LAW NO. 26 OF 2007

REGULATING RELATIONSHIP BETWEEN LANDLORDS AND TENANTS IN THE EMIRATE OF DUBAI

We Mohammad Bin Rashid Al-Maktoum, Ruler of Dubai

- After perusal of Federal Law No. 5 of 1985, regarding Civil Transactions and its amendments,
- And Federal Law No. 10 of 1992 Promulgating Law of Evidence in Civil and Commercial Transactions,
- And Decree No. 2 of 1993, establishing the Special Judicial Committee to settle Disputes between landlords and tenants,
- And Law No. 16 of 2007, establishing the Real Estate Regulatory Agency

Issue the following Law:

NAME

Article (1)

This law shall be called the “Law Regulating Relationship between Landlords and Tenants in the Emirate of Dubai No. 26 of 2007”.

DEFINITION – SCOPE OF IMPLEMENTATION

Article (2)

In implementing provisions of this law, the following words and terms shall have the meaning assigned to them, unless the text otherwise requires:

Emirate:	Emirate of Dubai.
Agency:	Real Estate Regulatory Agency.
Real Estate:	Immovable property and its annexures rented for residential, commercial or professional purposes or any other legal activity.
Tenancy Contract:	The contract by which landlord is committed to enable tenant to benefit from the property for specified purpose and period against specified consideration.
Landlord:	Natural or Judicial person who has, by law or consent, the right of disposal of the property and to whom the title of the property is transferred during tenancy period or to his representative or legal attorney, including the tenant authorized by the landlord to sublease the property.
Tenant:	Natural or judicial person who benefits from the property, or part thereof, pursuant to a tenancy contract and any person who receives the tenancy legally from the tenant.
Subtenant:	Natural or judicial person who benefits from the property, or part thereof, in accordance with a tenancy contract signed with the tenant.
Rent:	Specified consideration which the tenant is bound to pay according to the tenancy contract.
Committee:	The Judicial Committee authorised to settle deputes between landlords and tenants.
Notification:	Written notification sent by either of the tenancy contract to the other party through notary public, registered mail, personal delivery or by any technological means approved by law.

Article (3)

This law shall be applicable to leased properties in the Emirate including open and agricultural lands, excluding hotels and free accommodation provided by natural or judicial persons to their employees.

Tenancy Contract

Article (4)

1. The tenancy relationship between a landlord and tenant shall be governed by a written tenancy contract signed by them describing the property in detail, the purpose of the tenancy, name of landlord, No. and type of land, name of the area, period and rent value and method of payment.

2. All properties subject to this law, or its amendments, are to be registered with the Agency. However, judicial bodies and governmental departments and authorities should not consider any claim, case or execution based on a tenancy contract unless the same is registered with the Agency in accordance with rules and conditions set for this purpose.

PERIOD OF TENANCY

Article (5)

The period of tenancy must be specific, otherwise the tenancy contract shall be deemed as valid for the period specified for payment of the rent value.

Article (6)

If the tenant continues to occupy property after expiry of the contract period without any objection by the landlord, then the contract shall be renewed for similar period or for one year, whichever is less, with the same terms and conditions.

Article (7)

If the tenancy contract is due and valid, it cannot be unilaterally terminated by the landlord or the tenant, unless both parties agree on such termination or in accordance with the provisions of this law.

Article (8)

A sublease contract between a tenant and a subtenant shall expire by expiry of the tenancy contract between the landlord and the tenant, unless the landlord expressly agrees to an extension of the sublease contract period.

RENT VALUE

Article (9)

Landlord and tenant mush specify rent value in the tenancy contract, and should not increase such rent value or amend any of tenancy contract conditions until the elapse of two years from date of inception of the original tenancy relationship.

Article (10)

The Agency shall have the exclusive authority to specify percentage of rent increase in the Emirate, with regard to of economic circumstances.

Article (11)

Rent value includes the enjoyment of property utilities, like summing pools, playgrounds, sports halls, health club, car parking….etc. unless agreed otherwise.

Article (12)

Tenant shall pay rent value on agreed dates. However, if such agreement is absent or cannot be proved, then rent value must be paid in annual four equal instalments to be paid in advance.

Article (13)

1. Subject to article (9) herein and for tenancy contract renewal purposes, landlord and tenant may review rent value and if no agreement is reached and necessity for extension of tenancy period is proved, then the Committee shall decide extension of tenancy period and determine rent value according to similar properties in the same area.

2. The Committee shall decide rent value of similar properties in accordance with rules and standards proposed by the Agency on the basis of property condition and rent value of similar property in the same area.

Article (14)

If either party opts not to renew the tenancy contract or wishes to amend any of its conditions, then he must notify the same to the other party not less than 90 days prior to expiry date, unless both parties agreed otherwise.

Landlord Obligations

Article (15)

Landlord shall be committed to hand over the property in good condition that enables tenant to obtain the benefit subject of the tenancy contract.

Article (16)

Landlord shall, during validity of the tenancy contract, be liable for undertaking maintenance of the property and shall rectify any defects or faults that affect tenant's intended benefit from the property, unless the two parties agree otherwise.

Article (17)

Landlord shall not make any change in the property, its utilities or ancillaries affecting the intended benefit, and landlord shall be liable for such changes caused by him, or by any person authorized by him, and for any damages, faults or shortages caused to the property for reasons not relating to the tenant.

Article (18)

Landlord must provide tenant with all approvals required by competent authorities in the Emirate if he wishes to execute decoration works, or other works, that require such approvals, provided that such works shall not affect the construction of the property and provided that tenant has necessary documents evidencing applying for such approvals.

OBLIGATIONS OF THE TENANT

Article (19)

Tenant must pay rent value on due dates and preserve the property as his own property. He also shall not make any changes, renovations or maintenance works without landlord's permission, after obtaining necessary approvals from competent authorities. This shall not violate tenant's obligation to execute agreed upon maintenance or that which is ordinarily done by tenants.

Article (20)

Landlord may obtain a maintenance deposit amount from tenants to guarantee maintenance of the property at the expiry of tenancy contract, provided that landlord shall undertake to refund this deposit, or any remaining amount, upon expiry of the tenancy contract.

Article (21)

Tenant shall be obliged, upon expiry of tenancy, to return the property to landlord in the same condition as handed over to him at the time of contracting except for normal wear and tear or for reasons beyond his control. However, in case of any dispute, the matter shall be referred to the Committee for decision.

Article (22)

Unless the tenancy contract otherwise provides, the tenant shall pay all fees and taxes due to government authorities for benefiting from the property, in addition to any other fees or taxes due for subleasing.

Article (23)

The tenant shall not, upon vacating the property, remove any fixed improvements unless agreed otherwise by both parties.

Article (24)

Unless otherwise agreed in the tenancy contract, the tenant shall not assign the benefit or sublease the property without obtaining landlord's approval.

EVICTION

Article (25)

1. Landlord may demand eviction of tenant prior to expiry of tenancy period in the following cases:

   a. If tenant fails to pay rent value, or part thereof, within thirty (30) days of landlord's notification for payment.

   b. If tenant subleases the property, or part thereof, without landlord's written approval and in such case eviction shall be applicable to subtenant, and his right to refer to tenant for compensation shall be reserved.

   c. If tenant uses, or allows others to use, the property for illegal or immoral activities.

   d. If tenant causes changes that endanger safety of the property in a way that it cannot be restored to its original condition or if he causes damage to the property intentionally or due to his gross negligence to take proper precautions or if he allows others to cause such damage.

   e. If tenant uses the property for purposes other than the purpose it was leased for or if he uses the property in a way that violates planning, building and land using regulations.

f. If the property is in danger of collapse, provided that landlord must prove such condition by a technical report attested by Dubai Municipality.

g. If tenant fails to observe legal obligations or tenancy contract conditions within (30) days from date of notification by landlord to abide by such obligations or conditions.

2. Landlord may demand eviction of tenant upon expiry of tenancy contract in the following cases:

a. If development requirements in the Emirate requires demolition and reconstruction of the property in accordance with government authorities instructions.

b. If the property requires renovation or comprehensive maintenance which cannot be executed while tenant is occupying the property, provided that a technical report attested by Dubai Municipality is to be submitted to this effect.

c. If landlord wishes to demolish the property for reconstruction or to add new constructions that prevent tenant from benefiting from the leased property, provided that necessary licences are obtained.

d. If landlord wishes to recover the property for use by him personally or by his next of kin of first degree.

However, in all above mentioned four cases, landlord must notify tenant with reasons of eviction at least ninety (90) days prior to expiry date of tenancy contract.

Article (26)

If, upon expiry of the tenancy period, the landlord demands recovery of the property for his own use, or use by his first degree next of kin, and the Committee approves the same, then landlord shall not rent the property to others before one year from date of recovery of the property, otherwise the tenant shall have the right to request the Committee to order proper compensation to him.

GENERAL RULES

Article (27)

If landlord or tenant dies, the tenancy relationship shall devolve to their heirs, unless tenant's heirs decide to terminate that relationship, provided that termination shall become effective after thirty (30) days from notifying landlord of such decision or on expiry of tenancy contract, whichever occurs first.

Article (28)

The transfer of title to a new landlord shall not affect tenant's right to continue occupation of the property in accordance with the tenancy contract signed with the previous owner, provided that the tenancy contract has a fixed date.

Article (29)

1. Tenant shall have priority to return to the property if it is demolished and reconstructed or if it is renovated, provided that rent value shall be fixed in accordance with Article (13) herein.

2. Tenant shall benefit from the above mentioned priority right within thirty (30) days from being notified by landlord.

Article (30)

If the Committee orders termination of tenancy contract and the property is occupied by subtenant, in accordance with a contract signed with the tenant and approved by landlord, then the subtenant shall have the right to continue occupation of the property with the same conditions.

Article (31)

Filing an eviction case shall not relieve tenant from paying rent value for the whole period of the case and until the issue of judgement and execution thereof.

Article (32)

If landlord and tenant agree, in the tenancy contract or subsequently, to refer any dispute to arbitration, then neither of them shall do anything that may affect the property or the rights and obligations of both parties as contained herein. However, the Committee shall, upon request by landlord or tenant, issue interlocutory orders to protect such rights until the issue of arbitration award.

FINAL JUDGEMENTS

Article (33)

In the event of a dispute arising without the landlord and tenant have agreed on arbitrators, or if one or more of the agreed arbitrators quits or is removed or becomes incapable, and parties didn't agree in this regard, then the Committee shall, upon request by either party, appoint an arbitrator or arbitrators equal or complementary to the agreed number.

Article (34)

Landlord is prohibited from disconnecting services to the property or preventing the tenant from benefiting from the property. However, in the event of occurrence of such incidents, the tenant shall refer to police station in the same area to prove the case or to stop such prevention, and also to file a case before the Committee, enclosing supporting reports, for compensation of any damages.

Article (35)

Eviction decisions are to be executed through the Committee in accordance with relative rules and procedures. Other decisions taken by the Committee shall be executed by Dubai Courts Execution Section.

Article (36)

The Agency shall issue rules for implementation of this law which are to be forwarded to the Executive Council’s Chairman for approval.

Article (37)

This law is to be published in the Gazette and shall be effective sixty (60) days after date of publishing.

Mohamad Bin Rashid

Ruler of Dubai

Issued in Dubai on 26 November 2007