Alexander Klein owned numerous high-end apartment buildings on Ft. Washington Avenue in Upper Manhattan. A two-bedroom apartment averaged at $1800 a month.

Klein though, signed a discounted three-year lease with Moshe Morrison; his grandson-in-law, for a nominal charge of $200 a month.

Two months later; Klein began upgrading the kitchens in Moshe’s building. He planned on raising rents for apartments with new kitchens by $100 a month.

The granite countertops and stainless steel appliances s greatly enhanced Morrison’s steal-of – a-deal

The lease unfortunately, outlived their marriage. When Klein’s granddaughter returned to her parent’s home after ten months, Alex made three demands on Moshe: 1) to meet market value and pay $1600 more a month till the remainder of the three year lease. 2) to pay $1600 retroactively from the first month 3) to pay an additional $100 a month for the months he benefitted from a new kitchen.

Moshe argued that the contract fixed the lease at $200 a month.

LAST WEEK’S CASE 275: HEADS YOU WIN, TAILS I LOSE?

Setting in a cozy two-bedroom apartment in the close-knit Anglo-Saxon Jerusalem community in Sanhedria Murchevet, the Werner's signed a three year contract with their landlord Natan Katz for $850 a month. Three months later, the Werner's receive a call from Katz that their rental fee is changing.

Katz claimed that the agreement was signed when the shekel dollar rate was 4.2 shekels to the dollar.

Now that the dollar dropped drastically to 3.2, he has no choice but demand 3570 NIS a month (850x4.2) ($1115.62) . When he committed for $850, there was no way he could have anticipated such a drastic drop.

Werner argued that if the dollar had surged to 4.7, Katz would not have called him to give him a discount...

WHAT’S THE LAW?
WHAT’S THE LAW? ™ – ISSUE 159: CONTINGENT COMMITMENT? & HEADS YOU WIN TAILS I LOSE?

**The Answer**

Katz may not raise the rent during the defined term of the contract.

**Heads You Win Tails I Lose** invokes the following four Halachos.

**Background**

The tenant acquires the usage rights under the terms of the contract for the duration of the interval written in the contract.

**Rate Increase During the Defined Term Contract**

If the rate of local rental prices increased during the duration of the *defined-term contract*, the landlord may not raise the prices accordingly. Similarly, if the local rental prices fell during the duration of the defined-term contract, the tenant may not compel the landlord to readjust the prices, accordingly [Choshen Mishpat 312: 9 Rema, 312: 10].

**Application**

Katz signed a three-year contract with the Werner’s. Even if the apartment prices increase dramatically during the interim, Katz is bound to uphold the terms of the written agreement.

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**Due Consideration for the Tenant**

In order to avail the tenant reasonable time to attempt to find alternative housing, when a tenant lives in an apartment **without a formal lease, (i.e. there is no defined termination date)** the landlord must generally notify the tenant with ample time before wishing to evict him/her from the home.

As such, the Talmud explains that during the summer months when it is customary for people to relocate, whereby creating a market of vacant apartments, the landlord need not inform the tenant more than a month before wishing to terminate the relationship. A month’s time during a season where apartments are available is deemed availing sufficient time.

However, the landlord may not evict the tenant in the midst of a season when alternative housing is presumably difficult to find. As such, the Talmud generally prohibits evicting a tenant in the middle of the rainy season when people do not move, and vacant apartments are difficult to obtain - even if the landlord gives the tenant thirty days warning. By warning the tenant thirty days before wishing to evict him/her during the rainy season, the landlord still failed to provide the tenant with a fair opportunity to seek alternative places to live.

Instead, a landlord who wishes to terminate the undefined lease term during the rainy season must avail the tenant the opportunity to look for new alternatives for one month **before the onset of the rainy season** [Choshen Mishpat 312: 5].

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