

New amendments to the Jordanian landlord and tenants law

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The new law includes amendments to the previous law of 2009 in order to correct and align the legal position of landlords and tenants.

The 1994 Law regulated the landlord and tenant relationship and applied to all leased real estate except for:

- Real estate leased for the purposes of agriculture and animal breeding;
- Real estate leased to the employees in connection with their employment contracts; and
- Real estate, in full or in part, owned by the government or one of the governmental agencies leased for investment purposes such as hotels, restaurants, etc.

In an aim to improve the regulations controlling landlords and tenants, the new law has been implemented. The amendments apply retrospectively to all rent contracts concluded before 31 August 2000. Rental contracts concluded after this date are governed by the terms of the contract in question, and are left in the control of the parties unless the issue reaches the courts.

The key amendments introduced by the new law are:

a) Contracts concluded before 31 August 2000 to have rent rises regulated

In contracts concluded before 31 August 2000, the rental amount was reached by mutual agreement by the Landlord and the Tenant. If the parties could not decide the rent, then it was within their right to approach the competent court to apply the so-called “rent value of similar property” principle, which allows courts looking into rent-related disputes to determine a fair raise in the value of the rent by taking the current rent fee of a similar property in a similar area as the base of calculation. However, the amendments brought in by the new law (article 5(a)(2)-(4)) now stipulate that rent raises in contracts concluded before 31 August 2000 must follow the percentage rise determined and published by the Council of Ministers. Additionally, the new law stipulates that the Council of Ministers shall reevaluate the said percentages and make any necessary amendments every five years.

b) Use of a property by family members of a deceased tenant

In the 1994 Law, the family members of a deceased tenant renting a property for residential purposes and who were living with the tenant at the time of death were giving the right to remain in the property for three years. If the property was rented for purposes other than residential purposes, then the heirs of the deceased had the right to make use of the property for a period of six years, ensuring that they comply with the “rent value of similar property” principle. The new law however now gives the right for family members of a deceased in a residential property to remain in the property indefinitely (Article 7(a)) unless the landlord decides to evacuate the property by virtue of one of the situations provided for in Article 5 of the Law. In relation to non-residential properties, the heirs now have the right to continue use of the property indefinitely, rather than for a limited time of six years. The key change in this case is that the wife of a deceased tenant loses any right to the property in the event that she remarries.

c) Divorced wife can stay indefinitely

Under the 1994 law, a legally divorced wife had the right to remain in a property for three years as of the date of divorce. Under the new law (article 7(b)), the divorced wife and any children in her custody, have the right to remain in the property indefinitely unless the landlord decides to evacuate the property by virtue of one of the situations provided for in Article 5 of the Law.

In general, the above mentioned amendments have been met with controversy. Landlords have felt that the amendments are in the tenant's best interest, whereas tenants have felt that they favour the landlords. This particularly apparent in relation to the amended rights of widows and divorced women. It is anticipated that further amendments will be made in the future to balance out the discrepancies and harmonize the landlord and tenant relationship.