

Abu Dhabi Reduces the Real Estate Registration Fees and adds a New Investment Area in Kaser Al Amwaj



New Schedule of Municipal Services Fees

Abu Dhabi Executive Council issued Resolution No. (336) of 2018 on the Reduction and Cancellation of the Fees of Some Municipal Services in the Emirate of Abu Dhabi ('Resolution 336'). Resolution 336, which came into effect on 01 December 2018, has either reduced or cancelled many fees applicable to real estate disposals and related municipal services in the Emirate of Abu Dhabi.

All fees stated in Resolution 336 are payable to Abu Dhabi City Municipality, Al Ain City Municipality and Al Dhafra Region Municipality, as applicable depending on the location of the property.

Pursuant to Resolution 336, 75 municipality services fees were cancelled and 23 municipality fees were reduced by 10 to 50 percent. Below is an outline of some of the most important fees that have been reduced (or cancelled) by Resolution 336:

No.	Service	Fees before Reduction (AED)	Fees after Reduction (AED)
1.	Registration of Musataha, Long-Term Lease and Usufruct Agreement	4% of the total rent or consideration	3.6% of the total rent or consideration
2.	Registration of gift between ascendants, descendants, spouses, and second-degree relatives and companies owned by these individuals	Residential Land: 3,000 Agricultural Land: 3,000 Investment Land: 5,000 Commercial Land: 10,000	Residential Land: 2,700 Agricultural Land: 2,700 Investment Land: 4,500 Commercial Land: 9,000
3.	Issuance of licence/renewal of master developer licence, including registration on the real estate development register	50,000	45,000
4.	Issuance of licence/renewal of sub-developer licence, including registration on the real estate development register	25,000	No Fees
5.	Registration of a new real estate development project on the real estate development register, including registration of development plans, division and strata management statements (floors/building/communities), as applicable	150,000 per project	135,000 per project
6.	Accreditation and registration of escrow account trustee on the real estate development register	75,000	No Fees
7.	Issuance of certificate of approval for opening a project escrow account	5,000	No fees
8.	Registration of a project escrow account agreement on the real estate development register	1,000	No fees
9.	Issuance of licence/renewal of broker licence (companies), including registration on the real estate development register	10,000	9,000
10.	Issuance of licence/renewal of broker licence (individuals), including registration on the real estate development register	5,000	No fees
11.	Issuance of licence/renewal of broker's employee licence (individuals), including registration on the real estate development register	2,500	No fees
12.	Issuance of licence/renewal of real estate valuer's licence (companies), including registration on the real estate development register	10,000	No fees
13.	Issuance of licence/renewal of real estate valuer's licence (individuals), including registration on the real estate development register	5,000	No fees
14.	Licence/renewal of real estate surveyor's licence (companies), including registration on the real estate development register	10,000	No fees
15.	Issuance of licence/renewal of real estate surveyor's licence (individuals), including registration on the real estate development register	5,000	No fees
16.	Issuing permit to advertise off-plan sale of real estate in local or foreign media	1,000	No fees
17.	Registration of mortgage	0.0009 of the mortgage value	0.001 of the mortgage value

Resolution 336 abolishes and replaces any provisions in previous laws and resolutions which contradict or are inconsistent with its provisions (in particular Resolution No. 49 of 2018 on the Municipal Services Fees in the Emirate of Abu Dhabi ('Resolution No. 49') and Resolution of the Chairman of the Department of Municipal Affairs No. (247) of 2015 Issuing the Executive Regulations on the Adoption of Fees in accordance with Law No. (3) of 2015 on the Regulation of the Real Estate Sector in the Emirate of Abu Dhabi which came into effect on 1 January 2018).

New 20th Investment Area - Kaser Al Amwaj

Abu Dhabi Executive Council issued Resolution No. (9) of 2019 on the Twentieth Investment Area in the Emirate of Abu Dhabi ('20th Investment Area'). The 20th Investment Area includes three plots (Nos. P1, P2 and P3) in Kaser Al Amwaj area in Abu Dhabi City.

Resolution No. (9) of 2019 sets a limit on foreign ownership of up to 50 percent of the real estate units developed within the 20th Investment Area.

Foreigners and companies wholly or partly owned by them are entitled to purchase freehold title to land, apartments, offices, villas and other real estate units in the investment areas of Abu Dhabi. The right for foreigners to hold freehold title to land within investment has recently been allowed by Law No. (13) of 2019 amending certain provisions of Law No. (19) of 2005 on Real Estate Property Ownership.

Foreigners also have the right to acquire all other real estate rights with regard to land and other properties in investment areas such as usufruct right, musataha right and long-term lease rights for a period not exceeding 99 years.

Al Tamimi & Company's Real Estate team regularly advises on real estate investment in Abu Dhabi. For further information please contact [Maha Dahoui \(m.dahoui@tamimi.com\)](mailto:m.dahoui@tamimi.com) or [David Bowman \(d.bowman@tamimi.com\)](mailto:d.bowman@tamimi.com).