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# THE REAL ESTATE LAW REVIEW

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## Chapter 37

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# UNITED ARAB EMIRATES

*Iain Black and Joe Carroll<sup>1</sup>*

### I INTRODUCTION TO THE LEGAL FRAMEWORK

The United Arab Emirates is a federation of seven emirates (Abu Dhabi, Dubai, Sharjah, Ras Al Khaimah, Umm Al Quwain, Ajman and Fujairah) with a civil law legal system.

The Supreme Council is the main federal authority (the federal government). It has the power to pass laws on the matters assigned to it by the UAE Constitution (federal laws). The federal laws set out a number of principles regarding real property and rights relating to it. The Law of Civil Transactions of the UAE (Civil Code)<sup>2</sup> is the primary source. Part 1 deals with the application of laws in the UAE and the types of rights that are recognised. Part 4 deals specifically with property rights, setting out how they can be acquired and the rights that derive from ownership. Part 5 deals with the creation of security over all types of property (including real property).

Each emirate is governed by a ruler (local government). The local government has the power to pass laws for its emirate (local laws) on matters not exclusively assigned to the federal government. Many local laws have been passed on matters where the federal government has the power to legislate, but has not done so, and the local government has considered regulation necessary.<sup>3</sup> Each local government has introduced local laws regarding real property and rights relating to it, producing distinct legal and regulatory frameworks at the emirate level.<sup>4</sup>

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1 Iain Black is a partner and Joe Carroll is a senior associate at Dentons.

2 Federal Law No. 5 of 1985, as amended.

3 This is compatible with Articles 123, 125 and 149 of the UAE Constitution, which provide that the local governments may promulgate local legislation necessary for the regulation of matters within the exclusive legislative jurisdiction of the federal government, provided they comply with the Constitution and other federal legislation.

4 Federal laws are superior to local laws and should be accorded primacy in the event of conflict. If a matter is not dealt with by either body of laws, shariah principles will be applied.

Under federal law, local governments can pass local laws establishing free economic zones (free zones) within their emirate. Each free zone has its own rules and regulations that apply within its borders (free zone regulations). To understand the legal and regulatory framework applicable within a free zone, it is necessary to consult the free zone regulations, as well as the federal and local laws that relate to it. The Dubai International Financial Centre (DIFC), for example, has its own property laws, register of property rights and forum for hearing disputes.

As a consequence, the laws of the UAE consist of a patchwork of federal laws, local laws and, within the free zones, free zone regulations. This chapter focuses on the real estate laws applicable in the emirates of Abu Dhabi and Dubai (outside the free zones).

#### **i Ownership of real estate**

In the UAE, interests in real property and rights relating to it (property interests) may be characterised as either property rights (such as freehold) or contractual rights (such as leasehold). The most common property interests are as follows:

- a* freehold: the most complete form of ownership, with the owner having full rights to the property unlimited in time (a property right);<sup>5</sup>
- b* usufruct: a right to use property for a limited period (a property right);
- c* musataha: a right to use property for a limited period and to construct buildings thereon (a property right); and
- d* leasehold: a right to use property for a limited period (a contractual right). Depending on the length of the contractual term, leases are further subdivided into short and long leases.

In Abu Dhabi and Dubai, local laws and practices limit the acquisition of property rights according to the nationality of the investor.<sup>6</sup> Nationals of the UAE are not subject to any restrictions. Nationals of a member state of the Gulf Cooperation Council (GCC) (other than the UAE) are subject to some restrictions in respect of Abu Dhabi property rights. Persons falling outside both categories (foreign nationals) will find that they are subject to the greatest restrictions. The local government can disapply these restrictions in specific areas. These powers have been used to create investment zones (Abu Dhabi) and freehold areas (Dubai), which are the least restrictive areas for property ownership.

#### **ii Registration of property interests**

The requirements and procedures for registration are set out in the local laws, which differ between the emirates. Without registration, the creation of a property right in the name of the purported owner will not be perfected. None of the emirates provides a state guarantee of title.

In Abu Dhabi, property rights and long leases should be registered with the Department of Municipal Affairs (Abu Dhabi Municipality) on its real estate register. The

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<sup>5</sup> While the term freehold is commonly used, there is no federal law defining the meaning of this term.

<sup>6</sup> For legal persons, nationality is determined by reference to the country of incorporation and the nationality of its shareholders.

owner of a property then receives a title certificate as proof of ownership.<sup>7</sup> Contracts for properties purchased off-plan should be registered with Abu Dhabi Municipality on its register of off-plan properties. Short leases should be registered with Abu Dhabi Municipality on its register of tenancy contracts (Tawtheeq).<sup>8</sup>

In Dubai, property rights and long leases should be registered with the Dubai Land Department on its real estate register. The owner of a property then receives a title certificate as proof of ownership. Contracts for properties purchased off-plan should be registered with the Dubai Land Department on its register of off-plan properties (Oqood). Short leases should be registered with the Real Estate Regulatory Authority (RERA) on its register of tenancy contracts (Ejari).<sup>9</sup>

At present, the principal difference between the two regimes is that the registration process has been available in Dubai on a more comprehensive basis for a longer period of time. Registration in Abu Dhabi was traditionally limited to UAE nationals but is widening as new registration processes are introduced.

### iii Choice of law

Under the Civil Code, possession, ownership and other rights over real property<sup>10</sup> and contracts dealing with them<sup>11</sup> are governed by the laws of the emirate in which the property is situated (i.e., the *lex situs*). Local laws will also determine whether the matter in question relates to rights over real property.<sup>12</sup>

## II OVERVIEW OF REAL ESTATE ACTIVITY

The governments of Abu Dhabi and Dubai have taken significant steps towards the liberalisation and diversification of their economies. Historically, Abu Dhabi (holding the greatest proportion of hydrocarbon reserves) was the focus of the UAE's industrial activities. Lacking the hydrocarbon wealth of Abu Dhabi, Dubai embarked on a massive programme of real estate development to accelerate the diversification of its economy. Abu Dhabi has also taken this path to supplement its traditional activities.

As a result of these initiatives, real estate projects (including infrastructure, residential, hotel, leisure, retail, office and industrial) have grown rapidly. The investment zones (Abu Dhabi), freehold areas (Dubai) and free zones (with their advantageous corporate and tax regimes) were integral to this development.

Despite the transformation that is under way in the UAE, the number of foreign institutional investors has remained relatively low. It is fair to say that the pace of growth has

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7 To date, limited registration has taken place other than for UAE nationals.

8 There are certain exemptions from the registration requirement, depending on the use to which the property is put.

9 Ibid.

10 Article 18 of Federal Law No. 5 of 1985.

11 Article 19(2) of Federal Law No. 5 of 1985.

12 Article 18(2) of Federal Law No. 5 of 1985.

been rapid, and legal and regulatory systems have required time to develop and mature. A significant milestone was passed in 2014 with MSCI<sup>13</sup> upgrading the UAE and its bourses from frontier to emerging market status.

The global economic slowdown resulted in significant decreases in property prices and rents. As new projects reached completion, so oversupply exerted additional downward pressure. This period was followed by a prompt, but temporary, return of confidence to the market. High rates of increase in Dubai, particularly around its award (in 2013) of Expo 2020, led to concerns about a new bubble in the market.

More recently, factors such as lower oil prices, fluctuations in global currency markets and wider geopolitical challenges have contributed to suppressed market activity and a government budget deficit, leading to reduced investment, redundancies in certain sectors and decreases in property prices and rents. While oil prices have since increased (to a degree), further decreases in property prices and rents are expected throughout 2017 and 2018. Some commentators on the market have expressed their belief that rates of decrease will reduce during this period as the market progresses towards the next phase of the cycle.

### **III FOREIGN INVESTMENT**

There are restrictions on foreign investment in UAE property that vary according to the nationality of the investor and location of the property.<sup>14</sup> The restrictions attach to both natural and legal persons. Since the restrictions are not laid down in federal law, it is necessary to consult the local laws and practices of each emirate.

#### **i Foreign ownership in Abu Dhabi**

Local law provides that foreign nationals, and entities owned in whole or in part by them (foreign entities), can own certain property rights in the investment zones of Abu Dhabi. The available property rights include ownership of apartments and floors in buildings (with no right to the underlying land), usufruct and *musataha*. The investment zones include projects such as Al Raha Beach, Reem Island and Saadiyat Island. By way of exemption, the local government can authorise ownership outside the investment zones on a case-by-case basis.

Foreign nationals and entities can hold leases of property located in the investment zones for a contractual term of up to 99 years. They can also hold leases of property located outside the investment zones but will be limited to a contractual term of 25 years.

GCC nationals, and entities incorporated in the UAE or GCC that are wholly owned by GCC nationals or in part with UAE nationals, can own the same property rights as foreign nationals and, in addition, freehold within the investment zones.

UAE nationals, and entities incorporated in the UAE that are wholly owned by UAE nationals (UAE entities), can own any of the recognised property interests throughout all of Abu Dhabi.

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13 Morgan Stanley Capital International Inc.

14 See Article 298 of Law No. 11 of 1992 (Federal Civil Procedures Law).

## ii Foreign ownership in Dubai

Local law provides that foreign nationals and foreign entities can own property rights in the freehold areas of Dubai. The available property rights include freehold, usufruct and musataha. The freehold areas include projects such as the Palm Jumeirah, Jumeirah Lakes Towers, Dubai Marina, Downtown Burj Khalifa, Arabian Ranches, the Lakes, the Springs and the Meadows. By way of exemption, the local government can authorise ownership outside the freehold areas on a case-by-case basis.

Notwithstanding the above, the Dubai Land Department has implemented a policy that prevents the direct registration of property rights by foreign entities. Instead, it will permit registration by certain locally incorporated entities that have foreign nationals or foreign entities as shareholders. By establishing one of these entities as its subsidiary, to hold title, a foreign entity will be able to acquire the relevant property.<sup>15</sup>

Foreign nationals and entities can hold leases of property located in the freehold areas for a contractual term of up to 99 years. They can also hold leases of property located outside the freehold areas but will be limited to a contractual term of 10 years.

In Dubai there is no distinction between UAE and GCC nationals. They can own any of the recognised property interests throughout Dubai. However, entities incorporated in the GCC will be subject to the requirement above to establish a locally incorporated subsidiary to hold title.

Finally, public joint stock companies incorporated in the UAE, irrespective of any shareholders that are foreign nationals, will be treated as UAE nationals and can, therefore, own any of the recognised property interests in Dubai.

## IV STRUCTURING THE INVESTMENT

Property assets will often be acquired by a special purpose vehicle to ring-fence liability and protect the asset from the risks associated with the operation of the business. The choice of investment structure may also be guided by considerations such as:

- a* optimum legal ownership;
- b* the ability to co-invest with funders;
- c* the ability to include joint venture partners;
- d* the ability to benefit from foreign insolvency or trust regimes;
- e* mitigation of tax or transfer fees;
- f* compliance with the principles of shariah law; and
- g* avoidance of inheritance issues.

The chosen structure should be formulated in light of the restrictions on foreign ownership and the requirement to register property rights. In Dubai, for example, local laws provide that any attempt to circumvent the foreign ownership restrictions will be null and void. Any interested party, including the Dubai Land Department and Dubai's Public Prosecutor, can request the setting aside of an avoidance structure.<sup>16</sup>

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15 See Section IV.ii, *infra*.

16 Article 26 of Dubai Law No. 7 of 2006.

**i Asset or share acquisition**

If the seller is a company, the purchaser may have the option of acquiring the asset (an asset deal) or shares in the owner of the asset (a share deal). In each case, any restrictions on ownership (for the asset or shares) should be identified. The ultimate structure by which the purchaser wishes to hold the asset should be identified to achieve the most efficient transfer method. This is particularly important in cases where a transfer (including a share transfer) will attract property transfer fees.

**ii Abu Dhabi and Dubai companies**

Abu Dhabi and Dubai companies encompass those incorporated in Abu Dhabi and Dubai (onshore and outside the free zones) and include limited liability companies and private joint stock companies. Where such a company has foreign nationals or entities as shareholders, it will only be able to hold the property rights available to foreign nationals in the investment zones and freehold areas.

**iii Free zone companies**

An Abu Dhabi free zone company can hold rights over property within that free zone and Abu Dhabi's investment zones.

A Dubai free zone company can hold rights over property within that free zone and Dubai's freehold areas. One exception is free zone companies incorporated in the DIFC, which require the approval of the Dubai Land Department to acquire property outside the DIFC.

**iv Free zone companies – offshore**

A Dubai free zone company (offshore) incorporated in the Jebel Ali Free Zone can hold rights over property within that free zone and Dubai's freehold areas. Other offshore companies cannot register property rights over property located in Dubai's freehold areas.

**v Foreign entities**

Foreign entities encompass those incorporated outside the UAE, whether onshore in a jurisdiction such as England or offshore in a jurisdiction such as the British Virgin Islands.

A foreign entity can hold any of the recognised property rights over property located in Abu Dhabi's investment zones.

A foreign entity can no longer register property rights over property located in Dubai's freehold areas. To acquire the relevant property, the foreign entity may establish as its subsidiary one of the locally incorporated entities referred to above to hold title – for example, through a Jebel Ali Free Zone offshore company.<sup>17</sup>

**vi Unregistered leases**

Historically, where a foreign national or foreign entity wished to acquire premises for a long term in a location where it could not acquire a property right, it would enter into a long lease. The suitability of such arrangements has become increasingly uncertain and impractical given

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17 See Section III.ii, *supra*.



the initiative to register all leases, withdraw the assistance of adjudicating authorities where registration has not been completed and require a registered lease for company registrations and utility connections.

**vii Trusted owners**

Should a foreign national or foreign entity wish to exercise effective control over a property situated in an area where it does not qualify for ownership, it may consider the trusted owner structure. A UAE national or entity will hold legal title to the property on behalf of the beneficial owner. As well as the attendant risks involved in holding beneficial (not full legal) ownership, it is arguable that this method of ownership breaches UAE law and as such may be unenforceable.

**V REAL ESTATE OWNERSHIP**

**i Planning**

Abu Dhabi Municipality and Dubai Municipality are the authorities primarily responsible for overseeing development, building regulations and planning controls (including change of use) in their respective emirates. Planning permission from the Abu Dhabi Urban Planning Council is required for all strategic developments in Abu Dhabi.

Buildings within an investment zone, freehold area or free zone may also be subject to the regulations and controls of the master developer or regulatory authority for that area. Local licensing requirements should also be observed. For example, a developer wishing to establish a new project in Abu Dhabi or Dubai must first register itself and its project with Abu Dhabi Municipality or RERA (as applicable).

**ii Environment**

Environmental law comprises laws at the federal and local levels and, within the free zones, free zone regulations. A number of international conventions and protocols are recognised. Federal law controls all forms of pollution and applies the polluter-pays principle. There are substantial penalties for polluting the environment.

Developers must identify areas of environmental importance or sensitivity and which of their activities may cause harm.<sup>18</sup> They must also undertake an environmental impact assessment for their project.<sup>19</sup>

Because environmental liabilities may pass with ownership of property, a prospective purchaser should consider what diligence and protections are appropriate, such as physical inspection and testing of the land and warranties from the seller in the purchase agreement (against which the seller should disclose any known issues).

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18 Article 3 of Federal Law No. 24 of 1999 for the Protection and Development of the Environment.

19 Article 4 of Federal Law No. 24 of 1999 for the Protection and Development of the Environment.

In Abu Dhabi, the competent authority is the Environment Agency – Abu Dhabi. In Dubai, the competent authority is the Environment Department of Dubai Municipality. Activities within an investment zone, freehold area or free zone may be subject to the regulations and controls of the master developer or regulatory authority for that area.

**iii Tax**

At present no VAT (or equivalent) or stamp duty is payable on the sale or purchase of real estate. However, fees are payable in respect of the registration of property interests.

It has been announced that the UAE intends to introduce VAT and corporate tax in the near future. The timeline and contents of the new regimes have yet to be confirmed. However, it is expected that VAT will be introduced first in 2018, with an initial low rate (5 per cent has been reported) and grace period following announcement.

There may be other costs associated with ownership or occupation. In Dubai, for example, a fee is levied on residents and business occupiers (5 per cent of annual rent) and hospitality businesses such as hotels must pay a municipality tax (10 per cent of turnover).

**iv Finance and security**

Federal law outlines the basic principles regarding the creation of security, including mortgages, over real property. Provided a mortgage is validly created, the mortgagee will acquire a property right and will take precedence over ordinary creditors and creditors subsequent in rank in satisfaction of the debt from the proceeds of sale.

In Abu Dhabi, a local law and implementing regulations specifically relating to mortgages of real property became effective in 2016.<sup>20</sup> Actual registration of mortgages reflects the overall registration of property interests in Abu Dhabi (mostly completed by UAE nationals outside the investment zones). Consequently, many funders have chosen to utilise an unregistered mortgage combined with a conditional assignment of the mortgagor's rights to the property. Should the borrower default, the funder will exercise its step-in rights and take control of the property.

In Dubai, a local law dealing specifically with mortgages of real property has been effective for some time now.<sup>21</sup> This requires that all mortgages be registered with the Dubai Land Department, that the mortgagee be a bank, company or financial institution licensed and registered with the UAE Central Bank, and that the mortgagor be the owner of the property or property right and able to dispose of it. Actual registration of mortgages is widely available and completed.

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20 Abu Dhabi Law No. 3 of 2015 Regulating the Real Estate Sector in the Emirate of Abu Dhabi and Abu Dhabi Municipality Decision No. 249 of 2015 issuing the Executive Regulations on Mortgages in accordance with Law No. 3 of 2015 Regulating Real Estate Sector in the Emirate of Abu Dhabi.

21 Dubai Law No. 14 of 2008.

## **VI LEASES OF BUSINESS PREMISES**

A common feature of business leases is landlord-friendly terms coupled with resistance (often refusal) on the part of landlords to accept tenant amendments. In the past, with no limits on rent increases or security of tenure, landlords held the upper hand.

Abu Dhabi and Dubai have responded with legislation and institutions (at the local level) to regulate the landlord-tenant relationship in respect of short leases (commonly known as tenancy agreements). The global economic slowdown and challenges currently facing the market have seen landlords increasingly likely to offer inducements and agree amendments to their standard terms.

The following outlines the position in respect of short leases.

### **i Lease negotiations**

The lease registration systems of Abu Dhabi and Dubai have a standard lease template (standard lease). The standard lease can be supplemented with more detailed terms, though these must not contradict any mandatory requirements of the law or standard lease.

It is common to encounter forms of lease comprising just the standard lease with perhaps one or two additional pages of more detailed terms. Such leases generally address basic terms in a simple manner with negotiations accordingly limited. Leases in prime developments and those requiring more complex terms, such as units in shopping malls, will generally be longer, resulting in greater potential for negotiation of more detailed matters.

### **ii Term of occupation**

Terms of occupation are generally short (less than 10 years and commonly between one and five years).<sup>22</sup>

In Abu Dhabi, local law imposes a presumption of renewal but no security of tenure. The landlord is free to terminate the lease at the end of its contractual term, provided it serves the required period of notice. If the landlord fails to serve notice, and the tenant remains in occupation, the lease will renew for a similar term.

In Dubai, local law imposes a presumption of renewal and security of tenure protection for tenants. If the landlord does not establish a permitted ground for opposing renewal, then the lease will automatically renew for the same period or one year (whichever is shorter). A party wishing to vary a term of the lease must serve notice on the other not less than 90 days before expiry of the lease. If a variation cannot be agreed, the matter can be referred to Dubai's Rent Dispute Settlement Centre for determination.

### **iii Rent and review**

In Abu Dhabi, rent review on lease renewal is a matter for agreement between the parties. The rent cap (of 5 per cent per year) continues to apply to leases with a contractual term exceeding one year that allow the landlord to review the rent during the continuation of the contractual term.

In Dubai, local law limits the maximum increase a landlord can apply (known as the rent cap). Annual increases (during the term and on renewal) will be subject to the rent cap.

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22 Rights of *musataha* (cf. leasehold) should not exceed 50 years but are renewable.

The maximum increase that can be applied under the rent cap is between 5 per cent and 20 per cent of the annual rent, depending on how low the rent is compared with the average for similar properties.

**iv Repair**

In Abu Dhabi, local law requires that the tenant carry out those simple repairs that, by convention, fall to be carried out by the tenant (unless otherwise agreed by the parties).

In Dubai, local law requires that the tenant return the premises to the landlord in the condition they were in at the beginning of the term, subject to normal wear and tear (unless otherwise agreed by the parties).

In both Abu Dhabi and Dubai, the landlord must carry out those repairs necessary to maintain the structure and ensure the premises are fit for use (unless otherwise agreed by the parties).

**v Subletting and assigning the lease**

In both Abu Dhabi and Dubai, local laws require the landlord's prior consent before a short lease can be assigned or a subtenancy granted (unless otherwise agreed by the parties).

**vi Termination**

In Abu Dhabi, local law sets out the grounds on which a landlord can terminate a lease prior to the expiry of its contractual term. At the end of the contractual term the landlord is free to serve notice that the lease will not renew.

In Dubai, local law sets out the grounds on which a landlord can terminate a lease prior to the expiry of its contractual term (such as non-payment of rent by the tenant). Tenants in Dubai enjoy security of tenure at the end of the contractual term, with the law setting out separate grounds on which the landlord may terminate the lease (such as the landlord's right to redevelop).

In both Abu Dhabi and Dubai, the tenant does not have the right to terminate prior to expiry of the term unless the lease contains a break right or the landlord agrees to early termination.

## **VII DEVELOPMENTS IN PRACTICE**

**i Abu Dhabi – implementation of new property law**

The new property law for Abu Dhabi (the new law) came into effect in January 2016. The new law seeks to address a number of matters identified in practice. Those familiar with the regime in Dubai will recognise many features of the new law. These include:

- a* interim real estate register: purchase contracts for units in off-plan projects will be registered with Abu Dhabi Municipality on its interim real estate register. Other interests, including mortgages, will be registrable;
- b* project escrow accounts: an escrow account will be established for each off-plan project into which purchaser payments, and mortgage funds if the developer mortgages the plot, will be deposited;

- c* project ownership and financing: the developer of an off-plan project must possess property or development rights over the plot before it can sell units and must complete 20 per cent of construction before making withdrawals from the project escrow account;
- d* register of off-plan projects: off-plan projects and their development plans will be registered with Abu Dhabi Municipality;
- e* register of real estate professionals: providers of services in the real estate sector, including developers, brokers, valuers, surveyors and managers of owners associations, will be registered with Abu Dhabi Municipality;
- f* project cancellation: Abu Dhabi Municipality has powers to deal with off-plan projects that are delayed, including procedures for cancellation and distribution of escrow account funds, while purchasers have the right to seek cancellation of their purchase contract for material breach of contract by the developer;
- g* strata projects: provisions on the ownership and governance of projects with multiple owners (commonly known as 'strata') have been introduced, for example, the establishment of owners associations to manage common areas within such projects. The practical issues of introducing strata governance have been recognised, with Abu Dhabi Municipality able to permit developers to operate their projects while other participants (such as property management companies) become experienced and established;
- h* mortgage enforcement: specific provisions on mortgages and their enforcement have been introduced. The court is empowered to freeze revenue from a property where a mortgagor is delaying repayment. Mortgages are recognised as execution deeds that can be presented directly to the court (after certain initial steps and procedures have been completed); and
- i* service charges: provisions on the recovery of service charge payments in strata projects have been introduced. These include the imposition of a lien in favour of the owners association on any property that has unpaid service charges.

The period since the new law came into effect has seen the issuance of numerous implementing regulations. The establishment of the administrative processes necessary to implement their terms is under way. Where a party or activity may be governed by a provision of the new law (including its implementing regulations) the necessary actions for compliance should be verified.

## **ii Abu Dhabi – rent cap**

Following the removal of the rent cap in Abu Dhabi, there were reports that an alternative regime was under consideration by the local government. One reported option was the introduction of a rental index similar to that in Dubai. At the time of writing, there were reports that this option had been rejected and the old 5 per cent rent cap had been reintroduced. These reports had not (at the time of writing) been substantiated by a law or equivalent provision and any changes or developments in this area remained to be confirmed.

## **iii Abu Dhabi – housing fee**

A housing fee (3 per cent of annual rent, subject to a minimum annual fee of 450 dirhams) was introduced in Abu Dhabi in February 2016. Collections will be made as part of utility

payments, similar to the collections process in Dubai (for the housing fee that is applicable there). As implementation of the collections process was delayed, some collections will be made in arrears.

**iv Dubai – property advertisement permits**

Real estate developers and agents in Dubai must now obtain from RERA a permit for their advertisements of both local and overseas properties. This requirement is intended to combat false property advertisements. RERA will oversee the new regime, with powers of enforcement including the imposition of fines.

## **VIII OUTLOOK AND CONCLUSIONS**

In Abu Dhabi, the introduction of the new law was roundly welcomed. The additional protections afforded to investors and funders herald the beginning of a new chapter in the emirate's real estate sector. The implementation of the supporting processes administered by local government bodies is under way. It is hoped this will be completed promptly and comprehensively in order that the greatest possible benefits of the new law can be realised.

In Dubai, the local government has already introduced a regulatory regime designed to protect investors and funders and promote sustainable growth of the property market. The supporting processes administered by local government bodies have been established and operational for some time now. Recent initiatives have focused on refining this regime and addressing new matters identified in practice.

The focus for the coming year will be the ongoing implementation of Abu Dhabi's new law and the wider economic factors affecting the sector. The challenges brought about by lower oil prices, fluctuations in global currency markets and wider geopolitical issues are expected to remain for the foreseeable future, with public investment reduced and projects slowed. Having emerged from the global economic slowdown, the real estate sector continues to face defining challenges.

## Appendix 1

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# ABOUT THE AUTHORS

### IAIN BLACK

#### *Dentons*

Iain is a partner in the corporate and commercial team based in the Dubai office of Dentons. He regularly advises on various corporate and commercial transactions including domestic and international mergers and acquisitions, private equity, joint ventures, restructurings, company establishments and equity capital markets. Iain has particular expertise in advising on corporate real estate transactions across the Middle East and Africa including advising on the sales and acquisitions of hotel and leisure developments and advising landowners, investors and developers across a range of real estate projects.

### JOE CARROLL

#### *Dentons*

Joe is a real estate lawyer based in the Dubai office of Dentons. He joined the firm in 2011, having previously worked for an international property development company headquartered in Dubai. Prior to relocating to the UAE, Joe trained with a law firm in the City of London before qualifying into its real estate team. With many years' experience on the ground, working in-house and in private practice, Joe has an in-depth understanding of real estate law and practice in the UAE. He has advised on a wide range of real estate transactions, including sales and acquisitions, real estate finance, industrial, commercial, residential, mixed-use and hotel and leisure developments, and landlord and tenant matters.

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