



Landlord's Guide

Dubai

Maximise Your Rental Income &
Protect Your Investment

Presented by Think Properties Real Estate

Owning rental property in Dubai can be highly profitable, with yields among the highest globally. However, successful property management requires understanding your legal obligations, tenant rights, and the regulatory framework that governs the landlord-tenant relationship.

This guide covers everything landlords need to know — from preparing your property for the market and setting the right rent, to managing tenancies, handling disputes, and understanding your rights under Dubai’s RERA regulations.

Think Properties provides comprehensive property management services for landlords, from tenant sourcing to full-service management. Contact us for a free rental assessment.

Preparing Your Property for Rent

Property Condition

- ▶ Ensure all AC units are serviced and functioning
- ▶ Check plumbing for leaks, water pressure, and hot water functionality
- ▶ Verify that all electrical outlets, switches, and light fixtures work
- ▶ Repaint walls to a neutral colour (white or off-white preferred)
- ▶ Deep clean the entire property, including kitchen appliances
- ▶ Repair or replace any damaged fixtures, doors, or windows
- ▶ Ensure all keys, access cards, and remote controls are accounted for

Furnished vs. Unfurnished

Factor	Unfurnished	Furnished
Typical Tenant	Families, long-term residents	Professionals, short-term, corporate
Rent Premium	Base rate	20–40% above unfurnished
Maintenance Burden	Lower	Higher (furniture wear)
Vacancy Period	Longer (2–4 weeks)	Shorter (1–2 weeks)
Target Market	Annual leases	Annual, mid-term, or short-term

Professional Photography & Listing

High-quality photos and a well-written listing significantly reduce vacancy time. Professional property photography typically costs AED 500–1,500 and pays for itself through faster leasing. Your listing should highlight key features: view, floor level, condition, building amenities, and proximity to metro/schools/malls.

Setting the Right Rent

Market Research

Check comparable listings on Bayut, Property Finder, and Dubizzle for properties similar to yours in location, size, and condition. The RERA Rental Index provides official average rents by area and property type.

Factors That Affect Rent:

- ✓ Location and community (prime vs. emerging areas)
- ✓ Floor level and view (higher floors and sea/skyline views command premiums)
- ✓ Property condition and age
- ✓ Furnished vs. unfurnished
- ✓ Building amenities (gym, pool, concierge, security)
- ✓ Parking allocation
- ✓ Number of cheques offered (fewer cheques = higher rent)

Cheque Structure Strategy

Offering more cheques widens your tenant pool but may attract less financially stable tenants. A common middle ground is accepting 2–4 cheques:

- ▶ **1 cheque:** Attracts premium tenants; fastest negotiation
- ▶ **2–4 cheques:** Largest tenant pool; standard practice
- ▶ **6–12 cheques:** Maximum flexibility but consider adding 5–10% premium

Legal Framework for Landlords

Key Legislation

- ▶ **Law No. 26 of 2007:** Regulates the relationship between landlords and tenants
- ▶ **Law No. 33 of 2008:** Amended eviction rules and rent increase caps
- ▶ **Decree No. 43 of 2013:** Established the RERA Rental Index for rent increase calculation

Ejari Registration (Mandatory)

All tenancy contracts must be registered through Ejari as soon as possible after signing. Failure to register can result in fines and make the contract unenforceable in disputes.

Ejari registration requires:

- ✓ Signed tenancy contract (original)
- ✓ Title deed (proving ownership)
- ✓ Passport copies of landlord and tenant
- ✓ Emirates ID copies (if applicable)
- ✓ DEWA premises number

Rent Increases

Landlords can only increase rent at lease renewal (not during the lease term), and only if the current rent is below the average market rate as determined by the RERA Rental Index Calculator:






Below Market Rate By	Maximum Increase
Less than 10%	No increase permitted
11-20%	Up to 5%
21-30%	Up to 10%
31-40%	Up to 15%
More than 40%	Up to 20%

You must provide 90 days' written notice before lease expiry if you wish to increase rent.

Eviction Rules

Landlords can only evict tenants in specific circumstances

During the Lease (Breach of Contract):

-  Non-payment of rent (after 30 days' written notice to pay)
-  Subletting without written consent
-  Illegal use of the property
-  Causing significant damage to the property
-  Using the property for a purpose other than that specified in the contract

At Lease Expiry (12 Months' Written Notice Required):

- ▶ The landlord wishes to use the property for personal/family use (must prove no alternative)
- ▶ Landlord wishes to sell the property
- ▶ Property requires major renovation that cannot be done while occupied

All eviction notices must be delivered via a notary public or registered mail. Verbal or informal notices are not legally valid. Seek legal advice before initiating eviction proceedings.

Tax & Financial Considerations

Tax Benefits:

- No income tax on rental income in the UAE
- No capital gains tax on property sales
- No property tax (annual)
- No inheritance tax on property

However, landlords should be aware of:

- ▶ **5% VAT:** Applies to commercial property rentals. Residential rentals are
- ▶ **Tourism Dirham:** Applies to short-term/holiday home rentals (AED 10 per bedroom per night (Standard) or AED 15 (Deluxe), for the first 30 consecutive nights).
- ▶ **Municipal Fee:** 5% of annual rent, charged via the tenant's DEWA bill (paid by tenant, not landlord).

I Yield Optimisation

Strategy	Potential Impact
Professional photography	+10–15% faster leasing
Furnished offering	+20–40% rental premium
Short-term (DET licensed)	+30–60% yield vs long-term
Accepting fewer cheques	+3–5% rent premium
Regular maintenance	Reduced vacancy, better tenants
Property management company	5–7% cost; reduces stress, improves occupancy

Property Management Options

Self-Management

Suitable if you live in Dubai, own a small number of properties, and have time to handle tenant queries, maintenance coordination, and rent collection personally.

I Professional Property Management

Recommended for overseas landlords, multiple property owners, and those who prefer a hands-off approach. Services typically include:

- ✓ Tenant sourcing and screening
- ✓ Lease preparation and Ejari registration
- ✓ Rent collection and cheque management
- ✓ Maintenance coordination and emergency response
- ✓ Property inspections (quarterly or bi-annual)
- ✓ Lease renewals and rent review negotiations
- ✓ Financial reporting and statements






Typical Costs: 5–7% of annual rental income for long-term management; 15–25% for short-term/holiday home management (includes cleaning, guest handling, and dynamic pricing).

Maintenance Responsibilities

Landlord Obligations

- ✓ Structural repairs (walls, ceilings, foundations)
- ✓ Major AC system repairs or replacement
- ✓ Plumbing infrastructure (main pipes, water heater replacement)
- ✓ Electrical infrastructure (wiring, circuit breakers)
- ✓ Pest control for structural infestations (termites, etc.)
- ✓ Exterior maintenance and common areas (via service charges)

Tenant Obligations (Unless Contract States Otherwise)

-  Day-to-day maintenance and minor repairs
-  AC filter cleaning and basic servicing
-  Keeping the property clean and in good condition
-  Garden and outdoor area maintenance (villas)
-  Reporting major issues promptly to landlord

Tip: Clearly define maintenance responsibilities in the tenancy contract to avoid disputes. Include a monetary threshold (e.g., repairs under AED 500 are tenant's responsibility) for clarity.

Handling Disputes

If disputes arise with your tenant, the process is:

- ✓ Attempt to resolve directly through written communication
- ✓ If unresolved, file a case with the Rental Dispute Settlement Centre (RDSC)
- ✓ Pay a filing fee of 3.5% of annual rent (minimum AED 500, maximum AED 20,000)
- ✓ Attend mediation session (most disputes are resolved at this stage)
- ✓ If mediation fails, the case proceeds to a tribunal for a binding decision

Common dispute areas include: rent increases, maintenance obligations, security deposit deductions, early lease termination, and eviction proceedings.

Frequently Asked Questions

Can I evict a tenant to sell my property?

Yes, but you must provide 12 months' written notice via a notary public or registered mail before the lease expiry date. The tenant has the right to remain until the lease expires, even after the property is sold.

What if my tenant stops paying rent?

Send a formal 30-day notice to pay. If the tenant fails to pay, file a case with the RDSC for eviction and recovery of outstanding rent. Do not change locks or cut off utilities — this is illegal.

Can I charge the tenant for repairs?

Only for repairs that are the tenant's responsibility under the contract or for damage caused by the tenant beyond normal wear and tear. Document everything with photos and written communication.

Do I need to pay VAT on residential rental income?

No. Residential property rentals are VAT-exempt in the UAE. Only commercial property rentals are subject to 5% VAT.

Can I refuse to renew a tenant's lease?

Only if you have a valid reason under the law (personal use, sale, or major renovation) and provide 12 months' written notice via notary public or registered mail. You cannot refuse renewal simply because you want a different tenant.

What insurance should I have?

Building/structure insurance is recommended for all landlords. If renting furnished, contents insurance is advisable. For short-term rentals, comprehensive property and guest liability insurance is mandatory.

Let Us Manage Your Property

Think Properties offers full-service property management tailored to your needs. From tenant sourcing and screening to rent collection, maintenance, and financial reporting — we handle everything so you can enjoy hassle-free returns.

BOOK YOUR FREE CONSULTATION

Our team of RERA-registered professionals is here to guide you every step of the way.
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