



Dubai Law No. 4/2026: Regulation of Real Estate Units for Shared Housing

Type	Practical Guidance
Document type	Practice Note
Date	15 May 2026
Jurisdiction	United Arab Emirates
Copyright	LexisNexis

Document link: https://www.lexismiddleeast.com/pn/UnitedArabEmirates/Dubai_Law_No_4_2026/en

Table of contents

Overview	3
Definitions	3
Practical Guidance	3
Date of issuance and entry into force	4
Purpose and objectives of the law	4
Categories of housing and types of units covered by the law	4
Scope of application	4
Conditions for shared housing units	5
Practicing the activity of leasing shared housing units	5
Issuance and renewal of permits	5
Permit duration	5
Competent Authority	5
Obligations	5
Violations and administrative penalties.....	6
Additional enforcement measures	7
Dispute resolution.....	7
Status regularisation	7
Personal analysis of the expected legal and judicial impact.....	7
Related Content	8
Author	9

Overview

Dubai has introduced a comprehensive regulatory framework for shared housing through Dubai Law No. 4/2026 On the Regulation of Occupancy and Management of Shared Housing in the Emirate of Dubai, marking a significant development in the Emirate's real estate regime. The law, which comes into force in September 2026, establishes a structured system governing the allocation, leasing, and management of shared residential units, addressing longstanding concerns around overcrowding, safety, and unregulated occupancy practices.

The legislation applies to a wide range of property types and stakeholders, including owners, licensed operators, and occupants, while excluding collective labour accommodations. It introduces a mandatory permitting regime administered by Dubai Municipality, alongside detailed technical, planning, and occupancy standards. The Dubai Land Department plays a central role through a unified registry, standardised contracts, and rental index oversight.

Key provisions include strict leasing controls, defined obligations on landlords and occupants, and a robust enforcement framework with significant financial penalties and administrative sanctions. For practitioners, Dubai Law No. 4/2026 requires immediate attention to compliance structuring, contract standardisation, and regulatory approvals. Its importance lies in formalising a previously fragmented sector, with direct implications for real estate transactions, dispute resolution before the Rental Disputes Settlement Centre, and risk management in property operations.

Definitions

- *Activity (Shared Housing Activity)*: The regulated practice of allocating, leasing, or managing real estate units for shared housing purposes in Dubai.
- *Competent Authority*: Dubai Municipality, designated as the primary regulator responsible for overseeing shared housing activities, issuing permits, and setting applicable standards.
- *Director General*: The Director General of Dubai Municipality, empowered to issue implementing decisions, amend categories and unit types, and determine regulatory requirements under the law.
- *Dubai Land Department (DLD)*: The authority responsible for maintaining the electronic shared housing register, standardising contracts, monitoring compliance, and issuing rental indices for shared housing units.
- *Establishment (Licensed establishment)*: A legal entity authorised to lease or manage shared housing units on behalf of property owners or to sublease units in accordance with the law.
- *Occupant*: Any individual residing in a shared housing unit under a valid tenancy agreement, subject to statutory obligations and restrictions.
- *Permit*: Official approval issued by Dubai Municipality allowing a property unit to be used for shared housing, subject to compliance with technical, health, and occupancy standards.
- *Property unit*: Any real estate unit eligible for shared housing use, including apartments, villas, townhouses, and mixed-use or multi-storey buildings.
- *Rental Disputes Settlement Centre (RDSC)*: The judicial body with exclusive jurisdiction over disputes arising from shared housing arrangements under the law.
- *Shared housing*: A regulated housing arrangement where a property unit is occupied by multiple individuals in accordance with approved categories and conditions.
- *Shared Housing Register*: The electronic registry maintained by the DLD containing data on shared housing units, tenancy contracts, and occupancy details.
- *Subleasing*: The act of an occupant leasing all or part of a shared housing unit to a third party, which is prohibited under the law unless conducted by a licensed establishment.
- *Technical requirements*: Mandatory standards relating to construction, safety, health, environmental compliance, and occupancy limits that must be met for permit approval.
- *Violation*: Any breach of the law or its implementing decisions, subject to financial penalties and administrative sanctions imposed by the competent authorities.

Practical Guidance

In line with the pioneering vision of the Emirate of Dubai in developing and regulating vital sectors in accordance with international best practices in the real estate market, His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President of the State, Prime Minister, in his capacity as Ruler of the Emirate of Dubai, issued Dubai Law No. 4/2026 in the Emirate of Dubai.

In this Practice Note, we will highlight the key and most prominent provisions of Dubai Law No. 4/2026, as well as the judicial and legal implications expected to arise from its implementation, through the following points:

Date of issuance and entry into force

Dubai Law No. 4/2026 was issued and published in the Official Gazette of the Government of Dubai on 27 February 2026 and shall come into force after (180) days from the date of its publication.

Purpose and objectives of the law

Dubai Law No. 4/2026, which will come into effect in September, aims to regulate the management and occupancy of real estate units designated for shared housing in Dubai in a manner that ensures the rights of landlords and occupants, enhances the shared housing system, and provides an appropriate living environment for different segments of society in Dubai, in accordance with public health and safety requirements applicable in the Emirate.

It also aims to eliminate overcrowding and random congestion in residential areas, reduce associated security risks and negative social impacts, and prevent their escalation.

Dubai Law No. 4/2026 further seeks to limit the spread of unregulated shared housing and address violations related to construction and land and building usage in accordance with applicable legislation.

It aims to ensure fairness in leasing shared housing units.

Additionally, it seeks to preserve the aesthetic and urban appearance of the Emirate and reduce negative phenomena arising from the unregulated use of buildings and residential units designated for shared housing.

Categories of housing and types of units covered by the law

Housing categories

Dubai Law No. 4/2026 specifies that shared housing is designated for the following categories:

- families;
- individual women;
- individual men;
- female students residing in units owned or not owned by educational institutions;
- male students residing in units owned or not owned by educational institutions;
- employees of government entities; and
- workers of private companies and institutions.

Dubai Municipality may amend, delete, or add categories by a decision issued by the Director General in coordination with the Dubai Land Department and relevant authorities.

Types of units

Permitted real estate units for shared housing include:

- residential apartments;
- standalone houses;
- residential complexes;
- mixed-use buildings;
- townhouses; and
- multi-storey buildings.

Dubai Municipality may amend or add to these types by decision of the Director General in coordination with relevant authorities.

Scope of application

The provisions of Dubai Law No. 4/2026 apply to:

- Real estate units located in special development zones and free zones.
- Owners authorised to allocate their units for shared housing and occupants residing therein.
- Occupants of shared housing units.
- Licensed establishments engaged in leasing and managing units on behalf of owners or leasing units from owners for subleasing purposes.
- Lease agreements and management contracts concluded between owners or establishments and occupants.

Dubai Law No. 4/2026 excludes collective labour accommodations from its scope.

Conditions for shared housing units

Dubai Law No. 4/2026 sets several requirements for approving a unit for shared housing, including compliance with planning and construction standards, public health and safety requirements, fire safety, environmental and sanitary systems, security requirements, and electricity network safety standards.

Practicing the activity of leasing shared housing units

Under Dubai Law No. 4/2026, it is prohibited for any natural or legal person to allocate a real estate unit for shared housing purposes without first obtaining a permit. Such permit must be issued and renewed in accordance with the conditions and procedures determined by a decision of the Director General of Dubai Municipality, in coordination with the Dubai Land Department and the competent authorities. When issuing or renewing the permit, it must be ensured that the real estate unit complies with the technical requirements and standards set out in this law. These include compliance with approved planning and building regulations, public health and safety requirements, the maximum number of permitted occupants per unit, the minimum space allocated per occupant, and the shared services and facilities that must be available within the unit.

The right to lease such units is limited to the owner or the licensed establishment. Occupants and third parties are prohibited from subleasing. Leasing may occur through:

- direct lease agreements between the owner and occupants;
- management by a licensed establishment on behalf of the owner; or
- leasing by an establishment from the owner for subleasing purposes.

Issuance and renewal of permits

Permits are issued and renewed according to procedures set by the Director General. Units must comply with all technical, planning, and safety requirements, including occupancy limits and services provided.

Permit duration

The permit is valid for one year, renewable for similar periods, and may be extended to two years upon request.

Renewal must be requested at least 30 days before expiry.

Competent Authority

According to Dubai Law No. 4/2026, Dubai Municipality is the competent authority responsible for regulating shared housing in the Emirate, and is granted a number of tasks and powers, most notably:

- Developing policies and strategic plans related to the regulation of shared housing in Dubai, submitting them to the Executive Council of the Emirate of Dubai for approval, and determining the conditions for allocating a real estate unit for shared housing. This includes the maximum number of permitted occupants per unit, the space allocated per occupant, and the shared services and facilities that must be available in the unit.
- Setting standards and specifications for the areas where the activity is permitted and for the allocation of real estate units for shared housing. When defining these standards and specifications, the municipality must consider the urban planning of the Emirate, population density in those areas, infrastructure and sewage systems, and the social characteristics of the residential neighbourhoods.
- Establishing a unified digital platform across Dubai dedicated to receiving applications for permits related to the allocation of real estate units for shared housing, reviewing and deciding on these applications, operating and managing the platform, and supervising and updating it. This is to ensure the documentation, organisation, and management of shared housing in the Emirate, link it with the electronic shared housing registry established at the Dubai Land Department, and make it available for use by the competent authorities.
- Dubai Land Department's role: Dubai Law No. 4/2026 also stipulates that the Dubai Land Department shall manage the electronic shared housing registry, link it with the digital portal of Dubai Municipality, determine the essential data to be recorded, update it based on changes occurring in shared housing, coordinate with competent authorities, and define the basic data to be included in tenancy and management contracts. These contracts must include details of landlords, the number of occupants, information on the real estate units, and the space allocated for shared housing. The Department shall also prepare standardised contract templates and publish them on its website.
- The Department is further responsible for verifying compliance of establishments with the conditions and regulations of the authorised activity, in accordance with applicable legislation, and for establishing and periodically updating a rental index for real estate units allocated for shared housing. This index must take into account the technical and service specifications of the units and coordinate with the Commercial Licensing Authority regarding matters related to the exercise of the activity in the Emirate.

Obligations

Obligations of the lessor

- Comply with the provisions of Dubai Law No. 4/2026 and the decisions issued pursuant to it, as well as instructions and decisions issued by the Dubai Land Department and the competent authority regarding shared housing.
- Observe the maximum occupancy of the property unit, as specified in the permit.
- Display a notice in a prominent position on the frontage of the property unit showing the permit holder's details in both Arabic and English, together with the shared housing category.
- Inform the Dubai Land Department of any changes to the details of the owner, establishment, or occupant.
- Enter into a tenancy agreement with the occupant, register it in the shared housing record, and provide the occupant with a copy.
- Ensure that the terms of the tenancy or management agreement comply with the conditions and requirements of the permit.
- Hand over the allocated space in the property unit to the occupant on the agreed date in the tenancy agreement, and permit occupancy throughout the term under the agreed conditions. The space must be suitable for its intended use and purpose.
- Do not carry out any alterations, subdivisions, or additions to the property unit or the building in which it is located without obtaining the necessary licences, permits, and approvals from the competent authority.
- The landlord must not change the authorised use of the property unit without obtaining the necessary licences, permits, and approvals from the competent authority.
- Carry out regular maintenance of the property unit and any urgent repairs, including its fixtures or fittings, and renew certificates and documents confirming that the unit meets the technical requirements and standards prescribed by the relevant authorities for the duration of the permit.
- Establish rules and instructions that occupants must follow during their stay in the unit. These rules must comply with decisions and instructions issued by the competent authority regarding shared housing. Occupants must be provided with a copy to ensure awareness and compliance.
- Provide the essential requirements related to residency in the property unit allocated for shared housing, in accordance with the provisions of this law and the decisions issued pursuant to it.
- Provide occupants with a guide setting out their rights and obligations under this law and related decisions, emergency contact numbers, permitted uses of the property, and any other information deemed necessary by the Dubai Land Department and the competent authority.
- Ensure occupants comply with Dubai Law No. 4/2026 and the decisions issued pursuant to it, and immediately report any violations or breaches to the competent authority. Failure to report constitutes a breach, for which the responsible party shall be held accountable under this law and related decisions.
- Comply with any additional obligations as determined by a decision of the Director General of Dubai Municipality, in coordination with the Dubai Land Department and other competent authorities.

Obligations of the occupant

Dubai Law No. 4/2026 obliges the tenant to comply with the following obligations:

- Follow environmental, health, and public safety requirements as prescribed under the applicable legislation in the Emirate.
- Maintain and take care of the property unit and the space allocated to them with the care of a reasonable person for their own property, and refrain from making any alterations, repairs, or maintenance works in the property unit.
- Use the allocated space solely for residential purposes and not allow others to occupy or use it.
- Refrain from conducting any economic or business activities within the property unit.
- Not sub-let the allocated space, and any tenancy agreement concluded in breach of this shall be null and void.
- Allow the landlord access to the property unit to verify that it continues to meet the requirements and conditions set out in the law and the decisions issued pursuant to it.
- Comply with any other obligations as determined by a decision of the Director General of Dubai Municipality in this regard.

Violations and administrative penalties

Financial penalties

Dubai Law No. 4/2026 stipulates that anyone who violates the provisions of this law or the decisions issued pursuant to it shall be subject to a financial penalty of not less than AED 500 and not more than AED 500,000. The amount of the fine shall be doubled in the event of a repeat offence of the same violation within one year from the date of the previous violation, provided that the maximum fine does not exceed AED 1,000,000.

Additional enforcement measures

In addition to the financial penalty, Dubai Law No. 4/2026 authorises Dubai Municipality, the Dubai Land Department, and other competent authorities to impose a number of measures on violators, including:

- Suspension of activity for a period not exceeding six months.
- Cancellation of the permit.
- Coordination with the Commercial Licensing Authority to cancel the commercial licence of the establishment.
- Disconnection of public services to the violating property unit, or to any unit where the violation has not been rectified, in coordination with the authorities providing those services, until the causes of the violation are removed.
- Refusal to accept any transactions related to the property unit in which the violation occurred.
- Refusal to issue any building permits for the property unit until the violation has been rectified.
- Seizure of any equipment or devices used in committing the violation, or used in restoring services to the unit from which services were disconnected.
- Refusal to register tenancy or management contracts for violating property units until the causes of the violation are removed.
- Eviction of the property unit that violates the permit conditions, based on a decision issued by the Execution Judge at the Rental Disputes Settlement Centre.

Dispute resolution

According to Dubai Law No. 4/2026, the Rental Disputes Settlement Centre in Dubai has exclusive jurisdiction to hear and adjudicate all disputes and conflicts relating to the rights and obligations set out in this law and the decisions issued pursuant to it. The Centre shall consider and resolve such disputes in accordance with the rules and procedures applicable to it in this regard.

Status regularisation

Dubai Law No. 4/2026 requires owners who have allocated their property units for shared housing, as well as establishments that were operating in Dubai prior to the implementation of this law, to regularise their status in accordance with its provisions within one year from the date the law comes into effect. The Director General of Dubai Municipality may, if necessary, extend this period once.

Personal analysis of the expected legal and judicial impact

Dubai Law No. 4/2026 represents a practical step towards modernising the legal and judicial framework with respect to real estate disputes in general, and tenancy disputes in particular. It is anticipated that Dubai Law No. 4/2026 will bring a significant transformation to Dubai's judicial environment. Initially, it is expected to lead to an increase in disputes, which will later be followed by legal and judicial stability, contributing to the development of judicial precedent.

The implementation of Dubai Law No. 4/2026 is likely to result in a higher number of cases being brought before the courts relating to specialised real estate disputes, particularly in the early stages. The most notable examples include:

- Disputes between owners and operators regarding compliance with licensing conditions.
- Disputes between owners and occupants concerning eviction or unlawful occupation.
- Conflicts over exceeding the maximum number of residents within a single property.

This is expected to lead to a qualitative development in real estate cases and the emergence of a new category of disputes related to shared housing, thereby enriching judicial precedent in the real estate sector. Examples include, but are not limited to:

- The creation of new judicial precedents.
- Interpretation of legal provisions that have not been previously addressed.
- Establishment of judicial principles regarding the concept of shared housing and its limits.
- Definition of the responsibilities of owners, property management companies, and occupants.

Moreover, the implementation of Dubai Law No. 4/2026 is expected to enhance the role of urgent or summary proceedings (al-Qadaa al-Musta'jil). Due to the nature of shared housing and the potential health and safety risks it may pose, recourse to urgent judicial measures is likely to increase. Examples include:

- Requests for immediate eviction of non-compliant units.
- Suspension of unlicensed activities.
- Removal of hazards and overcrowding.

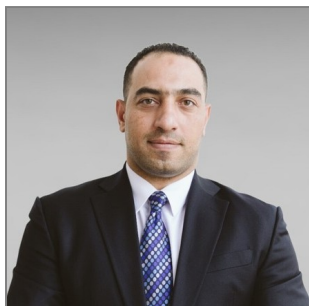
Consequently, the role of urgent proceedings will become more prominent in protecting public order.

Related Content

Legislation

- Dubai Law No. 4/2026 On the Regulation of Occupancy and Management of Shared Housing in the Emirate of Dubai

Author



Mohamed Said Taha

Legal Advisor, SAT & Co Advocates and Legal Consultants (UAE)

+971 4 5514441

mohamed.taha@sat-law.com

Education

- Menoufia University

Memberships

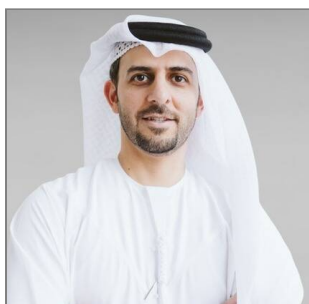
- Egyptian Bar Association

Biography

Mohamed Said Taha is a highly accomplished Legal Advisor at SAT & Co, with nearly two decades of experience spanning the UAE and Egypt. His career began in Egypt, where he gained a strong foundation in litigation and client advisory work. Relocating to Dubai, he built an impressive track record over more than ten years at prominent regional law firm, before bringing his extensive expertise to SAT & Co.

Mohamed's practice encompasses a wide range of legal disciplines, including rental, real estate, labour, civil, commercial, and criminal law. He is especially known for his meticulous drafting of legal memoranda, claims, and procedural submissions, as well as his ability to navigate complex litigation processes with precision. His experience includes electronic case registration, coordination with Dubai Courts, and effective engagement with public prosecution systems—capabilities that allow him to manage high-pressure cases seamlessly.

Over the course of his career, Mohamed has managed more than 500 cases, achieving over 100 favorable outcomes in real estate disputes alone. His track record features notable wins against leading regional developers, along with successful resolutions in sensitive financial and criminal matters. Known for his strategic foresight, legal acumen, and unwavering commitment to clients, Mohamed is a trusted advisor in high-stakes disputes.



Abubaker Karmustaji

Co-Founder & Head of Dispute Resolution Practice, SAT & Co Advocates and Legal Consultants (UAE)

Contact: +971 4 5514441

Email: abubaker@sat-law.com

Education

- University of Jazeera

Memberships

- UAE Bar Association
- Licensed Private Notary – UAE

Biography

Abubaker Karmustaji is a Co-Founding Partner and the Head of the Dispute Resolution Practice at SAT & Co, a leading law firm based in the United Arab Emirates.

An accomplished Emirati advocate, he has full rights of audience before all courts in the UAE and is authorised to act as a Private Notary.

Abubaker has built a strong reputation in the legal community for his depth of knowledge, sharp analytical skills, and strategic approach. He has a wealth of experience handling complex disputes across sectors including international shipping, oil & gas, property management, and financial transactions.

Abubaker is particularly adept at managing cases involving both civil and criminal litigation, often with significant cross-border elements. His clients value his methodical and results-driven approach, as well as his unwavering dedication to protecting their rights and interests.