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Real Estate

in United Arab Emirates



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Market spotlight

Trends and prospects

What are the current trends in and future prospects for the real estate market (both commercial and residential) in your jurisdiction?

Transactional activity in the UAE real estate market remains depressed. Dubai Land Department records show that the total value of units sold in 2017 was Dh48 billion compared to Dh41 billion in 2016. UAE real estate and rental prices are expected to continue to fall over the next two years. A gradual recovery is expected from 2020 when the World Expo will begin in Dubai.

A sluggish global economy, regional geopolitical turbulence and lower oil prices have led to a systematic slowing of transactional activity and growth in the United Arab Emirates.

There are ongoing disputes focusing on litigation between contractors and developers relating to construction defects, defaults and payments in the country.

Additionally, the Dubai Land Department is continuing its programme of seeking to cancel real estate projects that it believes will not be completed. However, legislation introduced by the Dubai government aiming to consolidate the process for investors to seek compensation from developers that have cancelled real estate projects has not had the anticipated effect. As a result, a number of cancelled real estate projects remain tied up in the court system.

Rights and registration

Rights

What types of holding right over real estate are acknowledged by law in your jurisdiction?

The Civil Code (Federal Law 5/1985) provides for various types of tenure, including:

- freehold – the right to use, enjoy and occupy land or property permanently;
- musataha – the right to build on land for a specified duration not exceeding 50 years. The holder of a musataha right is deemed to own all buildings on the land during the specified term; and
- usufruct – the right to use, enjoy and occupy land or property belonging to another person for a fixed term not exceeding 99 years. Usufruct is similar to the concept of leasehold under English law.

In Dubai, land can also be gifted by the ruler of Dubai to a UAE national at no cost for commercial, industrial or residential purposes. Granted land is not freehold land and is subject to various restrictions.

Are rights to land and buildings on the land legally separable?

In both Dubai and Abu Dhabi a 'volumetric' subdivision of land and buildings into designated components is permitted (see Article 8 of the Dubai Direction for General Regulation (2010) and Article 61 of Abu Dhabi Law 3/2015).

Which parties may hold and exercise rights over real estate? Are there restrictions on foreign ownership of property?

There is no express prohibition in the Civil Code against foreign land ownership. However, each emirate can pass its own laws to regulate property ownership.

In Dubai, UAE nationals, Gulf Cooperation Council (GCC) nationals and companies fully owned by either of these can own property anywhere in Dubai (Article 4 of Law 7/2006). A non-UAE/GCC national can own only a freehold, leasehold (up to 99 years) or usufruct (up to 99 years) in designated areas in Dubai, which are listed in Regulation 3/2006 (as amended by Regulation 1/2010), or in the free zones.

Under the Dubai Land Department's existing policies:

- a foreign company can own only a freehold, leasehold (up to 99 years) or usufruct (up to 99 years) in designated areas in Dubai and the foreign company must be registered onshore in Dubai or offshore in the Jebel Ali Free Zone and certain other free zones; and
- a fund or a trust (or an entity which is held by either of these) cannot own property anywhere in Dubai.

How are rights, encumbrances and other interests over real estate prioritised?

The registration serial number allocated by the relevant registry determines the rank of a mortgage for liquidation purposes. If more than one mortgage registration application is submitted simultaneously for the same real estate, all mortgages will be allocated an identical registration number and the creditors will rank them equally (see Article 1425 of the Civil Code, Article 17 of Dubai Law 14/2008 and Article 45 of Abu Dhabi Law 3/2015).

Registration

Must real estate rights, interests and transactions be registered in your jurisdiction? What are the legal effects of registration?

In Dubai:

- a developer must register all dispositions of off-plan property in the Interim Register, which is maintained by the Dubai Land Department (Article 3 of Law 13/2008, as amended by Law 9/2009 and clarified by Decree 6/2010);
- a disposition of a completed property must be registered in the Real Property Register, which is also maintained by the Dubai Land Department;
- all leases must be registered with the Real Estate Registration Authority (Article 4 of Law 33/2008); and
- all mortgages must be registered with the Dubai Land Department (Article 7 of Law 14/2008).

Failing to register in accordance with the above will invalidate the relevant sale, lease or mortgage (Article 3(1) of Law 13/2008, Article 4 of Law 33/2008 and Article 7 of Law 14/2008). Therefore, a contract of sale, mortgage or lease is legally binding only if it is registered.

What are the procedural and documentary requirements for entry into the national real estate register(s)? Can registration be completed electronically?

What information is recorded in the national real estate register(s) and to what extent is such information publicly available?

The Property Register records all transactions that create, transfer, amend or extinguish real property rights (being any principal or collateral rights in rem) (Article 9 of Law 7/2006). The description and location of the real property and the rights related thereto are stated in the Property Register.

In Dubai, the Property Register is not open to the general public. However, the following parties can inspect the Property Register and obtain a certified copy of the documents kept on record:

- interested parties (generally the landowner);
- judicial authorities and experts appointed by them; and
- competent authorities (see Article 5 of Law 7/2006).

Is there a state guarantee of title?

There is no state guarantee of title.

The validity of information in the Property Register may be challenged on the grounds of fraud or forgery (Article 7 of Law 7/2006). The Dubai Land Department can correct errors in the Property Register either at the request of a third party or on its own initiative (Article 13 of Law 7/2006).

Sale and purchase

Brokerage

How are real estate brokers regulated in your jurisdiction (eg, through caps on commission or disclosure obligations)?

Real estate brokers must be licensed in Dubai and Abu Dhabi and comply with the relevant professional and ethical standards set out in Dubai Bylaw 85/2006 and Abu Dhabi Law 3/2015.

A seller or a property developer must appoint a broker by written agreement.

There is no cap on the broker's commission, but it normally ranges from 2% to 5% of the purchase price.

All companies operating in Dubai and Abu Dhabi that wish to market real estate inside or outside the country must first obtain a permit from the Department of Municipal Affairs in the case of Abu Dhabi and through the Trakheesi system in the case of Dubai (see Real Estate Regulatory Agency Circular Number 11-2016 and Abu Dhabi Law 3/2015).

Due diligence

What due diligence should be conducted before conclusion of a real estate sale contract?

It is strongly advisable to carry out due diligence before entering into a binding sale contract. As a minimum, the buyer should:

- require the seller to provide it with a copy of the title certificate which has been attested by the Dubai Land Department;
- carry out a property inspection; and
- insist on representations and warranties in the contract as to title and property defects.

It is also prudent for the buyer to obtain the seller's consent to its examination of the Property Register as this is not open to the general public. However, this practice is uncommon.

In regards to off-plan units, the buyer should check that:

- the real estate project is registered with the Real Estate Regulatory Agency (RERA);
- there is an escrow account for the real estate project;
- the percentage of completion of the real estate project and the expected date of completion;
- the developer is registered with RERA;
- the developer owns the land or there is a development agreement between the owner and the developer; and
- the developer has the required permits and approvals from the Dubai Land Department and RERA to sell units off-plan in that particular real estate project.

Preliminary agreements

Are any preliminary agreements typically entered into before conclusion of a sale contract?

The buyer and seller normally sign a brief memorandum of understanding or a reservation form confirming the fundamental aspects of the deal. Generally, this memorandum of understanding or reservation form is binding on the parties pending the signing of a sale contract.

Contracts

Must sale contracts be concluded in writing? If so, must they be notarised?

The contract is based solely on the offer and acceptance and is subject to the provisions agreed (see Chapter 1, Part 1 (Contracts) of the Civil Code (Federal Law 5/1985)). The contract need not be in writing, but it is more difficult to prove obligations under an oral agreement.

However, in May 2014 the Dubai Land Department introduced mandatory unified real estate contracts, which are template written contracts that must be used in all real estate transactions and can be supplemented by additional terms and conditions, as required.

A sale contract need not be notarised.

Can sale contracts be concluded electronically?

Sale contracts can be executed by counterpart and exchanged by fax or email. However, the fully compiled original executed sale contract must be provided to the relevant land department for registration.

What provisions are usually included in a sale contract?

A sale contract typically covers the following:

- a description of the property;
- the purchase price;
- the settlement date;
- apportionment of costs and liabilities;
- termination;
- dispute resolution; and
- jurisdiction.

Obligations and liabilities

What are the seller's disclosure obligations and other liabilities, and what are the consequences of breach?

In both Dubai and Abu Dhabi, off-plan property developers must make specific disclosures to the buyer about the property, including in relation to service charges (see Article 4 of the Direction for General Regulation Concerning Jointly Owned Properties (2010) and Article 15 of Abu Dhabi Law 3/2015).

The developer in Dubai is deemed to have warranted the information in the disclosure statement. If within two years of the date of the original transfer of the unit any of that information is found to be inaccurate, the developer will be liable to the buyer for damages (Article 5 of the Direction for General Regulation Concerning Jointly Owned Properties (2010)).

Aside from this, there are no statutory (or other) duties of disclosure imposed on sellers. However, any misrepresentation by the seller can result in both civil and criminal liability.

What contractual warranties are usually given by the seller?

The seller typically contractually warrants that, among other things:

- the title is unencumbered and mortgage free;
- it has full authority to sell;
- there are no outstanding debts and the service charge is fully paid up; and
- the property and development obligations have been met.

Environmental warranties are uncommon in the United Arab Emirates.

In Dubai, an off-plan property developer is deemed to have given the warranties set out in Article 26 of Law 27/2007 to the buyer.

The Civil Code also contains certain implied provisions in land sale contracts (see Book Two – Contracts, Chapter I – Contracts Conferring Ownership).

Are there any other obligations on the buyer, aside from paying the purchase price?

The buyer must pay half of the transfer fee (unless the sale contract provides otherwise).

The buyer must also provide the required documents to the relevant land department to effect the transfer of title (eg, a visa or emirate identification (if an individual) or corporate documents (if a company)).

Taxes

What taxes are payable on the sale and purchase of real estate? Are any exemptions available?

The imposition of value added tax (VAT) began in the United Arab Emirates on January 1 2018 at a standard rate of 5%. The VAT treatment of real estate depends on whether it is a commercial or residential property. Supplies (including sales or leases) of commercial properties will be taxable at the standard VAT rate of 5%. The VAT has to be paid by the beneficiary of the property. Supplies of residential properties will generally be exempt from VAT. In order to ensure that real estate developers can recover VAT on the construction of residential properties, the first supply of residential properties within three years from their completion will be zero-rated. All other residential property supplies will be exempt from VAT.

No stamp duty is payable on the sale or purchase of real estate.

The registry in each emirate charges its own fees before issuing a title deed to a buyer.

Transfer of title

When does title in the property transfer?

Title transfers when the relevant land department issues the buyer with a title deed for the property.

Timeframe

What is the typical duration of a sale transaction?

In a simple case, a sale transaction can be concluded in two months in Dubai.

Leases

Contracts

Must a lease agreement be concluded in writing?

A lease need not be in writing, but it is more difficult to prove obligations under an oral agreement.

However, in March 2017 the Dubai Land Department introduced mandatory unified ejari tenancy contracts, which are template written leases that must be used in all leasing transactions and can be supplemented by additional terms and conditions, as required.

Are there any regulations setting out mandatory or prohibited provisions in lease agreements?

The Civil Code contains certain implied provisions in lease agreements (see Articles 742 to 796).

In Dubai, Law 26/2007 (as amended) contains certain implied provisions in lease agreements. For example, a landlord can, among other things, evict a tenant during the lease term on the basis of non-payment of rent. Further, in March 2017 the Dubai Land Department introduced mandatory unified ejari tenancy contracts, which are template leases that must be used in all leasing transactions and can be supplemented by additional terms and conditions as required.

What provisions are typically included in lease agreements?

A lease typically covers the following:

- rent;
- premises;
- permitted use;
- outgoings; and
- repairs and maintenance.

What are the standard forms of lease agreement used in your jurisdiction?

In March 2017 the Dubai Land Department introduced mandatory unified ejari tenancy contracts, which are template leases that must be used in all leasing transactions and can be supplemented by additional terms and conditions as required.

Length of term

Are there any regulations on minimum and maximum terms of leases?

The parties can freely negotiate the length of the lease term. Office leases tend to last for three or five years, and the right to extend can be negotiated. The maximum lease term is generally 99 years.

A tenant can vacate the leased premises without giving formal notice at the end of the term, unless the lease provides otherwise.

Are long-term tenants accorded any special rights as to extension or renewal of leases?

Pursuant to Article 757 of the Civil Code, if the lease expires and the lessee continues to use the property with the lessor's knowledge and without objection from the lessor, the lease will be deemed to have been renewed on the original terms and for a like period.

In addition, in Dubai, if a tenant remains in the property after the lease has expired and the landlord does not object, the lease is automatically renewed for the duration of the original lease or one year, whichever is shorter, and on the same terms and conditions (Article 6 of Law 26/2007).

Rent

What regulations (if any) govern rent increases?

Generally, parties can include provisions on rent review in the lease agreement.

In Dubai, Decree 43/2013 was passed to regulate rent increases in both residential and commercial leases in Dubai.

What regulations (if any) govern rent security deposits?

No federal law governs rent security deposits in the United Arab Emirates.

However, in Dubai, a landlord may obtain a security deposit only to ensure maintenance of the property where the landlord undertakes to refund the deposit or remainder thereof to the tenant on the expiry of the lease (Article 20 of Law 26/2007).

Can the tenant withhold rent payments on any legal grounds?

If the right to enjoy the leased property is lost, the tenant will not be obliged to pay the rent from the time that this right ceases. If the loss is partial, the tenant has the right to cancel the lease and the obligation to pay the rent lapses from the date of the cancellation (Article 781 of the Civil Code).

Further, in Dubai, if it becomes impossible for the tenant to make use of the leased property (even if by a reason attributed to the tenant), the tenant will be released from its obligation to pay the rent from the date on which it ceased to benefit from the leased property (See Dubai Courts Rule 155, (4/1993), Civil at page 326; incorporated in the Dubai Court of Cassation March 14 1993 judgment, Petition 2/1993, Civil).

Sub-letting

Under what circumstances is sub-letting typically allowed?

A tenant cannot assign the use of or sub-let the leased property without the landlord's prior written consent (Article 787 of the Civil Code; in Dubai, see Article 24 of Law 26/2007).

Obligations and liabilities

What are the general obligations and liabilities of the landlord in respect of the property and what are the consequences of breach?

The landlord must repair any defect in the leased property which affects the lessee's use of the property. If the landlord fails to do so, the tenant may cancel the lease or obtain leave from the judge authorising it to repair and recover the costs from the landlord (Article 767 of the Civil Code).

In addition, in Dubai:

- the landlord must hand over the property to the tenant in a good condition (Article 15 of Law 26/2007);
- unless the parties have agreed otherwise, the landlord is responsible for the property's maintenance works and for repairing any defect or damage that may affect the tenant's enjoyment of the property during the term of the lease (Article 16 of Law 26/2007); and
- if the landlord breaches its obligations, the tenant can file a complaint with the Real Estate Regulatory Agency's Rent Disputes Settlement Centre.

What are the general obligations and liabilities of the tenant in respect of the property

and what are the consequences of breach?

The leased property is regarded as being held in trust by the tenant and the tenant is liable for any diminution, damage or loss arising out of its default or wrongful act (Article 776 of the Civil Code).

The tenant must exercise the care of a reasonable person in preserving the leased property (Article 776 of the Civil Code).

In addition, in Dubai, on the expiry of the lease the tenant must return the property to the landlord in the condition that it was in at the beginning of the tenancy, subject to natural wear and tear (Article 21 of Law 26/2007).

Taxes

Are any taxes payable on rental income? If so, are any exemptions available?

From January 1 2018 value added tax (VAT) at the rate of 5% is payable on the rent of commercial premises in the United Arab Emirates. There is no VAT payable on the rent of residential premises in the UAE as this is treated as either zero rated or exempt.

Insurance

Are the landlord and tenant bound by any insurance requirements?

No statutory provisions govern insurance for leased premises.

Termination and eviction

What rules and procedures govern termination of the lease by the landlord and the tenant's eviction from the property?

Each emirate has its own rules governing termination of the lease and the tenant's eviction. In Dubai, the landlord may seek eviction of the tenant before the expiry of the term of the lease or on the expiry of the lease only in the specific circumstances set out in Article 25 of Law 33/2008.

Proceedings to terminate a lease and evict a tenant in Dubai must take place before the Rent Dispute Settlement Centre of the Dubai Real Estate Regulatory Agency.

Finance

Finance providers

What are the typical providers of real estate financing in your jurisdiction? Are there any restrictions on who may provide financing?

As real estate can be mortgaged only to a company or a financial institution that has been duly licensed and registered by the United Arab Emirates Central Bank (see Article 4 of Dubai Law 14/2008 and Article 32 of Abu Dhabi Law 3/2015), financing is generally limited to these licensed banks and financial institutes.

Financing can still be obtained from sources other than licensed banks, such as real estate investment companies. However, this type of financing is normally based on a good business relationship and trust between the parties, as the lender will not have registered security over real estate owned by the borrower.

Financing structures

What are the most common structures used to secure real estate financing and how are these security interests perfected?

A mortgage is the only form of security granted over real estate. A mortgage is perfected through registration with the relevant land department.

What covenants are typically made in financing agreements?

A mortgage agreement typically covers the following:

- grant of mortgage;

- representations and undertakings;
- negative pledge;
- enforcement; and
- jurisdiction.

Enforcement of security

How are security interests enforced in the event of default?

Each emirate has its own rules as to the enforcement of mortgages. In Dubai and Abu Dhabi, to enforce a mortgage the creditor must obtain a court order allowing it to sell the property through public auction (see Article 26 of Dubai Law 14/2008 and Article 53 of Abu Dhabi Law 3/2015). The creditor cannot sell the mortgaged property by any other means.

The registration serial number allocated by the relevant registry determines the rank of a mortgage for liquidation purposes. If more than one mortgage registration application is submitted simultaneously for the same property, all mortgages will be allocated an identical registration number and the creditors rank equally (see Article 1425 of the Civil Code (Federal Law 5/1985), Article 17 of Dubai Law 14/2008 and Article 45 of Abu Dhabi Law 3/2015).

What is the typical timeframe for the enforcement of security?

There is no typical timeframe for the enforcement of security; however, in a simple case, at least two to four months should be allowed to complete the enforcement process in Dubai.

Investment

Investment climate

What is the general climate of real estate investment in your jurisdiction?

Transactional activity in the UAE real estate market remains depressed. In Dubai, the total value of units sold in 2017 was Dh48 billion compared to Dh41 billion in 2016. UAE Real estate prices and rental prices are expected to continue to decrease over the next two years. A gradual recovery is expected from 2020 when the World Expo will begin in Dubai. There continues to be disputes between contractors and developers relating to construction defects, defaults and payments.

Investors

Who are the most common investors in real estate?

The main source of investors continues to be cash buyers. The introduction of mortgage caps by the UAE Central Bank has led to a suppression of bank finance, particularly for residential purchase transactions.

Are there any restrictions on foreign investment in real estate?

There is no express prohibition in the Civil Code (Federal Law 5/1985) against foreign land ownership. However, each emirate can pass its own laws to regulate property ownership.

In Dubai, UAE nationals, Gulf Cooperation Council (GCC) nationals and companies fully owned by these can own property anywhere in Dubai (Article 4 of Law 7/2006). Non-UAE/GCC nationals can own only freeholds, leaseholds (up to 99 years) or usufructs (up to 99 years) in designated areas in Dubai, which are listed in Regulation 3/2006 (as amended by Regulation 1/2010), or in the free zones.

Under the Dubai Land Department's existing policies:

- a foreign company can own only a freehold, leasehold (up to 99 years) or usufruct (up to 99 years) in the designated areas in Dubai and must be registered onshore in Dubai or offshore in the Jebel Ali Free Zone and certain other free zones; and
- a fund or a trust (or an entity which is held by either of these) cannot own property anywhere in Dubai.

Investment structures

What structures are typically used to invest in real estate and what are the

advantages and disadvantages of each (including tax implications)?

Generally, a separate special purpose limited liability vehicle is used to purchase and develop a plot. These vehicles are primarily used because they ring-fence liability to the specific special purpose vehicle.

Although Dubai is mainly a tax-free emirate, there are governmental restrictions on:

- foreign investment;
- areas where investment is permitted;
- corporate structures that can be used for investment; and
- licences required before investment can be made.

One entity can own the plot and also hold the development licence. The licence is deemed to include leasing rights. Alternatively, one entity can own the plot while another entity holds the licence. Various licences are available and each has advantages and disadvantages. The decisive criteria are:

- the plot's intended use; and
- the applicant's nationality.

Real estate investment trusts (REITs) are permitted and can purchase property in the Dubai International Financial Centre (www.difc.ae). However, REITs are not permitted elsewhere in Dubai. Therefore, REITs are not commonly used.

Planning and environmental issues

Planning

Which government authorities regulate planning and zoning for real estate development and use in your jurisdiction and what is the extent of their powers?

The Dubai Municipality is the principal authority regulating planning controls in Dubai (Local Orders 2/1999, 33/1988 and 8/2003).

Additional controls can be imposed by the Real Estate Regulatory Agency, the relevant free zone authority and the master developer, which are regulated by:

- Law 13/2008 (as amended);
- Law 8/2007;
- Law 27/2007;
- rules and regulations of the relevant free zone;
- master community declarations; and
- bylaws and rules of owners' associations.

The master developer's standard sale contract will also contain provisions relating to planning control.

For projects being completed by Dubai World Group entities, an organisation called Trakhees (which forms part of the Ports, Customs and Free Zone Corporation) is responsible for all planning, health and safety, and commercial licensing activities.

What are the eligibility, procedural and documentary requirements to obtain planning permission?

Each emirate imposes its own planning controls in relation to real estate in its area. In Dubai, the Planning and Survey Administration of the Planning Authority grants initial planning consent, subject to the regulations of the classification and use of land in Dubai. However, master developers and free zone authorities can have additional planning procedures. Neither the legislation nor the planning regulations set out the length of time in which the municipality must issue its decision.

Can planning decisions be appealed? If so, what is the appeal procedure?

Each emirate imposes its own planning controls in relation to real estate in their area. In Dubai, there are no formal procedures for third parties to object to a particular planning application. However, the planning authorities can review and amend the regulations of the classification and use of lands in Dubai if a third-party application is filed

on serious and effective grounds that justify an amendment (Article 8 of Local Order 2/1999). Further, the planning authority officials have full discretion to investigate as they deem appropriate (Article 11 of Local Order 2/1999).

What are the consequences of failure to comply with planning decisions or regulations?

Each emirate imposes its own planning controls in relation to real estate in the emirate. In Dubai, the violating party may be subject to one or more of the following penalties, as set out in Article 28 of Local Order 2/1999:

- a fine not exceeding Dh50,000;
- disconnection of all the utilities in the building or the site;
- suspension of the issuance of new building permits or renewal of any building permit; and/or
- suspension of the professional or commercial licence of the engineer or the contractor on a temporary or permanent basis.

What regime governs the protection and development of historic and cultural buildings?

The Architectural Heritage Department of the General Support Sector at Dubai Municipality governs the protection and development of historic and cultural buildings in Dubai. Any building constructed before 1960 comes under the category of historic building in Dubai and must have the municipality's approval for any construction or alteration.

Government expropriation

What regime applies to government expropriation of real estate?

Local and state authorities can acquire real estate compulsorily if it is necessary for the public's benefit and just compensation is paid (Article 1135 of the Civil Code (Federal Law 5/1985)). In addition, each emirate can pass its own laws to regulate compensation.

What is the required notice period for expropriation and how is compensation calculated?

There is no formal notice period for expropriation.

Pursuant to Article 1135 of the Civil Code, when assessing compensation, consideration is given not only to the value of what is expropriated, but also to loss of profit and other damage that may result from the expropriation.

In Dubai, the Lands Valuation Committee (with the approval of the director general of Dubai Municipality) decides on applications for compensation for persons affected by expropriation (Resolution 2/2003).

In the case of road expansion, compensation will be in the form of:

- cash, if the Lands Valuation Committee determines that the value of the compensation is Dh200,000 or less; or
- additional land, if the Lands Valuation Committee determines that the value of the compensation should be more than Dh200,000 (see Dubai Local Order 1/2014).

Environmental issues

What environmental certifications are required for the development of real estate and how are they obtained?

A unified building code for all Gulf Cooperation Council states (the Gulf Building Code) has been proposed to deal with (among other things) green building certifications; however, it is unclear when this will come into effect.

In Dubai, all new buildings are rated under the Green Building Regulations and Specifications by the Dubai Municipality and buildings that do not achieve the minimum bronze rating are not given permits.

In Abu Dhabi, the Pearl Building Rating System applies, and all new buildings must achieve a minimum of one pearl, while all government-funded buildings must achieve a minimum of two pearls.

What environmental disclosure obligations apply to real estate sales?

The Direction for General Regulation (2010) requires all off-plan developers to make certain disclosures about the property, including in relation to the features of, or equipment or services included in, the building or project that contribute to ecologically sustainable development and any ecologically sustainable development rating that applies to the building or project.

Aside from this, there is currently no statutory (or other) duty of disclosure on a seller of real estate. However, any misrepresentation can result in both civil and criminal liability.

What rules and procedures govern environmental clean-up of property? Which parties are responsible for clean-up and what is the extent of their liability?

Federal Law 24/1999 on the protection and development of the environment governs environmental clean-up. Under this law, any person who intentionally or by way of negligence causes damage to the environment or to others is responsible for all the costs for treatment or removal of such damages and may be imprisoned and fined.

Unless otherwise stipulated in the sale agreement, the buyer generally inherits liability for all matters relating to the property, including environmental liability.

Are there any regulations or incentive schemes in place to promote energy efficiency and emissions reductions in buildings?

All new buildings in Dubai must comply with the Green Building Regulations and Specifications, which have been designed to increase energy efficiency and reduce buildings' carbon footprints.

In Abu Dhabi, buildings must comply with the Abu Dhabi building codes, which cover a wide range of aspects – from energy conservation, light, ventilation, sanitation, structural strength, stability and maintenance to safety from hazards such as fire.

A unified building code for all Gulf Cooperation Council states (the Gulf Building Code) has been proposed to deal with (among other things) green buildings and renewable energy; however, it is unclear when this will come into effect.

Pursuant to UAE Cabinet Decision 26/2014, all importers, exporters and re-exporters of any materials, equipment or products containing ozone-depleting substances must register with the relevant authorities and obtain permission to import, export or re-export any of the materials listed in the decision.

Law stated date

Correct as of

Please state the date of which the law stated here is accurate.

April 7 2018.