Law No. (33) of 2008

Amending Law No. (26) of 2007

Regulating the Relationship between

Landlords and Tenants in the Emirate of Dubai¹

We, Mohammed bin Rashid Al Maktoum, Ruler of Dubai,

After perusal of:

Federal Law No. (5) of 1985 Issuing the Civil Code of the United Arab Emirates and its amendments;

Federal Law No. (10) of 1992 Issuing the Law of Evidence Governing Civil and Commercial Transactions and its amendments;

Law No. (16) of 2007 Establishing the Real Estate Regulatory Agency;

Law No. (26) of 2007 Regulating the Relationship between Landlords and Tenants in the Emirate of Dubai (the "**Original Law**"); and

Decree No. (2) of 1993 Establishing a Special Tribunal to Determine Disputes between Landlords and Tenants and its amendments,

Do hereby issue this Law.

Article (1)

Articles (2), (3), (4), (9), (13), (14), (15), (25), (26), (29), and (36) of the Original Law are hereby superseded by the following:

Article (2)

In implementing the provisions of this Law, the following words and expressions will have the meaning indicated opposite each of them unless the context implies otherwise:

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¹Every effort has been made to produce an accurate and complete English version of this legislation. However, for the purpose of its interpretation and application, reference must be made to the original Arabic text. In case of conflict, the Arabic text will prevail.

Law No. (33) of 2008 Amending Law No. (26) of 2007 Regulating the Relationship between Landlords and Tenants in the Emirate of Dubai

Emirate: The Emirate of Dubai.

Tribunal: The Special Tribunal to Determine Disputes between

Landlords and Tenants.

RERA: The Real Estate Regulatory Agency.

Real Property: Immovable property, and everything attached or annexed

to it, which is leased out for residential purposes or for practising any commercial activity, trade, profession, or

other lawful activity.

Lease Contract: A contract pursuant to which a Landlord is bound to allow

a Tenant to use Real Property for a specific purpose, over a

specific term, and in return for specific consideration.

Landlord: A natural or legal person who is entitled by law or

agreement to dispose of Real Property. This includes any person to whom the ownership of the Real Property is transferred during the term of lease, agent or legal representative of the Landlord, or Tenant who is permitted

by the Landlord to sublet the Real Property.

Tenant: A natural or legal person who is entitled to use Real Property

pursuant to a Lease Contract, or any person to whom the

lease is legally transferred from the Tenant.

Subtenant: A natural or legal person who is entitled to use Real Property

or any part thereof pursuant to a Lease Contract entered

into with the Tenant.

Rent: The specific consideration which a Tenant is bound to pay

pursuant to a Lease Contract.

Notice: A written notification sent by either party to a Lease

Contract to the other party through a Notary Public; or delivered by registered mail, by hand, or by any other

technological means approved by law.

Article (3)

The provisions of this Law will apply to land and Real Property leased out in the Emirate, excluding Real Property provided free of Rent by natural or legal persons as accommodation for their employees.

Article (4)

- 1. The contractual relationship between a Landlord and a Tenant will be regulated by a Lease Contract which includes a description of the leased Real Property that leaves no room for uncertainty; the purpose of the lease; the term of the Lease Contract; the Rent and its payment method; and the name of the Real Property owner if the Landlord is not the owner.
- 2. All Lease Contracts related to Real Property which is governed by the provisions of this Law, and any amendments thereto, will be registered with RERA.

Article (9)

- 1. Landlords and Tenants must specify Rent in Lease Contracts. Where the parties fail to specify the Rent and it is impossible to prove the Rent agreed upon by them, the Rent will be the rental value of similar Real Property.
- 2. The Tribunal will determine the rental value of similar Real Property taking into account the criteria for determining the percentage of Rent increase prescribed by RERA; the prevailing economic situation in the Emirate; the condition of the Real Property; the prevailing rental value of similar Real Property in other similar Real Property markets within the same area; the provisions of any legislation in force in the Emirate regulating Real Property Rent, and any other factors which the Tribunal deems appropriate.

Article (13)

For the purposes of renewing a Lease Contract, the Landlord and Tenant may, prior to the expiry of the Lease Contract, amend any of its terms or reconsider increasing or reducing the Rent. If the Landlord and Tenant fail to reach an agreement in this regard, the Tribunal may determine the fair Rent, taking into account the criteria stipulated in Article (9) of this Law.

Article (14)

Unless otherwise agreed by the parties to a Lease Contract, where either party wishes to amend any of its terms pursuant to Article (13) of this Law, that party must notify the other party of this intent no less than ninety (90) days before the date on which the Lease Contract expires.

Article (15)

A Landlord will be bound to hand over the Real Property in a good condition which allows the Tenant to fully use it as stated in the Lease Contract.

Notwithstanding the foregoing, the parties may agree upon renting Real Property before completion of its construction, in which case the Tenant must complete the construction of the Real Property and make it suitable for its intended use. The agreement will determine the party liable to pay the costs of completion of the construction.

Article (25)

- 1. A Landlord may request eviction of the Tenant from the Real Property before expiry of the Lease Contract only in the following cases:
 - a. unless otherwise agreed by the parties, where the Tenant fails to pay the Rent or any part thereof within thirty (30) days from the date of service of a Notice on the Tenant by the Landlord requesting the payment;
 - b. where the Tenant sublets the Real Property or any part thereof without obtaining the Landlord's written approval, in which case the eviction will apply to the Tenant and to the Subtenant, who will reserve the right to claim compensation from the Tenant;
 - c. where the Tenant uses the Real Property or allows others to use it for any illegal purpose or for a purpose which conflicts with public order or morals;
 - d. unless otherwise agreed by the parties, where the leased Real Property is used as business premises and the Tenant leaves it unoccupied without a valid reason for a period of thirty (30) consecutive days or ninety (90) non-consecutive days in a year;
 - e. where the Tenant makes any change to the Real Property that endangers its safety in a manner that makes it impossible to restore the Real Property to its original state; or causes damage to the Real Property as a result of his deliberate act, or his gross negligence by failing to exercise due caution and care or allowing others to cause that damage;

- f. where the Tenant uses the Real Property for a purpose other than that for which it is leased, or otherwise uses the Real Property in a manner that violates the planning, construction, and land use regulations in force in the Emirate;
- g. where the Real Property is likely to collapse, provided that the Landlord proves this by a technical report issued by or certified by the Dubai Municipality;
- h. where the Tenant fails to comply with any of his obligations under this Law or any of the Lease Contract terms within thirty (30) days from the date on which a Notice requesting him to comply with that obligation or term is served upon him by the Landlord; or
- i. where the competent Government entities decide that the demolition and reconstruction of the Real Property are mandated in accordance with urban development requirements in the Emirate.

For the purposes of paragraph (1) of this Article, the Landlord will serve a Notice on the Tenant through a Notary Public or by registered mail.

- 2. Upon expiry of the Lease Contract, the Landlord may seek eviction of the Tenant from the Real Property only if:
 - a. the Real Property owner wishes to demolish and reconstruct it or to add any new structures that would prevent the Tenant from using the Real Property, provided that the owner obtains the required permits from the competent entities; or
 - b. the Real Property is in a condition that requires restoration or comprehensive maintenance that cannot be carried out while the Tenant occupies the Real Property, provided that this condition of the Real Property is verified by a technical report issued or certified by the Dubai Municipality;
 - c. the Real Property owner wishes to retake possession of the Real Property for his own use or for use by any of his first-degree relatives, provided that the owner proves that he does not own any alternative Real Property that is suitable for this purpose; or
 - d. the leased Real Property owner wishes to sell it.

For the purposes of paragraph (2) of this Article, the Landlord must notify the Tenant of the eviction reasons at least twelve (12) months before the date of eviction, and the notice must be served through a Notary Public or by registered mail.

Article (26)

Where the Tribunal rules in favour of the Landlord retaking possession of the Real Property for his own use or for use by any of his first-degree relatives, in accordance with sub-paragraph (2)(c) of Article (25) of this Law, the Landlord may not rent the Real Property to a third party before the lapse of at least two (2) years in case of residential

Real Property, or three (3) years in case of non-residential Real Property, from the date of retaking possession of the same. Otherwise, the Tenant may request the Tribunal to award him fair compensation.

Article (29)

- 1. A Tenant will have the right of first refusal to return to the Real Property where it is demolished and reconstructed, or renovated and restored, by the Landlord, in which case the Rent must be determined in accordance with the provisions of Article (9) of this Law.
- 2. The Tenant must exercise the right of first refusal referred to in the preceding paragraph within a period not exceeding thirty (30) days from the date on which the Tenant is notified of the same by the Landlord.

Article (36)

The Chairman of the Executive Council will issue the regulations, bylaws, and resolutions required for the implementation of the provisions of this Law.

Article (2)

This Law will be published in the Official Gazette and will come into force on the day on which it is published.

Mohammed bin Rashid Al Maktoum

Ruler of Dubai

Issued in Dubai on 1 December 2008

Corresponding to 3 Thu al-Hijjah 1429 A.H.