

THE LEGAL FRAMEWORK FOR THE EXPROPRIATION OF PRIVATE PROPERTY UNDER UAE LAW AND ITS PRACTICAL APPLICATIONS: A DESCRIPTIVE ANALYTICAL STUDY

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ABSTRACT

This descriptive-analytical study aims to highlight the legislative and legal frameworks governing the mechanism of compulsory acquisition (eminent domain) of private property for public utility in the United Arab Emirates. It seeks to clarify the constitutional and legal guarantees afforded to property owners, particularly the mechanisms for fair compensation. Additionally, the study aims to monitor and discuss the practical applications and real-world challenges faced by both individuals and government entities during the implementation of these decisions. Ultimately, it endeavors to provide a balanced vision that reconciles the requirements of sustainable development and public interest on one hand, with the protection of the inherent rights of private property on the

other. The study adopted a descriptive analytical approach, reviewing constitutional texts and federal and local legislations, with a focus on Dubai Law No. (2) of 2022 and Federal Law No. (10) of 1992. It also addresses procedural aspects, rules for compensation assessment, and analyzes the judiciary's oversight role in protecting individual rights from administrative abuse. The study concludes with a set of findings and recommendations aimed at enhancing legal safeguards for property owners and unifying procedural standards across different emirates.

Keywords: *expropriation, public benefit, UAE Law, fair compensation, private property, judicial review*

INTRODUCTION

Private property constitutes a fundamental pillar underpinning modern socio-economic systems. Consequently, comparative jurisdictions-including the United Arab Emirates-have meticulously established a robust constitutional and statutory framework to safeguard this right against arbitrary infringement. However, this right is not absolute; it is subject to restrictions imposed by the necessity of coexistence and the achievement of public interest, which takes precedence over private interest in cases of conflict. "Expropriation for public benefit" stands as the most prominent of these restrictions and the one that most affects individual rights, representing an administrative procedure by which an owner is forcibly deprived of their property to implement a project of public utility (Dolzer & Stevens, 2019).

This study gains particular importance in light of the comprehensive urban renaissance and major national projects witnessed by the United Arab Emirates, which often require the acquisition of vast areas of privately owned land. Hence, a fundamental question arises regarding the adequacy of legal safeguards granted to individuals in the face of the administration's power of expropriation, and how to ensure fair compensation in line with constitutional principles and international standards (International Valuation Standards Council, 2022).

RESEARCH PROBLEM

The research problem lies in identifying the potential gap between legal texts and practical application in expropriation procedures, especially given the multiplicity of local and federal legislations. The issues of "fair compensation" and "public benefit criteria" also raise continuous legal and judicial challenges,

requiring a precise analysis of the UAE judiciary's stance on overseeing these decisions.

RESEARCH OBJECTIVES

- a) To establish the legal concept of expropriation in UAE legislation and its constitutional basis.
- b) To clarify the administrative procedures followed for expropriation at both federal and local levels.
- c) To analyze the rules for assessing fair compensation and the guarantees for property owners to receive it.
- d) To review practical judicial applications of expropriation disputes in UAE courts.

RESEARCH METHODOLOGY

This study adopts a descriptive-analytical approach to examine and critique the statutory frameworks governing expropriation in the United Arab Emirates in light of established constitutional principles. Furthermore, it analyzes relevant judicial precedents and rulings issued by the Federal Supreme Court and local Courts of Cassation to elucidate the practical application of these legal texts and identify contemporary trends in judicial interpretation.

THEORETICAL BACKGROUND

CONCEPTUAL FRAMEWORK AND CONSTITUTIONAL BASIS OF EXPROPRIATION IN THE UAE

Expropriation for public benefit is considered one of the most serious powers exercised by the administration, as it directly infringes upon the right to property, which is a sacred right in Islamic Sharia and positive laws. Therefore, it was imperative to establish a clear conceptual and constitutional framework that defines the scope of this power and prevents its abuse (Ochoa & Sharif, 2021).

1. The Nature and Historical Development of Expropriation for Public Benefit

Expropriation is legally defined as an exceptional administrative procedure by which an owner is forcibly deprived of their real estate property or the real rights attached thereto, and its ownership is transferred to the state or one of its public entities or public legal persons, with the aim of achieving a predetermined public utility, and in exchange for fair compensation paid to the owner to redress the damage (Tamimi, 2023).

a) Historical Development of the Concept of Expropriation in the UAE

Prior to the inception of the Federation, property regulations were predominantly governed by customary law and local traditions, heavily underpinned by the principles of Islamic Sharia, which fundamentally upholds the sanctity of property rights. However, with the nation's socio-economic renaissance in the 1970s, the impetus for a formal legal framework intensified to match the rapid pace of urban expansion. Consequently, the earliest local decrees emerged in Abu Dhabi and Dubai to regulate land acquisition for infrastructure, road networks, and sovereign facilities. This legislative evolution ultimately culminated in the enactment of Federal Law No. 10 of 1992, establishing the benchmark for procedural harmonization across the Emirates (Al-Khudari, 2024).

b) Legal Characteristics of Expropriation

Under UAE jurisprudence, the mechanism of compulsory acquisition is delineated by several core legal characteristics that fundamentally distinguish it from conventional property transfers and private law dispositions:

- i) **Sovereign and Compulsory Nature:** Expropriation is not based on the owner's will, but rather it is an expression of the state's authority to prioritize public interest. The administration here does not negotiate as an equal party, but rather imposes its will by law, provided that it adheres to the controls.
- ii) **Purely Exceptional Nature:** Expropriation is a "last resort." The administration may not resort to it if it can achieve the same goal through amicable purchase or by utilizing state-owned public lands.
- iii) **Limited to Real Estate by Nature or Designation:** Expropriation primarily applies to real estate due to the connection of public projects to

specific geographical locations that cannot be replaced (such as a metro line or a bridge). Movable properties, on the other hand, are subject to the system of “temporary seizure” or direct purchase.

- iv) **Close Link to Prior or Concurrent Compensation:** In the UAE legal philosophy, the legality of expropriation is not complete without the availability of the necessary financial allocation for compensation, making it a “compulsory sale” rather than confiscation.

2. Shariah and Constitutional Basis for Expropriation

a) The Shariah Perspective: The Doctrine of Public Interest (*Maslahah Mursalah*)

Given that Islamic Sharia is the primary source of legislation in the UAE, the framework of compulsory acquisition is deeply rooted in Islamic jurisprudence. It is fundamentally anchored in the Islamic legal maxim: “A private injury is sustained to avert a public harm.” Muslim jurists have historically established a consensus (*ijma'*) permitting the expropriation of private property for critical infrastructure—such as the expansion of mosques, public roadways, and essential facilities—strictly conditioned upon the provision of a “fair market value” compensation without partiality. This jurisprudential foundation imbues the UAE legislative framework with a robust ethical and statutory character (Fernando & Li, 2020).

b) Article 21 of the UAE Constitution and Its Analysis

Article (21) states: The constitutional declaration that “private property shall be protected” vests ownership rights with a supreme, inviolable immunity. By employing the term “protected,” the constitutional text establishes a robust legal barrier against arbitrary state interference. Consequently, three indispensable pillars governing the strict legality of expropriation can be directly inferred from this constitutional mandate, serving as benchmarks to validate any compulsory acquisition:

- i) **The Purpose:** (Public benefit) which is the reason for the decision’s existence or non-existence.

- ii) **The Form:** (Cases stipulated by law) meaning adherence to the prescribed procedural path.
- iii) **The Consideration:** (Fair compensation) which is the financial guarantee that corresponds to the deprivation of the right.

By virtue of this constitutional grounding, any federal or local legislation that infringes upon these core pillars—such as acquiring property without prompt indemnification or converting it for private utility—is inherently rendered unconstitutional. Consequently, such statutory violations fall squarely within the jurisdictional purview of the Federal Supreme Court, making them subject to definitive judicial review and constitutional challenges.

LEGISLATIVE REGULATION AND EXPROPRIATION PROCEDURES IN UAE LAW

The legislative landscape in the UAE is characterized by a structured duality between federal statutes and local enactments—a dual system uniquely reflected in the regulation of compulsory acquisition. Pursuant to Article 121 of the UAE Constitution, individual emirates retain the residual jurisdiction to regulate real estate affairs and property matters, provided that such local legislation strictly aligns with, and does not contravene, overriding federal constitutional principles.

1. Comparative Analysis of Legislative Sources (Federal and Local)

The rules governing expropriation are distributed across two legislative levels, creating a legal richness that requires a precise understanding of the scope of application for each:

- a) **Federal Law No. (10) of 1992:** This statute serves as the *lex generalis* (general law) governing compulsory acquisition at the federal level. Comprising 26 statutory articles, the law delineates the scope of public utility, designates the competent authority empowered to issue expropriation decrees—specifically vesting this power in the Council of Ministers for federal entities—and prescribes the mechanism for establishing valuation committees. A pivotal feature of this legislation is its explicit stipulation

that an appeal against a compensation assessment does not operate as a stay of execution for the expropriation proceedings. This dual-purpose mechanism ensures that strategic national infrastructure projects are safeguarded against administrative delays, while simultaneously preserving the aggrieved owner's right to retroactively claim any judicially determined valuation differentials.

- b) Dubai Law No. (2) of 2022: This statute effectively superseded outdated legislative instruments-most notably the 1964 Decree-thereby establishing a comprehensive, integrated framework aligned with Dubai's global economic stature. Among the most salient features of this modernized regulatory system are:
 - i) Expansion of the concept of "rights holders": Compensation is no longer limited to the registered owner only, but also includes holders of usufruct rights and long-term tenants, reflecting comprehensive protection for all affected legal positions.
 - ii) Establishment of an "Expropriation Committee": This entity operates as a standing committee endowed with technical autonomy. It is exclusively mandated to evaluate expropriation requests and meticulously verify that the 'public utility' threshold is satisfied prior to submitting its formal recommendations to the Ruler.
 - iii) Adherence to International Valuation Standards (IVS): The statutory framework strictly obligates the committee to implement the valuation benchmarks adopted by the Dubai Land Department (DLD). These benchmarks are meticulously aligned with the International Valuation Standards (IVS), thereby ensuring transparency, objectivity, and market-reflective outcomes in the appraisal process.
- c) Legal Regulation in the Emirate of Abu Dhabi: The Emirate of Abu Dhabi utilizes a meticulous procedural framework overseen by the Department of Municipalities and Transport (DMT). A defining characteristic of the Abu Dhabi model is the seamless integration of compulsory acquisition within broader urban development strategies. Under this paradigm, affected citizens are frequently indemnified via a "mixed compensation system." This approach couples monetary compensation for physical structures and developments with the allocation of alternative, fully serviced land plots in developed residential areas, thereby safeguarding the socio-economic stability of the displaced owners (Thapa, 2024).
- d) Sharjah Law No. (2) of 2020: The legislative framework in the Emirate of Sharjah places a distinct emphasis on the preservation and protection of

agricultural and ecological zones. Consequently, the legislator has instituted stringent statutory controls governing the compulsory acquisition of agrarian lands. To fully redress the economic detriment incurred by farmers, the law mandates that the compensation package must comprehensively account for the “loss of crops” spanning multiple consecutive seasons. This forward-looking valuation mechanism ensures that both the immediate loss of real property and the prospective loss of livelihood are fully indemnified.

2. Scope of Application of Expropriation Laws in Free Zones

The unique status of financial free zones-such as the Dubai International Financial Centre (DIFC) and Abu Dhabi Global Market (ADGM)-frequently raises complex questions regarding the applicable law. Principally, expropriation regulations fall under the category of ‘Sovereign Laws’ (Lois d’ordre public), which universally apply across all state territories, including free zones. This is because the fulfillment of ‘public utility’ represents a supreme state interest that transcends the autonomous legal frameworks of these specialized enclaves. Nevertheless, when determining indemnification, valuation committees are legally bound to factor in the distinct investment profiles of these properties. This includes accounting for the premium market valuation driven by operating licenses, strategic commercial privileges, and substantial tax advantages intrinsic to free zone operations (Dolzer & Stevens, 2019).

3. Conditions and Controls for Expropriation

The framework of compulsory acquisition in the UAE harmonizes federal and local statutory instruments to balance public utility against the constitutional protection of private property. For an expropriation decree to attain legality and withstand challenges of annulment, it must concurrently satisfy three cumulative substantive conditions: first, the Public Benefit Element, which mandates that the project exclusively serves collective interests like infrastructure and public facilities (pursuant to Article 2 of Federal Law No. 10 of 1992 and Article 4 of Dubai Law No. 4 of 2025); second, the Condition of Absolute Necessity, which requires demonstrating the absence of viable, non-infringing alternatives; and finally, Strict Conformity with Approved Urban Master Plans and sustainable development strategies ratified by competent local authorities, such as the Sharjah Urban Planning Council and the Abu Dhabi Department of Municipalities and Transport (Ochoa & Sharif, 2021).

4. Administrative Procedures for Expropriation

The expropriation process goes through several procedural stages to ensure transparency and protect rights:

- a) **Project Announcement Phase:** Begins with a decision from the competent authority (such as the Ruler of the Emirate, the Executive Council, or the relevant Minister) declaring a specific project as a public utility work. This decision is published in the Official Gazette and daily newspapers to inform property owners.
- b) **Inventory and Survey Phase:** Technical committees visit the site to inventory affected properties, determine their areas, describe their structural condition, and list trees, crops, and existing structures.
- c) **Preparation of Owners' Lists Phase:** Lists of owners and holders of real rights (such as long-term tenants or easement holders) are prepared based on official records in land and property departments.
- d) **Issuance of Final Expropriation Decision Phase:** After the completion of technical and financial studies, the final expropriation decision is issued, and owners are officially notified of the need to vacate the property within a specified period, with the commencement of compensation payment procedures.

RULES AND GUARANTEES FOR COMPENSATION IN EXPROPRIATION

Compensation is the “price” paid by the state for depriving an individual of their property. UAE jurisprudence and judiciary have unanimously agreed that this compensation must be “fair” and “full.”

1. Technical and Methodological Standards for Assessing Fair Compensation

Rather than merely prescribing the standard of ‘fair compensation,’ UAE jurisprudence institutes rigorous technical frameworks designed to ensure that indemnification is genuinely ‘full and comprehensive.’ To achieve an equitable market-reflective assessment, judicial bodies and specialized valuation committees uniformly implement three recognized appraisal approaches:

- a) **Market Approach:** Regarded as the most prevalent methodology, this approach identifies recent market transactions involving comparable properties within the same geographical vicinity, applying precise technical adjustments to account for variances in size, location, and available infrastructure. Crucially, the UAE judiciary firmly emphasizes that any “speculative appreciation” or artificial inflation in property values directly triggered by the announcement of the public utility project itself must be strictly excluded from the final valuation.
- b) **Income Approach:** This is specifically used for investment properties (such as rented buildings and commercial centers). Compensation is assessed based on the “present value” of cash flows and profits that the property would have generated over its useful life. This includes compensation for “loss of profits” during the transition period.
- c) **Cost Approach:** This is used for specialized buildings for which there are no comparable sales (such as factories or private hospitals). Compensation is estimated based on the cost of constructing a similar building at current prices, with depreciation deducted.

Additional Compensation Elements:

- a) “Key Money” and “Goodwill” Element: For commercial premises, the tenant or owner must be compensated for the loss of customers and commercial goodwill associated with the location.
- b) Compensation for “Loss of Use”: This is monetary compensation for the period between vacating the property and receiving the final compensation, to enable the owner to rent an alternative.
- c) Compensation for “Moral Damage”: Despite being an exception, modern judicial precedents have begun awarding compensation for moral damages (*pretium doloris*) arising from the expropriation of an ‘ancestral estate’ or ‘family home.’ This is particularly evident when multi-decadal occupancy is proven, as courts recognize the profound emotional and generational ties severed by displacement.

2. Valuation and Appraisal Committees

The UAE legislator has entrusted the task of assessing compensation to specialized committees (valuation committees). These committees are characterized by:

- a) **Mixed Composition:** They usually include representatives from government entities and independent real estate experts to ensure impartiality.
- b) **Technical Standards:** The committees rely on scientific criteria for valuation, such as the property's location, area, intended use (residential, commercial, industrial), and the real estate market conditions.
- c) **Right to Grievance:** The law grants the owner the right to appeal the valuation committee's decision before an administrative grievance committee or before the competent judiciary if they believe the compensation is inadequate.

3. Guarantees for Compensation Payment

To mitigate administrative delays and protect proprietary rights, legislations enforce three pivotal guarantees. First, they prohibit physical taking and administrative possession prior to the official escrow deposition or partial disbursement of the appraised compensation. Second, they permit consensual in-kind substitution, enabling the authority to allocate alternative real estate in comparable zones, a mechanism highly utilized in urban renewal master plans. Lastly, they institute moratory interest and delay indemnities as judicial sanctions against the administration should it fail to remit financial dues within the legally prescribed timeframes.

This protective framework directly transitions into (Chapter Four: Judicial Review of Expropriation Decisions), which stands as the ultimate constitutional safeguard against executive overreach. In this upcoming chapter, the analysis shifts to the role of competent courts in scrutinizing administrative compliance, verifying the strict fulfillment of legality thresholds, and reviewing the findings of valuation committees. This judicial oversight ensures the realization of 'full restitution' and defends both the material and emotional interests of displaced proprietors against any arbitrary exercise of power.

The judiciary plays a pivotal role in ensuring the legality of expropriation decisions and protecting the rights of property owners. The UAE courts, through their various levels, exercise oversight over both the procedural and substantive aspects of expropriation (Elbortokaly, Shalaby & Gammaz, 2022).

a) Scope of Judicial Review Over Expropriation Decisions

Judicial review extends to all aspects of the expropriation decision, ensuring its compliance with the constitution and relevant laws. This includes (Kriebaum, 2024):

- i) **Review of Public Benefit:** The court examines whether the project for which the property is expropriated genuinely serves a public interest and is not merely a pretext for private gain. While the administration has broad discretion in defining public benefit, this discretion is not absolute and is subject to judicial oversight.
- ii) **Review of Procedural Legality:** The court verifies that all legal procedures, from the announcement of the project to the notification of owners and the formation of valuation committees, have been strictly followed. Any deviation from these procedures can lead to the annulment of the expropriation decision.
- iii) **Review of Compensation Fairness:** This is perhaps the most frequent area of judicial intervention. The court assesses whether the compensation offered is truly fair and full, taking into account all direct and indirect damages suffered by the owner. The court often appoints independent experts to re-evaluate the property and determine appropriate compensation.

b) Judicial Oversight Over the “Public Benefit” Element

The Federal Supreme Court and the Dubai Court of Cassation have consistently affirmed that while the administration possesses discretionary power in assessing ‘public benefit,’ such assessments remain fully subject to judicial review. Consequently, if an expropriation decree is proven to advance the private interests of specific individuals or corporate entities rather than the general public, it is deemed *ultra vires* due to an ‘abuse of power’ (*détournement de pouvoir*) and warrants judicial annulment. As a practical precedent, the court ruled that widening a public road serving a residential area constitutes an absolute public utility work; however, this validity is strictly conditional upon the administration not having unjustifiably ignored a ‘less harmful alternative’ available to the affected property owners. (Thapa, 2024)

c) Analytical Study of Key Judicial Principles (2020-2026)

The UAE judiciary is considered the “guardian of rights and freedoms,” and the higher courts have established robust legal principles that protect property owners from any administrative abuse:

- i) Principle of “No Covert Confiscation”: In a landmark precedent before the Dubai Court of Cassation, the court rigorously enforced the principle of “No Covert Confiscation.” The judiciary ruled that the administration’s de facto taking of private property and dedicating it to public utility—absent formal statutory expropriation procedures and prior indemnification—constitutes an act of “unlawful usurpation” (Ghasb). Under this jurisprudence, the expropriating authority’s liability extends beyond the mere fair market value of the seized asset; the state is concurrently obligated to award consequential damages to indemnify the proprietor for the entire duration of the unlawful dispossession. (Agaileh, 2024)
- ii) Principle of “Unified Compensation for Owner and Tenant”: According to settled federal jurisprudence, the lawful taking of private property for public utility legally extinguishes all ancillary encumbrances, effectively terminating all active leasehold estates. However, this statutory termination triggers an independent liability for the administration toward the displaced tenants, entirely separate from the landlord’s compensation package. The competent authority must directly compensate the tenant for the financial prejudice caused by “sudden contract termination” as well as reimburse the verified capital expenditures incurred for “tenant fixtures” and structural modifications.
- iii) Principle of “Oversight of the Balance Between Harm and Benefit”: In reviewing eminent domain decrees, the judiciary actively applies the “balancing test” to ensure that the injury sustained by the private proprietor does not signally eclipse the objective public benefit. This doctrine serves as a strict check on administrative necessity. Where evidence establishes that the underlying public project can be effectively accommodated on contiguous state-owned public domain, the court will strip the administrative decision of its legality. The expropriation is subsequently quashed due to the “absence of statutory necessity,” thereby protecting private property from arbitrary or redundant executive taking (Ochoa, & Sharif, 2021).

COMPARATIVE STUDY AND PROTECTION OF FOREIGN INVESTMENTS FROM EXPROPRIATION

The specificity of the UAE system cannot be understood in isolation from comparative legal systems and international standards, especially since the UAE is a global destination for foreign investments.

1. Expropriation in UAE and Egyptian Law

Given that UAE legislation has drawn much of its origins from Egyptian law, a comparison between them highlights the strengths of the UAE experience:

- a) **Valuation Authority:** The UAE paradigm (notably in Abu Dhabi and Dubai) exhibits greater flexibility than its Egyptian counterpart. While Egyptian law restricts appraisals to a rigid state entity-the ‘General Survey Authority’-the UAE utilizes specialized committees integrated with private-sector experts, ensuring valuations dynamically reflect true market prices.
- b) **Payment Guarantees:** Regarding financial safeguards, modern UAE enactments strictly prohibit physical taking prior to compensation deposition or partial disbursement. Conversely, Egyptian protocols historically suffered from bureaucratic delays spanning years, which recently prompted Egypt to implement urgent legislative overhauls to emulate the expedited UAE model.
- c) **Judicial Review:** “Although both systems establish the judiciary as the ultimate arbiter, the UAE uniquely deploys administrative Grievance Committees with a distinct quasi-judicial character. Mandating the exhaustion of these alternative channels prior to formal litigation drastically accelerates amicable settlements and reduces judicial backlog (Salim, 2025).

2. Protecting Foreign Investors from Unlawful Expropriation

Here are two professional, high-level English reframings for your text, tailored specifically for academic research and international investment law contexts:

- a) **Prohibition of Expropriation Except for Public Purpose:** Expropriation of foreign investor assets must be for public utility and in a non-discriminatory manner.

- b) **Prompt, Adequate, and Transferable Compensation:** International agreements require compensation to be in hard currency and transferable abroad without delay, which the UAE strictly adheres to in order to enhance investor confidence.
- c) **Concept of “Indirect Expropriation”:** International law and UAE courts protect investors from administrative actions that do not formally expropriate property but render the investment worthless (such as imposing sudden exorbitant taxes or revoking licenses without cause), which are legally treated as expropriation requiring compensation.(Elbortokaly, Shalaby & Gammaz, 2022)

3. Recourse to International Arbitration

In the event of a dispute arising from the expropriation of foreign assets, international agreements accord investors the right of recourse to the International Centre for Settlement of Investment Disputes (ICSID). The UAE legislator has meticulously aligned domestic statutes with these international treaty obligations, a strategy that has culminated in the State maintaining an virtually unblemished record regarding arbitrary expropriation claims before international tribunals. Ultimately, this clean slate underscores the sophistication and resilience of the local legal framework in safeguarding transnational capital.(Rabie, 2025)

EXPROPRIATION AND MAJOR URBAN DEVELOPMENT PROJECTS (CASE STUDIES)

The UAE is considered a global laboratory for urban development projects that, at certain stages, required recourse to expropriation to reshape the urban landscape.

1. Dubai Metro Project and Redevelopment of Surrounding Areas

The Dubai Metro project was one of the biggest legal and procedural challenges. The metro route required the expropriation of hundreds of properties in densely populated areas such as Deira and Bur Dubai.

- a) **Procedural Handling:** Dedicated task forces were established, working around the clock to itemize and appraise the targeted properties.

- b) **Innovation in Compensation:** Compensation was not limited to money; affected owners were given priority in acquiring land in new development areas, which helped reduce public opposition to the project (Salim, 2025).

2. Development of “The Canal” and “Yas Island” in Abu Dhabi

In Abu Dhabi, expropriation was linked to Vision 2030. The experience here was characterized by focusing on “tourism and entertainment utility” as part of the public benefit.

- a) **Legal Aspect:** A profound legal debate emerged regarding whether tourism-centric developments-such as sports stadiums and entertainment complexes-constitute a valid “public utility” sufficient to justify eminent domain. The judiciary definitively resolved this controversy, ruling that “national economic development and the diversification of income sources” fall squarely within the state’s supreme public interest. This landmark interpretation effectively broadens the traditional scope of public utility to encompass strategic macroeconomic and developmental objectives (BaWazir, 2023)

SECTION THREE: FEDERAL INFRASTRUCTURE PROJECTS (ETIHAD RAIL PROJECT)

The ‘Etihad Rail’ project serves as a premier institutional model for inter-emirate expropriation. It brought to the forefront the pivotal role of federal law in harmonizing efforts across local governments to secure an uninterrupted, unified rail corridor. Notably, the execution of this mega-project was distinguished by meticulous precision in indemnifying agricultural landowners and farmers in remote regions, deeply factoring in both the socio-economic and environmental dimensions of displacement.

PRACTICAL CHALLENGES AND FUTURE PROSPECTS OF THE EXPROPRIATION SYSTEM

In light of the digital transformation and economic ambitions of the UAE, the expropriation system faces challenges that require innovative solutions.

1. Procedural and Technical Challenges

- a) **Valuation Issues Amidst Real Estate Booms:** Valuation committees face difficulty keeping pace with sudden price increases (such as those after Expo 2020), which sometimes makes administrative valuations lower than the actual value at the time of payment.
- b) **Overlapping Jurisdictions:** Sometimes a property is located in a border area between two emirates, or is affected by both a federal and local project simultaneously, leading to delays in compensation procedures (Thapa, 2024)

2. Future Prospects (Towards A Smart Expropriation System)

- a) **AI-Powered Real Estate Valuation:** Land departments in the UAE are moving towards using artificial intelligence algorithms to assess market values instantly and fairly, reducing human intervention and bias in valuation committees.
- b) **“Participatory Expropriation” System:** This is a modern concept that grants expropriated owners “development rights” or “shares” in companies that will manage the public project (such as airports or ports), transforming them from affected parties into partners in development.
- c) **Activation of Urgent Judiciary:** The necessity of establishing urgent judicial circuits to rule solely on “compensation disputes” to ensure that the owner receives their money as quickly as possible for investment in an alternative.

CONCLUSION

This study has shed light on the legal framework for expropriation of private property for public benefit in the United Arab Emirates, demonstrating a sophisticated legislative and judicial system that strives to balance individual property rights with the imperative of public interest and national development. The UAE Constitution provides a robust foundation for property protection, emphasizing the necessity of public benefit, legal procedures, and fair compensation. Federal and local legislations, particularly Dubai Law No. (2) of 2022, have refined these principles, introducing advanced mechanisms for valuation, expanding the scope of rights holders, and ensuring judicial oversight.

The study highlighted the technical methodologies for assessing fair compensation, including market, income, and cost approaches, along with additional elements such as goodwill and moral damages. It also underscored the critical role of the judiciary in reviewing expropriation decisions, ensuring procedural legality, and preventing abuse of power, as evidenced by key judicial principles established by the higher courts.

Furthermore, the comparative analysis with Egyptian law and the examination of foreign investment protection mechanisms revealed the UAE's commitment to international standards and its proactive approach to fostering investor confidence. Case studies of major urban development projects illustrated the practical application of expropriation laws and the innovative solutions adopted to manage complex challenges.

Despite these advancements, the study identified ongoing practical challenges, such as valuation complexities amidst real estate booms and jurisdictional overlaps. However, the future prospects indicate a move towards a smarter, more efficient, and participatory expropriation system, leveraging AI for valuation and exploring models like participatory expropriation to further enhance fairness and transparency. (BaWazir, 2023)

RECOMMENDATIONS

- a) **Standardization of Valuation Methodologies:** Develop a unified, legally binding national standard for real estate valuation in expropriation cases, integrating AI tools for greater accuracy and transparency.
- b) **Expediting Compensation Procedures:** Streamline administrative processes and establish specialized judicial circuits for urgent compensation disputes to ensure prompt payment to affected owners.
- c) **Enhancing Public Awareness:** Launch public awareness campaigns to educate property owners about their rights and the expropriation process, fostering trust and reducing disputes.
- d) **Promoting Participatory Expropriation Models:** Explore and implement innovative compensation models, such as offering shares in public projects or development rights, to transform affected owners into partners in national development.
- e) **Continuous Legislative Review:** Regularly review and update expropriation laws to adapt to evolving economic conditions, technological advancements, and international best practices, ensuring the system remains robust and equitable.

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