

Gulf News - By Saifur Rahman, Business News Editor

Dubai: In a landmark move, the Dubai Government yesterday issued a long-awaited property law that legalises foreign ownership of properties in pre-designated areas in the emirate.

His Highness Shaikh Mohammad Bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai, yesterday issued Law No. 7 that legalises freehold ownership of land and property for UAE and GCC citizens, while allowing the same rights to non-GCC expatriates to pre-designated areas that will be approved by the Ruler of Dubai.

Non-GCC expatriates will be given the right to acquire freehold and 99-year lease property, in areas designated by the Ruler.

The law comes nearly four years after the government first announced freehold ownership to expatriates, grouped under three Dubai-government owned entities Emaar Properties, Nakheel and Dubai Properties. More than 13,000 expatriate families have already moved to their new homes, without securing title deeds in their names, while another 7,000 are expected to move in by the end of the year.

The new law paves the way for expatriate homeowners to register their properties in their names with Dubai Lands and Properties Department, which has been gearing up for the rush in registration.

The law will be followed by a number of new bylaws that will identify the freehold areas in Dubai and determine the registration fees and procedures.

"The law sets out the framework for freehold real estate ownership in Dubai. It confirms the right of UAE and GCC nationals to own property and makes provision for foreigners to own real estate as well," said Mohammad Ali Al Abbar, chairman of Emaar Properties.

"This will give a boost to the secondary market in real estate. This is a development to be welcomed, since it will be another sign of growing confidence in the market," said Sa'ad Abdul Razzak, chief executive of Dubai Islamic Bank.

- With additional inputs from WAM

What the law says about ownership

UAE nationals can own property on 99-year lease and freehold anywhere in Dubai

Expatriates can own property on 99-year lease and freehold only in designated areas

What Next

The Dubai Lands Department will be the final registration authority for properties

Bylaws will be issued to determine locations of freeholds as well as registration and transfer fees, which are currently 2% of the property value)
The Land Department will issue booklets and guidance for property registration soon
Hectic activities are expected at the Lands Department

Dubai recorded Dh32.1 billion worth land transaction in 2005

Details of the new Dubai property law

Dubai: The long-awaited Dubai property law was issued yesterday by His Highness Shaikh Mohammad Bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai.

The law says expatriates are now among those who can own properties in Dubai.

Law No.7 of 2006 stipulates that freehold is limited to UAE and GCC citizens and companies wholly owned by them, as well as public shareholding companies.

The law also stipulates that upon approval of Dubai's Ruler, non-UAE nationals may be given the right to own properties in some parts of Dubai.

They may be given the right to acquire a freehold property, or a 99-year lease property, in areas designated by the Ruler.

The law includes 11 chapters comprising 29 articles covering the issues of definitions, general rules, the implementation system of property hold, and the jurisdictions of the Dubai lands and properties Department.

It also stipulates the setting up of a property registration office at the Dubai Lands and Properties Department. This office will be responsible for documenting property rights and their amendments. Its records hold the ultimate evidence against all - without exceptions. Its records cannot be challenged except in the case of forgery.

The law says that a multi-storey property is considered a single property unit that shall be given one entry in the property record. All apartments of a single property unit will have supplementary records that include names of the owners of its apartments, storeys and any common facilities.

Following are the excerpts of the new Property Registration Law:

Article No.3

Provisions of this law are applied to properties located in Dubai.

Article No.4

Freehold is limited to UAE and GCC citizens and companies wholly owned by them, as well as public shareholding companies.

The law also stipulates that, upon approval of Dubai's Ruler, non-UAE nationals may be given the right to own properties in some parts of Dubai, designated by the Ruler, on a freehold basis, or a 99-year lease.

Article No.5

The original documents and judicial rulings upon which properties are registered are to be kept at the Lands and Properties Department.

It bans the removal of documents from the department. Judicial bodies or any expert or committees assigned are authorised to review the documents and get attested copies.

Article No.6

The Lands Department is solely assigned to register property rights and long-term leasing contracts as stipulated in Article No.4 of this law.

Under the law, the department will carry out the following duties:

- 1-Specifying survey areas or re-conducting surveys and attesting location maps.
- 2-Specifying rules related survey and releasing maps related to property units.
- 3- Preparing model property contracts.
- 4-Setting rules related to regulating, keeping and destroying documents.
- 5-Setting rules related to the use of Computer in data entry and saving.
- 6- Setting rules related to the regulation and keeping the records of property brokers.
- 7-Setting rules related to the assessment of properties.
- 8-Setting rules related to the sale of properties in auctions, and supervising the auctions.
- 9-Fixing fees for services offered by the department.
- 10- Setting up branches of the department upon the director's discretion.

Article No.7

A property register at the Dubai Lands and Properties Department shall be set up for documenting property rights and their amendments. Its records hold the ultimate evidence against all without exceptions. Its records cannot be challenged except in the case of forgery.

Article No.8

Documents of the property register which are electronically saved, have the same evidential value of the original documents.

Article No.9

All property transactions and deals that result in giving, moving, changing or removing property rights, must be registered with the property register. And so must all the final rulings that prove such dealings, which are not considered valid until they are registered.

Article No.10

To undertake transferring any property rights is limited to the contractor's commitment to the guarantee if he defaulted on his contractual duties whether a compensation was stipulated in the undertaking or not.

Article No.11

The inheritance notification must be registered with the property register, in case heirs have property rights within their inheritance. And, no dealings will be admitted unless registered.

Article No.12

The department has the authority to look into applications submitted by owners of unregistered lands seeking to settle their legal status.

Article No.13

The department can correct purely financial errors in the property register upon a request by applicants or on its own, with informing concerned parties.

Article No.14

The department coordinates updating property data with parties concerned.

Article No.15

The registration of property areas and units at the property register must be based on typographic, property unit and property area maps. It also reads that each property area must have an independent map, manifesting all property units in the area and their numbers.

Each property unit must also have a separate map, showing its location, boundaries, length, area and buildings, and the numbers of neighbouring units.

The law also stipulates that any amendment to the property unit, whether by dividing or merging units must be registered with the property register.

The department issues ownership certificates regarding property rights, which are considered ultimate evidence to prove property rights.

The above-mentioned certificates must include any terms, conditions, undertakings or any other commitments.

The provisions of federal civil transactions law No.5 of 1985 and its amendments are still valid in the cases not stipulated by this law.

Any agreement or deal concluded in violation of this law is invalid. Any person, department or public prosecution has the right to contest such a deal.

This law abrogates the provisions of the decree concerning legal and penal suites related to land transactions in Dubai, dated November 6, 1997

The Chairman of the department issues the necessary regulations and rules to put this law into effect.

The law shall be published in the official gazette, and is to be taken into force from the date of its issuance.

- Compiled by Khitam Al Amir and Dina Abu Al Hosn/Staff Reporter