

Improving Governance in Dubai's Real Estate Industry



Hawkamah starts a landmark initiative with the Real Estate Regulatory Agency and the Dubai Real Estate Institute

The Hawkamah Institute for Corporate Governance, Real Estate Regulatory Agency (RERA) and the Dubai Real Estate Institute (DREI) today signed a Memorandum of Understanding (MoU) in a first of its kind, landmark initiative aimed at improving corporate governance within the real estate industry in the UAE.

The MOU reflects Hawkamah, DREI's and RERAs commitment towards improving the corporate governance regulatory framework and its implementation in the real estate sector.

Hawkamah is working with RERA to develop a Code of Corporate Governance for the Real Estate Sector in Dubai and will undertake a series of trainings with DREI on Corporate Governance for the Directors, Senior Management and officers. Dr. Nasser Saidi, Executive Director of Hawkamah, Institute

for Corporate Governance said that “Improving and strengthening corporate governance practices is one of the pre-requisites to protect property rights, gain and maintain investors’, markets, home owners, tenants and their associations and other stakeholders’ confidence in the real estate sector. The real estate companies, property developers and valuation agencies need to become more transparent through better reporting of transactions and prices, as real estate nowadays is a global business and corporate governance therefore plays an important role for international and regional investors looking to invest in real estate.”

Dr. Saidi added that “By signing an MOU with DREI, Hawkamah will closely work with the Dubai Government to develop a corporate governance regulatory framework for the real estate sector and provide briefings and development sessions to the various stakeholders on how to implement the corporate governance framework. This landmark initiative will produce the first ever real estate corporate governance code in the region, and not only tackles the development of the framework but the on-going implementation challenge.”

Eng. Marwan Bin Ghalita, Chief Executive Officer of RERA, said that “Our outlook is to have a real estate market that is up to the best international standards. By implementing governance practices Dubai’s real estate market will be the first market in the region to adopt such an important initiative. This initiative will help make our market more transparent and investment friendly. RERA will continue developing the regulatory framework for Dubai’s real estate market to go hand in hand with future development. Governance practices will be applied at the corporate level as well as at the project level to help enhance confidence in our market.” He added: “The recommendations and suggestions of real estate companies, investors, banks and experts are taken into account to ensure stakeholder involvement in the process of developing the charter and its effective implementation.”

DREI, is an industry-founded learning community providing comprehensive, high quality graduate and professional

development programs on real estate. More than 14000 professionals have undergone real estate training through the Institute over the past three years.

Eng. Mahmoud Al Burai, Managing Director of DREI, said that "Professional development together with corporate governance are needed in a mature real estate market and DREI is committed to putting together infrastructure that is indispensable in the post downturn era and to implementing a corporate governance regulatory framework that is congruent with the Dubai real estate environment and at the same time adheres to globally established best practices." He added: "the Dubai Real Estate Institute in collaboration with Hawkamah will be the first in the region to offer training courses in the field of real estate corporate governance and this in line with the strategic goal of developing a highly proficient and well qualified real estate workforce".

The MoU provides a framework for Hawkamah and DREI to collaborate on improving the corporate governance practices within the real estate industry, increasing awareness about the advantages of having good corporate governance practices in place and conducting specialised training sessions for the real estate sector stakeholders at all levels of management.

