

Direction for Jointly Owned Property Declarations

Chapter One General Provisions

Article (1) Terms used in the Law

In these Regulations, the terms and expressions defined in Article (2) of Law No. (27) of 2007 concerning Jointly Owned Properties in the Emirate of Dubai shall have the same meanings assigned to them in the said Article, and any reference to the word “Law” in these regulations shall mean the mentioned Law.

Article (2) Definitions

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

Developer means a Master Developer or a Sub-Developer.

Entitlement means, in relation to a Unit, the number of shares of ownership in the Jointly Owned Property, as indicated in the Jointly Owned Property Declaration.

Existing Project means:

- (a) a project or part of a project that has been constructed and occupied as at the date this Regulation is signed by the Chairman; or
- (b) such other project or part of a project that the Department assesses as being an existing project.

RERA: The Real Estate Regulatory Agency

Special Resolution means a Special Resolution as defined in the Owners Association’s Constitution.

Volumetric Subdivision means a subdivision of a building and the plot of land on which it is situated into two or more volumetric plots, each volumetric plot being defined in the manner prescribed by the Department and comprising part of the building.

Article (3)
Giving effect to the Regulation

- (1) This Regulation takes effect on the day it is signed by the Chairman.
- (2) The Department shall issue decisions, instructions and forms to give effect to and enforce this Regulation.

Chapter Two
Jointly Owned Property Declarations

Article (4)
When Required

- (1) An application to the Department for registration of the first sale of a Unit in a Jointly Owned Property must be accompanied by a Jointly Owned Property Declaration and application for registration of an Owners Association in the forms approved by RERA.
- (2) A Jointly Owned Property Declaration must comply with these Regulations, as well as the decisions, instructions and forms made under them by RERA.

Article (5)
Qualifying land

- (1) A separate Jointly Owned Property Declaration is required for each plot of land (including a volumetric plot comprising a building or part of a building) that is, or is to be, the subject of Jointly Owned Property.
- (2) A Jointly Owned Property Declaration may be lodged for registration for a plot of land (including a volumetric plot comprising a building or part of a building) that is already a Unit the subject of Jointly Owned Property. Such a Jointly

Owned Property Declaration shall be known as a Secondary Jointly Owned Property Declaration.

- (3) A Jointly Owned Property Declaration may not be lodged for registration for a plot of land (including a volumetric plot comprising a building or part of a building) that is already a Unit the subject of Jointly Owned Property if the effect of its registration would be to constitute more than three layers of Owners Associations.
- (4) A Jointly Owned Property Declaration may relate to the freehold or long term leasehold interest for no more than 99 years in a plot or volumetric plot, but not to a mixture of both such interests.
- (5) A plot the subject of a Jointly Owned Property Declaration must be a plot registered by the Department but may be a volumetric plot defined:
 - (a) using a horizontal plane; or
 - (b) for the purposes of and in a way required for a Volumetric Subdivision.

Article (6)

Contents of Jointly Owned Property Declarations

- (1) A Jointly Owned Property Declaration that relates to a building or part of a building must contain the following:
 - (a) a statement indicating if the Jointly Owned Property Declaration is over the freehold or a long term leasehold interest for no more than 99 years in the building or part of the building to which it relates;
 - (b) the number of the plot or building to which it relates;
 - (c) the Common Areas Site Plan;
 - (d) the name of the Owners Association;
 - (e) details of how Units are numbered;
 - (f) a schedule setting out a number for each Unit representing the Entitlement of the Unit, including the aggregate of those numbers;
 - (g) the criteria used for allocating the Entitlements among the Units and if the criteria used was the extent to which the respective units draw

upon the financial resources of the Owners Association, an explanation of how the allocations were determined;

- (h) details about any proposed staging of the project, including further Common Areas to be provided and any proposed variations to the Site Plan or Common Area Site Plan;
- (i) arrangements for delivery and use of Utility Services;
- (j) any easements or covenants that burden or benefit the Common Areas, including the terms of those easements or covenants;
- (k) details of waste management, water and energy efficiency measures or other environmental management conditions that the Owners Association, Owners or Occupiers must comply with;
- (l) the Community Rules; and
- (m) if the Jointly Owned Property is part of a layered group of Jointly Owned Property, an explanation of the structure and how it will operate and be managed.

(2) A Jointly Owned Property Declaration that relates to land, other than a building or part of a building, must contain the following:

- (a) a statement indicating if the Jointly Owned Property Declaration is over the freehold or a long term leasehold interest for no more than 99 years in the land to which it relates;
- (b) the number of the plot to which it relates;
- (c) the Common Areas Site Plan;
- (d) the name of the Owners Association;
- (e) if the project is to be staged –
 - (aa) a plan of the land comprising the Jointly Owned Property showing the –
 - (i) existing Units and Common Areas; and
 - (ii) proposed future development areas (if any); and
 - (bb) details about the staging of the project, including further Common Areas to be provided and any proposed variations to the Site Plan or Common Areas Site Plan. The approval of the

Lands Department of the Master Development should be obtained prior to development;

- (f) details of how Units are numbered;
 - (g) a schedule setting out a number for each Unit representing the Entitlement of the Unit, including the aggregate of those numbers;
 - (h) the criteria used for allocating the Entitlements among the Units and if the criteria used was the extent to which the respective units draw upon the financial resources of the Owners Association, an explanation of how the allocations were determined;
 - (i) arrangements for delivery and use of Utility Services;
 - (j) any easements or covenants that burden or benefit the Common Areas, including the terms of those easements or covenants;
 - (k) details of water, energy, waste efficiency or other environmental management conditions that the Owners Association, Owners or Occupiers must comply with;
 - (l) the Community Rules; and
 - (m) if the Jointly Owned Property is part of a layered group of Jointly Owned Property, an explanation of the structure and how it will operate and be managed.
- (3) A Jointly Owned Property Declaration that is in respect of a long term leasehold interest for no more than 99 years in the land, or building or part of a building, must also contain the form of lease that is deemed to apply over each of the:
- (a) Common Areas;
 - (b) Units.
- (4) A Jointly Owned Property Declaration may contain any or all of the following:
- (a) restrictions on how particular Units can be used;
 - (b) restrictions on use of specified parts of the Common Areas;
 - (c) allocation to specified Units of rights of exclusive use over specified parts of Common Areas or assets, including any conditions attaching to those rights;

- (d) special management arrangements to which the Owners Association will be party;
 - (e) duties and obligations of Owners and Occupiers;
 - (f) duties and obligations of the Developer; and
 - (g) such other things as RERA may allow.
- (5) Any area designated on the Site Plan as a mosque, or reserved for a mosque, shall not be regarded as part of the Jointly Owned Property and shall not be taken into account for the purpose of:
 - (a) calculating the total area of the Jointly Owned Property;
 - (b) service charges; and
 - (c) membership of the Owners Association.
- (6) Any area designated on the Site Plan as a proposed future development area shall not be regarded as part of the Jointly Owned Property and shall not be taken into account for the purpose of:
 - (a) calculating the total area of the Jointly Owned Property;
 - (b) service charges (apart from those imposed by a Developer); and
 - (c) membership of the Owners Association.
- (7) The Jointly Owned Property Declaration shall bind and benefit the Owners Association and Unit owners, as well as Occupiers and persons having an interest in rem in a Unit (to the extent that the Jointly Owned Property Declaration applies to such occupiers and persons), as if all those persons had entered into mutual covenants to perform its terms.
- (8) Any easements, covenants or restrictions in the Jointly Owned Property Declaration shall have effect according to their terms.
- (9) A provision in a Jointly Owned Property Declaration must not conflict with the Law, or any other regulations, decisions or directions made under the Law and is invalid to the extent of any such conflict.

Chapter Three

Long Term Leasehold for no more than 99 years in Jointly Owned Property

Article (7)

Content of leases

- (1) The form of Common Area lease and Unit lease included in a Jointly Owned Property Declaration must:
 - (a) have common expiry dates;
 - (b) indicate whether rent is payable and if so, the amount and terms of payment; and
 - (c) set out the covenants and agreements on the part of the lessor and lessee, which must not be in conflict with the Jointly Owned Property Declaration, the Law, regulations and the decisions, instructions and forms made under the Law.
- (2) When a Jointly Owned Property Declaration in respect of a leasehold interest in land, including a building or part of a building, is lodged for registration there must be no registered leases over that land. This sub-article does not apply to an Existing Project.

Article (8)

How leasehold operates

- (1) Upon registration of a Jointly Owned Property Declaration in respect of a leasehold interest in land, including a building or part of a building, notwithstanding that the Developer is both the lessor and lessee at the time:
 - (a) the Common Area lease is deemed to apply to the Common Areas; and
 - (b) the Unit lease is deemed to apply over each of the Units in the Jointly Owned Property.
- (2) Upon transfer of a Unit in Jointly Owned Property that is leasehold, the Unit lease is deemed to have been assigned to the new Unit Owner upon registration of the transfer with the Department without the need for any further assignment.

- (3) A Common Area lease and a Unit lease is not capable of being terminated or surrendered and must subsist until it expires.
- (4) A Unit the subject of a Unit lease may itself be leased using a sub-lease.
- (5) A Unit the subject of a Unit lease may be mortgaged in the same way a freehold Unit may be mortgaged.

Article (9)
Amendment of Jointly Owned Property Declarations
Where no Staged Development

- (1) Where no staged development is involved, a Jointly Owned Property Declaration may be amended with the approval of a Special Resolution of the Owners Association. An amendment must not affect an existing right of exclusive use and enjoyment over part of the Common Area without the consent in writing of the Owner entitled to the right.
- (2) A new Jointly Owned Property Declaration, incorporating the amendments, must be registered in the Department before the amendments have any effect. That Jointly Owned Property Declaration must comply with these regulations. The Department may require the new Jointly Owned Property Declaration to be submitted electronically.
- (3) If the amendment of the Jointly Owned Property Declaration is sponsored by the Developer of the Jointly Owned Property who voted on the motion for Special Resolution approving the amendment, then any owner who voted against the motion who is materially prejudiced by the amendment may claim compensation from the Developer.

Article (10)
Amendment of Jointly Owned Property Declarations
Where Staged Development

- (1) Where a staged development is involved, the Developer may upon completion of a stage of the development, without the need for approval of the Owners Association, register an amended Jointly Owned Property Declaration.
- (2) A new Jointly Owned Property Declaration, incorporating the amendments, must be registered in the Department before the amendments have any effect.

That Jointly Owned Property Declaration must comply with these regulations. The Department may require the new Jointly Owned Property Declaration to be submitted electronically.

- (3) The amendments to the Jointly Owned Property Declaration must be restricted to matters necessary to bring the Jointly Owned Property Declaration into line with the additional stage of the development being added to the Jointly Owned Property.
- (4) Upon registration of the amended Jointly Owned Property Declaration the membership of the Owners Association and the operation of the Jointly Owned Property shall be automatically adjusted in accordance with that Jointly Owned Property Declaration.

Chapter 4 Application of the Law

Article (11) Powers in relation to registration

- (1) A Master Developer must submit a Jointly Owned Property Declaration in respect of the total area of land being master developed.
- (2) Without limiting the provisions of sub-article (1) of this article:
 - (a) a Jointly Owned Property Declaration must be lodged by a Developer in respect of an Existing Project, whether wholly or partially completed, within 6 months of the date of commencement of this Regulation; and
 - (b) where there is no Jointly Owned Property Declaration in respect of an affection plan or plot, the Department may refuse to register that plan or to register a transfer of the plot if in its opinion the land involved is required by the Law to be the subject of Jointly Owned Property.
- (3) During or after the 6 month period referred to in sub-article (2)(a) of this article, any three or more Owners of Units in an Existing Project (“**Representative Owners**”) may jointly serve a notice on a Developer requiring the Developer to submit a Jointly Owned Property Declaration in accordance with that sub-article. In that event:
 - (a) if the Developer refuses or fails to take substantive steps to submit a Jointly Owned Property Declaration within 30 days of the date of service of the notice, then the Representative Owners may submit a

Jointly Owned Property Declaration in respect of the Existing Property;

- (b) the Representative Owners may recover the costs and expenses incurred by them in preparing and submitting the Jointly Owned Property Declaration from the Owners Association; and
 - (c) the Owners Association may recover those costs and expenses from the Developer.
- (6) The Department may refuse to register a Jointly Owned Property Declaration if (in its opinion) the Developer has with-held areas, services or facilities from the Site Plan or common areas site plan, or has included them within a Unit on the Site Plan, to the extent that the Common Areas are inadequate to cater for the reasonable needs of the Owners and Occupiers of the Units or it is otherwise unreasonable to have done so.
- (7) The Director General may take action that he considers appropriate to enforce the obligation imposed by sub-article (2)(a) of this article.

This Direction is effective from on 13th of April 2010 in the emirate of Dubai