

Dubai New Tenant Law – A Brief Introduction

According to a survey conducted by Statistics Center of Dubai in 2006, about 85% of Dubai population was made of expatriates. Majority of them lives in rental units. That leaves them solely on landlord's mercy. Rising rents have long been the biggest worry for these expatriates, with rents getting doubled and tripled in no time. This relation between tenants and landlords became more tensed with issues like landlords vehemently asking tenants to vacate house without any prior notice. Dubai Government first reacted by putting rental caps and now a new law signed by His Highness Sheikh Mohamad bin Rashid Al Maktoum on 26th November 2007 has been introduced. Read on to see what kind of changes it will make.

Tenant's Point of View:

Tenants are relieved in many ways by this particular law. For instance

- Addressing the issue of abnormal raise in rents, this law prevents any increase or amendment made in tenancy contract for first two years.
- Decided rent will include the usage of utilities like car parking or swimming pools. Landlord must provide the property in sound quality.
- Article 16 of this law puts the responsibility of property maintenance on landlord. But very next article states that landlord shall not make any change which will affect the tenant benefit in any way.
- The landlord cannot force tenants to leave before the expiry of contract with exceptions like tenants failing to pay rent value or if tenant starts using the property for some immoral purpose, etc.
- If the reason disclosed for eviction is possible collapse of property, because of its poor condition, landlord must provide a technical report confirmed by Dubai Municipality.
- Another noteworthy clause of this law is that if landlord restores the property for his/her own use on expiry of contract, he/she cannot rent the property to anyone else for one year. If it happens, the tenants can take legal action against him.
- Tenants should keep in mind that only those contracts are valid which are in written form and registered with RERA.

Landlord's Perspective:

- Landlords will be restricted to decided rent at the time of contract for two years. Keeping this in mind they can decide a reasonable rent, taking into account factors like inflation rate and time value of money.
- After two years, rent can be modified. If both parties cannot settle on revised amount, this dispute will be forwarded to judicial committee, who will then decide the amount of rent.
- This law is not valid for hotel establishments and any accommodation provided to employees from their companies.
- The landlords are entitled to receive rent value on agreed dates.
- Tenants cannot make any changes to property without landlord's consent.
- All taxes due to Government will be paid by tenants.

This new law would definitely keep a check on alarmingly increasing tenant problems. However there are some flaws, which will be dealt with, in near future hopefully.

About the Author

William King is the director of [Wholesale Pages UK Dropshippers & Wholesalers Directory](#), [Suppliers, Wholesalers, Dropshippers Products Trade Directory](#), [Dubai & UAE Property & Real Estate Portal](#) and [Pakistan Real Estate Directory & Property Portal](#). He has 18 years of experience in the

marketing and trading industries and has been helping retailers and startups with their product sourcing, promotion, marketing and supply chain requirements.

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