

Ordinance for the Prevention of Residential Rental Disputes in Tokyo & Guidelines for Preventing Tenant-Landlord Disputes



 Office for Housing Policy, Tokyo Metropolitan Government

In the event of any inconsistency or discrepancy between the Japanese version and the English version, the Japanese version shall prevail.

December 2019



Ordinance for the Prevention of Residential Rental Disputes in Tokyo

[Promulgated on March 31, 2004, enforced on October 1, 2004. Amended ordinance promulgated and enforced on October 13, 2017.]

http://www.juutakuseisaku.metro.tokyo.jp/juutaku_seisaku/tintai/310-0-jyuutaku.htm (in Japanese)

What kind of ordinance is this?

The Tokyo Metropolitan Government established this Ordinance to prevent rental housing-related disputes, which are increasing in recent years. Such disputes include those related to maintenance and repairs during tenancy and those concerning the tenant's obligation to restore properties to original condition when moving out.

The Ordinance obliges real estate brokers to, before concluding a contract, provide prospective tenants with, in addition to explanations of important matters as set forth in the Real Estate Brokerage Act, a separate document and explanations of matters such as basic rules on restoring rental properties to original condition and the tenant's responsibilities prescribed in the lease contract.

Caution!

This Ordinance obliges real estate brokers to provide explanations before concluding a contract; it does not prescribe the terms of a lease contract or the method of calculating what portion of the deposit should be returned to the tenant.

What must be explained?

With respect to what real estate brokers must explain, "matters necessary for the Real Estate Broker to provide proper documents or explanation," as outlined in Article 2, item (iii) of the Regulations for Enforcement of the Ordinance, are summarized as follows.

1. Restoration of wear and tear when the tenant vacates the property (restoring rental properties to original condition)
2. Repairs required to use and derive income from the property (maintenance and repairs during tenancy)
3. Responsibilities of the tenant prescribed in the lease contract (e.g. whether the contract includes a special agreement, the content of the special agreement)
4. Who to contact for repair, maintenance, and management of the facilities during tenancy

* Only the document should be provided and such explanation is not required if the prospective tenant is a Real Estate Broker.



Which contracts does the Ordinance cover?

1. Lease contracts for residential properties in Tokyo in which a real estate broker acts as a mediator, intermediary, or agent (excluding contracts for business purposes such as offices and shops, or contracts entered into directly between the landlord and tenant, without a broker)

* Real estate brokers outside Tokyo are also obliged to provide explanations when they act as mediators, intermediaries, or agents in contracts for properties in Tokyo.

2. Lease contracts newly concluded on and after the day the Ordinance takes effect for which real estate brokers are obliged to explain important matters as set forth in the Real Estate Brokerage Act (excluding renewal of existing contracts)

What happens if a broker fails to explain?

If a real estate broker did not give all or part of the explanation prescribed in Article 2 of the Ordinance, the Governor of Tokyo may issue guidance and a letter of admonishment to the broker. If the broker that receives the letter of admonishment does not comply, the Governor may make public such information as the names of the company and its representative.



Guidelines for Preventing Tenant-Landlord Disputes

About the “Guidelines for Preventing Tenant-Landlord Disputes”

This booklet, written in Japanese, is aimed at preventing trouble related to the lease of private rental housing. **Based on basic legal principles and past court rulings, the booklet provides easy-to-understand information** on basic rules about what the Ordinance obliges real estate brokers to explain to prospective tenants, such as “restoring rental properties to original condition” and “maintenance and repairs during tenancy.”

Although these guidelines are not legally binding, they outline general rules that are regarded as reasonable at the current time.

The guidelines are intended to help you prevent and quickly resolve trouble in such cases as when you are about to conclude a housing lease contract and when you are unsure about the terms of your lease contract.



What about getting back my deposit?

As a general rule, the settlement of a security deposit should be calculated based on the contract concluded between the landlord and tenant.

Depending on the contract terms, a security deposit may be settled based on rules other than those generally used, because, by mutual consent of the landlord and tenant, a contract may include a special agreement that imposes on the tenant responsibility different from the normal restoration obligations.

Caution!

In principle, contracting parties can freely decide on the terms of a lease contract for private rental housing unless any of the terms conflict with any mandatory provision (provisions that apply regardless of the intention of the concerned parties) of such laws as the Civil Code and the Act on Land and Building Leases. (This is called the “principle of freedom of contract.”)

Therefore, problems arising from individual contracts should usually be resolved via dialogue between concerned parties. Although the Tokyo Metropolitan Government can offer advice for inquiries, it cannot offer guidance on the terms of the contract, or render an award after hearing circumstances from the concerned parties and coordinating their interests.

The Tokyo Metropolitan Government, as well as some municipalities, offer advice and information for resolving problems. Contact information for the Tokyo Metropolitan Government’s consultation services can be found on the last page of this leaflet.

What if I cannot resolve a dispute via dialogue?

When a landlord and tenant cannot resolve a dispute via dialogue, they may pursue such proceedings as civil conciliation and a small claims action.

General information on these proceedings can be obtained at the Tokyo Metropolitan Government’s consultation services. For details, however, please contact a summary court with jurisdiction.

Security deposit: Money paid to the landlord by the tenant when a lease contract is signed. The money is used for offsetting unpaid rent, repairing damage caused by the tenant, and covering the tenant’s share of restoring costs when the tenant moves out. Upon the termination of the lease, the landlord must return the security deposit to the tenant if no violations of the lease occurred.

Key money: A one-off payment made by the tenant to the landlord at the closing of a real estate lease contract. It is a type of non-refundable deposits.

Lease renewal fee: Money paid to the landlord when a lease contract is renewed.

Source: “International Business Practice Manual for Real Estate Companies (Japanese Version),” Ministry of Land, Infrastructure, Transport and Tourism



Guidelines for Preventing Tenant-Landlord Disputes (Outline)

Restoring rental properties to original condition (basic rules)

Tenant's duties (restoration obligations)

Restoration of scratches and other damage caused by the tenant (e.g. damage caused intentionally or carelessly, damage caused due to the tenant's using the property in a non-standard way)

* The tenant is also liable for scratches, stains, and other damage that occurred or worsened due to the tenant's negligence in failing to address any trouble or defect.

Landlord's duties

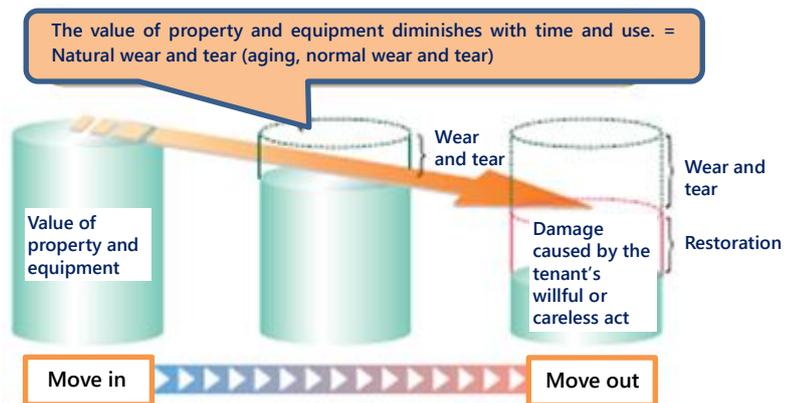
Restoration of wear and tear arising from normal aging and ordinary use of the property.

Special agreement on restoration obligations

By mutual agreement, the landlord and tenant may conclude a special agreement that differs from the above-stated basic rules.

However, a special agreement that imposes greater responsibility on the tenant than normally required is not always considered valid. When brought to court, the special agreement may be ruled invalid. Previous legal cases and other data show that the three elements listed on the right are required to make the special agreement valid.

Change in value of rental property



Elements for a special agreement imposing special obligations on the tenant to be recognized as valid

1. There is necessity for the special agreement, and there are objective and reasonable grounds for it, such as that the obligations are not excessive.
2. The tenant acknowledges that because of the special agreement, he/she is obliged to make repairs, etc. that exceed ordinary obligations for restoration.
3. The tenant has expressed the intention to undertake the obligations set forth by the special agreement.

Maintenance and repairs during tenancy (basic rules)

The landlord is obliged to make necessary maintenance and repairs so that the tenant can use and occupy the property. However, the tenant will be liable for the cost to repair damage caused by the tenant (e.g. damage caused intentionally or carelessly, damage caused due to the tenant's using the property in a non-standard way).

Special agreement on maintenance and repairs during tenancy

By mutual agreement, the landlord and tenant may conclude a special agreement that exempts the landlord from obligations for minor maintenance and repairs and allows the tenant to do minor maintenance and repairs at his/her own cost.

Caution!

Even with such a special agreement, it is up to the tenant as to whether or not to make the maintenance and repairs; the tenant has no obligation to make the maintenance and repairs. Therefore, the special agreement does not authorize the landlord to charge the tenant for the cost of minor maintenance and repairs that the tenant did not make during the tenancy, as part of restoration costs.

Illustrated Explanation of the Responsibilities of the Landlord and Tenant (Typical Examples)

Basic rules on who is responsible

Landlord: "Normal wear and tear" and "Aging"

Tenant: "Scratches and other damage caused by the tenant (e.g. damage caused intentionally or carelessly, damage caused due to the tenant's using the property in a non-standard way)" and "Scratches and other damage that occurred or worsened due to the tenant's negligence in failing to address any trouble or defect or the tenant's lack of proper and regular maintenance"

Lock and key

- Changing locks (when the tenant did not damage the lock or key, or lose the key): **Landlord**
- Changing locks (when the tenant damaged/mishandled the lock or key, or lost the key): **Tenant**

Appointments and equipment

- Damage to an appointment caused due to the tenant's lack of proper or regular maintenance or use in a non-standard way (tenant does not exercise "due care"*): **Tenant**
- Furnished appliances being damaged, broken, or unusable (appliance or appointment having reached the end of its usable life) (natural wear and tear due to aging): **Landlord**
- Replacement of bathtubs and water heaters (to secure a new tenant, although the item is not damaged or broken): **Landlord**

Bathroom, etc.

- Scale, rust, and other contaminants in the bathroom, toilet, or on the washstand (when such contaminants occurred because the tenant failed to sufficiently clean and maintain the areas during the tenancy) (tenant does not exercise "due care"*): **Tenant**
- Disinfecting the toilet: **Landlord**

Fixtures

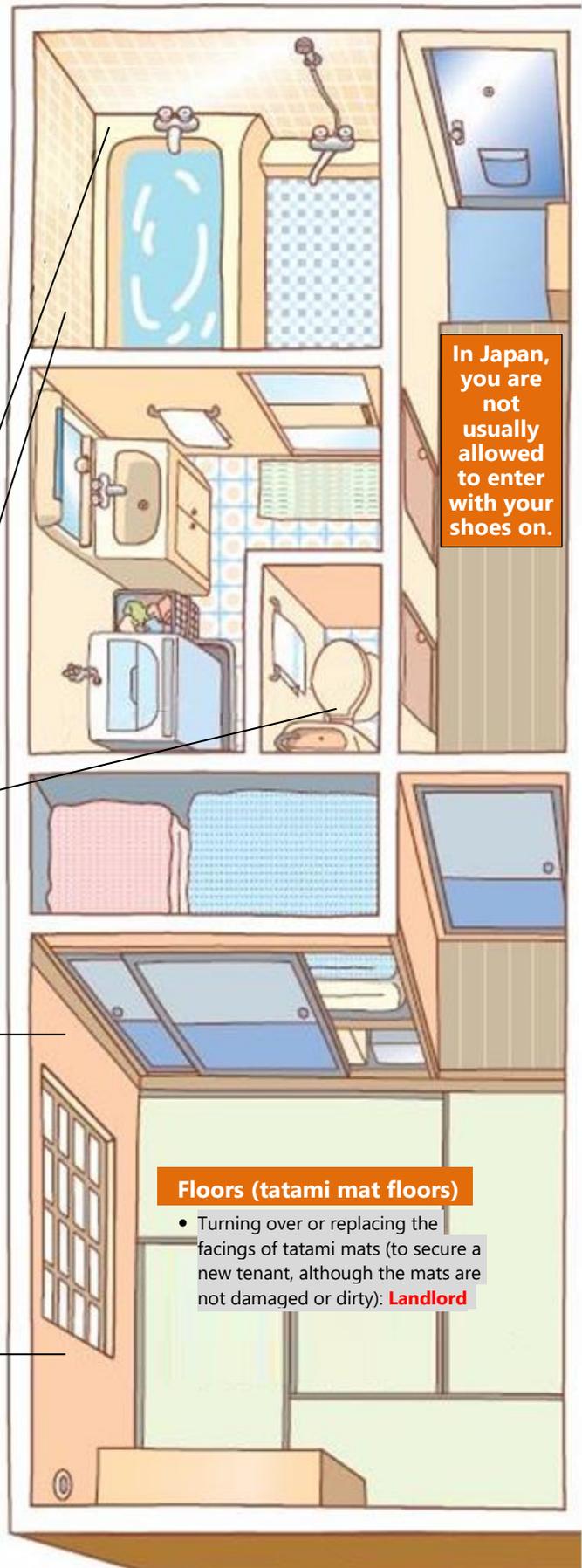
- (1) Scratches and other damage on apartment interior surfaces by a pet (tenant does not exercise "due care"*): **Tenant**
- (2) (1) caused when keeping pets is prohibited: **Tenant (use in a non-standard way)**

Walls (wallpaper)

- Color fading (as a result of exposure to sunlight or other natural elements) (normal wear and tear): **Landlord**
- Cigarette stains
 - (1) Color fading or persistent odors caused by stains from smoking etc. which are considered to go beyond soiling based on normal use: **Tenant**
 - (2) When smoking is prohibited: **Tenant (use in a non-standard way)**
- Holes left by pins and tacks (holes that do not require replacement of wall paneling) (normal wear and tear): **Landlord**
- Holes left by nails and screws (holes that require replacement of wall paneling) (non-standard use): **Tenant**
- Mold and stains that spread because condensation was left unattended (non-standard use): **Tenant**

Floors

- Color fading due to exposure to sunlight, etc. (normal wear and tear): **Landlord**
- Scratches and other damage caused when moving in/out or on other occasions (tenant's carelessness or lack of "due care"*): **Tenant**



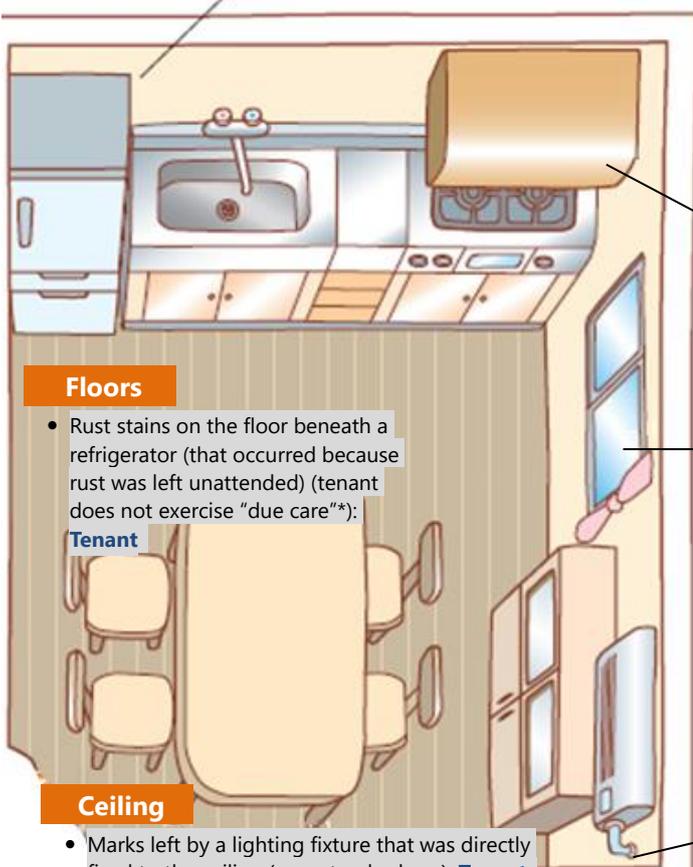
In Japan, you are not usually allowed to enter with your shoes on.

Floors (tatami mat floors)

- Turning over or replacing the facings of tatami mats (to secure a new tenant, although the mats are not damaged or dirty): **Landlord**

* "Due care" here means "due care of a prudent manager" as stipulated by Article 400 of the Civil Code.

The responsibilities listed here are typical examples and may vary depending on the degree of damage to the property and other factors.



Floors

- Rust stains on the floor beneath a refrigerator (that occurred because rust was left unattended) (tenant does not exercise "due care"): **Tenant**

Ceiling

- Marks left by a lighting fixture that was directly fixed to the ceiling (non-standard use): **Tenant**



Floors (carpet)

- Stains or mold resulting from spilled drinks, etc. (due to insufficient care and cleaning or other circumstances) (tenant does not exercise "due care"): **Tenant**

Walls (wallpaper)

- Blackening of the wall behind the refrigerator (owing to heat generated by the appliance) (normal wear and tear): **Landlord**
- Grease and grime in the kitchen (residue of soot, grease or other dirt resulting from the lack of proper care and cleaning after use) (non-standard use): **Tenant**

Kitchen

- Disinfecting the kitchen: **Landlord**
- Grease and soot on the range hood, exhaust fans, or in the space where a kitchen stove is placed (that were caused by the tenant's lack of proper or regular maintenance) (tenant does not exercise "due care"): **Tenant**

Fixtures

- Crack in wire glass (that naturally occurred due to the nature of wire glass): **Landlord**

Entire property

- Professional cleaning in preparation for the next tenant (when the tenant performed proper and regular cleaning during tenancy): **Landlord**

Walls (wallpaper)

- Rotting of the wall that occurred because a water leak from a tenant-owned air conditioner was left unattended (tenant does not exercise "due care"): **Tenant**
- Screw holes made to install a tenant-owned air conditioner and marks left by the air conditioner (normal wear and tear): **Landlord**
- Marks left on the wall by a poster or picture (normal wear and tear): **Landlord**

Fixtures

- Glass window broken by an earthquake (natural disaster): **Landlord**
- Replacing a window screen (to secure a new tenant, although the screen is not damaged or dirty): **Landlord**

Walls (wallpaper)

- Rotting of the wall that occurred because a water leak from a landlord-owned air conditioner was left unattended by the tenant (non-standard use): **Tenant**
- Blackening of the wall behind the TV (owing to heat generated by the TV) (normal wear and tear): **Landlord**

Floors (wooden floors)

- Waxing the floor: **Landlord**
- Color fading (that occurred because rain blew into the room, or for other reasons, due to the tenant's carelessness) (tenant does not exercise "due care"): **Tenant**

Floors (carpet)

- Dents and marks on the floor or carpet left by furniture (normal wear and tear): **Landlord**



Seven Things You Can Do to Avoid Getting Into Trouble

1 Fully understand the contract before you sign

When you listen to the real estate broker's explanations of important matters as set forth in the Real Estate Brokerage Act and explanations based on the Ordinance, be sure you understand the basic rules on restoration obligations and other matters, confirm whether the contract is in line with the basic rules and what kind if any special agreement is included, before you decide to conclude the contract. When renting an existing residence on or after the date the revised Real Estate Brokerage Act takes effect (April 1, 2018), also refer to the "building condition survey (inspection)" section of a written explanation of important matters.

2 Thoroughly check your residence when moving in

To prevent trouble, it is important to carefully examine the condition of the property and appointments installed, confirming any scratches and stains, when you move in. If you take photographs, you can compare them with how the property looks when you move out.

3 Honor your lease contract

If you have a dog, cat, or any other pet while living in a property where pets are banned, you are violating your contract. In that case, your contract may be rescinded and/or you may be required to vacate the property. Furthermore, you may be required to pay a large amount to cover such expenses as those for disinfecting and deodorizing the property. Pay the rent by the due date. Don't live with other people contrary to the lease contract that stipulates you live alone.



4 Use your residence carefully, keep it tidy and clean

Under the law, a tenant must use a rented property "with due care of a prudent manager." The property you are renting belongs to somebody else. Therefore, you are required to treat the property more carefully than when you treat your own belongings. Be sure to use the rented property with due care. These days, problems involving noise or smoking are increasingly common. Mind your manners and be considerate of other residents when you smoke at home. Follow the rules for garbage collection. Don't put things in common spaces, such as stairs and corridors.

5 Report on necessary repairs quickly and promptly

When you find something that needs repair or maintenance, promptly contact the landlord or the management company to consult them about how to deal with it.



6 Obtain the landlord's consent before you revamp your rented home

Without the consent of the landlord, you should not make any alterations, additions, or upgrades to the property (painting the walls, replacing installed appointments, etc.). Before you do so, obtain the landlord's consent and talk with him/her about whether and how the property should be restored to the original condition at the time of moving out. When a tenant and landlord are entering into a DIY-type lease contract (a contract that allows the tenant to refurbish or improve the property as he/she likes), regardless of which side will pay for the refurbishment, they should prepare in advance a consent form and agreement pertaining to matters such as restoration of the altered parts of the property. (Model forms of those documents and other related information can be found at the Ministry of Land, Infrastructure, Transport and Tourism's website below (in Japanese).)

http://www.mlit.go.jp/report/press/house03_hh_000104.html (in Japanese)

7 Don't leave unwanted items behind when you vacate the property

Before you hand over the property, make sure that everything you brought into the place has been taken out and that it is thoroughly cleaned. In the presence of the landlord or someone from the property management firm, confirm the state of the property while comparing it with the photos or notes taken when you moved in.





Examples of Cases Brought to the TMG's Consultation Services

Case 1

Restoration

Q. My lease contract says “The tenant must restore the property to the original condition when vacating the property.” My landlord says that “restoring property to the original condition” means restoring the property to exactly how it was when I moved in. Is that true? Do I have to bear the cost as my landlord claims?

A. “Restoring property to the original condition” does not mean restoring the property to exactly how it was when the tenant moved in; it means restoration of scratches and other damage caused by the tenant, such as damage caused intentionally or carelessly and damage caused due to the tenant’s using the property in a non-standard way.

In this case, you are not obliged to abide by your landlord’s claim; you don’t have to restore the property to the exact state as when you moved in.

Case 2

Special agreement

Q. I am going to vacate the apartment where I have lived for two years. I checked my lease contract and found that its special agreement clause says “The tenant is obliged to restore the property to the original condition regardless of cause.” Is this special agreement valid?

A. When a special agreement imposes greater responsibility on the tenant than the normal restoration obligations, certain elements are required for the agreement to be recognized as valid. Even if your contract includes a special agreement, that agreement may be ruled invalid.

- For details of the Guidelines for Preventing Tenant-Landlord Disputes, please visit the Office for Housing Policy’s website at: http://www.juutakuseisaku.metro.tokyo.jp/juutaku_seisaku/tintai/310-0-jyuutaku.htm (in Japanese)
- The Guidelines for Preventing Tenant-Landlord Disputes booklet is on sale for 600 yen (excluding tax) (Japanese version only).

Contact: Taisei-Shuppan Co., Ltd. Phone: 03 (3321) 4131 (switchboard)

- Please refer to “Guidelines for Facilitating Renting of Private Rental Housing for Foreigners” (Ministry of Land, Infrastructure, Transport and Tourism) at: http://www.mlit.go.jp/jutakukentiku/house/jutakukentiku_house_tk3_000017.html (in Japanese)
- Tokyo Metropolitan Government’s consultation services

Realty Section, Housing Planning Department, Office for Housing Policy, Tokyo Metropolitan Government 3rd Floor - North Side, TMG No. 2 Building, 8-1 Nishi-Shinjuku 2-chome, Shinjuku-ku, Tokyo	Consultation on real estate transactions * Via phone * Face-to-face, no reservation required Mon to Fri: 9 a.m.–11 a.m., 1 p.m.–4 p.m. (in Japanese only)	Rental Housing Hotline (via phone) 03 (5320) 4958
		Guidance and Consultation Team 03 (5320) 5071
Tokyo Metropolitan Special Consultation Office for Real Estate Transactions 3rd Floor - North Side, TMG No. 2 Building, 8-1 Nishi-Shinjuku 2-chome, Shinjuku-ku, Tokyo	Legal consultation with a lawyer * Face-to-face, reservation required Mon to Fri: 1 p.m.–4 p.m. (in Japanese only)	Exclusively for reservations 03 (5320) 5015
Tokyo Metropolitan Comprehensive Consumer Center Central Plaza 16F, 1-1, Kaguragashi, Shinjuku-ku, Tokyo	Consultation for consumers (including real estate) * Via phone and face-to-face Mon to Sat: 9 a.m.–5 p.m. (in Japanese and English)	Exclusively for consultation 03 (3235) 1155
Foreign Residents’ Advisory Center	Mon to Fri: 9:30 a.m.–12 noon, 1 p.m.–5 p.m. (in English)	03 (5320) 7744

* All closed on national holidays and New Year holidays (December 29 to January 3)

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