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ALP COMPLIANCE MEMO

An Insight into Key Provisions of the *Landlord and Tenant Act, 2022*

A. Background

The *Landlord and Tenant Act, 2002* (“the Act”) is a new addition to the laws of Uganda. It was assented to by H.E. the President on April 12, 2022 and it was passed into law in June 2022. The Act repeals the *Rent Restrictions Act*, Cap 231, and its objective is to consolidate the law relating to renting of premises and regulate the relationship between landlords and tenants by providing for the responsibilities of landlords and tenants when renting premises.

This Compliance Memo looks at some key provisions of the Act as well as the obligations and compliances that landlords and tenants need to adhere to when renting premises in Uganda.

B. Key Provisions of the Act

Landlord and Tenant

A landlord is a person who lets premises under a tenancy and includes his or her duly authorised agent or a person who is in lawful possession of the premises and has the right to let them.

A tenant is any person to whom premises are let or rented to under a tenancy.

A tenancy means a relationship created by a lease, agreement or assignment and includes a sub-tenancy but does not include a relationship between a mortgagor and mortgagee.

Making Tenancy Agreements

The Act provides that a tenancy agreement can be in writing, by word of mouth, partly in writing and partly by word of mouth. In form of a data message or implied from the conduct of the parties provided that where the parties execute a tenancy agreement, the landlord-tenant relationship between the parties shall be governed by the terms of the tenancy.

This means that tenancy agreements can be made by word of mouth provided that the terms of the tenancy are recorded and given to the tenant within **14 days** of entering into the premises.

Additionally, tenancy agreements of UGX 500,000/= or more should be in writing. This means that verbal contracts of this value shall not be enforceable by law or in court.

Identification of Tenants

The Act makes it mandatory for a landlord to obtain identification from the tenant before entering into a tenancy agreement. The identification is in the form of, for instance, national ID card, driving permit, passport, or student ID card.

In the case of a company or any other legal entities, the landlord is required to obtain registration documents from the entity.

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Terms and Conditions in a tenancy

(i) Implied term as to fitness for human habitation.

The Act provides that where a tenancy is for renting of residential premises, there is an implied condition that the premises must be fit for human habitation as regards stability, natural lighting, ventilation, water supply, drainage, sanitary conveniences, etc. in accordance with the *Public Health Act* or the *Building Control Act*.

Therefore, a landlord has an obligation to provide premises fit for human habitation and keep the exterior of the premises and the common areas in the same conditions during the tenancy.

(ii) Duty to keep premises in repair.

Under the Act, the landlord is required to keep the premises maintained in good repair with regard to the age, character and prospective life of the building and the locality in which the premises are situated. However, this provision does not apply where the damage is caused by the negligence of failure to take reasonable care by the tenant.

(iii) Taxes and rates to be paid by landlord.

The Act provides that the landlord is responsible for the payment of all taxes and rates imposed by law in respect of the premises. In the event that a tenant pays any taxes or rates in respect of the premises, the landlord shall indemnify the tenant for the amount paid by the tenant.

(iv) Utility charges.

A tenant is liable to pay for all their utility charges in respect of the supply or use of electricity, gas, oil and similar services in respect of the tenant's occupation of rented premises that are separately metered, except the installation costs and charges in respect of the initial connection of the service to the rented premises which shall be paid by the landlord.

The landlord shall also be responsible to pay all charges in respect of utilities that are not separately metered. The landlord and tenant may agree on the contribution to be made by the tenant in respect of utilities paid by the landlord.

Duties and obligations of landlords and tenants

The Tenant shall—

- (a) Not use the premises or permit the use of the rented premises for any unlawful purpose.
- (b) Not use the rented premises or permit the use of the rented premises in any manner that causes a nuisance by interference with the reasonable peace, comfort or privacy of any occupier of neighbouring premises.
- (c) Take care not to damage the rented premises or the common areas. A tenant who becomes aware of any damage to the rented premises or the common areas shall immediately give notice to the landlord specifying the nature of the damage.
- (d) Keep the rented premises in a reasonably clean condition, except where the landlord is responsible under the tenancy agreement for keeping of the premises in that condition.
- (e) Not install any fixtures or make alteration to premises without the consent of the landlord.

The Landlord shall—

- (a) Take all reasonable steps to ensure that the tenant has quiet enjoyment of the premises during the tenancy.
- (b) Not refuse to rent premises to a person on the grounds of sex, race, colour, ethnic origin, tribe, birth, creed or religion, social or economic standing, political opinion or disability.

Rent

(i) Rent in advance.

The Act provides that unless mutually agreed by landlord and tenant, the maximum amount of rent in advance paid by a tenant shall be **3 months**.



(ii) Rent increments.

A landlord shall not increase rent at a rate more than 10% annually unless agreed by both parties. Where the tenancy is for a fixed term, the landlord shall not increase the rent before the term ends unless mutually agreed in the agreement.

These provisions call for tenants to be keen on the agreements that they sign, to ensure that they do not enter into any mutual provisions that would affect them in the long run.

(iii) Recovery of rent arrears.

Where a tenant defaults in paying rent and is in arrears, the landlord may apply to a court of competent jurisdiction to recover the rent owed and where the default in rent continues for a period of more than thirty days, the landlord shall be entitled to re-enter the premises and take possession in the presence of an area local council official and the police.

Where the rent arrears do not exceed **UGX 10m=**, the application shall be filed under small claim procedure in Court.

C. Conclusion

The provisions in the *Landlord and Tenant Act, 2022* legalize the ordinary day to day tenancy relationships between landlords and tenants. The Act streamlines the rights and duties of a landlord and a tenant in order to maintain a good tenancy relationship.

We advise our clients to take note of their duties and obligations under the Act, as landlords or tenants, in order to avoid any legal disputes that could arise from non-observance of the provisions under the Act.

We further advise that our clients should be keen when signing tenancy agreements to ensure that either party has laid down their obligations in a manner that does not prejudice their rights that are provided for under the Act.

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ALP East Africa

Who we are

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