

# Housing fee: Rent cheats beware

Misleading the municipality by under-declaring rent to pay lower charges may land you in legal trouble

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Dubai: Residents who under-declare their rent in order to pay a lower housing fee could face a possible lawsuit for misleading a government body, a Dubai Municipality official said.

"We have the right to take legal action against people who give us false information," said Arif Abdul Rahman Ali Ahli, Director of the Finance Department at Dubai Municipality.

## **Punishment**

Abdullah Hashim Abdul Gafour, Head of the Marketing and Housing Fee Section at the civic body, said the minimum punishment for those who mislead the municipality is payment of the fees in full - retroactively.

"We have the option to take legal action," Abdul Gafour said, adding that residents who receive fresh notices through their Dewa (Dubai Electricity and Water Authority) bill have to register online within two to three months (<https://portal.dm.gov.ae/rcapp/register.jsp>).

## **Online registration**

The housing fee, which applies to non-Emiratis, is equivalent to five per cent of the tenancy contract and is collected through the utility bill.

The municipality has started sending out thousands of notices through Dewa asking residents to register online, Abdul Gafour said.

"The law behind the housing fee has been there since 1962, but we had to find the most efficient way to collect it," said Abdul Gafour.

Those who fail to do so within the "grace period", he explained, will have their housing fees automatically calculated based on the average rent index applicable to the area.

## **Complex job**

Abdul Gafour said "operational issues" in the past prevented them from collecting the fee. The main issue, he said, was the logistical challenge of collecting tenancy contracts from each resident. "It was a complex job. But now, the system is there to automate the process."

Since 2005, the city government has collected "tens of thousands" of tenancy contracts from residents through Dewa, Abdul Gafour said.

Dubai Municipality aims to cover the estimated 300,000 residential units in Dubai to collect housing fees by January 1, 2011, he said.

However, ready but unoccupied units will not be charged a housing fee, he added.

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