

The Complete Guide to Buying Property in Dubai

For International & First-Time Buyers



01. Key Definitions

The following terms are used throughout this guide. Familiarising yourself with them will help you navigate the buying process with confidence, particularly if you are purchasing from outside the UAE.

- **Freehold Area:** A designated zone in Dubai where foreign nationals are legally permitted to purchase and own property outright, with full title registered in their name.
- **Off-Plan Property:** A property purchased before or during construction, based on approved architectural plans and specifications. Payment is typically structured in instalments tied to construction milestones.
- **Expression of Interest (EOI):** A refundable holding deposit paid to reserve a specific unit while the formal sales agreement is being prepared. It does not constitute a binding commitment to purchase.
- **Sales and Purchase Agreement (SPA):** The legally binding contract between the buyer and the developer. It sets out the unit details, total purchase price, payment schedule, handover date, and the rights and obligations of both parties.
- **Escrow Account:** A regulated, protected account managed by an independent third party. Under Dubai law, all funds paid by buyers for off-plan properties must be held in a RERA-approved escrow account and released to the developer only as verified construction milestones are reached.
- **Handover:** The formal process by which a completed property is transferred to the buyer. This typically involves a property inspection, resolution of any snagging items, and the issuance of keys.
- **Snagging:** A pre-handover inspection in which the buyer (or a professional snagging company) identifies defects, incomplete finishes, or items that do not meet the agreed specification. The developer is legally required to rectify these before keys are issued.
- **Title Deed:** The official legal document confirming ownership of the property, issued by the Dubai Land Department (DLD). It is the definitive proof of ownership recognised under UAE law.
- **Dubai Land Department (DLD):** The government authority responsible for regulating and recording all real estate transactions in Dubai. All property ownership is registered with the DLD.

- **RERA (Real Estate Regulatory Agency):** The regulatory arm of the DLD, responsible for overseeing developers, registered brokers, and off-plan projects, including the approval and monitoring of escrow accounts.
 - **DLD Transfer Fee:** A one-time government fee of 4% of the property purchase price, payable to the Dubai Land Department at the point of Title Deed registration.
 - **Golden Visa:** A long-term UAE residency visa of up to 10 years, available to qualifying property investors among other categories. Eligibility is subject to minimum property value thresholds and other criteria set by UAE authorities.
 - **AML (Anti-Money Laundering):** UAE regulations requiring buyers to provide documentation evidencing the legitimate source of funds used in any property transaction.
 - **Power of Attorney (POA):** A legal document authorising a named representative to act on a buyer's behalf. Commonly used when purchasing remotely.
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02. Why Dubai?

Dubai has developed into a mature, globally respected real estate market, characterised by regulatory transparency, competitive rental yields, zero annual property tax, and sustained population growth. For international buyers, the market offers a combination of financial and legal protections that are uncommon in many other jurisdictions.

- **Zero Property Tax** — no annual property tax applies to residential real estate in Dubai.
- **Competitive Rental Yields** — average gross yields of 5% to 9% per annum, depending on location and property type.
- **Strong Population Growth** — Dubai's population continues to grow, underpinned by sustained inward migration and economic development.
- **Regulated Market** — all transactions are governed by the Dubai Land Department (DLD) and RERA, providing buyers with clear legal protections.

Key Market Statistics

Statistic	Detail
Annual Property Tax	0% — no property tax in Dubai
Average Rental Yield	5% to 9% per annum (gross)
Nationalities Resident	Over 200
Residency Visa (Maximum)	10 years (Golden Visa)
Market Regulator	Dubai Land Department (DLD) / RERA
Transaction Currency	UAE Dirham (AED), pegged to the US Dollar

For official market and registration information, visit the Dubai Land Department: www.dubailand.gov.ae.
For AED currency reference, visit: [UAE Central Bank — www.centralbank.ae](http://www.centralbank.ae).

03. Who Can Buy? — Frequently Asked Questions

The following questions address the most common eligibility queries from international and first-time buyers considering a purchase in Dubai.

Can I buy property in Dubai if I do not live there?

Yes. Non-residents can purchase property in designated freehold areas across Dubai. You do not need to live in the UAE or hold a UAE residency visa in order to buy property.

Do I need a UAE residency visa to buy off-plan property?

No. Residency is not required to purchase. However, depending on the property value and applicable criteria, your investment may make you eligible to apply for a UAE residency visa, including the Golden Visa (up to 10 years). Eligibility conditions are set by UAE authorities.

Can foreign nationals own property outright?

Yes. In designated freehold areas, foreign buyers can own property outright in their own name, with full ownership rights registered through the Dubai Land Department (DLD).

Can I buy off-plan property remotely?

Yes. Off-plan purchases are commonly completed remotely. Transactions can be carried out via an authorised representative or through a Power of Attorney (POA), subject to identity verification and standard documentation requirements.

What currency are property transactions conducted in?

All transactions are conducted in UAE Dirhams (AED). The AED is pegged to the US Dollar at a fixed rate of approximately 3.67 AED to 1 USD, providing currency stability for international buyers.

What documents will I typically need?

As a minimum, you will need a valid passport, proof of residential address, and source-of-funds documentation as required under UAE Anti-Money Laundering (AML) regulations. Additional documents may be required depending on the nature and structure of the transaction.

04. Costs and Fees

In addition to the property purchase price, buyers should account for the following costs. Budgeting for these in advance will avoid unexpected surprises at key stages of the transaction.

Fee	Typical Amount	Notes
DLD Transfer Fee	4% of purchase price	Mandatory government charge. Paid to the Dubai Land Department on Title Deed registration.
DLD Registration Fee	AED 4,000 + VAT (approx.)	Administrative fee for property registration. Subject to change.
Expression of Interest (EOI)	AED 10,000 – AED 50,000	Fully refundable. Offset against the purchase price on signing the SPA.
Booking Deposit	10% – 20% of purchase price	Paid on signing the SPA. Deposited into the RERA-approved escrow account.
Agency / Broker Fee	2% of purchase price (if applicable)	Applicable where a registered broker is involved in the transaction.
Mortgage Registration Fee	0.25% of loan amount (if applicable)	Payable to the DLD where a mortgage is used to finance the purchase.
Snagging Inspection	AED 1,500 – AED 3,500 (approx.)	Optional but recommended. Cost varies by property size and provider.
Annual Service Charges	Varies by project	Post-handover maintenance fees. Set by the developer and regulated by the DLD.

Note: All figures are indicative and subject to change. Buyers are advised to confirm applicable fees with the sales team and, where appropriate, with a registered UAE legal adviser prior to signing any agreement.

05. The Buyer Journey

The following guidance outlines the typical buyer journey from initial search through to ownership. Please note that the process may vary depending on the nature of the project and the buyer's individual circumstances.

Step 1 — Define Your Goals and Search

Start by clarifying what you are looking for before making any enquiries. Consider your primary objective, budget, preferred location, and property type. This will help you focus your search and make a more informed decision.

- Decide on your primary objective: personal use, rental income, capital growth, or a combination.
- Research available freehold communities and developments in Dubai.
- Engage a RERA-registered broker or contact a developer's sales team directly.

Step 2 — Place an Expression of Interest (EOI)

Once you have identified a unit you wish to proceed with, you will be asked to place an Expression of Interest (EOI). This is a refundable deposit that reserves the unit while the formal sales documentation is prepared.

- The EOI deposit is typically between AED 10,000 and AED 50,000.
- It is fully refundable at this stage and does not commit you to the purchase.
- The amount is offset against the purchase price when you sign the SPA.

Step 3 — Review and Sign the Sales and Purchase Agreement (SPA)

The SPA is the legally binding contract between you and the developer. You should read this document carefully before signing.

- The SPA sets out the total purchase price, payment schedule, handover date, and unit specifications.
- It defines both your rights and the developer's obligations.
- Independent legal advice is recommended, particularly for higher-value transactions.
- Once signed, the agreement is binding on both parties.

Step 4 — Pay the Booking Deposit

On signing the SPA, you will pay a booking deposit to confirm your purchase. This is one of the most important financial steps in the process.

Standard Instalment Purchase

- The booking deposit is typically 10% to 20% of the total purchase price.
- For off-plan properties, this payment is deposited directly into a RERA-approved escrow account.
- Funds held in escrow are not accessible to the developer until verified construction milestones are met.
- The remaining balance is paid in instalments as outlined in your SPA (see Step 5).

Full Cash Payment Option (Off-Plan)

You may choose to pay the full purchase price at the point of signing, rather than following a milestone-based instalment schedule.

- Your payment is transferred to the RERA-approved escrow account, not directly to the developer.
- Escrow protections remain fully in place regardless of whether you pay in full or by instalments.
- Paying in full does not bring the handover date forward; construction timelines are determined independently.
- A price discount or preferential unit selection may be offered for full upfront payment — confirm this with the sales team in writing.
- Proof of source of funds is required for all cash transactions under UAE AML regulations.

Step 5 — Milestone Payments During Construction

For instalment purchases, the remaining balance is paid in stages throughout the construction period, in line with the schedule set out in your SPA.

- Payments are linked to verified construction milestones, not calendar dates.
- Funds are released from escrow only once each milestone is confirmed by the relevant authority.
- You will be notified in advance of each payment due date.
- Some projects include a post-handover payment option on a portion of the balance — check your SPA for details.

Step 6 — Handover and Snagging Inspection

When construction is complete, you will be invited to attend a handover inspection. This is your opportunity to review the property thoroughly before accepting the keys.

- You may bring a professional snagging company to identify any defects or incomplete items.
- All snagging items must be rectified by the developer before keys are formally issued.

- It is recommended that keys are not accepted until all outstanding items have been addressed to your satisfaction.
- A professional snagging inspection is not mandatory but is strongly recommended.

Step 7 — Title Deed Registration

Once handover is complete, the Dubai Land Department (DLD) will issue your Title Deed — the official legal record of your property ownership.

- The 4% DLD transfer fee is payable at this stage (refer to the Costs and Fees section for a full breakdown).
- Your ownership is permanently recorded in the DLD registry in your name.
- The Title Deed is the definitive document of ownership under UAE law.

For registration information, visit: [Dubai Land Department — www.dubailand.gov.ae](http://www.dubailand.gov.ae)

Step 8 — Move In, Let, or Manage Remotely

Once the Title Deed is registered, the property is yours. You have a number of options depending on your objectives:

- Occupy the property as your primary or secondary residence.
- Let the property — furnished or unfurnished — to generate rental income.
- Appoint a property management company to oversee the property on your behalf, including tenant management, maintenance coordination, and rent collection.
- Hold the property as a long-term asset.

06. Key Considerations

The following points are intended to help you make a fully informed decision before committing to a purchase.

Legal and Regulatory

- Confirm that the developer is registered with RERA and operating an approved escrow account before submitting any funds.
- The SPA is a legally binding document. It is advisable to review it carefully and seek independent legal advice where appropriate, particularly for high-value transactions.
- Ensure you understand the full payment schedule and that you have confirmed access to the required funds at each stage.

Financial Planning

- Budget for the DLD transfer fee (4%), registration fee, and any applicable broker or legal fees in addition to the purchase price. See the Costs and Fees section for a full breakdown.
- If financing via a mortgage, obtain a mortgage pre-approval before signing the SPA.
- Rental yields quoted in marketing materials are typically gross figures. Net yields will be lower once service charges, management fees, and vacancy periods are factored in.
- If your funds are held in a currency other than AED or USD, be aware that exchange rate movements will affect your effective purchase cost.

Construction and Handover

- Off-plan handover dates are estimates. Construction timelines can be affected by factors outside the developer's control. Review the SPA for provisions relating to delays.
- Request a construction progress report before each milestone payment.
- Commission a professional snagging inspection at handover.

Post-Purchase Obligations

- Annual service charges are payable on all properties in Dubai. These vary by development and are regulated by the DLD. Confirm the expected charge before purchasing.
- If you intend to let the property, familiarise yourself with the applicable licensing and registration requirements under Dubai's rental regulations.
- If purchasing via a mortgage, confirm with your lender any conditions relating to sub-letting or rental income.

This guide is intended for general informational purposes only and does not constitute legal, financial, or investment advice. Buyers are advised to seek independent professional guidance appropriate to their individual circumstances before entering into any property transaction.

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