorative Research
- Comparative research
- Descriptive research

Data collection

Present study is based on Primary as well as Secondary sources of data, which are as –

- Primary Sources – Primary data is collected by collecting questionnaire from general public.
- Secondary Sources – Secondary data is collected through literature of N.G.O. reports, Government Reports, Websites, Research Articles, Newspapers.

Variable used:

- Independent variable: age groups
- Dependent variable: Public opinion on removing bones or parts of bones from burnt bodies.
- Public opinion on usage of chemicals on burnt bodies

Statistical Tool used:

- chi square analysis

Sample size Calculation

Since the study is done using non probability convenience sampling method, a sample size of 69 is chosen by which 36 respondents are urban areas and 33 respondents are living in rural areas

Tables and Calculation

In this study for each issue a survey is done where a sample size mentioned is taken and the percentage is also mentioned, to determine the validity and the determine the study results chi- square analysis and correlation symmetric measures method is used. When the pearson value of ‘Asymp. Sig’ value is less than 0.05

Hypothesis

H_0 : there is no relationship between problems faced by tenants through lease deeds and place of living in India.

H_1 : there is relationship between problems faced by tenants through lease deeds and place of living in India.

4. CONCEPT ANALYSIS:

Performance of obligations not mentioned in the lease deeds

Table1. Relationship between Performance of obligations not mentioned in the lease deeds and Place of Living

Crosstab				
		Count		
Place of living	Tenants opinion on performance of obligations not mentioned in lease deed			Total
	yes	no	maybe	
urban	26	3	7	36
	8	21	4	33
Total	34	24	11	69

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	18.076 ^a	4	.001
Likelihood Ratio	18.629	4	.001
Linear-by-Linear Association	2.235	1	.135
N of Valid Cases	69		

In a housing lease deed, the landlord and the tenant agrees upon various actions and omission during the tenure of stay in the house or in the property. But in most cases the tenants are asked to perform obligation which are not mentioned in the housing lease deeds. This is recognized by almost all respondents. housing lease deeds generally contain the rights and duties of the tenants, but when the landlord requests or compels the tenant to perform an obligation not mentioned in the deed it endures stress and compulsion on the tenants which in turn acts as a issue the tenants living in urban areas face the problem of performance of obligations which are not mentioned in the housing lease deeds, whereas this is not the case in the case of rural areas. The pearson chi square value of 'Asymp. Sig' is 0.01 which value is less than 0.05, thus it could be stated that there is a relationship between Relationship between Performance of obligations not mentioned in the lease deeds and Place of Living

Limitation in usage of resources:

Table2. Relationship between Limitations in Usage of resources and Place of Living

Crosstab					
Count					
Place of Living	Limitations in Usage of resources			Total	
	Yes	No	Maybe		
urban	29	1	6	36	
rural	20	9	4	33	
Total	49	10	10	69	

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	226.885 ^a	6	.000
Likelihood Ratio	217.912	6	.000
Linear-by-Linear Association	18.575	1	.000
N of Valid Cases	69		

The lease deeds generally provide an option for tenants to use natural and sustainable resources abundantly, but in the developing course, the tenants complain that there is limitation in usage of resources imposed by the landlords, though this restriction applies to both rural and urban areas, the problem appears magnified in the case of urban areas, as the overall resources such as water is limited in urban areas when compared to rural areas. The pearson chi square value of 'Asymp. Sig' is 0.01 which value is less than 0.05, thus it could be stated that there is a relationship between Relationship between limitations of resources not mentioned in the lease deeds and Place of Living.

Unbearable monetary obligations

Table3. Relationship between unbearable monetary obligations and Place of Living

Crosstab					
Count					
Place of Living	unbearable monetary obligations			Total	
	Yes	No	Maybe		
urban	30	1	5	36	
rural	18	10	5	33	
Total	48	11	10	69	

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	226.885 ^a	6	.000
Likelihood Ratio	217.912	6	.000
Linear-by-Linear Association	18.575	1	.000
N of Valid Cases	69		

In any lease particularly in housing lease the tenant has to perform a monetary obligation to the landlord, it is stated that the landlord charges a high amount or compels the tenant to perform high monetary obligation before and after the period of lease. Though this issue is recognised by both people living in rural and urban areas, the situation seems magnified in urban areas. The Pearson chi square value of 'Asymp. Sig' is 0.01 which value is less than 0.05, thus it could be stated that there is a relationship between Relationship between Performance of monetary obligations not mentioned in the lease deeds and Place of Living.

5. DISCUSSIONS:

A lease is transfer of an interest in an immovable property which is the subject of the lease and that interest is the privilege to involve and utilize the property for which the lease is given for period and on such terms and conditions as agreed between the parties. In cases of houses it is called as housing lease. A very small part continues to live in rented houses or as tenants in a leased property both in urban and rural areas. In spite of the fact that the structure of a lease deed remains the same the arena of inclusion in the lease deed has attained a broader point of view and the particulars involving in urban and rural leasing tends to vary. Because of which several tenants' state that they persevere through various issues, issues and challenges from the house proprietor or landlords. In the normal course an issue arises when there is a confronting opinion between two parties in case of rights and liabilities, resources and monetary aspects. In a housing lease deed, the landlord and the tenant agrees upon various actions and omission during the tenure of stay in the house or in the property. But in most cases the tenants are asked to perform obligation which are not mentioned in the housing lease deeds. Though housing lease deeds generally contain the rights and duties of the tenants, but when the landlord requests or compels the tenant to perform an obligation not mentioned in the deed it endures stress and compulsion on the tenants which in turn acts as a issue the tenants living in urban areas face the problem of performance of obligations which are not mentioned in the housing lease deeds, whereas this is not the case in the case of rural areas. The lease deeds generally provide an option for tenants to use natural and sustainable resources abundantly, but in the developing course, the tenants complain that there is limitation in usage of resources imposed by the landlords, though this restriction applies to both rural and urban areas, the problem appears magnified in the case of urban areas. It is stated that the landlord charges a high amount or compels the tenant to perform high monetary obligation before and after the period of lease. Though this issue is recognized by both people living in rural and urban areas, the situation seems magnified in urban areas.

The current study is influenced by psychology and social awareness of individuals because, an individual may perform or omit to perform a obligation based on his psychology and social awareness. Individuals in urban areas are socially aware of their obligations to other individuals but this factor cannot be found in individuals in rural areas. The study is also influenced by resources and its availability as the abundance of natural resources in rural areas is not the same in the case of urban areas, and demand over a property, as demand of a property is a exclusion to law of demand, the demand over a property in urban areas may not be the same in rural areas.

The study recommends that in a lease deed it is important for the landlord and the tenant to record and recognize all obligation and rights in the lease agreement so that, there shall not be any issues arising in the future.

6. FINDINGS:

- there is a relationship between Performance of obligations not mentioned in the lease deeds and Place of Living
- there is a relationship between limitations of resources and Place of Living
- there is relationship between monetary obligations and Place of Living
- there is relationship between problems faced by tenants through lease deeds and place of living.

7. RECOMMENDATIONS:

- In a lease deed it is important for the landlord and the tenant to record and recognise all obligation and rights.
- Doctrine of blue pencil test shall be applied in lease deeds
- Amendment shall be made in laws for the purpose of housing lease.

8. CONCLUSION:

From the present study it could be found out that, In spite of the fact that the structure of a lease deed remains the same the arena of inclusion in the lease deed has attained a broader point of view and the particulars involving in urban and rural leasing tends to vary. Because of which several tenants' state that they persevere through various issues, issues and challenges from the house proprietor or landlords. In the normal course an issue arises when there is a confronting opinion between two parties in case of rights and liabilities , resources and monetary aspects. In a housing lease deed, the landlord and the tenant agrees upon various actions and omission during the tenure of stay in the house or in the property. But in most cases the tenants are asked to perform obligation which are not mentioned in the housing lease deeds. though housing lease deeds generally contain the rights and duties of the tenants, but when the landlord requests or compels the tenant to perform an obligation not mentioned in the deed it endures stress and compulsion on the tenants which in turn acts as a issue the tenants living in urban areas face the problem of performance of obligations which are not mentioned in the housing lease deeds, whereas this is not the case in the case of rural areas. The lease deeds generally provide an option for tenants to use natural and sustainable resources abundantly, but in the developing course, the tenants complain that there is limitation in usage of resources imposed by the landlords, though this restriction applies to both rural and urban areas, the problem appears magnified in the case of urban areas. it is stated that the landlord charges a high amount or compels the tenant to perform high monetary obligation before and after the period of lease. though this issue is recognised by both people living in rural and urban areas, the situation seems magnified in urban areas. thus the study concludes that there is relationship between problems faced by tenants through lease deeds and place of living.

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