

KNOW YOUR TENANCY RIGHTS & OBLIGATIONS IN DUBAI

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After having found a suitable property, tenants are often so excited about their new home and don't pay enough attention at what they are signing with landlords. The following is a brief guide on both landlords and tenants' rights and obligations in the emirate of Dubai.

As per law, a tenancy contract must include details of the relevant property, details of landlord and tenant, purpose and term of tenancy, amount of rent and payment terms. Further terms and conditions are recommended to be attached to the tenancy contract, especially with respect to contracts which involve free hold properties such as payment of service and chillers charges, grant of a no objection letter (NOC) from landlord to carry on fit out works, renewal and increase of rent, etc.

It is mandatory for either landlord or tenant to register the tenancy contract with Real Estate Regulatory Agency (RERA). Registering the contract also ensures that the same property is not rented out twice at the same time.

Tenancy contracts may not be unilaterally terminated by either landlord or tenant, unless otherwise agreed between the parties. If landlord desires to amend the contract or tenant desires not to renew the tenancy contract, a written notice of at least 90 days prior to the

expiration of the tenancy contract must be served to the other party.

Payment of rent is usually made by depositing post-dated cheques with landlord. RERA shall have the exclusive authority to specify the percentage of rent increase in Dubai. The RERA website (www.dubailand.gov.ae) also provides a rental increase calculator for calculating the increase in rent as permissible by law.

Landlord is responsible for handing over the property to tenant in good condition, undertaking major maintenance and repair works in the property, not to make any changes in the property which may affect tenant's intended benefit, and to provide tenant with all approvals required by government authorities to execute fit out works in the property.

In return, tenant is responsible to pay the rent on due dates and all other government charges and fees (as agreed), preserve the property in good condition, not to make any changes, renovations or maintenance works without landlord's permission, and finally to return the property to landlord in the same condition as handed over, normal wear and tear are acceptable. However, landlord may demand eviction of the tenant prior to expiry of tenancy contract under several conditions, including if tenant fails to pay the rent within 30 days of landlord's written notification or fails

to comply with any of the terms of the tenancy contract or the law, amongst other things.

At the expiry of the tenancy contract, landlord may demand eviction if: (i) landlord wishes to demolish or reconstruct the property; (ii) development requirements in Dubai require demolition and reconstruction of the property; (iii) the property requires renovation or comprehensive maintenance; (iv) landlord wants to sell or use the property for his personal use or for his relatives of first degree. In such cases, landlord must provide tenant with 12 months written notice prior to the determined date of such eviction, through notary public or registered mail.

Finally, it is recommended that prior entering into a tenancy contract, tenant should carefully examine the title deed of the property to ensure that the landlord is the rightful owner of the property and that the payment of rent is made to the correct person, either landlord or his legal representative.

About the author:

Ashraf El Motei heads the dispute resolution practice at Motei & Associates, a Dubai based law firm since 2002. Ashraf specialises in commercial and corporate disputes before local courts and international arbitration centers. He is a listed arbitrator at DIAC and registered practitioner at DIFC Courts. For further info about the article, please contact author on a.motei@motei.com.