

Law No. (13) of 2008

Regulating the Interim Real Estate Register in the Emirate of Dubai

WE, Mohammed bin Rashid Al Maktoum, Ruler of Dubai

After taking into consideration Federal Law No. 7 of 1997 regarding land registration fees;

Law No. 7 of 2006 regarding real estate registration in the Emirate of Dubai;

Law No. 8 of 2007 concerning real estate development trust accounts in the Emirate of Dubai;

Law No. 27 of 2007 on ownership of jointly owned properties in the Emirate of Dubai;

Regulation No. 3 of 2006 specifying the areas where non-UAE nationals may own real properties in Dubai, and

Regulation No. 85 of 2006 concerning the Register of Real Estate Brokers in the Emirate of Dubai.

Issue the following Law:

Article (1)

This Law shall be called “**Law No. (13) of 2008 Regulating the Interim Real Estate Register in the Emirate of Dubai**”.

Article (2)

The following words and expressions shall have the meanings set out opposite them unless the context otherwise requires:

Emirate: Emirate of Dubai.

Department: Department of Lands & Properties.

Real Estate Register: The Real Estate Register maintained by the Department.

Interim Real Estate Register: A set of documents kept in written or electronic form in the electronic register at the Department in which all contracts for the sale of real estate and other dispositions off plan are recorded before being transferred to the Real Estate Register.

Real Estate: Lands and permanent structures erected on them which may not be moved

without suffering damage or alteration.

Real Estate Unit: The subdivided part of the real estate including any subdivisions off plan.

Off Plan Sale: Sale of subdivided real estate units off plan or under construction or not yet completed.

Master Developer: A person licensed to develop real estate and sell its units in the Emirate.

Sub-Developer: A person licensed to develop real estate and sell its units and who develops part of a real estate project of a master developer under an agreement between them.

Broker: A person engaged in real estate brokerage activities pursuant to Regulation No. 85 of 2006 regulating the Register of Real Estate Brokers in the Emirate of Dubai.

Competent Authorities: The authorities concerned with licensing and registering real estate projects in the Emirate.

Article (3)

1 The Interim Real Estate Register is used to record all disposals of Real Estate Units off plan. Any sale or other disposition that transfers or restricts title or any ancillary rights shall be void if not recorded on that Register.

2 Any developer who made a sale or other disposition that transferred or restricted title prior to the coming into force of this Law should approach the Department to get it registered in the Real Estate Register or the Interim Real Estate Register, as applicable, within 60 days after the date on which this Law came into force.

Article (4)

No Master Developer or Sub-Developer shall commence a project or sell its units off plan before taking possession of the land on which the project is to be built and obtaining the necessary approvals from the Competent Authorities in the Emirate.

In all cases, the Department shall indicate in the relevant folio of the register that the Real Estate is under development.

Article (5)

An application to register the Real Estate Unit in the Interim Real Estate Register shall be filed using the standard form. The required information and documents shall be furnished in accordance with the applicable rules and procedures of the Department.

Article (6)

Real Estate Units that are marked as sold off plan and are registered in the Interim Real Estate Register maintained by the Department may be sold, mortgaged or otherwise legally disposed of.

Article (7)

The Master Developer and Sub-Developer are not allowed to charge any fees for the sale, re-sale and other dispositions of Real Estate Units that have been completed or marked as sold off plan. This restriction does not apply to administrative expenses which the Master Developer and Sub-Developer charge to third parties with the approval of the Department.

Article (8)

Developers must register completed projects in the Real Estate Register maintained by the Department as soon as a completion certificate has been obtained from the Competent Authorities, including any units that were sold to purchasers who have fulfilled their contractual obligations according to the applicable procedures of the Department.

For the purposes of this Article, the Department may, upon request of the purchaser or of its own initiative, transfer Real Estate Units that are marked as sold off plan from the Interim Register into the purchaser's name on the Real Estate Register once the purchaser has fulfilled his contractual obligations.

Article (9)

A developer who wishes to market his project through a real estate broker must first conclude a contract with a Broker who is accredited under the terms and provisions of Regulation No. 85 of 2006 concerning the Register of Real Estate Brokers in the Emirate of Dubai then the developer must get the contract registered at the Department.

Article (10)

The developers or the broker cannot conclude informal contracts for the sale of Real Estate and Real Estate Units off plan in projects that have not been approved by the Competent Authorities. Every such contract made without such approval will be void.

Article (11)

1 In the event that the purchaser defaults on any term of the contract he made with the developer for the sale of the Real Estate Unit, the developer should notify the Department accordingly and the Department will then give the purchaser 30 days notice to fulfill his contractual obligations, by hand, registered post or email.

2 If at the end of the period referred to in item 1 of this Article the purchaser has not

fulfilled his contractual obligations, the developer may cancel the contract and repay the purchaser his money less a deduction that does not exceed 30% of the monies paid by the purchaser.

Article (12)

The area of a sold Real Estate Unit is correct. If the unit turns out to be bigger on completion, the developer may not claim the difference in value and if the unit turns out to be smaller then the developer must compensate the purchaser for the difference unless it is marginal in which case the developer would not be required to compensate the purchaser for the shortfall in the area.

Article (13)

When the Department finds that a developer or Broker has committed an act or omission that constitutes an offence under this Law or other legislation in force, the Director General shall prepare a report and refer the matter to the competent investigating authorities.

Article (14)

The Chairman of the Executive Council shall issue the regulations required to implement this Law.

Article (15)

This Law shall be published in the Official Gazette and shall take effect from its date of publication.

MOHAMMED BIN RASHID AL MAKTOUM RULER OF DUBAI

Issued in Dubai on 14th August 2008