



By Porush Jhunjunwala

# Buying a family home

Here are some of the best locations to invest in a residential property

■ I am moving with my family to Dubai next month and we are looking at property options. With rental prices looking pretty expensive, do you think it would be better to buy? We are looking to rent or buy a family home with at least three bedrooms and a small garden for the children. Which areas are good to invest in a family home?

Buying may be a better option in this case as renting a three-bedroom house with a garden in Dubai can cost around Dh250,000 per year. On the other hand, many town houses are being sold at prices ranging from Dh2 million to Dh5 million. Bear in mind, though, that buying a property for under Dh5 million in the UAE will require a minimum deposit of 25 per cent.

Some of the best areas to consider a family home are Arabian Ranches, The Springs, The Lakes and Dubailand (Mudon, The Villa and Al Waha), which offer spacious town houses that come with gardens. These neighbourhoods are gated and self-contained, meaning there will be round-the-clock security as well as shopping centres and leisure facilities in close proximity. All three areas are easily accessible — The Springs and The Lakes both have di-

rect access to Shaikh Zayed Road, while Dubailand is about ten minutes from the same road.

■ I moved to Dubai two years ago and my apartment rent was Dh65,000. The following year, the landlord increased it to Dh70,000. This year, he hiked it to Dh80,000. Is there a law that a landlord can only hike at two-year intervals? If so, how effective is it?

The restriction on increasing rents for the first two years of the tenancy was removed in 2008, allowing landlords to increase rents annually. However, a new law that came into effect in December placed a cap on annual rents.

The exact rent cap depends on the difference between your property rental value and the average market rental rate of the property. You can find out the average market rental rate in the rent index of the Real Estate Regulatory Agency (Rera), which is available online and updated regularly.

In summary, if your current rent is less than 10 per cent of the market rental rate, your landlord is not permitted to increase it. But if your rent is between 11 per cent and 20 per cent below the market rental rate, a maxi-

mum 5 per cent increase is permitted.

■ I relocated with my pet dog to Dubai from New York recently. I rented a two-bedroom apartment and was told that as long as the dog didn't disturb the neighbours it would be fine. Nothing is mentioned in the contract about pets, which I assumed was standard out here. After three days in the apartment, the security told me no pets are allowed in the building and that management is issuing eviction notices to anyone with dogs. What should I do?

Firstly, you can try speaking with the building management to understand the situation better. If the building does not allow dogs, there's not much you can do except move out and find a building that allows dogs. Given that you weren't informed about this earlier by your real estate agent or landlord, they should cooperate with you by speaking with the building management or ending your contract with minimum hassle.

Unfortunately, rental contracts in Dubai don't usually specify whether pets are permitted. So it will always boil down to the building's rules, as well as the landlord's preferences if you happen to be dealing with one.

Pet-friendly apartments aren't as rare to find in Dubai as they used to be. Many buildings throughout Dubai Marina and Jumeirah Lakes Towers (JLT) allow pets. However, make sure to check the rules before moving into another building.

[Ed: Keep in mind the recent ban on dogs at the Dubai Marina Promenade.]

■ As an expatriate, what are my options for owning property in Abu Dhabi?

Abu Dhabi allows only UAE nationals and legal entities wholly owned by them the right to freehold property ownership in the emirate, with the exception of Investment Zones, where GCC nationals are also permitted to own freehold land. These zones include Reem island, Raha Beach, Yas island, Lulu island, Saadiyat island, Sowwah island and Masdar.

Foreigners who are not GCC nationals have two contract options if they want to invest in Abu Dhabi property, both of which are renewable by mutual consent. They can either acquire a right of usufruct, which allows them to use and exploit a property belonging to another person for a period of 99 years, or a right of musataha, which allows them to build on and develop a land belonging to another person for a period of up to 50 years.

■ What are some of the most significant regulations introduced by the government in recent years to increase transparency in the real estate market?

The Ejari system, created to legalise the relationship between landlords and tenants, was one of the first measures introduced by Rera since the global recession.

This was followed by the launch of the Dubai Land Department's Tanmia initiative in 2012 to revive the construction of halted projects by selling them to financially stable developers. The initiative succeeded in driving the resumption of numerous stalled projects in JLT, Business Bay and Al Furjan.

New international property measurement standards were also introduced in September, replacing feet, inches and yards with metres. The shift is expected to improve the regulation of the property market in the coming years.

In April, tighter restrictions on who is entitled to undertake valuation work were implemented, a regulatory change that has also affected the UAE property market. Following a drive by the Dubai Government and Royal Institution of Chartered Surveyors (RICS) to improve valuation standards, RICS members in the UAE must now adhere to a Valuer Registration scheme, which will ensure real estate valuations meet strict international standards and that they are auditable and transparent. ■

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