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UGANDAN HIGH COURT RECALIBRATES THE LANDLORD-TENANT RELATIONSHIP

SOPHIE NAKITENDE VS MABU COMMODITIES LIMITED - HIGH COURT CIVIL SUIT NO. 117 OF 2016

The High Court in Uganda has pragmatically revisited the Landlord - Tenant relationship by faulting a Landlord's arbitrary use of force to seize a tenant's trading stock and lock up premises for alleged non-payment of rent without a written Tenancy Agreement in place or a lawful court order.

Mr. Isaac Walukagga of M/s MMAKS Advocates represented Ms. Sophie Nakitende ("the Tenant") in this matter

Background

Ms. Sophie Nakitende ("Tenant") executed an unwritten Tenancy Agreement with M/s Mabou Commodities Ltd ("Landlord") pursuant to which she rented a lock-up at the Landlord's premises situate in Kampala.

The Tenant paid up her rent till the 15th December 2015. On the morning of the 16th December 2015, the Landlord locked up the

premises and seized her trading stock on allegations that she had defaulted on her rental payment.

The Tenant was aggrieved by the manner in which the Tenancy Agreement was terminated by the Landlord and the seizure of her trading stock thus the suit. The Landlord denied the Tenant's allegations and filed a Counterclaim for storage of the seized trading stock.

Court's judgment.

As regards to breach of the Tenancy Agreement, it was Court's finding that the Landlord was in breach when it terminated the tenancy without any notice and before the Tenant was in default. Court observed that relying on previous rental receipts issued to the Tenant, she had paid her rent after the 15th day of the month when the rent was supposed to be paid.

It was further held that in light of a formal Tenancy Agreement, the Landlord would not capriciously terminate the tenancy at its whims

and seize the Tenant's property without a Court order.

The Court observed that it was becoming common for Landlords not to execute formal tenancy agreements with tenants and later seek to enforce alleged unwritten terms that are contested by tenants. Such unfair habits by Landlords must be put in check and any interventions by Landlords should be in accordance with the law, must follow due process and should not be capricious. It is unlawful for a Landlord without a written tenancy agreement to evict a tenant without due process.

Court awarded the Tenant Special Damages for the value of trading stock seized by the Landlord and general damages for breach of the Tenancy Agreement as there were no rental arrears at the time the Tenant's property was seized.

Relevance of the Decision.

This decision comes at a time when most jurisdictions are experiencing a lockdown of business premises as a result of the Covid-19 virus. We are likely to have a furore of disputes arising of Landlord-tenant relationships especially payment of rental dues and attendant matters.

This decision effectively bars Landlords who did not execute written tenancy agreements against using extra-judicial means to recover rent arrears or vacant possession without a Court order.

It is pertinent that terms of a tenancy relationship are reduced into writing to avoid undesired consequences in the event termination and in case a landlord decides to levy distress, the procedure provided under the Distress for Rent (Bailiffs) Act (Cap 76) must be strictly observed;

Should you have any questions regarding the information in this legal alert or any other matters, please do not hesitate to contact [Isaac Walukagga](mailto:isaac.walukagga@ug.africalegalnetwork.com) or [Kasim Muwonge](mailto:kasim.muwonge@ug.africalegalnetwork.com)



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