

# Jointly owned property: the Owners' Committee



Following the introduction of Law No. (6) of 2019 Regulating Jointly-Owned Property in the Emirate of Dubai (the 'New JOP Law'), the Real Estate Regulatory Agency ('RERA') issued the 'Declaration of Compliance of Ethical Guideline for Owners' Committee' (the 'Declaration'), to provide further clarity and guidance on the responsibility of those owners who are members of the owners' committee formed for the project (the 'Owners' Committee').

## What is the Owners' Committee?

As outlined in our recent article entitled ['A new era for jointly owned property in Dubai'](#), a key difference between the New JOP Law and the previous law is the role that the owners of units in a project will now play in the administration, operation and management of a project.

Moving forwards, the Owners' Committee will be appointed by RERA and will consist of up to nine owners, who will represent the collective body of all owners in the project and there will no longer be an 'Owners' Association'.

The Owners' Committee (which will be formed when title to at least 10 per cent of the units in the project

has been registered in the name of owners) will play an advisory role in the day-to-day running of the project. The primary responsibility for the administration, operation and management of a project remains with the appointed RERA licensed and approved management company (the 'Managing Agent').

## **Functions of the Owners' Committee**

Article 24 of the New JOP Law sets out the functions of the Owners' Committee, some which are as follows:

- review the annual budget prepared by the Managing Agent of the project;
- submit recommendations to the Managing Agent regarding the management, operation, maintenance and repair of the common areas of the project;
- receive complaints and suggestions from owners and occupiers regarding the project and notifying the Managing Agent of the same. If the Managing Agent does not address the complaint or suggestion within 14 days, the Owners' Committee shall refer the complaint or suggestion to RERA;
- co-ordinate with RERA, the Managing Agent and any other relevant authority regarding matters pertaining to the safety, environment and security of the project; and
- for projects other than large scale projects (i.e. master community) and hotel projects, submit a request to replace the Managing Agent (should the Managing Agent not be performing its functions to a satisfactory standard) and assist in the selection and appointment of the replacement Managing Agent.

## **Who can be on the Owners' Committee?**

In accordance with Article 22(c) of the New JOP Law, an owner who wishes to be a member of the Owners' Committee must:

- have full legal capacity;
- be a resident of the project;
- be of good conduct;
- have paid all of the service charges owing in respect of its unit; and
- must regularly attend and actively participate in the meetings of the Owners' Committee.

If at any time a member of the Owners' Committee fails to satisfy the above requirements, that member will no longer be eligible to be on the Owners' Committee and that owner's membership may be terminated by RERA.

## **Can the developer be on the Owners' Committee?**

Provided that the developer owns unsold units in the project, the developer will be entitled to be a member on the Owners' Committee (subject to RERA's approval of such nomination).

## **When does the Owners' Committee meet?**

The Owners' Committee is required to meet quarterly, with the first meeting to be held within 30 days from the date of formation.

Each member shall have one vote when voting on the decisions and recommendations of the Owners' Committee.

## **Guidelines**

Given that there will only be up to nine committee members in total, it is necessary that appropriate guidelines are put in place to ensure the Owners' Committee represents the interests of all owners and occupiers to the best extent possible.

The Declaration issued by RERA sets out the general obligations of a committee member. In particular, a committee member must:

- act honestly and fairly;
- act in the best interests of the project;
- not require the Managing Agent to contract with a related party of a committee member;
- not interfere in the affairs of the management and/or the operation of the project;
- disclose any potential conflict with the Owners' Committee prior to any vote on a matter taking place;
- comply with laws and regulations of the UAE and Dubai;
- not publicly discuss or disclose confidential matters pertaining to the project; and
- abide by the behavioural and ethical rules while dealing with the Owners' Committee, the Managing Agent and any other appointed service providers.

Should an owner wish to be a member of the Owners' Committee, it is important that the owner has a thorough understanding of its obligations under the New JOP Law and the Declaration. An owner who fails to comply with its obligations in this respect may have their membership terminated by RERA.

## **Application process**

RERA has issued the prescribed application form for owners to submit to the Managing Agent to become a member of the Owners' Committee, with the Managing Agent to submit the completed form and supporting documents (outlined below) to RERA.

On face value, the form itself is relatively straight forward and will be easy for owners to complete and submit. When submitting an application, an owner will be required to submit the following documents along with the signed application form:

1. personal photo;
2. copy of their unit title deed;
3. copy of their passport and copy of residence visa (if an expatriate);
4. copy of trade licence (if a company);
5. copy of their emirates ID;
6. DEWA bill in the unit owner's name;
7. good conduct certificate from the Dubai Police; and
8. signed Declaration.

The approval of any application to be on the Owners' Committee will be subject to the approval of RERA.

# Moving forward

Al Tamimi has a wealth of experience in advising developers, owners and other stakeholders on jointly owned property and is in regular contact with RERA to clarify matters arising out of the New JOP Law and the issuance of the directions to the New JOP Law.

Should you have any queries regarding the Owners' Committee or how the New JOP Law affects your project (both as a developer or a unit owner), Al Tamimi would be happy to assist. Once the directions for the New JOP Law are issued, Al Tamimi will be running workshops on the New JOP Law, the directions and what stakeholders can do to align their project with the new jointly owned property regime. Should you be interested to attend this workshop, please get in touch and we will ensure that you are notified once dates for the workshop(s) are confirmed.

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