



**Implementing Regulations of the Law of Ownership,
Subdivision, and Management of Real Estate Units**



Chapter ١

Definitions

Article ١

١. The words and phrases in these Regulations shall have the meanings assigned thereto in Article ١ of the Law of Ownership, Subdivision, and Management of Real Estate Units, issued by Royal Decree No. M/٨٥, dated ٠٢/٠٧/١٤٤١H, unless the context requires otherwise.
٢. The following words and phrases, wherever mentioned in these Regulations, shall have the meanings assigned thereto, unless the context requires otherwise:

Charter: Charter of the Owners Association and/or the Complex Association, as applicable.

General Assembly: General Assembly of the Owners Association and/or the Complex Association, as applicable.

Re-subdivision: The process of dividing one or more subdivided real estate units, jointly-owned property, real estate complexes, or any part thereof. This may include partitioning, merging, addition, or other forms of reorganization.

Off-plan Sale or Lease: The sale or lease of a subdivided real estate unit before the completion of construction.

Chapter ٢

Property Subdivision

Article ٢

١. Jointly-owned properties shall be identified by their national addresses approved by the competent authority.
٢. Subdivided real estate units shall be identified by serial numbers, in accordance with the forms approved by REGA.

Article ٣

Without prejudice to the aggrieved party's right to legal action, re-subdivision, or changes of the purpose of jointly-owned properties, real estate complexes, or parts thereof shall proceed unless the competent court issues an order for their suspension.

Article ٤

١. Subdivision or re-subdivision requires the following:
 - a. A title deed that meets Sharia and statutory requirements, including associated rights and obligations.
 - b. Data and information of the property, jointly-owned property, real estate complex, or part thereof, as the case may be, including address, area, facilities (if any), as well as any other data requested by REGA.
 - c. Licenses, permits, and approvals issued by the competent authorities.
 - d. A survey report issued by a licensed architectural office approved by REGA specifying the share of each subdivided real estate unit in the land and common parts based on either the area of each subdivided real estate unit to the total area of all subdivided real estate units, or the value and area of each subdivided real estate unit to the total value and area of all subdivided real estate units, as the case may be.
 - e. Proof of approval from the property owners, owners association, or complex association, as the case may be, to the architectural office report referred to in paragraph (١/d) of this Article.
 - f. Proof of the mortgagee's approval, if any.
 - g. Proof of the approval of the owner of the subdivided real estate unit if the re-subdivision affects his unit's area, share in common parts, or share in common land.

REGA's Board of Directors may amend some of the above-mentioned requirements.

٢. The agency responsible for subdivision or re-subdivision shall decide on requests referred to in Article ٤(١) within (١٠) days of fulfilling the requirements referred to in the same paragraph.
٣. Upon approval of the request referred to in Article ٤(١), REGA, or its delegate, shall approve the subdivision and re-subdivision and issue a relevant document containing the data specified by REGA.

Article ٥

The Chairman of REGA's Board of Directors shall coordinate with the Minister of Justice to establish a mechanism to approve the information provided in the documents of subdivision, and re-subdivision, and common parts into the title deed of the jointly-owned property, the real estate complex, or the subdivided real estate unit, as the case may be.

Article ٦

REGA shall issue a technical guideline specifying the technical specifications and criteria for subdivision and re-subdivision of properties and real estate units.

Chapter ٣

Ownership Provisions

Article ٧

١. The disclosure statement, provided for Article ٦ of the Law, shall include all information related to the specifications of the subdivided real estate unit and its annexes, all associated owner's rights and obligations, as well as an adequate description of the jointly-owned property and real estate complex in which the unit is located, including their contents, management, and ownership structure. Such information shall include the following:
 - a. Address of the unit.
 - b. Area of the unit.
 - c. Plan of the unit.
 - d. Share of the unit in the common parts
 - e. Unit annexes, if any.
 - f. Moveable and immovable contents of the unit.
 - g. Copies of the owners association charter, complex association, and decisions of the general assembly, if any.
 - h. Mortgage or utilization contracts, including leases of the unit, jointly-owned property, or real estate complex, if any.
 - i. Restrictions on the use of any of the common parts.
 - j. Defects in the unit, jointly-owned property, or real estate complex, if any.
 - k. Expected construction start and completion dates in case of off-plan sale or lease projects.

Prospective buyers shall be notified of any changes in this information through the means and at the address agreed upon with the owner.

٢. The disclosure statement provided for in paragraph ١ of this Article ٧ forms an integral part of the sale contract registered with the competent notary.
٣. REGA shall prepare standardized templates for disclosure statements referred to in paragraph (١) of this Article.
٤. Consideration of the buyer's right to terminate sale contracts under Article ٦(٢) of the Law shall fall under the jurisdiction of the competent court for the term specified.

Article ٨

Common parts, in accordance with the Law and Regulations shall include:

١. Structural elements passing through a subdivided real estate unit.
٢. Mechanical, electrical, electro-mechanical, and similar systems located within the subdivided real estate unit or shared with other real estate units.
٣. Any part of the public service infrastructure within the jointly-owned property or real estate complex, unless said part is legally assigned to a service provider by law or by contract.

Chapter ٤

Owners and Complex Associations

Article ٩

١. Owners of jointly-owned properties within a real estate complex may form a complex association to manage matters beyond the powers of the owners associations in accordance with the Law, Regulations, and Charter.
٢. The complex association shall have a charter to ensure the proper utilization and management of the real estate complex in a manner not conflicting with the Law and Regulations. The existence of such a charter is a prerequisite for the registration of the association.
٣. Dissolution of the complex association shall not affect its liability for any debts and obligations incurred prior to the date of its dissolution.

Article ١٠

١. The owners of subdivided real estate units in a jointly-owned property, or their representatives, shall apply to REGA, or its delegate, to register the owners association in accordance with the Law and the Regulations, within (٣٠) days from its establishment date; otherwise, any of the owners may apply for registration.
٢. The owners of units in a real estate complex, or their representatives, shall apply to REGA, or its delegate, to register the complex association upon its establishment in accordance with the Law and the Regulations.
٣. To register an owners association or a complex association, the following data and documents shall be provided:
 - (a) Details of the owners of subdivided real estate units in the jointly-owned properties, and their representatives, if any, as specified by REGA.
 - (b) Details of the jointly-owned property or the real estate complex, as the case may be, including its national address and title deed number, as specified by REGA.
 - (c) The charter.
 - (d) Names of the members of general assembly at the time of registration.
 - (e) Any other requirements specified by REGA.

Article ١١

REGA shall establish a special register to record owners associations and complex associations. With the exception of said register, REGA may outsource the registration process to the private sector. Such associations shall acquire independent legal personality only upon registration in accordance with the Law and the Regulations.

Article ١٢

REGA shall, within its powers, regulate the activities and affairs of owners associations and complex associations without prejudice to the Law and the Regulations. To this end, REGA may:

١. Issue arrangements and necessary decisions for governing owners associations and complex associations. These arrangements and decisions shall be binding on the associations.
٢. Provide support and consultation to owners associations and complex associations.

Article ١٣

Owners associations and complex associations shall provide REGA with any information requested within the scope of its powers.

Article ١٤

Subject to Article ١٢(٤) of the Law, and without prejudice to its provisions, the charter shall include the following:

١. The powers of the general assembly and its work procedures.
٢. Procedures for calling for general assembly's meetings, the quorum required to convene meetings, and to make decision.
٣. Conditions to be met by managers, rules governing their appointment, their powers, methods of work, and remuneration, if any.
٤. Rules for signing contracts and other financial obligations.
٥. Procedures for discharging a manager from liability.
٦. Provisions for the use and management of common parts.
٧. General codes of conduct within the jointly-owned property or real estate complex.
٨. Rules for determining amounts to be paid by owners and payment methods.
٩. Determining the beginning and end of the owners association's fiscal year, rules for budget disbursement, and methods of financial control.
١٠. A provision requiring the consent of a subdivided real estate unit owner to the validity of any general assembly's resolution of re-subdivision that results in the re-subdivision of the owner's unit.
١١. Rules and procedures for the investment of the owners association's funds and the common parts.
١٢. Owners association's dissolution rules and liquidation procedures.
١٣. Procedures for amending the charter.

Owners associations and complex associations may, as the case may be, include additional provisions in their charters, provided they do not contradict the Law, the Regulations, or the decisions issued by REGA in implementation thereof.

Article ١٥

١. An applicant seeking to register the owners association or the complex association, as the case may be, shall call for a meeting of all members of the general assembly within (five) days of the association's registration. The meeting shall be called for accordance with the procedures outlined in the charter, ensuring a minimum notice period of (five) days between the date of the call and the date of the scheduled meeting.
٢. The general assembly shall consider and decide on the following matters at its first meeting:
 - a. The charter.
 - b. Election of the assembly's chairman.

- c. Appointment of the manager, unless it is agreed to postpone the appointment to the next meeting.
- d. Works and expenses related to the formation or establishment of the association.

Article ١٦:

The complex association shall represent the owners with regard to disposition of the common parts in the real estate complex.

Article ١٧

Without prejudice to Article ٦ of the Law and Article ٧ of the Regulations, ownership of a subdivided real estate unit in a jointly-owned property within a real estate complex that has an established complex association, shall be deemed an acceptance of the complex association's charter and an undertaking to adhere to the decisions issued by its general assembly.

Article ١٨

The complex association may not limit or restrict the rights or powers of any of the owners or owners associations within the Law, the regulations, or the charter of the owners association.

Article ١٩

The complex association shall have a general assembly comprising one or more representatives of each owners association within each jointly-owned property in the real estate complex. In the absence of an owners association, individual owners shall represent themselves according to a mechanism specified in the charter.

Article ٢٠

If the general assembly is unable to convene or make decisions, REGA may take any action it deems appropriate within its powers.

Article ٢١

١. The management of the real estate complex shall be entrusted to a manager, from among the owners or others, as specified in the charter.
٢. The complex association shall be bound by any actions taken by the manager in its name and within its purposes.
٣. The manager may, in writing, delegate certain powers to others to carry out one or more of his duties.
٤. The manager shall be liable before the owners association or the owners for any damage arising from his violation of the provisions of this Law or the charter. If there are multiple

managers and such damage arises due to a unanimous decision issued thereby, they shall be jointly liable. If a decision is issued by majority vote, the objecting managers shall not be held liable, provided their objection is recorded in the minutes of the meeting in which such decision is passed. If a manager fails to attend such meeting, he shall not be exempt from liability, unless he establishes that he was unaware of the decision or was unable to object to such decision after becoming aware therefor.

Article ٢٢

The owner who constructs a jointly-owned property may solely appoint the manager, provided that he maintains ownership of at least (١٠٪) of the subdivided real estate units in the jointly-owned property, provided that the following conditions are met:

١. The jointly-owned property contains at least (١٠٠) subdivided real estate units.
٢. Adherence to any additional conditions specified by REGA.

In the provision of this Article, the party who constructed the property is defined as the owner who first applied for the property's subdivision.

Article ٢٣

Without prejudice to the Law and Regulations, and subject to the charter and the general assembly's decisions, the manager shall undertake the necessary measures for managing the jointly-owned property or the real estate complex, as the case may be. In particular, the manager has the following powers:

١. Procuring materials, services, and works necessary for the operation and maintenance of the jointly-owned property or the real estate complex, supervising implementation, and overseeing contractors and workers providing such services and works.
٢. Collecting fees to be paid by the owners and other resources of the association as prescribed by law.
٣. Disbursing funds from the approved budget, and taking all financial measures within his power.
٤. Coordinating with the general assembly's chairman to convene meetings.
٥. Representing the owners or complex association, as the case may be, before public and private entities or third parties.
٦. Performing any other duties assigned to him by the general assembly.

Article ٢٤

REGA shall approve decisions and contracts made by the manager, as provided for in Article ٢١ of the Law, subject to the following controls and procedures:

١. The manager and his relatives up to the fourth degree shall not have a direct interest in the decisions or contracts.
٢. Decisions and contracts shall be within the powers granted under the Law, Regulations, or charter.
٣. Any other controls or procedures specified by REGA.

Article ٢٥:

The manager shall perform his duties honestly and faithfully, and shall act in the best interests of the jointly-owned property or real estate complex, as the case may be, avoiding any conflict of interest arising from such duties.

Article ٢٦

١. If REGA detects negligence by the manager, it may notify the manager and request rectification within a specified period.
٢. If negligence is not rectified within the period specified in paragraph (١) of this Article, REGA may take appropriate measures within its powers as it deems necessary.

Article ٢٧

١. Owners association and complex association, as the case may be, shall appoint an auditor licensed to operate in the Kingdom in the following cases:
 - a. The jointly-owned property or real estate complex contains one hundred (١٠٠) or more subdivided real estate units.
 - b. The assets of the owners association or the complex association exceed one million (١,٠٠٠,٠٠٠) riyals.
٢. Auditor may not combine auditing work with membership of the general assembly or any other role associated with the jointly-owned property or the real estate complex. The auditor may not be a partner, an employee, or a relative up to the fourth degree of any member of the general assembly.
٣. The auditor may, at any time, review the association's books, records, and documents, and may request any data or information deemed necessary for performing his duties. The manager shall facilitate the auditor's work. If the auditor encounters difficulties in this regard, these shall be documented in a report to the general assembly.
٤. The auditor shall prepare an annual report in accordance with recognized auditing standards and submit the same to the general assembly. The report shall highlight any violations of the Law, the Regulations, or the charter discovered during the audit.
٥. The auditor shall not disclose any confidential information obtained in the course of his duties to third parties or owners who are not members in the general assembly.
٦. The auditor shall be liable for any damages caused to the general assembly due to errors, negligence, or omissions in the performance of his duties.
٧. Any decision passed by the general assembly approving the manager's report or the financial statements, without prior review of the auditor's report, shall be void.

Article ٢٨

١. Without prejudice to relevant laws, orders, decisions, and instructions, the owners association and the complex association may accept donations, gifts, bequests, and endowments, subject to the following controls:
 - a. They shall not conflict with the Law, the Regulations, or the charter, nor be conditional upon achieving any special interest.
 - b. They shall not entail any financial or in-kind benefits to the manager or his subordinates.
٢. Without prejudice to endowers conditions, donations, gifts, bequests, and endowments—whether in cash or in kind—shall be utilized in accordance with the association's financial rules and procedures.
٣. The association shall establish a record of all donations, gifts, bequests, and endowments received, including information about the donors and the utilization thereof.

Article ٢٩

Without prejudice to relevant laws, orders, decisions, and instructions, the owners association and the complex association may invest their funds in various fields.

Article ٣٠

The general assembly may decide to maintain a reserve fund to cover costs exceeding the approved budget of the assembly, as specified in the charter. Owners may also agree to establish such a fund.

Article ٣١

The association shall open a bank account in its name, in accordance with statutory procedures, at a bank licensed to operate in the Kingdom. All association's funds shall be deposited into this account.

Article ٣٢

The general assembly shall keep minutes of its meetings and detailed account books recording amounts owed by owners and third parties. These minutes and records shall be kept in designated registers. Each owner, or his representative, has the right to access such records.

Article ٣٣

All communications, notices, correspondence, statements, and reports issued by the general assembly shall be in Arabic, to be sent or received by the method agreed upon. An additional language may be used alongside Arabic if necessary.

Chapter ٥

Management and Maintenance

Article ٣٤

Owners who benefit from specific common parts shall share the maintenance and management costs of such parts, in proportion to the area of their subdivided property relative to the total area of subdivided properties benefiting from those common parts, unless agreed otherwise.

Article ٣٥

Improvements made by any of the owners, at his own expense, to any common parts or part thereof under Article ٢٦(٢) of the Law shall not confer ownership of that area.

Article ٣٦

Works within any subdivided real estate unit necessary to ensure the safety of jointly-owned property or the real estate complex, or to maintain or improve common parts, are permissible under the following conditions:

١. The unit owner shall be notified well in advance of the work commencement date, with a notice specifying the type of works and the completion timeframe.
٢. Upon completion, the unit shall be restored to its original condition within the timeframe specified in the notice.
٣. Without prejudice to the unit owner's obligations stipulated in the Law, the Regulations, and the charter, the unit owner shall not bear additional costs arising from the works, except to the extent he is liable for damage caused to the jointly-owned property or the real estate complex.
٤. Subject to paragraph (٣) of this Article, the unit owner shall be compensated, if necessary, for the damage resulting from his evacuation during the works, in accordance with the following:
 - a. Compensation shall be comparable to the fair market rent for the unit.
 - b. Compensation shall include any additional costs incurred by the unit owner or occupant during his stay at an alternative location.

Article ٣٧

If public service meters are shared among subdivided real estate units or common parts, each owner shall pay the amounts determined by the general assembly.

Article ٣٨

١. Guarantees related to the construction or operation of the jointly-owned property or the real estate complex shall be transferred to the owners association or complex association upon their establishment, as the case may be.
٢. The property subdivision shall rectify all defects in the property until all valid guarantees related to construction or operation are transferred. This transfer does not affect the subdivision contractual or statutory liability.

Chapter ٦

Concluding Provisions

Article ٣٩

REGA's Board shall issue decisions and take necessary actions to implement these Regulations.

Article ٤٠

These Regulations shall repeal any conflicting provisions.

Article ٤١

These Regulations shall be published in the Official Gazette, and shall enter into force from the effective date of the Law.