

# To those who are considering owning and managing rental properties in Japan

## Points to Note in Rental Property Management in Japan

For foreign nationals planning to manage rental properties in Japan, **it is essential to understand Japanese laws and customary practices, and to respond appropriately to them.**

In Japan, there is a law called the “**Act on Land and Building Leases**”.

**This Act is intended to protect stability of lessees’ residence and business,** and requires compliance with rules regarding contract terms, renewal and termination.



**In Japan, a rent increase is not permitted without the mutual agreement of both the lessor and the lessee. In addition, the following points should be noted:**

- A rent increase requires justifiable grounds (such as when the rent has become objectively unreasonable due to changes in economic conditions, increases in lands or building prices, or comparisons with prevailing rents in the surrounding area).
- The lessee may refuse a proposed rent increase if the lessee is not convinced.
- The lessee may continue to reside in the premises by paying the existing rent.
- If the lessor refuses to accept the rent, the lessee may deposit the rent with the authorities to prove the payment.

Furthermore, **do not take any forceful measures such as shutting off electricity or elevator services in common areas,** for the purpose of forcing a rent increase or eviction, despite collecting management fees from residents.

