

QATAR LAW Q&A: PROPERTY LAW OVERVIEW

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INTRODUCTION

Qatar does not have a single, codified, source of property law. Instead, a collection of laws, ministerial decrees and resolutions, dating back to 1963, constitute the country's jurisprudence on the subject. The general rule in Qatar is set forth in Law No. (5) of 1963, which provides that only Qataris may own freehold estates while non-Qataris have no such right. Law No. (14) of 1964, meanwhile, establishes a system of registering legal instruments that affect land title (the functional equivalent to a recording statute). When read together, these two laws form the legal foundation of Qatar's regime for acquisition and registration of property.

CAN A FOREIGN PARTY OWN PROPERTY IN QATAR?

Yes. In 2002, the Qatari government passed new legislation which loosened restrictions on foreign ownership of property, by allowing nationals from the member countries of the Gulf Cooperation Council (GCC) to own property in Qatar. Under this scheme, GCC nationals are permitted to acquire up to three (3) properties, subject to restrictions on their collective square meterage and provided that they are acquired for residential purposes only.

More recently, the government has also opened up designated areas of the real estate market to non-Qataris and non-GCC nationals ("non-Qataris"). The laws under which these changes were enacted grant non-Qataris both ownership and usufruct rights in residential real estate that is located in specific investment zones, such as The Pearl and West Bay.

WHAT IS THE PROCESS FOR REGISTERING FOREIGN LAND OWNERSHIP IN QATAR?

The registration process for land ownership in Qatar differs depending on whether the land in question is being registered by a Qatari or non-Qatari party. A separate process also exists for the registration of usufruct rights, to which non-Qataris are also entitled to for up to 99 years.

In the case of non-Qatari land ownership, a registration application form should be completed and submitted for approval to the specific administration office attaching to the investment zone in which the non-Qatari proposes to purchase land. Following submission of the application, the office in question will co-ordinate with the Department of Land Registration and the Ministry of Justice for the requisite approval. If the application is approved, the administration office will issue a deed of title to the non-Qatari and retain a copy for their records.

In the case of registration of usufruct rights, similar to the process for foreign land ownership, registration is done through an office located within the municipality attaching to one of the 18 foreign investment zones where usufruct rights may be granted to a non-Qatari. The municipality will then coordinate with the Ministry of Justice to amend the title deed of the

property to reflect the fact that a usufruct right has attached to the deed. The municipality will then issue an amended title deed to the owner, for their records, and a certificate to the applicant, effectively vesting them with the rights and privileges of a usufructuary.

WILL I BE GRANTED A RESIDENCY VISA IF I OWN PROPERTY IN QATAR?

Yes. Law No. (2) of 2006 carves out an exception for non-Qataris seeking to obtain a residency visa in Qatar. Article 1 of the law provides that non-Qataris who purchase or obtain a right of usufruct to residential property under Law (17) of 2004, are eligible to receive (renewable) entry permits and residency visas for a period of 5 years. Residency visas are also extended to the person's immediate family and automatically terminate when a person ceases to be an owner of property or a usufructuary under Law (17) of 2004.

HOW EASILY IS LAND EXPROPRIATED BY THE STATE OF QATAR?

Law (13) of 1988 and its subsequent amendments set forth the guiding principles on expropriation of real property. Article 2 of the law states that the government, or any branch thereof, may divest an owner of title to private property and redistribute it for public use only if the owner receives fair compensation in return. In practice, expropriation is not a frequent occurrence, although it is being undertaken more commonly than in the past, perhaps arising from the increase in the number of major infrastructure projects currently being planned in Qatar due to its successful bid to host the FIFA World Cup in 2022. Since 2008, the Official Gazette of the State of Qatar has reported 63 decisions to expropriate private property and distribute it for public use, 23 of which were reported in 2011. On balance, however, such expropriation is unlikely to occur in any of the investment zones where non-Qataris may purchase or obtain a right of usufruct, however it is prudent to note that the law does not restrict the power to expropriate in these areas.

WHAT PROTECTIONS DO LESSEES HAVE UNDER THE LAW?

The Rent Law No. (4) of 2008 is the primary legislation in Qatar that regulates the relationship between a lessor and lessee. The Rent Law enumerates certain rights of a lessee and imposes a number of obligations upon the lessor. These rights and obligations are considered mandatory provisions of Qatar law, and thus apply notwithstanding the terms and conditions which may be agreed to between a lessor and lessee, under a lease agreement.

Key among the protections which are granted to lessees, are the following:

- the lessee has the right to receive the premises in a condition fit for the ordinary purpose contemplated by the lease agreement;
- the lessee may terminate the lease or request a rent abatement should the conditions of the premises not meet a reasonable standard of habitability;
- where a lessor has a duty to make necessary repairs to the premises and fails to do so, the lessee may obtain a permit from the Dispute Resolution Committee to undertake the necessary repairs on the lessee's own account and deduct the expenses resulting from the rent owing;
- with respect to the terms of the lease itself, the lessor may not request an increase in rent throughout the duration of the existing lease, except in accordance with regulations which permit this as may be issued from time to time, and within any rates which are stipulated by a decision issued by the Council of Ministers. The lessor also cannot demand a down payment

that is greater than the sum of two months rent;

- in the event that the lessor is the owner of the property, and the lessor transfers ownership to a new owner, the terms of the lease contract will remain binding on the new owner. The new owner is also obligated to notify the lessee(s) and the Leased Properties Contract Registration Office through registered mail of the transfer of ownership, within 30 days.

The law also establishes a Leasing Dispute Settlement Committee which is mandated to hear and issue binding decisions with respect to disputes between a lessor and lessee. However, unless the lease is registered with the Leased Registration Property Contract Office, which the lessor is required by law to do, the Dispute Settlement Committee may decline to hear any disputes between the lessor and lessee, arising from their lease. In practice though, the Committee is unlikely to refuse to hear a matter where the lessor has failed to register the lease, as the Rent Law is designed to protect the interests of leasing parties. It is nonetheless advisable for tenants to seek to ensure that their landlords have registered their lease agreements in case of any future dispute.

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