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Damac drags its heels over AED1.7m home refund

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Damac was found to be in breach of contract by the DIFC Court

A Dubai court has issued an order against Damac Properties after it failed to obey a previous ruling to refund an Irish couple AED1.7m for a flat delayed for more than three years.

The Dubai developer was ordered to pay Noel and Lorna Gaffney a refund of AED1.7m (\$463,000), plus legal costs of AED200,000, after a court found Damac was in breach of contract after failing to deliver the Park Towers apartment on schedule.

The company was given 14 days to issue the refund from June 21, but the couple's lawyer said Wednesday that no payment has been made.

"It is disappointing, but not surprising given Damac's track record, that despite the clear verdict of the court, Damac continues to drag its feet in making payment of the money rightfully due back to us," claimant Noel Gaffney said in a statement.

It's understood DIFC Court has issued an interim charging order against the developer ordering it to comply with the ruling.

Kaashif Basit, a partner at KBH Kaanuun and counsel to the Gaffneys, said the couple may look to auction off the apartment if Damac refuses to pay.

"It is astonishing that Damac have not honoured the judgment," he said. "I guess Damac will learn the hard way that it is not advisable to ignore court orders."

The pair purchased the apartment, located in the Dubai International Financial Centre (DIFC) free zone, in December 2004 on the understanding the unit would be delivered in early 2008.

The claimants paid around 90 percent of the AED1.9m purchase price, but delivery of the unit was delayed and the tower is only now nearing completion.

The pair notified Damac Park Towers they were terminating the contract in October 2010, citing breach of contract.

The decision offered hope to real estate investors in similar situations, said Basit, but he warned court rulings depended strongly on the contract in place.

Neither Damac nor its legal representatives were available to comment.

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