Tenancy Contract Registration in Abu Dhabi

David Bowman - Senior Counsel - Real Estate d.bowman@tamimi.com - Abu Dhabi

Maha Dahoui - Associate - Real Estate - Abu Dhabi

November 2016

Abu Dhabi Executive Council Resolution on the Rules and Procedures of Registration of Tenancy Contracts in the Emirate of Abu Dhabi (Chairman of the Executive Council Resolution No. 4 of 2011) created an obligation on landlords and tenants with tenancy contracts with terms of less than 4 years to register their tenancy contracts with the Tawtheeq department at the relevant Municipality in the Emirate (Abu Dhabi Municipality, Al Ain Municipality or the Western Region Municipality, as applicable). Tawtheeq carries out cross-checks with the land registration records held by the Municipalities to ensure that landlords leasing properties are the legal owners of those properties and therefore registration of tenancy contracts should ensure that there are fewer rental fraud cases.

The Abu Dhabi Judicial Department have reported that they continue to see many cases where tenants are defrauded by bogus landlords who lease properties to numerous parties, collect advance rent and then disappear before the scam is uncovered.

The primary responsibility for checking a landlord's title to a property and its capacity to lease the property remains with tenants. It is recommended that all tenants request a copy of the landlord's title deed or sale and purchase agreement (SPA) to the property and the landlord's passport copy or Emirates ID before signing any tenancy contract or handing over a rent cheque. Since the introduction of the law on the Regulation of the Real Estate Sector in the Emirate of Abu Dhabi (Law No. 3 of 2015) earlier this year, tenants should also check that the real estate broker they are dealing with has been correctly licensed and registered with Abu Dhabi Municipality ("ADM") and the Department of Economic Development ("DED"). The tenant should ask the broker for a copy of the real estate brokerage licence issued by ADM, trade licence for the real estate broker in Abu Dhabi issued by ADM. If a broker is unable to produce these licences then that should be a red flag to a potential tenant that the broker is operating illegally and is not a reputable business.

Tawtheeq registration also protects a tenant from the possibility that the property they wish to lease is an illegally sub-divided unit. Apartments created from the illegal sub-division of villas will not be accepted for registration by Tawtheeq. Without a correctly registered Tawtheeq tenancy contract a tenant will face many difficulties when dealing with government departments or utility providers. A Tawtheeq tenancy contract is required for water, electricity, telephone and internet connections, Mawaqif parking permits and for the sponsorship of family members.

It is primarily the responsibility of the landlord to register with Tawtheeq however if the landlord refuses to register then the tenant can complain to the Abu Dhabi Rent Dispute Committee which can order that the tenancy contract must be registered.