

Law No. (27) 2007
Concerning the Ownership of Condominiums
in the Emirate of Dubai

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We, Mohammed Bin Rashid Al Maktoum, Ruler of Dubai;

- Having perused the Federal Law No.5/1985 on Civil Transactions and the amendments thereto;
- The Law No.7/2006 on Land Registration in the Emirate of Dubai; and
- Regulation No.3/2006 on Demarcation of Areas Dedicated for Non-Citizens' Ownership in the Emirate of Dubai.

Have Issued the Following Law as follows:

Chapter (1)

Title, Definitions & General Provisions

Article (1)

This Law shall be entitled "Law of Ownership of Condominiums in the Emirate of Dubai No. (27) of 2007".

Article (2)

Unless the context otherwise requires, the following terms and expressions shall have the meaning attributed their against:

Emirate:	The Emirate of Dubai;
Department:	The Department of Lands and Properties;
Head:	The Head of the Department;
Register:	The Land Register with the Department of Lands and Properties;

Main Developer:	Each person authorized to operate in land development in the Emirate and the sale of units thereof in accordance with the Provisions of the Main Regulations;
Sub-Developer:	Each person licensed to practice real estate development activities and the sale of units thereof, who is granted by the Main Developer the right to develop a part of its property project in accordance with the Provisions of the Main Regulations; applicable to the Project;
Condominium:	The whole building or a part thereof or the land or both that is divided into units for separate ownership. Parts of such building or land are designated as Common Parts;
Unit:	Any apartment, floor, a plot of land or house (villa) that is attached to another house or is separately located within a Condominium.
Common Parts:	The Common Parts of the property designated for common use of the owners and Occupants of the unit shown in the Site Plan.
The Site Plan:	The outline registered in the Register and sets forth the units and Common Parts thereof;
Unit Owner:	Each person registered in the Register as a Unit Owner, including those utilizing under long-term lease contracts or fixed-term usufruct as well as the Main Developer or Sub-Developer in connection with the unsold units;
Main Regulations:	The terms and conditions, to which the development and operation of the Condominium are subject;
Building	A document issued in accordance with the

Management Code:	relevant regulations, registered in the Register and sets forth the utility and common part maintenance arrangements and share of costs in connection therewith, including the equipment and services existing in any part of another building subject to the Provisions of the herein Law;
Unit Owner Association:	The association formed in accordance with the Provisions of Article No. (17) of the herein Law;
Articles of Association of the Association:	The rules and provisions regulating the Unit Owner Association that are issued in support of the herein Law;
Occupant:	Each person that leases any unit -except under a long-term lease- and any visitor to a Unit Owner; and
Utility Service:	Any of the following services:
	<ol style="list-style-type: none"> 1. Extension and provision of water lines; 2. Extension and provision of gas lines; 3. Electricity provision; 4. Air conditioning; 5. Phone service; 6. Computer data or TV service; 7. Sewage system; 8. Rain sewage; 9. Waste removal and disposal system; 10. Delivery of post, parcels or goods system; and 11. Any other system or service dedicated for improvement of utilities in the joint units or parts.

Article (3)

1. The lands owned by the developers that are utilized for construction of joint lands and the units sold by such developers shall be registered with Department of Lands and Properties; and
2. In case a Condominium unit is utilized by another condominium owner, the Unit Owner Association of the second property shall become a member of the Unit Owner Association of the first property.

Article (4)

The Department shall prepare and maintain special records for condominiums and their owners, issue their required deeds of title, organize and document their sale, mortgage or any other action taken in connection therewith and Register, at the Department's offices, long-term leases and usufructs in connection therewith. Those involved and interested in such properties may have access to such records for perusal.

Article (5)

The Provisions of Article (4) of Law No.7/2006 on Land Registration in the Emirate of Dubai shall be applicable to the ownership of a Condominium.

Chapter (2)

Ownership of Condominiums

Article (6)

1. The Site Plan, Main Regulations and Articles of Association of the Association shall constitute and form a part of the deed of title of the Condominium and shall be attached thereto. In addition, the Department shall at all times keep the original copy of the Main Regulations;
2. The Unit Owner shall, towards Unit Owners and other unit Occupants and Unit Owner Association, comply with the Main Regulations and Articles of Association of the Association; and
3. The Unit Occupant shall, towards Unit Owners and other unit occupants and Unit Owner Association, comply with the Main

Regulations and Articles of Association of the Association as the same may be applicable to such occupant.

Article (7)

1. Unless the Site Plan otherwise includes, the Common Parts of the Condominium shall, without limitation, consist of:
 - (a) the structural parts of the Condominium, including key stakes, foundations, pillars, structural walls, thresholds, ceilings, ceiling joints, halls, stairs, stairs pass, emergency exits, gates, windows overlooking exterior walls, facades and roofs;
 - (b) Car parks, guard rooms, utilities, entertainment devices, swimming pools, gardens, warehouses, places allocated for utilization by the Unit Owner Association or such party that the Unit Owner Association appoints or concludes a contract with for managing the Condominium;
 - (c) Key equipment and systems of utilities, including electricity generators, lighting systems, gas systems and equipment, cool and hot water, heating, cooling, air conditioning systems and waste collection and disposal devices;
 - (d) Lifts, tanks, pipes, generators, chimneys, fans, vents, air pressure devices and mechanic ventilation systems;
 - (e) Main water pipes, sewers, gas pipes and chimneys and electricity wires that serve more than one unit;
 - (f) Installations, connections, equipment and utilities that serve more than one unit;
 - (g) Utility Service extension or provision measure devices; and
 - (h) Any other parts that do not lie within any unit and are necessary and required for the property subsistence, maintenance and safety.
2. Unless the Site Plan otherwise includes, the Common Parts of a Condominium consisting of a plot of land, not a building or a part thereof, shall, without limitation, consist of:

- (a) Roads, turns, crossroads, passages, platform edges, sewers, road divisions, vault bridges, sewage systems and items pertaining thereto;
- (b) Lakes, pools, channels, parks, fountains, water shapes and other watercourses, including all equipment pertaining thereto;
- (c) Green areas, public spaces and playgrounds;
- (d) Wires, cables, pipes, sewers, channels, places and equipment through which the units or Common Parts are supplied with Utility Services; and
- (e) Utility Service extension or provision measure devices that are rendered allocated for joint utilization by the Unit Owners and Occupants.

Article (8)

1. Unless otherwise is provided for in the Site Plan, each unit or a part of a building shall consist, without limitation, of:
 - (a) Floors, materials and parts of floor beneath the base of connections and supporting structures of the unit floor;
 - (b) Gypsum ceilings and all other ceilings and additions that form a part of the interior of the unit, areas among such ceilings as well as ceilings above supporting walls, Unit- based structures and walls separating the unit from the remainder of the Condominium and any nearby joint unit or parts;
 - (c) Non-heavy duty and non-supporting walls inside the Unit;
 - (d) Windows, glasses, installations and fixations that form a part of the internal windows, lighting systems, doors, their frames and all equipment and installations that serve the unit;
 - (e) The interior connections that serve the unit;
 - (f) Installations and supplies made by the Unit Owner or Occupant; and

- (g) Additions, modifications and improvements made to the unit from time to time.

For the purpose of these paragraphs, the unit does not include the utilities existing therein that serve Common Parts or any other unit.

- 2. Unless otherwise is provided for in the Site Plan, each unit of a Condominium, consisting of land, not buildings or a part thereof, shall consist, without limitation, of all items lying within the borders of the unit, excluding the Utility Services that serve Common Parts or any other unit;
- 3. Each unit is entitled to suitable support and privacy space from other units and Common Parts; and
- 4. The walls dividing between nearby units shall be deemed joint between both Unit Owners in case they lie within the Common Parts.

Article (9)

Unit Owners and unit developers possess, in connection with unsold units, an undivided share of the Common Parts as per the ratios set forth in the Main Regulations, unless otherwise is agreed upon.

For the purpose of Article (9), such ratios are fixed as per the surface area of the unit out of the total surface area of the Condominium involved.

Chapter (3)

Disposal of Condominium Units

Article (10)

A Unit Owner may sell his/her unit or dispose of the same in any form of disposal and create mortgage over such unit for the benefit of any bank or any international financial institution; provided, however, that such action should transfer all his/her rights in the unit and Common Parts.

Article (11)

Any unit jointly owned by two or more persons may only be divided in their between by consent by the Department.

Article (12)

1. A joint owner of any Unit may have preferential right to purchase the share of the other unit owner who is desirous of selling to a party who is not a partner in the ownership of a unit. However, should this right be practiced by more than one-unit owner, these Unit Owners then have the right to purchase pro rata the existing shares thereof; and
2. No preferential right may be in place in case sale is made between spouses, parents, offspring, siblings and their offspring.

Article (13)

1. The preferential right is indivisible; it may only be used or waived in full as a whole. In case such right is entitled to many parties, each party shall benefit from it pro rata his/her share. Should the right of any of such parties be eliminated, it shall equally pass to the other parties;
2. The preferential right shall become null and void in case the seller serves a notice in writing to other Unit Owners through the Notary Public, stating purchaser's name and address and terms of sale and those partners do not approve such terms of sale within one (1) month as of the date they receive the said notice;
3. In case any partner approves the purchase, he/she shall notify the seller through the Notary Public of his/her desire to do so within a period not exceeding fifteen (15) days from receiving the seller's notice and take all sale actions and procedures with the Department within a period not exceeding ten (10) days as of the elapse of such period; and
4. In case sale is proven to be made under more preferential terms for the purchaser than those set forth in the notice served on those granted the preferential right, the latter may recourse to the seller for damages before competent courts.

Article (14)

The Condominiums registered under the provisions of this Law may not be subject to the provisions in connection with right of preemption, promulgated by the Federal Law of Civil Transactions No. (5) 1985.

Article (15)

A Unit Owner may lease his/her unit; provided, however, that such Unit Owner and the lessee should remain bound by the Articles of Association of the Association and the Main Regulations towards Unit Owners, other unit Occupants and Unit Owner Association.

Article (16)

No Common Parts may be divided or disposed of whether in full or severally in part.

Chapter (4)

Unit Owner Association

Article (17)

1. The Unit Owner Association shall be established by the force of Law upon the registration of the first sale of a unit within a Condominium in the Register;
2. Such Association shall consist of the owners of Condominium units, including the Main Developer or Sub-Developer as for unsold units; and
3. The membership of a Unit Owner to the Association shall commence as of the date of the unit registration in his/her name with the Department and shall expire on the expiry of his/her registration as a Unit Owner.

Article (18)

1. The Unit Owner Association is a non-profit organization and shall have a legal personality independent from that of its members. In addition, the Association shall have the right to litigate in such capacity and have possession of movable properties; and
2. The Unit Owner Association shall be subject to the terms and conditions stipulated hereunder as well as to the Main Regulations and Articles of Association of the Association and shall be represented by its Director before courts and other official authorities.

Article (19)

1. The Unit Owner and Developer of unsold units have the right to attend and vote in meetings of the General Assembly of the Unit Owner Association as per the applicable Articles of Association; and
2. Each Unit Owner shall have a number of votes pro rata his/her shares in the Condominium as set in the Main Regulations.

Article (20)

Each Unit Owner Association must mention in its name the phrase "Owners Association" in addition to the number and name of the Condominium (if any).

Article (21)

1. The Unit Owner Association shall be in charge of administering, managing, maintaining and repairing the Common Parts and shall, for such purpose, obtain the necessary license from the Department; and
2. The Unit Owner Association may authorize some of the powers vested therein to any person or company in return for fixed fees and under agreed terms.

Article (22)

1. Each Unit Owner shall pay to the Unit Owner Association his/her fixed share of annual service fees to cover all expenses and charges incurred for administering, managing, maintaining and repairing the Common Parts; such share shall be set as per the unit surface area as percentage of the total surface area of the Condominium; provided, however, that the Main Developer or Sub-Developer should pay his/her share of such fees for unsold units; and
2. No Unit Owner may waive his/her share of the Common Parts to evade or avoid paying his/her share of the annual service fees.

Article (23)

1. Excluding matters that may be permitted by the Articles of Association of the Unit Owner Association and Main Regulations, no Unit Owner or Occupant may make any modifications or changes to the exterior or structure of his/her unit or any part of the Condominium in a manner that may crucially affect the unit, or the Condominium or its exterior appearance.
2. A Unit Owner that breaches any provision of the above Paragraph (1) shall be liable to repair, at his/her own cost, the arising damages in the manner so required by the Unit Owner Association. Should a Unit Owner not abide by such provision, the Unit Owner Association shall repair the damage and collect repair costs from the Unit Owner.

Chapter (5)

Common Parts

Article (24)

Without prejudice to the Articles of Association of the Unit Owner Association, the Unit Owner, Occupant and their guests shall make use of the Common Parts for the purpose so specified in the manner

that does not disturb or impair third party rights to use these parts, or endanger the Condominium or such third party safety.

Article (25)

1. The Unit Owner Association has a charge over each unit in connection with unpaid service fees and other liabilities as may be imposed on a Unit Owner under the Provisions of this Law or the Articles of Association of the Unit Owner Association. Such right shall remain even in case the title to the unit is transferred to another party; and
2. In case a Unit Owner does not settle his/her share of fees or defaults to perform any obligation hereunder, the resolution made by Director of the Unit Owner Association against such defaulting Unit Owner upon the elapse of three (3) months from being notified through the Notary Public shall be deemed enforceable by the execution judge at any competent court. In all cases, the party affected by such resolution may challenge it within such period before the competent court and execution shall be ceased until a decision is made on the challenge filed.

Chapter (6)

Property Developer Obligations

Article (26)

1. Subject to the provisions of the contracting agreement provided for under the Law of Civil Transactions No.5/1985, the liability of the Developer for repairing or correcting any defects of the structural parts of the Condominium as may be notified by the Unit Owner Association or any Unit Owner shall remain for ten (10) years commencing as of the date of obtaining a completion certificate of the project the Developer has developed;
2. The liability of the Developer for repairing or replacing the defected installations in the property shall remain for one (1) year as of the date of obtaining a completion certificate of the project the Developer has developed in whole or in part. Such

installations shall, for the purpose of this Article (26), include mechanical and electric works, sanitary and sewer fittings and the like;

3. Subject to the Provisions of Paragraphs (1) and (2) above, no provision under this Law may prevent or impair any rights or representations guaranteed to the Unit Owner under any other legislation towards the Main Developer or Sub-Developer of the Property; and
4. Any agreement concluded following the enforceability of this Law and contradicts this Article (26) shall be null and void.

Article (27)

1. In case the Condominium is developed on stages; the Main Regulations shall set forth the project division arrangements; and
2. In case the Condominium is limited to a part of a land project and the Building Management Code does not set forth the building managing approach; the Building Management Code is registered in the Register.

Chapter (7)

Condominium Insurance

Article (28)

The Unit Owner Association shall take insurance actions over the Condominium in an amount that ensures the repair or reconstruction of the common property in case of damage or destruction for any reason whatsoever and the Association shall be the beneficiary of such insurance.

Article (29)

The Unit Owner Association shall arrange for insurance against liability for damages that befall the Condominium as well as for harm and physical injuries that befall Unit Owners and unit occupants.

Article (30)

Insurance premiums due on Unit Owners shall be reckoned with in service fee costs payable to the Unit Owner Association as per the Provisions of Article (22) herein.

Chapter (8)

Closing Provisions

Article (31)

Subject to the Provisions of Article (18) of this Law, the Unit Owner Association may, in its name and on behalf of its members, file lawsuits and take actions against third parties, including Unit Owners, lessees and any person occupying the Condominium, on the default by any of them of any Provision of this Law and Articles of Association of the Association.

Article (32)

The Head shall issue the regulations and resolutions required for executing the Provisions of this Law.

Article (33)

This Law shall be published in the Official Gazette and shall come into force three (3) months from its date of publishing.

Mohammed Bin Rashid Al Maktoum

Ruler of Dubai

Issued in the Emirate of Dubai

December 10, 2007

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