
Ras Al Khaimah creates real estate regulator

Wednesday, 01 Jul, 2009

Reuters reported that Ras Al Khaimah Investment Authority created a property regulator to safeguard investors and ensure construction funds are not misused.

The government body said that Rakia Real Estate Regulatory Authority will oversee the implementation of the escrow account law for freehold property under Rakia. Developers will have to register with Rakia-Rera and open an escrow account in order to start selling property units. Rakia's property portfolio is valued at AED 6 billion.

The statement said that the authority will also monitor the progress of construction by sending inspectors to project sites to make sure contracts are adhered to.

Mr Yahia Kambris GM of the authority said that the creation of Rakia-Rera will help "prevent mishandling of construction funds and ensure that investors' money is spent according to the masterplan of the project."

Ras Al Khaimah saw its property market pick up in the last few years, launching large-scale projects worth billions of dollars. Despite not witnessing a boom the size of its sister-emirate Dubai, Ras Al Khaimah saw its share of projects delayed or scrapped as the global financial crisis hit the country, producing a line of disgruntled investors.

Dubai based market research firm Proleads said that more than half of the construction projects in the UAE, worth USD 582 billion have been put on hold.

(Sourced from Reuters)

For more news visit at www.steelguru.com