



Eviction Notice: Validity in case of Buying a Rented Property

An eviction notice is a legal notification issued by the landlord to the tenant during an existing tenancy relationship demanding for vacating the property. Recent decisions by the Rental Disputes Center, which is responsible for rental disputes in the Emirate of Dubai, indicate a change in the interpretation of the legal provisions regarding the validity of an eviction notice when the rented property is bought.

Legal Background

According to Dubai Law No. 26 of 2007 as amended, a landlord may only demand the eviction of a tenant on certain grounds expressly stated in the law. One of these grounds is the landlord's intention to sell the property.

This requires the landlord to notify the tenant of the intended eviction in due form and time. A period of at least 12 months must therefore be granted for the eviction and the eviction notice must be notarised and formally served on the tenant.

Change in Interpreting the Law

Recent decisions made by the Rental Disputes Center suggest that an eviction notice is now assigned to the property in question and no longer to the landlord issuing the eviction notice, as was often the case previously.

This can be justified by the fact that the buyer assumes all rights and obligations associated with the property, including an existing eviction notice against the tenant.

Impact

In the past, if the buyer of a property wanted to use the property himself and the tenant did not move out voluntarily, the buyer had to issue a new eviction notice to the tenant based on reason of personal use. He could therefore not rely on the eviction notice already issued by the seller due to the intention to sell and the 12-month period already set in motion. Such eviction notice lost its effectiveness with the sale of the property.

This now appears to have changed in light of the new interpretation of the statutory provisions by the Rental Disputes

Center, at least in one particular case. Provided that the buyer or a first-degree relative wishes to use the property himself, the buyer is most likely no longer obliged to issue a new eviction notice, but can rather invoke the existing eviction notice issued by the seller to the tenant.

In other instances, however, it remains to be seen whether the buyer will also be able to rely on an eviction notice issued by the seller, such as in case the buyer does not wish to use the property himself but intends to resell it.

Further, it appears rather unlikely that the buyer will be able to invoke the eviction notice issued by the seller to the tenant if the buyer intends to rent out the property to a third party.

Conclusion

If the new interpretation of the law by the Rental Disputes Center becomes established, it will lead to more clarity and planning security for both buyers and tenants - at least in cases in which the buyer of a rented property intends to use it for himself or any of his first-degree relatives.

Do you have questions? – We would be glad to answer them!

From our office located in the heart of Dubai, our team of German attorneys has been advising small and medium-sized companies, corporations and individuals on the laws of the United Arab Emirates for more than 19 years. Our areas of expertise include corporate law (in particular business set-up), commercial agency law, employment law as well as tenancy and real estate law. We would be happy to attend to your questions as well. Contact us!

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