

Frequently asked questions (FAQs)

Tenant FAQs: Renting in the DIFC

Finding an apartment

Question	Answer
Do I have to use a broker / agency?	No. You are not required to use a broker/agency. However, using brokerage firms or an agency to source your DIFC residential premises is useful as they will handle all administrative aspects of your rental. If you find a property that is being rented directly from the landlord, you can act on your own on behalf.
What laws apply to me as a tenant in the DIFC?	<p>A wide range of laws set out the rights and obligations of tenants in the DIFC. The fundamentally relevant laws are:</p> <ul style="list-style-type: none"> • DIFC Law No. 1 of 2020 (the “Leasing Law”); and • DIFC Law No. 10 of 2018 (the “Real Property Law”).

Before I move in

Question	Answer
Are security deposits required?	Security deposits are not mandatory. Landlords of residential premises can agree with the tenant to charge security deposit, but the security deposit must not exceed 10% of the annual rent.
What should I do before I move in?	<ul style="list-style-type: none"> • Inspect the premises and its facilities and agree on a written schedule of the property; • Review a copy of the landlord’s passport and check the name and details on the passport against the title deed and lease agreement; • Obtain written confirmation that all applicable service charges have been paid by the landlord; • Obtain confirmation that all DEWA and AC invoices have been paid and check whether these are included in the rent or paid separately; and • If the draft lease agreement refers to rules and regulations, review these before finalizing the Lease.

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Question	Answer
<p>Do I need a lease?</p>	<p>Yes. If you are renting a residential premises, the landlord must provide a written lease agreement which includes the following details:</p> <ul style="list-style-type: none"> • The term of the lease; • The rent amount payable; • The dates when the rental payments are due; • What the leased premises can be used for; • A description of the leased premises; and • The identities of the landlord and the tenant. <p>A DIFC Residential Lease Agreement Template is available on the DIFC website at the following: https://www.difc.ae/files/3315/8012/3497/residential_lease_template.Docx.</p>
<p>Who can enter into a lease?</p>	<p>In order to enter into a contract of any kind in the DIFC (including a lease) an individual must be over 18 years of age and of sound mental judgement. In the event a lease is entered into by an individual under 18 years of age or who was mentally defective, the lease may be voided (annulled) by that individual, their representative or by an order of the DIFC Court.</p> <p>DIFC lease registration</p> <p>The landlord is obliged to register lease agreements with a term exceeding six (6) months with the Registrar of Real Property (the “Registrar”), within 20 days from the date of the lease agreement, failing which the landlord can be subject to a fine of USD 1,000. For all lease agreements with a term of less than six (6) months, registration with the Registrar is optional.</p> <p>The landlord can complete the registration of a lease agreement and upload the required documents, online through the DIFC client portal and the registration fee is based on the lease term:</p> <ul style="list-style-type: none"> • More than six (6) months and less than five (5) years: USD 100 • Equal to or more than (five) 5 years and less than 10 years: USD 200 • Equal to or more than 10 years: USD 300.

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Living in the apartment

Question	Answer
Can the landlord enter the residential premises?	The landlord can enter the residential premises at such time the tenant agrees to, provided the tenant is provided with at least two (2) days' prior notice.
Can the landlord turn off the utility services?	No. Landlords are not permitted to disconnect utilities services. If this happens the landlord could be liable to a police or court case.
What happens if something in the apartment breaks?	If something in the apartment breaks, you should notify your landlord in writing. The landlord is liable to carry out repairs within 60 days of the notice.
Am I liable for any damages?	Tenants are not liable for damages that constitutes fair wear and tear, if the tenant took reasonable care to avoid such damages; or if the damages were caused as a result of the landlord's failure to perform its obligations under the Leasing Law or the lease agreement. However, the tenant can be held liable if damages were caused due to a failure or the fault of the tenant.
Can I make changes to the apartment?	Tenants may not make changes to an apartment without the landlord's consent. If any changes are made, the tenant must restore the residential premises back to the condition they were in immediately before installation.
What happens if the landlord wants to increase my rent?	Your landlord may not increase the rent before the lease ends. If a landlord wants to increase the rent for the next lease period, you must be informed at least 90 days prior to the expiry of the existing lease to give you the opportunity to decide not to renew the lease.

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Question	Answer
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Under Dubai Decree No. (43) of 2013, which applies to the DIFC, the maximum percentage of rent increase can only be as follows:

Is there a rental increase calculator for DIFC?

Rent of Property is less than average rental value by:	Percentage Increase Permitted
10%	No Increase
11% to 20%	5% increase permitted
21% to 30%	10% increase permitted
31% to 40%	15% increase permitted
More than 40%	20% increase permitted

Can I sub-let my lease without landlord consent?

In order to sub-let the lease, the landlord, tenant and sub-tenant will need to sign a sublease and a DIFC sublease consent and submit the documents to the Registrar. Unless expressly specified in the terms of the lease agreement, your landlord has no obligation to consent to the sub-letting of the premises by signing the sublease or DIFC sublease consent.

The sublease will need to be drafted and agreed by the landlord, tenant and sub-tenant, and if the sublease is for a term exceeding 6 months, the sublease agreement must be registered with the Registrar. Specialist legal advice should be sought to help the parties to accurately record and document any conditions which have been agreed in respect of the sublease.

My landlord is selling the apartment. What are my rights?

The registration of a transfer of ownership of the apartment to a new owner transfers the rights, powers, privileges and liabilities of the previous owner to the new owner who will automatically become the new landlord under any lease of the apartment. Unless the lease contains an explicit right for the landlord to terminate as a consequence of sale and transfer, the new landlord will continue to be bound by the terms of the lease until its expiry and the rights and obligations of the tenant under the lease will not be impacted by the sale of the apartment.

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Question

Answer

My landlord promised me something, but it is not written in the contract. What can I do?

Although oral variations to agreements are permitted, the Leasing Law mandates that leases (including all of its terms and variations) must be in writing. Oral agreements may not be legally enforced by the DIFC Courts. Any promises should be offered and accepted in writing.

Lease coming to an end and renewal

Question

Answer

How can the lease be terminated?

A lease can be terminated by agreement between the landlord and tenant before the lease's expiration date. A lease can also be terminated by court order (for example if the tenant has not paid rent for 30 days or more from the agreed payment date).

Do I have an automatic right of renewal?

The DIFC Leasing Law does not provide an automatic right of renewal for tenants. Any right to renew for a successive term must be expressly included in the lease agreement.

Can my landlord enter the premises without permission?

The landlord may enter the leased premises, only when:

- Rent has been outstanding for more than 30 days; or
- The tenant has breached a term of the lease agreement, the landlord has given the tenant notice to rectify such breach, but the tenant has failed to remedy the breach.

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Dispute resolution

Question	Answer
How do I handle a dispute with my DIFC landlord?	<p>The DIFC Small Claims Leasing Tribunal has exclusive jurisdiction over all DIFC rental disputes that do not exceed AED 1,000,000.</p> <p>The filing fee is 5% of the total value of the claim, with a minimum of USD 100.</p>

The purpose of this guide is to provide brief answers to frequently asked questions often posed by tenants in relation to the residential renting process in the DIFC.

The Pro Bono Clinic programme falls under the jurisdiction of the DIFC Courts; its volunteer lawyers can only advise on matters arising within the DIFC. This guide therefore applies only to residential property within the jurisdiction of the DIFC Registrar of Real Property and the DIFC Courts.

If you are uncertain as to whether your property is within the district boundary of the DIFC, a map is available online at www.difc.ae/files/1814/8870/5844/DIFC-Location-Map.pdf. Please note that the boundaries of the DIFC may increase in future as more properties are developed. Official sources should be consulted for the most up-to-date information. Disputes pertaining to leases of property of under 10 years outside of the DIFC will be subject to the jurisdiction of the Rent Disputes Settlement Centre or arbitration, and the laws of the UAE and of Dubai will apply, and not DIFC law.

This guide is not intended for commercial landlords or tenants, of either office or retail space, who should seek specialist legal advice. This guide covers the following frequently asked questions.

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