

## H. H. The Ruler's Court Government of Dubai

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### Law No. (27) of 2007 Concerning Ownership of Jointly Owned Properties in the Emirate of Dubai

I, Mohammed bin Rashid Al Maktoum, Ruler of the Emirate of Dubai

Taking cognizance of:–

Federal Law No. 5 of 1985 regarding civil transactions and its amendments;

And Law No. 7 of 2006 regarding property registration in the Emirate of Dubai;

And Regulation No. 3 of 2006 regarding determining designated areas where non-citizen can own property in the Emirate of Dubai,

Issue the following Law:

## Chapter One Definitions and General Provisions

### Article (1)

This Law shall be called Law No. [27] of 2007 regarding Ownership of Jointly Owned Property in the Emirate of Dubai.

### Article (2)

The following words and expressions unless the context otherwise dictates shall have the following meanings:

<b>Emirate:</b>	Emirate of Dubai
<b>Department:</b>	Land Department
<b>Chairman:</b>	Chairman of the Department
<b>Registry:</b>	The property registry maintained at the Department
<b>Master Developer:</b>	The person who is licensed to engage in the property development and sale of Units in the Emirate under the terms of a Master Community Declaration.
<b>Sub-Developer:</b>	the person who is licensed to engage in the property development and sale of Units and granted the right from a Master Developer to develop part of a development project in accordance with the terms of the Master Community Declaration applying to that project.
<b>Jointly Owned Property:</b>	The whole or part of a building or land, or both, divided into Units intended for separate ownership where part of such building or land has been designated as Common Areas..
<b>Unit:</b>	Any flat, floor, a part of land or house (villa) connected or not connected with another house being part of a Jointly Owned Property.
<b>Common Areas:</b>	Those common parts of Property designated for common use by Unit Owners and Occupiers and shown in the Site Plan.

- Site Plan:** A plan registered in the Register showing the Units and its Common Areas.
- The Owner:** The person who is registered as an owner of a Unit in the Register, including persons with a long term lease or usufruct right for limited period and also the Master Developer or the Sub-Developer in regard to unsold Units.
- Master Community Declaration:** The terms and conditions governing the development and operation of Jointly Owned Property.
- Building Management Statement:** A document complying with relevant regulations and registered on the Register that sets out arrangements for maintenance and cost sharing relating to Common Areas and facilities, and including equipment and services in any part of other building which is subject to this law.
- Owners' Association:** An association constituted in accordance with article 17 of this Law.
- Association Constitution:** The rules and regulations that governs the Owners' Association, which shall be issued in accordance with this Law.
- Occupier** Whoever leases a Unit (other than a long term lease) and any visitor of a Unit Owner.
- Utility Service:** Any of the following services: –
1. water reticulation or supply;
  2. gas reticulation or supply;
  3. electricity supply;
  4. air conditioning;
  5. telephone service;
  6. computer data or television service;
  7. a sewer system;
  8. drainage;
  9. a system for the removal or disposal of garbage or waste;

10. a system for the delivery of mail, parcels or goods;
11. any other system or service designed to enhance the Utilities of Units or Common Areas.

### **Article (3)**

- 1- Lands owned by Developers and used as Jointly Owned Properties (and the Units sold by said Developers ) shall be registered with the Department.
- 2- Where a Unit in an existing Jointly Owned Property is used by the Owners of another Jointly Owned Property, the Owners Association for the second Jointly Owned Property becomes a member of the Owners Association for the first Jointly Owned Property.

### **Article (4)**

The Department shall prepare and maintain special registers for the Jointly Owned Properties and their owners and shall issue appropriate title deeds and regulate the sale, mortgage (or any other disposal) of said Jointly Owned Properties and the registration of long term lease contracts and usufruct rights related to these Jointly Owned Properties. Access to those registers shall be provided to all concerned parties.

### **Article (5)**

Article (4) of Law No (7) of 2006 concerning property registration in the Emirate of Dubai shall apply to ownership of Jointly Owned Property.

## Chapter Two Ownership of Jointly Owned Properties

### Article (6)

- 1- The Site Plan and the Master Community Declaration and the Association Constitution form part of the title deed of Jointly Owned Property and shall be attached thereto, and the Department shall keep an original copy of the Master Community Declarations at all times.
- 2- Each Unit Owner has an obligation in favor of other Unit Owners, Occupiers and the Owners' Association to comply with the Master Community Declaration and the Association Constitution.
- 3- Each Occupier has an obligation in favor of other Unit Owners, Occupiers and the Owners Association to comply with the Master Community Declaration and the Association Constitution, to the extent to which their provisions apply to an Occupier.

### Article (7)

- 1- Unless otherwise indicated on the Site Plan, the Common Areas of Jointly Owned Property include, without limitation:
  - (a) Structural elements of Jointly Owned Property including the main supports, foundations, columns, beams, structural walls, steps, ceilings, ceiling joists, hallways, staircases, stairwells, emergency exits, entrances, windows located on exterior walls, facades and roofs;
  - (b) Parking areas, watchman rooms, recreational facilities and equipment, swimming pools, gardens, storage facilities, places designated for use by the Owners Association or whomever it assigns or contracts to manage the Jointly Owned Property;
  - (c) Main utility equipment and systems including electricity generators, lighting systems, gas systems and equipment, water systems, heating and cooling systems, air conditioning systems and waste storage and treatment facilities;
  - (d) Lifts, tanks, pipes, generators, suction fans, air compressor units, mechanical ventilation systems;
  - (e) Water mains, sewer pipes, ventilation shafts, gas pipes and flues and electrical wiring and conduits serving more than one Unit;

- (f) All fittings, connections, equipment and facilities used by more than one Unit Owner;
  - (g) Any device for measuring the reticulation or supply of utilities;
  - (h) All other parts which are not located within the boundaries of a Unit, that are necessary and required for the existence, maintenance or safety of the property
- (2) Unless otherwise indicated on the Site Plan, the Common Areas of Jointly Owned Property comprising land, other than a building or part of a building, include, without limitation:
- a) roads, roundabouts, intersections, pathways, pavement sides, drainage ways curbs, gutters, median strips, bridges, viaducts,
  - b) lakes, ponds, canals, promenades, fountains, water features and other waterways, including all equipment associated with them;
  - c) Landscaping, open space areas and playgrounds.
  - d) wires, cables, pipes, sewers, drains, ducts, devices and equipment by which Units or Common Areas are supplied with Utility Services; and
  - e) measuring or Utility Service supply devices designated for common use by the Owners and Occupiers of the Units.

### **Article (8)**

- (1) Unless otherwise indicated on the Site Plan, each Unit situated in a building or part of a building shall include, without limitation, the following:
- a) Floors, floor materials and components down to the base of the joists and other structures supporting the floor of the Unit
  - b) Plaster ceilings and all other types of ceilings, additions that form part of the internal area of the Unit and spaces between the ceilings, ceilings above the support walls and structures inside the Unit and walls separating the Unit from the rest of the Jointly Owned Property and any adjacent Units or Common Areas
  - c) All non-load bearing walls and non-support walls inside the Unit;

- d) Windows, glass and fixtures that form part of the interior windows, lighting systems for the Unit, doors, door frames and all equipment and fixtures serving the Unit;
- e) All internal connections serving the Unit;
- f) All fixtures and fittings installed by the Unit Owner or Occupier;
- g) All additions, modifications and improvements made to the Unit from time to time,

and for the purpose of this paragraph the Unit but does not include the Utility Service situated in the Unit that services the Common Areas or another Unit.

- (2) Unless otherwise indicated on the Site Plan, each Unit associated with Jointly Owned Property comprising of land, other than a building or part of a building, shall include, without limitation, everything situated within the boundaries of the Unit, other than the Utility Service that services the Common Areas or another Unit.
- (3) Each Unit is entitled to appropriate support and shelter from the other Units and the Common Areas.
- (4) Dividing walls between adjoining Units shall be shared by both Owners if they are part of the Common Areas.

### **Article (9)**

Unit Owners and Developers with respect to unsold Units own an undivided share of the Common Areas in the proportions indicated in the Master Community Declaration unless agreed otherwise..

For the purpose of this paragraph the proportions to be determined on the basis of the Unit area out of the total area of the joined property.

## Chapter Three Disposal of Units of Jointly Owned Property

### Article (10)

A Unit Owner may sell or dispose of his Unit by any kind of disposal and also is entitled to mortgage his Unit in favor of a bank or financial institution provided that the disposition conveys the whole of his interest in the Unit and Common Areas.

### Article (11)

A Unit co-owned by two or more persons may not be divided among the co-owners unless the Department's approval is obtained.

### Article (12)

- (a) Each co-owner of a Unit has a right of first refusal to purchase another co-owner's share in a Unit offered for sale to a non partner. If more than one co-owner possesses this right, then they shall be entitled to purchase proportionally to their existing interests.
- (b) The right of first refusal does not apply to any sale between spouses, lineal ascendants, lineal descendants, brothers or sisters, or their descendants.

### Article (13)

- (1) The right of first refusal cannot be divided, so it cannot be used or abandoned unless in whole, and in case of multiple owners of this right each shall use his right according to his share, and if one or some of them abandoned his right then this right shall be transferred proportionally to their existing interest
- (2) The right of first refusal shall lapse should the selling co-owner notify the other co-owners, through a Notary Public, of the name and address of the third party purchaser and the conditions of sale, and the co-owners fail to agree to said conditions within a period of 1 month after receiving said notice.
- (3) In the event a co-owner agrees to buy he must notify the selling co-owner through the Notary Public of said intention within 15 days of receiving notice of the sale and complete the sale procedures at the Department within 10 working days from finishing this period.

- (4) If it is approved that the sale was done with better terms to the benefit of the purchaser from the mentioned terms in the notification sent to the owners of the right of the first refusal; they have the right to claim for compensation for the damage suffered to them in front of the competent court.

#### **Article (14)**

Jointly Owned Properties registered according to this Law are not subject to the provisions of Preemption mentioned in the federal Civil Transaction Law No. (5) of 1985 as amended.

#### **Article (15)**

A Unit Owner may lease his Unit on condition that the Unit Owner and tenant remain obliged to comply with the Association Constitution and the Master Community Declaration towards the other Unit Owners, Occupiers and the Owners Association.

#### **Article (16)**

Under no circumstances can Common Areas be divided. Common Areas may not be disposed of, in whole or in part, separately from the Units to which they appertain.

## Chapter Four Owners Association

### Article (17)

- 1- An Owners Association shall be legally formed upon the registration of the first sale of a Unit in a Jointly Owned Property in the Register.
- 2- The Association shall comprise the Unit Owners of the Jointly Owned Property and the Master or Sub Developer with respect to unsold units.
- 3- A Unit Owner's membership in the Association shall commence upon registration as the Owner of the Unit and shall lapse upon the expiry of his/her registration as the Owner of the Unit

### Article (18)

- 1- The Owners Association is an establishment not for profit, and has a separate legal entity from its members, has the right to sue in this capacity and to own movable assets.
- 2- The Owners Association shall be subject to the provisions and terms of this Law, the provisions of the Master Community Declaration and the Association Constitution and shall be represented before the Courts or other authorities by its Manager.

### Article (19)

- 1- Each Unit Owner and the Developer with respect to unsold units have the right to attend and vote at meetings of the general assembly of the Owners Association in accordance with the Association Constitution.
- 2- Each Unit Owner has a number of votes in proportion to his shares of ownership in the Jointly Owned Property as indicated in the Master Community Declaration.

### Article (20)

Each Owner's Association must mention the name of an "Owners Association", and number and name of the Jointly Owned Property, if any.

### Article (21)

- 1- The Owners' Association is responsible for the management, operation and maintenance of the Common Areas and for that purpose must obtain an appropriate license from the Department.
- 2- The Owners Association may delegate all or some of its powers to a person or company it appoints at such remuneration and on such terms as agreed by the parties.

### **Article (22)**

- 1- Each Unit Owner shall pay the Owners Association his share of the annual service fee to cover the cost of management, operation, maintenance and repair of the Common Areas. Such fee must be calculated in correspondence with the space of Unit out of the total space of the Jointly Owned Property. The Master or Sub Developer shall pay his share of the fee with respect to unsold Units.
- 2- A Unit Owner may not relinquish his share in the Common Areas in order to avoid paying his share of the annual service fee.

### **Article (23)**

- 1- Save as authorized by the Owner's Association or permitted by the Master Community Declaration, a Unit Owner may not make any alterations or modifications to the structure or external appearance of his Unit or any part of the Jointly Owned Property that would materially affect the Unit or Jointly Owned Property or its external appearance.
- 2- A Unit Owner who contravenes any of the provisions of paragraph (1) shall be liable to repair the resulting damage at his own expense and in the manner requested by the Owner's Association. If the Unit Owner fails to comply with this requirement, the Owner's Association shall repair the damage and recover the repair costs from the Owner.

## Chapter Five Common Areas

### Article (24)

Subject to the Association Constitution, Unit Owners and Occupiers and their guests must use the Common Areas as designated for, and in a way that does not compromise the rights of others to use those areas or disturb others or put their safety or the safety of the Jointly Owned Property at risk.

### Article (25)

- 1- The Owner's Association shall have a lien on every Unit for unpaid service fees and any other obligations levied against the Unit Owner in accordance with the provisions of this Law or the Association Constitution. This right shall exist even when ownership of the Unit has been transferred to a new Owner.
- 2- If the Unit Owner does not pay his share of service fees or defaults on any of his obligations, the decision of the Manager of the Association takes against the Unit Owner shall be, after 3 months of being notified to him through the Notary Public, enforceable by the Execution Judge at any Competent Court , and in all cases the suffered person may object on this decision within that period at the Competent Court, and the execution must be held till taking a decision in the subject of the objection.

## Chapter Six Obligations of the Property Developer

### Article (26)

- 1- With respect to the construction contract provisions in the Civil Transaction Federal Law No. (5) of 1985, the Developer remains liable for 10 years from the date of completion certificate of the building to repair and cure any defects in the structural elements of the Jointly Owned Property notified to him by the Owners Association or a Unit Owner.
- 2- The Developer, in respect of a development or part of a development undertaken by him, remains liable for 1 year from the date of completion certificate of the building to repair or replace defective installations in the Jointly Owned Property which, for the purpose of this Article, include mechanical and electrical works, sanitary and plumbing installations and the like.
- 3- Subject to the provisions of paragraphs (1) and (2) above, nothing in this Law shall in any way affect or impair any rights or warranties which a Unit Owner may be entitled to assert against the Master Developer or the Sub-Developer under any other Law.
- 4- The provisions of any agreement inconsistent with this Article entered into after this Law takes effect shall be absolutely null and void.

### Article (27)

- 1- In case developing the Jointly Owned Property on stages the Master Community Declaration must declare the arrangements of dividing this project.
- 2- If Jointly Owned Property is confined to only part of a building and no Master Community Declaration is registered in respect of the whole building, then a Building Management Statement must be recorded in the Department Register in respect of that building.

## Chapter Seven Jointly Owned Property Insurance

### Article (28)

An Owners' Association must maintain comprehensive insurance in an amount equal to the repair or replacement value of the Jointly Owned Property in case of its destruction for any reason and the Association shall be the beneficiary of said insurance.

### Article (29)

The Owners' Association shall procure insurance against liability for damage to property or bodily injury to Owners and Occupiers.

### Article (30)

The insurance premiums payable by each Unit Owner shall be covered by the annual service fees paid to the Owners' Association according to the provisions of article (22) of this Law.

## Chapter Eight Closing Provisions

### Article (31)

In accordance with article (18) of this Law, the Owners' Association may, in its own name and on behalf of its members, sue others including other Units' Owners, Occupiers and any other person occupying the Jointly Owned Property for breach of this Law or the Association Constitution.

### Article (32)

The Chairman shall issue regulations and decisions required to enforce this Law.

### Article (33)

This Law shall be published in the Official Gazette and shall take effect three months from the date of publication.

Mohamed bin Rashid Al Maktoum

**Ruler of Dubai**

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