

Real estate needs standardised evaluation system

Dubai should focus on collecting reliable data Standard contract for resale transaction required

By Anjana Kumar

Dubai needs to adopt and follow a standardised property evaluation system with emphasis on data collection, said a legal expert.

“Getting sufficient data and setting up property valuation standards are some of the problems in Dubai. There is also the need for property valuers to be registered. Currently, there is no formal system for cognition of valuers and anybody can in effect do a property evaluation,” said Gary Bugden, Executive Chairman, PRD Nationwide Middle East Real Estate, Dubai at Dubai Property Society meeting titled “Freehold Property Legislation in Dubai Real Estate Market”.



Data and setting up property evaluation standards are some of the problems

Executive Chairman, PRD Nationwide

Gary Bugden, Executive Chairman, PRD Nationwide

Bugden called for regulations by Rera that will standardise measurement procedures of a property unit.

“At present, there are no standards and that is why

am expecting this to be considered once the regulations on the Law No 27 of 2007, concerning ownership of jointly owned properties in Dubai, comes into effect.”

Jimmy Haoula, Managing Partner, Bin Shabib and Associates, said there is “something” in the pipeline to qualify how measurements of properties are done.

“We cannot confirm that yet. It is a contractual issue and an investor is sold whatever is in the contract, whether it is gross or net. It differs from one project to another,” said Haoula.

Lawyers also urged for a common clauses in sales and purchase agreements (SPAs) for all re-sale transactions of units. “It is possible to have a standard contract for a re-sale transaction but it is not

projects are different. However, there can be some standard clauses for a developer’s contract.”

Experts also called for executive regulations of termination of contracts to come into play.

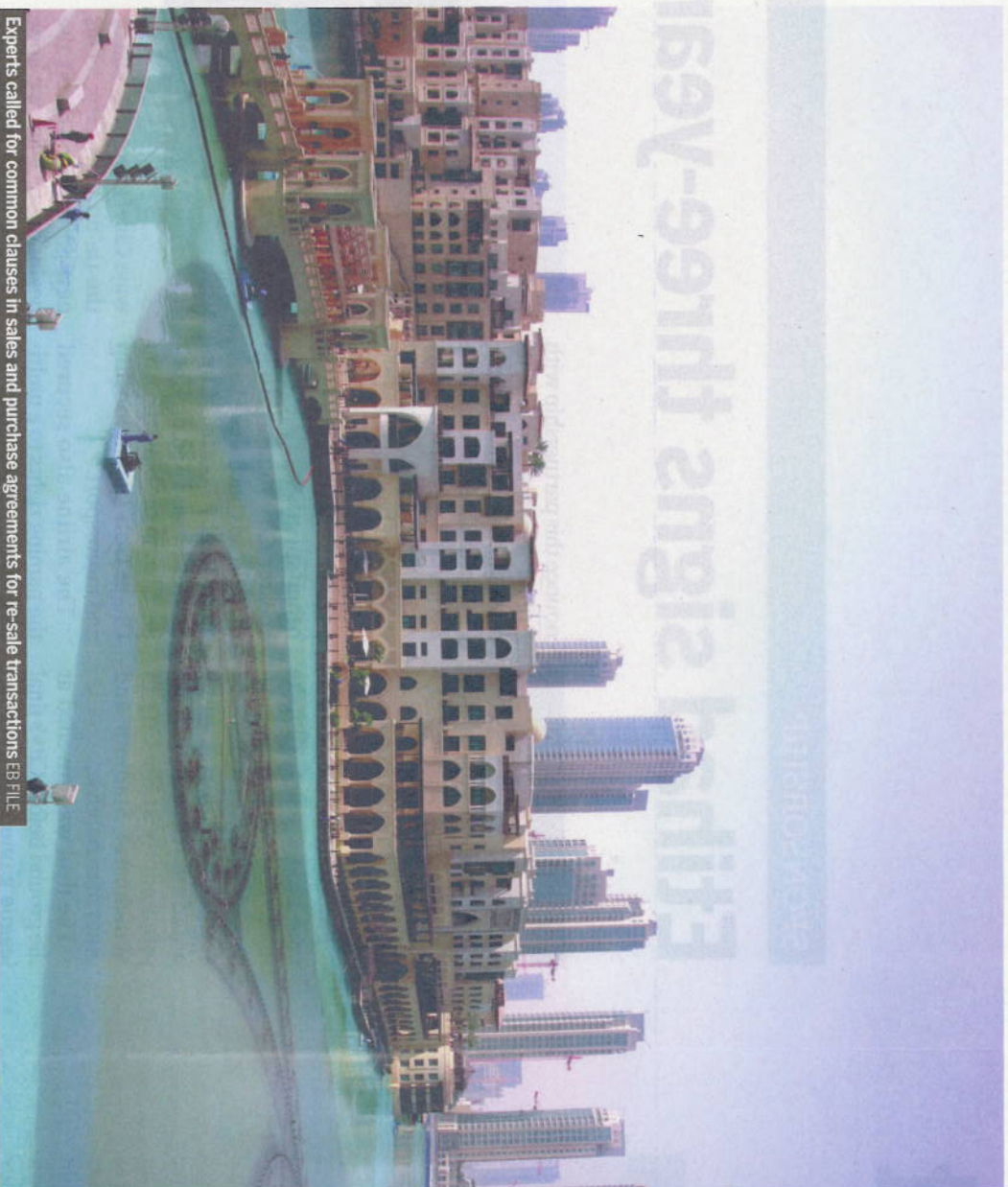
“The executive regulations are the ones that will follow the law to confirm or discuss the state of how termination of contracts will be done and interpret certain

Meanwhile, lawyers are also concerned about the need to make certain that the escrow funds received by developers prior to the establishment of the Law No 8 ensures that monies are put into the escrow account.

“The escrow law applies retrospectively and the escrow law forces the developer to open an account even if the project was set up five years ago. The developer

receive a statement from a qualified auditor in the UAE to confirm that. If not, then they have to pay the money back into the escrow.”

Speaking on the newly announced Law No 9 of 2009, Haoula said: “It has had a positive effect on the Dubai real estate market. It has positively impacted both developers and investors by providing better security to the party who is performing



Experts called for common clauses in sales and purchase agreements for re-sale transactions EB FILE

sale
Unf
the
exp
mai
sues
fica
“I
mai
pec
wit
aw
of t
lati