

# Steep fine for landlords who don't register

Landlords must upload the data for each leased property into the system

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- Published: 00:00 November 4, 2010

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DUBAI: New tenants are advised to stay clear of landlords or real estate agents who don't register the lease contract with the new Ejari system to avoid problems with utility connections should authorities enforce the new law in full, a property agent said.

Registering tenancy contracts with Ejari, Dubai Land Department (DLD)'s new online portal, is a must under Law No 26 of 2007 which is aimed to regulate landlord-tenant relationships.

Christiane Murray, Head of Landmark Property Management, stressed that tenants will be taking an "undue risk" if they lease an unregistered property. "It's an imminent problem for a completely new property," said Murray. "We're in a transition period, and it's up to Rera (Real Estate Regulatory Authority) to enforce the law in full, with all the penalties. But by law, they can already do it."

Under the Ejari system, made mandatory in March 2010, landlords must first secure Rera approval for their property before leasing it to an individual or turning it over to a property management company.

New tenants presenting a simple tenancy contract to Dewa still get a connection, but that could change, she said. "Today they might accept, but tomorrow it will be another story... that's the part we can't estimate."

Landlords are obliged to pay the Dh160 Ejari registration fee at the end of the process and failure invites a fine of up to Dh50,000.

Murray said tenants will eventually suffer the consequences as the law states that utilities can only be connected based on an Ejari tenancy contract.

Another property manager, requesting anonymity, said landlords don't like the Ejari system. "It's time-consuming and it costs money. But it's the best way to bring sense in the rental market."

Landlords must upload the data for each leased property into the system. Once approved, the Ejari system will print out a new contract which will be the tenant's ticket to get utility connections.

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