

The Rent Control Act

Main culprit in slumming Mumbai

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Slums in Mumbai have proliferated at an exponential rate in the last 50 years. However, besides being discussed on grounds of human rights, especially during demolition drives, the reasons for their growth have hardly been given a serious thought by architects and town planners. Few have understood their link with the Rent Control Act.

The Planning Commission Report for years 2002-2007 clearly notes that the Rent Control Act has been the single

most important reason for proliferation of slums in our cities. It records the following adverse effects of the Act on the housing sector:

1. Negative effect on investment in housing for rental purpose
2. Withdrawal of existing housing stock from rental market
3. Accelerated deterioration of physical condition of existing housing stock
4. Stagnation of municipal property tax revenue, as it is fixed on the rent
5. Resultant deterioration in the provision of civil services
6. Increase in litigations between landlords and tenants

In Mumbai the housing construction for rent came to a standstill after 1950. Ownership housing was not affordable for those who had a steady job but no access to housing loan. Housing constructed by Housing Boards gave preference to long-term residents of Mumbai. Middle class people who could afford cost of long distance travel went for illegal, inexpensive rental housing beyond the city limits at Thane, Dombivali, Vasai and Virar. But most of the poor migrants who were pushed by the drought and unemployment from rural areas had no option but to settle on the vacant government lands and low lying marshy lands where their presence was not noticed. Private lands were also deliberately or forcibly exploited for the slums by unscrupulous elements and slum lords. Dalits and scheduled class families were the worst affected group as they had little connection with the already settled population.

The Rent Control Act completely protected the already housed people in Mumbai but denied access to rental housing to the migrants. What migrants paid to get a room in slums was many times greater than the old rental house in chawls and even greater than houses in many middle and upper class localities!

Mumbai has always attracted migrants. The migration and rental housing business grew hand in hand before independence. The system had coped with large-scale migration in earlier periods. Most of the migrants then coming to cities were as poor as migrants today. But the city provided them with work and a reasonable housing in the form of chawls, lodging houses, etc. The Rent Control brought even the lodging houses under its umbrella and denied a decent roof, albeit at a cost for poor single migrants, who even today form a large proportion of migrants.

The Rent Control Act was not only applicable to private property but was also made applicable to all government and public properties. Thus public sector organizations such as Mumbai Port Trust, BMC, LIC as well as the State and Central government have lost huge

revenues from its property rented to commercial organizations. Old commercial organizations are making huge profits and paying almost nothing to the rented properties.

Today, most people who are well settled oppose the entry of migrants and growth of slums. It would be prudent on their part to reflect on their own family history when their ancestors had come to Mumbai in the last 100 years. In Mumbai, they had easy access to rental rooms in chawls. Many households residing in such rental housing today enjoy all kinds of civil services without even paying for their upkeep. The rents even at prime localities in Dadar are as low as Rs. 10 or Rs. 20 - even today! The benefits received by such thousands of tenants would be in hundreds of crores! The rent paid by these tenants is so meager even in areas like Marine Drive that any slum dweller could afford it! It is essential for all those renters to reflect on their own rents and compare them with the prize paid by the slum dwellers today.

Those people who really want to save slum dwellers, and want them to be decently housed should insist on the removal of Rent Control Act. They would do a great service to the poor people rather than just rushing to stop bulldozers when they arrive and forgetting the issue when they retreat.

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