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LEASE
RIGHTS & LIABILITIES OF LESSOR
& LESSEE
DUTY & RIGHTS OF LESSOR &
LESSEE

1. INTRODUCTION

A lease is a transfer of a right to enjoy the property of lessor made for a certain time under which the lessee is put in possession of the property. The rights of ownership or title are not passed on the transferee. There is only transfer of right of enjoyment in lease.

2. RELEVANT PROVISIONS

Section 105, 107, 108 of the Transfer of Property Act 1882.

3. MEANING OF LEASE

(I) It means an agreement by which the owner of property allows another person to use it for specified time in return for payment.

(II) Simple Meaning

An agreement which gives rise to relationship of landlord and tenant or lesser and lessee. It is a contract for exclusive possession of lands, tenements or hereditaments for life, for term of years at will, or for any interest less than that of lesser, usually for a specified rent or compensation.

4. DEFINITION OF LEASE: SECTION 105 *صرف استعمال کا حق نہ رہتا ہے*

A lease of immovable property is transfer of right to enjoy such property, made for a certain time express or implied, or in perpetuity, in consideration for a price paid or promised, or of money a share of crops, service or any other thing of value, to be rendered periodically, or on specified occasions to the transferor by the transferee, who accepts the transfer on such terms".

(i) **Definition of Transferor: Section 105** *Lease deed*

The transferor is called the lessor.

(ii) **Transferee: Section 105**

The transferee is called lessee.

(iii) **Definition of Premium: Section 105**

The price is called the premium.

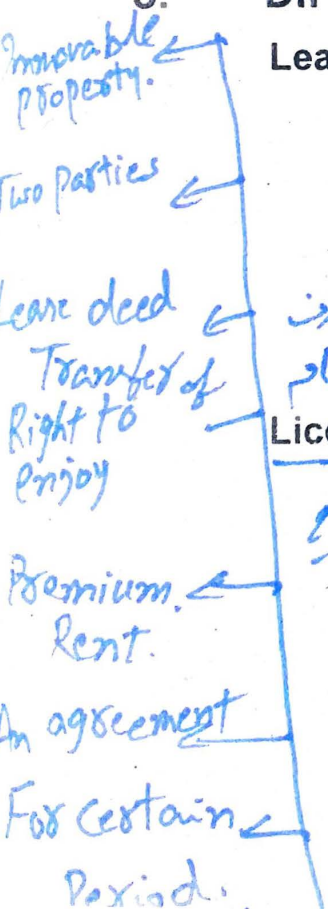
(iv) **Definition of Rent: Section 105**

The money, share service or other thing to be so rendered is called the rent.

5. DIFFERENCE BETWEEN LEASE & LICENSE

Lease: (A Lease is a transfer of interest in the property. The right of the enjoyment of the property is conferred or transferred for consideration and for certain period.) During the continuance of the Lease the right to the enjoyment of the property vests in the tenant and not in the Landlord. By the creation of lease a right in rem passes to the license.

License: The license is the ability to do something which except for this permission would be against the law. The license does not create any write in the physical property. In license there is an agreement between the licensor or and the license by which the licensor agrees not to intervene with the performance of some acts on property which is in possession. (In license no right in rem passes to the license.)



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6. LEASE HOW MADE SECTION 107

(I) Registered Instrument:

A lease of immoveable property from year to year, or for any term exceeding one year, or reserving a year rent, can be made only by a registered instrument.

(II) Option of Registered Instrument or Oral Agreement

All other lease of immoveable property may be made either by a registered instrument by oral agreement accompanied by delivery of possession.

(III) Execution by both Lessor and Lessee

Where a lease of immovable property is made by a registered instrument, such instrument or where there are more instruments, than one each such instrument shall be executed by both the lessor and lessee.

(IV) Notification by Provincial Government

Provided that the provincial Government may, from time to time, by notification in the official Gazettee, direct that leases of immovable property, other than leases from year to year, or for any term exceeding one year, or reserving a yearly rent, or any class of such leases may be made by unregistered instrument or by oral agreement without delivery of possession.

7. CREATION OF LEASE

Lease may be created by contract by either:

(I) ✓ Express (II) ✓ Implied

(III) ✓ Statue

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11.

LIABILITIES OF LESSOR: SECTION 108

Following are the liabilities of lessor.

(I) **Disclose any Material Defect: Section 108 (a)**

(The lessor is bound to disclose to the lessee any material defect in the property) with reference to its intended use, of which the former is and the latter is not aware and which the latter could not with ordinary care discover.

(II) **✓ Delivery of Possession: Section 108 (b)**

It is statutory obligation of the lessor to put the lessee in possession of the property leased out to him.