

Law No. 26 of 2007

Regulating Relationship Between Landlords and Tenants In The Emirate of Dubai

We Mohamad Bin Rashid Al-Maktoum, Ruler of Dubai.

- After perusal of Federal Law No. 5 of 1985, regarding Civil Transactions Law 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 special Judicial Committee to settle Disputes between landlords and tenants.
- And Law No. 16 of 2007, establishing Real Estate Regulatory Agency.

Issue the following Law:

Name

Article (1)

This law shall be called “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 on 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.

Subtenant: Natural or judicial person who benefits from the property, or part thereof, in accordance with a tenancy contract signed with the landlord.

Rent: Specified consideration which the tenant is bound to pay according to tenancy contract.

Committee: Judicial Committee established to settle disputes between landlords and tenants.

Notification: Written notification sent by either of the two parties to the other through notary public, registered mail, personal delivery or by 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. Tenancy relationship between landlord and tenant shall be governed by written tenancy contract signed by them describing property in details, the purpose of 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 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)

Period of tenancy must be specific, otherwise, 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 contract period without any objection by 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 tenancy contract is due and valid, it cannot be unilaterally terminated by landlord or tenant, unless both parties agree on such termination or in accordance with the provisions of this law.

Article (8)

Sublease contract between tenant and subtenant shall expire by expiry of tenancy contract between landlord and tenant, unless landlord expressly agrees on the extension of sublease contract period.

Rent Value

Article (9)

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

Article (10)

The Agency shall have the exclusive authority to specify percentage of rent increase in the Emirate, in view of economical circumstances.

Article (11)

Rent value includes benefiting from property utilities, like swimming 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 not there 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 reconsider 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 of similar properties in the same area.
2. The committee shall decide rent value of similar properties in view of 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)

Shall either party opts not to renew contract or not 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 handover the premises in good condition that enables tenant to obtain the benefit subject of the contract.

Article (16)

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

Article (17)

Landlord shall not make any change in the premises, 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 premises 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, what require such approvals, provided that such works shall not affect the construction of the premises 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 premises as his own property. He also shall not make any changes, renovations or maintenance works without landlords permission, after obtaining necessary approvals from relative 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 maintenance deposit amount from tenants to guarantee maintenance of premises at the end of tenancy contract, provided that landlord shall undertake to refund this deposit, or any remaining amount, upon expiry of contract.

Article (21)

Tenant shall be obliged, upon expiry of tenancy, to return the premises to landlord in the same condition as handed over to him at the time of contracting except, shortages resulting from normal use 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 tenancy contract otherwise provides, the tenant shall pay all fees and taxes due for government authorities for benefiting from the premises, in addition to any other fees or taxes due for subleasing.

Article (23)

The tenant shall not, upon eviction of premises, remove any fixed improvements unless agreed

otherwise by both parties.

Article (24)

Unless otherwise agreed in the tenancy contract, the tenant shall not assign benefit or sublease premises 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 sublease premises, 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, premises for illegal or immoral activities.
- d. If tenant causes changes that endanger safety of the premises in a way that it cannot be restored to its original condition or if he causes damages to the premises purposely or due to his gross negligence to take proper precautions or if he allows others to cause such damages.
- e. If tenant uses leased premises for purposes other than those mentioned in the tenancy contract or if he uses premises in a way that violates planning, building and land using regulations.
- f. If the premises is endangered to 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 premises in accordance with government authorities instructions.

- b. If premises require renovation or comprehensive maintenance which cannot be executed while tenant is occupying premises, provided that a technical report attested by Dubai Municipality is to be submitted to this effect.
- c. If landlord wishes to demolish premises for reconstruction or to add new constructions that prevent tenant from benefiting of the leased premises, provided that necessary licences are obtained.
- d. If landlord wishes to recover premises for his personal use or 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 tenancy period, the landlord demanded recovery of the premises for his own use, or his first degree next of kin, and the committee approved the same, then landlord shall not rent premises for others before one year from date of recovery of premises, otherwise, the tenant shall have the right to request the committee to order proper compensation for him.

General Rules

Article (27)

If landlord or tenant dies, 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 premises in accordance with tenancy contract signed with the previous owner, provided that tenancy contract has fixed date.

Article (29)

1. Tenant shall have priority to return to the premises 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 premises was 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 premises 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 till the issue of judgement and execution thereof.

Article (32)

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

Final Judgments

Article (33)

In the event of a dispute arising without the landlord and tenant having agreed on arbitrators, or if one or more of the agreed arbitrators quits or is removed or becomes incapable, then the committee shall, upon request by either party, appoint arbitrator or arbitrators equal or complementary to the agreed number.

Article (34)

Landlord is prohibited from disconnecting services to the premises or prevent tenant from benefiting from the premises. 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 Executive Council 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 Rahsid
Ruler of Dubai