

Law No. (26) of the year 2007 Concerning regulating the relation Between Tenants and landlords of property in Dubai Emirate

We, Mohamed Bin Rashid Al Maktoum, Ruler of Dubai,

Having reviewed :

Federal Law No. (5) of the year 1985 regarding civil transactions of the United Arab Emirates and the amendments thereof;

Federal Law No. (10) of the year 1992 concerning the promulgation of the law of evidence in the civil and commercial transactions;

Decree No. (2) of the year 1992 concerning the formation of a judicial committee to settle disputes between tenants and landlords; And

Law No. (16) of the year 2007 concerning the establishment of the Real Estate Regulatory Authority RERA.

We issue the following law:

Name Article (1)

The law shall be named "the law of regulating the relation between tenants and landlords of property in the Emirate of Dubai No. (26) of the year 2007".

Definitions Article (2)

In applying the provisions of the present law, the following words and phrases shall bear the meaning corresponding to each unless otherwise indicated by the context:

Emirate	Dubai Emirate
RERA	Real Estate Regulatory Authority
Property	Immovable money and anything connected or attached thereto, leased as a residence or for practicing a commercial activity, trade, profession, or any other legal activity
Lease	The contract under which the

	lessor/landlord is obliged to enable the lessee/tenant to use the property for a certain purpose, for a certain period, and for a named rent.
Landlord	Natural or legal person who legally or by agreement owns the right to act on the property, as well as the person to whom the title of property devolves during the lease period or his legal proxy or representative. It includes the lessee/tenant who is authorized by the landlord to sublet the property.
Tenant	Natural or legal person who uses the property under a lease and any person to whom the lease legally devolves from the tenant.
Sub lessee	Natural or legal person who uses the property or any part thereof under a lease with the tenant
Rent	The defined amount of money which the tenant is obligated to pay under the lease
Committee	The judicial committee competent to settle disputes between landlords and tenants
Notice	The written notice sent by either party to the lease to the other party through the Notary, by registered mail, by hand or by any other legally approved technological means

Article (3)

The provisions of the present law shall apply to the leased property in the Emirate, including vacant and agricultural lands, excluding hotel facilities and property provided by natural or judiciary persons for the accommodation of their employees without receiving any rent therefrom.

The Lease Article (4)

1. The leasing relation between the landlord and tenant shall be regulated by a written lease to be signed by both. Said lease shall include a detailed description of the leased property, purpose of leasing thereof, name of owner, number and type of land, the area where it is located, lease period, and the value of rent and method of payment thereof.
2. All leases of property subject to the provisions of the present law and any amendments to such leases shall be registered at the Real Estate Regulatory Authority (RERA). All judicial bodies, departments, and government authorities and organizations shall not hear any action or claim or carry out any procedure grounded on a lease unless said lease was registered at the RERA according to the provisions and controls set forth for such purpose.

Leasing Period Article (5)

Leasing period shall be defined. If the leasing period was not defined in the lease or was difficult to establish, the lease shall be deemed to be binding for the period defined for payment of rent.

Article (6)

If the lease period ends and the tenant remains in the property without objection by the landlord, the lease shall be renewed for another similar period or for one year whichever is less, under same terms and conditions.

Article (7)

If the lease is legal, it may not be terminated during its period at the individual will of either the landlord or the tenant, but rather by common agreement or by virtue of the provisions of the present law.

Article (8)

The period of the sublease concluded between the tenant and sub-lessee shall expire upon the expiry of the period of the lease concluded between the landlord and the tenant unless the landlord explicitly agrees to extend the sublease period.

Rent Article (9)

The landlord and tenant shall define a rent in the lease. In any case, the rent may only be increased and lease provisions may only be amended after the elapse of two full years from the date of the commencement of the leasing relation for the first time.

Article (10)

RERA shall set forth criteria to determine the rent increase rates in the Emirate, in accordance with the general economic conditions therein

Article (11)

The rent includes the use of the property's facilities such as swimming pools, courts, gyms, health club, and car parking lots, etc. unless otherwise is agreed upon.

Article (12)

The tenant shall pay the rent to the landlord on the due times mutually agreed upon. In case of absence of any such agreement or if payment times were difficult to establish, the payment of the rent shall be in four equal payments per year, each one shall be paid in advance.

Article (13)

1. Subject to the provisions of Article (9) of the present law, and for the purpose of renewing the lease, the landlord and the tenant may reconsider the rent. If they failed to reach an agreement in this regard, and a necessity to extend the leasing period was established, the committee may decide to extend the lease and determine the rent for such extension.

2. The committee shall determine the rent of an extension period according to the legislation issued on approving the criteria and rents proposed by RERA IN light of the condition of the property and the rent of similar property prevailing in similar real market in same area.

Article (14)

In case either part to the lease desires not to renew the contract or to amend any of its terms and conditions, it shall notify the other party of same at least ninety days prior to the expiration of the lease period unless otherwise was agreed upon between the parties.

Landlord obligations Article (15)

Landlord shall handover the property in a fit-to-use condition and in a form that enables the tenant to take full advantage of the contracted benefit.

Article (17)

The landlord may not affect therein or in any of its facilities or extensions any changes that compromise the full use of the contracted benefit. The landlord shall be responsible for such changes whether done thereby or by any other person authorized thereby, and for any breakdowns, damages, omissions, and loss sustained by the property for reasons not attributed to the tenant.

Article (18)

The landlord shall give the tenant the necessary approvals to submit to the official competent authorities in the Emirate whenever it desires to perform redecorations or any other works that require such approvals, provided such works do not affect the structure of the property and further provided the tenant possesses the official documents indicating the request of such approvals.

Tenant obligations Article (19)

The tenant shall pay the rent on due times, preserve the property as if its own, and may not affect any change or perform renovations or maintenance on the property unless upon a permission by the landlord and only after obtaining the licenses required for same from the competent official authorities, without prejudice to the tenant's obligation to carry out the renovations agreed upon or customary performed thereby.

Article (20)

The landlord may, upon concluding the lease, receive from the tenant a security to ensure the maintenance of the property upon termination of the lease period, provided landlord shall refund such security or remaining part thereof to tenant upon termination of lease.

Article (21)

Tenant shall, upon termination of lease, handover the property to the landlord

in the condition in which he received it at the time of leasing except for normal tear and wear or whatever was out of his control. In case of conflict between the parties in this regard, the issue shall be referred to the committee to decide thereon.

Article (22)

Unless otherwise provided for by the lease, the tenant shall pay all the duties and taxes due on the use of the property to government bodies and departments, as well as any duties or taxes determined on subleasing.

Article (23)

Tenant may not, upon evacuating and handing over the property, remove any fixed improvements added thereby, unless otherwise agreed upon by the parties.

Article (24)

Unless otherwise agreed upon between the parties, the tenant may not assign the usufruct of the property or sublet same to third party unless upon a written approval by the landlord.

Cases of Evacuation

Article (25)

1. landlord may request the evacuation of the property by the tenant prior to the expiration of the leasing period in any of the following cases:
 - a. If the tenant fails to pay the rent or any part thereof within thirty days from the date of being notified to do so by the landlord.
 - b. If the tenant sublets the property or any part thereof without obtaining the written approval of the landlord. In such case, the evacuation shall apply to the subtenant while preserving the rights of the latter to recourse against the tenant for indemnification.
 - c. If the tenant used, or permitted others to use, the property for an illegal purpose or in violation of the public order or public morals.
 - d. If the tenant affected a change in the property which compromised its safety in such a manner that makes it difficult to restore it to its original state, or affected damage to the property due to his willful conduct or gross negligence in taking the necessary precautions and due care or for permitting others to affect such damage.

e. If tenant used the property in other than the purpose for which it was leased or used it in violation of the planning and construction systems and land uses applicable in the Emirate.

f. If the property was prone to collapse, provided the landlord shall prove same by a technical report endorsed by the Dubai Municipality.

g. If the tenant failed to observe any obligation imposed thereon by the present law or any of the lease conditions, within thirty days of the date of being notified by the landlord to fulfill same.

2. The landlord may request the evacuation of the property by the tenant upon the termination of the lease whenever:

a. Urban development in the Emirate mandated the demolition of the property and rebuilding thereof, in accordance with what is determined by the competent government bodies.

b. The condition of the property mandated its renovation or the performance of an overall maintenance thereon, and same shall be difficult to perform in the presence of the tenant in the property, provided the condition of the property shall be verified by a technical report endorsed by the Dubai municipality.

c. The landlord desires to tear down the property in order to rebuild it or desires to add new buildings that will prevent the use of the leased property, provided the necessary permits are obtained from the competent authorities.

d. The landlord desires to retrieve the property for his private use or for the use of a first degree relative. In such case, the landlord shall notify the tenant of the reason for evacuating the property prior to the expiration of the contract period by at least ninety days.

Article (26)

If the landlord, at the end of the lease period, requests to retrieve the property for his personal use or for the use of any of his first degree relatives and the committee decided in his favor, he may not lease it to others except after the elapse of at least one full year from the date of regaining the property, otherwise the tenant may request the committee to rule for an adequate indemnification.

General Article (27)

The lease does not end with the death of the landlord or the tenant, but the

leasing relation continues with the survivors of the deceased party, unless the tenant's survivors desired to end such relation, provided ending same shall only be effected after a period not less than thirty days from the date of

notifying the landlord of such desire or after the termination of the contract, whichever comes sooner.

Article (28)

Transfer of title to a new owner shall not affect the right of the tenant to continue occupying the property under the lease concluded with the previous owner, provided such contract is dated.

Article (29)

1. The tenant shall have priority in returning to the property in case of demolishing and rebuilding same by landlord or in case the landlord renovates the property, provided the rent shall be determined according to the provisions referred to in Article (13) of the present law.
2. The tenant shall exercise the right of priority referred to in the foregoing clause within a period not exceeding thirty days from the date of being notified of same by the landlord.

Article (30)

If a decision is issued by the committee to terminate the lease and the property was occupied by a subtenant upon a lease concluded with the tenant and with the approval of the landlord, the subtenant may continue occupying the property under the conditions of the lease concluded therewith.

Article (31)

Lodging an action to evacuate tenant does not relieve tenant of paying the rent during the period of hearing the action and issuing and executing a judgment.

Article (32)

If the landlord and the tenant mutually agree in the lease or any other subsequent agreement to refer any dispute that may arise between them in connection with the implementation of the lease to arbitration, neither of them may perform any action that may affect the property or the rights and obligations defined for the parties under the contract.

The committee may upon a request by the landlord or the tenant, issue any provisional decisions it deems necessary to preserve such rights and the juridical positions until a decision is issued in the arbitration.

Concluding provisions Article (33)

If a dispute arises and the landlord and the tenant did not agree on the arbitrators or one or more of the agreed upon arbitrators refused, withdrew, or was removed from the arbitration, or a judgment was issued removing thereof or was prevented from same, and no agreement in this regard was made between the parties, the committee shall, upon the request of either party, appoint an arbitrator(s), provided the number appointed by the committee shall be equal or complementary to the agreed upon number.

Article (34)

The landlord shall not discontinue services to the property or harass the tenant in any way to prevent his use of the property.

In such case, the tenant may resort to the police station in whose jurisdiction the property falls to request the prevention of such harassment or establish his condition. He may also recourse to the committee by lodging an action supported by official reports establishing the occurrence of the harassment for the purpose of claiming indemnification for the damages sustained thereby.

Article (35)

The evacuation decisions shall be executed through the committee by the same rules and procedures issued in this regard. Other decisions issued by the committee shall be executed through the execution division of Dubai courts.

Article (36)

RERA shall develop the regulations and decisions required for executing the provisions of the present law and shall refer same to the Executive Council for approval.

Article (37)

The present law shall be published in the official gazette and shall enter into effect sixty days after its publishing.

Mohmed Bin Rashid Al Maktoum
Ruler of Dubai

Issued in Dubai on: Nov. 26, 2007
Corresponding to: 16 Zulqeda 1428 H

"This translation has been prepared by CLT for Clyde & Co for internal use only. Clyde & Co accepts no responsibility for any errors or omissions".