Middle Income Rental Housing

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Building a World Class Emirate

Abu Dhabi is building an ambitious, global capital city for the United Arab Emirates. To achieve this vision the UPC challenges all development in the Emirate to be:

1. Inclusive
2. Unique
3. Complete
4. Memorable
5. Connected
6. Tailored to the local environment
7. Built for pedestrians first
8. Served by fast efficient transit
9. Sustainable

The UPC considers the provision of quality affordable housing is an important component in the long term strategic development of Abu Dhabi and the creation of a world class emirate. Affordable housing is a necessity that improves livability and economic efficiency and creates a sense of place for residents.

Middle Income Rental Housing in Developer Led Planned Developments

To ensure the delivery of affordable housing to middle income earners, the UPC is implementing a policy to secure a supply of middle income rental housing. The policy requires 20% of the residential gross floor area (GFA) in multi-unit residential buildings within developer led planned developments to be developed and managed as middle income rental housing.

This policy supports the high level objective in Abu Dhabi Plan 2030 of developing “a range of housing types and an adequate supply of affordable housing to meet the needs of Abu Dhabi’s diverse population and lifestyles”. The UPC is committed to working with developers to achieve the goals of this policy through flexible and innovative solutions.

The key policy requirements are presented in this document along with explanation of the implementation of middle income rental housing through the UPC development review process.
Key Policy Components

The key components of the Policy are as follows:

- rental prices are set at between 25,200 to 88,200 AED per annum which is approximately 35% of total annual household income;
- income levels will be reviewed and rental prices will be indexed on an annual basis;
- units will be rented for a minimum period of 10 years;
- the policy only applies to the GFA of multi-unit residential buildings within a development, it does not apply to the component of a development that consists of single family structures (townhomes and villas);
- the developer will determine the distribution of units within a development;
  - units can be distributed within buildings or located within a purpose built building; and
- middle income rental housing will be required to be provided in all stages of development, or if a purpose built building is proposed, during the early stages of development.

The characteristics of middle income rental units are provided in the table below.

**Characteristics of Middle Income Rental Housing**

<table>
<thead>
<tr>
<th>Apartment Type</th>
<th>Minimum Floor Area</th>
<th>Estimated Proportion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Studio</td>
<td>40 sq m</td>
<td>10%</td>
</tr>
<tr>
<td>1 bdrm</td>
<td>50 sq m</td>
<td>30%</td>
</tr>
<tr>
<td>2 bdrm</td>
<td>70 sq m</td>
<td>50%</td>
</tr>
<tr>
<td>3+ bdrm</td>
<td>90 sq m</td>
<td>10%</td>
</tr>
</tbody>
</table>
Integration with the UPC Development Review Process

Developments that require UPC approval go through one of three review processes based on the size and complexity of the application. Under this Policy, only Large and Medium Developments that consist of multi-unit residential buildings will be required to provide middle income rental housing.

Developments that Will Require Middle Income Rental Housing

- **A. Large Development**
  - Large, complex applications
  - More than 125,000 square metres of Gross Floor Area (GFA)

- **B. Medium Development**
  - Moderately complex applications with one or more buildings on one or more plots
  - 75,000 square metres – 125,000 square metres of GFA

- **C. Small Development**
  - One principal building on one plot
  - Maximum 75,000 square metres of GFA

The assessment of middle income rental housing within a development will be incorporated into the UPC Development Review process. The middle income rental housing information that is required will be considered in conjunction with other relevant information provided during the Development Review process such as:

- location and accessibility;
- provision of community facilities and open space; and
- access to employment.

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Middle Income Rental Housing Policy as a Part of the Development Review Process

Step 1: The Information Meeting

A UPC Housing Planner will attend a meeting with the developer and explain the requirements that the UPC has established for the provision of middle income rental housing.

Step 2: Pre-Concept Review Stage

In this step, some of the information that will be required includes:

- total Residential GFA of multi-unit residential buildings;
- 20% of this GFA that will be developed and managed as middle income rental housing; and
- a description of how middle income rental housing will be delivered (i.e. the extent to which it will be incorporated in existing buildings or purpose built within the development, responsibility for management of rental units)

Step 3: The Concept Plan

In this step, some of the information that will be required includes:

- the proportion of middle income rental housing within each phase of development; and
- maps or illustrations that identify the location of buildings within the development that will include middle income rental housing.

Step 4: The Detailed Plan

In this step, some of the information that will be required includes:

- the allocation of middle income rental housing in each phase of development and information about individual units by plot number, unit number, floor number, unit type, floor area and rental price
- a plot-specific plan that clearly shows the location and distribution of middle income rental housing; and
- a compliance plan outlining the delivery and management of middle income rental housing, which will become a condition of planning approval.
**Middle Income Rental Housing Compliance Plan**

The Compliance Plan is an important document that will:

- define the delivery and ongoing management of Middle Income Rental Housing within a development;
- form a condition of planning approval; and
- be used by relevant authorities to monitor the implementation of the Middle Income Rental Housing Policy.

The information that is provided to the UPC during the development review process, as described above, will form the content of the Compliance Plan and will include some of the following information:

- **Development Overview** – an overview of the delivery of middle income rental housing within the development, details of the developer, total supply of middle income rental units, land ownership plan, development phasing plan and community amenities.
- **Delivery of Middle Income Rental Housing** - details on the delivery of middle income rental housing within each stage of the development and within each building that will contain middle income rental units.
- **Details of Middle Income Rental Units** - a comprehensive list of all of the middle income rental units by building that will be allocated within the development.

Once the Compliance Plan is approved by the UPC as a condition of the planning approval, the middle income rental units and associated floor plans will be provided to the Abu Dhabi Municipality for assistance with monitoring and enforcement.

The level of detail contained within the Compliance Plan will ensure that all stakeholders (sub-developers, property managers and government authorities) are informed of the minimum requirements for the delivery of Middle Income Rental Housing within a development.

**Annual Progress Report**

Once a development has received final planning approval from the UPC, the developer will submit an Annual Progress Report. The Progress Report will provide information about the middle income rental units that have been completed and rented to date. Information contained within the progress reports will be provided to the Abu Dhabi Municipality to enable assistance with the monitoring and enforcement of the Policy.