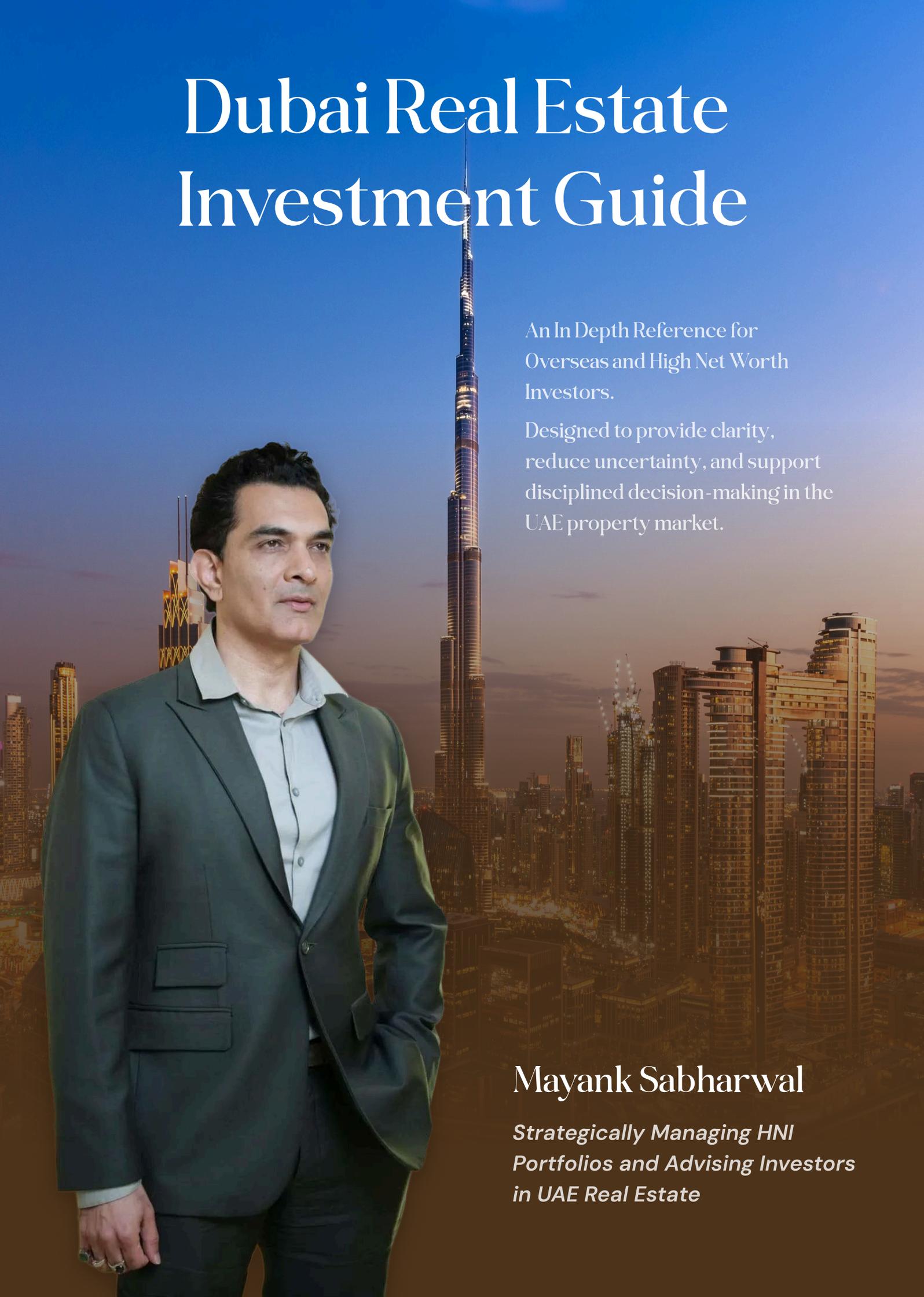


# Dubai Real Estate Investment Guide

A man in a dark suit and light shirt stands in the foreground, looking towards the right. Behind him is a panoramic view of Dubai's skyline at dusk, with the Burj Khalifa as the most prominent feature. The sky is a deep blue, and the city lights are beginning to glow.

An In Depth Reference for  
Overseas and High Net Worth  
Investors.

Designed to provide clarity,  
reduce uncertainty, and support  
disciplined decision-making in the  
UAE property market.

**Mayank Sabharwal**

*Strategically Managing HNI  
Portfolios and Advising Investors  
in UAE Real Estate*

## A Complete Guide for Overseas Buyers

By *Mayank Sabharwal*

This FAQ guide is for buyers from **India, USA, Canada, UK, Europe, Australia, Asia and other countries** who are planning to buy property in Dubai for investment, rental income, residency, or long-term wealth creation.

Most of the information below relates to strategic, regulatory, and practical questions relevant to foreign investors. These typically focus on legal ownership rights, investment returns, fees, and process transparency. This list will help you / investor to understand the best market practices and with faster decision making:

## General Ownership Questions

### 1. Can foreigners buy property in Dubai?

Yes. Foreign nationals are legally allowed to buy, own, sell, rent, and inherit property in Dubai in designated **freehold areas**.

Most residential projects available today for overseas buyers are freehold. Ownership is registered with the Dubai Land Department in the buyer's name.

### 2. What does freehold ownership mean?

Freehold ownership means:

- You fully own the property
- You can sell it anytime
- You can rent it out
- You can mortgage it
- You can pass it on to your family

There is no time limit on ownership.

### 3. Can foreign buyers get a mortgage in Dubai?

Yes. Mortgages are available for both residents and non-residents, subject to documentation and bank assessment.

- Non-residents: up to **~50% LTV**
- Residents: up to **~60% LTV**
- Interest rates: typically **4%–5%**, case-dependent
- Approval timeline: usually **10–12 working days**

Mortgage eligibility may apply to off-plan properties after a defined payment milestone is met.

### 4. Are all areas in Dubai freehold?

Not all areas are freehold, but most investor-focused locations, including all new off-plan projects, are freehold.

## Costs and Fees

### 1. What are the total costs when buying property in Dubai?

#### Off-Plan Property (Buying Directly from a Developer)

Typical costs:

- Dubai Land Department fee: **4% of property value**
- Registration / admin fees: **AED 3,500 to 5,000**
- No property tax
- No capital gains tax
- Usually no brokerage commission

All payments go into a government-regulated escrow account.

#### Ready Property (Secondary Market)

Typical costs:

- Dubai Land Department fee: **4%**
- Brokerage commission: **2%**
- Trustee and admin fees: **AED 3,000 to 5,000**

There are **no hidden taxes** in Dubai property transactions.

## Investment Returns & Strategy

### 1. Is Dubai property a good investment?

Dubai property can be a strong investment when the **right decisions** are made. Returns depend on:

- Location
- Developer quality
- Entry price
- Unit type
- Holding period

Dubai attracts investors due to:

- Zero property tax
- Zero capital gains tax
- Competitive rental yields
- Strong infrastructure and regulation

### 2. What investment strategy is usually recommended?

Most investors are guided toward a **hybrid strategy**, which combines:

- Capital appreciation
- Rental income

With the right project and timing, appreciation and yield can work together rather than against each other.

### 3. What is the realistic holding period?

For off-plan investments, a realistic holding period is:

- **24 to 42 months**, usually until handover

Short-term flipping is not assumed in base planning.

### 4. What rental returns can I expect?

Typical net **rental yields** (after expenses) range from:

- **6% to 10%**, depending on location and property type

Luxury or larger-ticket properties may have lower yield but stronger long-term value.

### 5. What about capital appreciation?

Capital appreciation varies by market cycle and project quality. Well selected projects in strong cycles have historically delivered **mid-teen annual appreciation**, but this is not guaranteed and depends on timing and exit strategy.

### 6. Based on my capital size, risk tolerance, and investment horizon, what exact strategy are you recommending for me?

The strategy is determined after evaluating capital size, timeline, income expectations, and risk comfort.

In most cases, a hybrid strategy is recommended, combining capital appreciation with rental income. When the right project, location, developer, and entry price are aligned, appreciation and yield work together rather than competing with each other. This approach supports long-term capital growth and wealth creation rather than short-term speculation.

### 7. Why is this strategy more suitable than a pure appreciation or pure yield approach?

A pure appreciation strategy relies heavily on market timing and exit conditions, while a pure yield strategy can limit long-term capital growth.

A hybrid approach offers flexibility:

- Rental income provides downside protection
- Appreciation enhances overall portfolio growth

This balance allows investors to adapt to changing market conditions rather than being locked into a single outcome.

### 8. In a flat or declining market, what is the realistic worst-case outcome for this specific asset?

In a flat or softer market, price growth may slow or pause, and resale timelines may extend. However, if the investment is made at the right entry price, in a strong location, with a proven developer, the asset typically remains rentable and liquid.

In such scenarios, investors are usually positioned to hold and generate rental income rather than being forced into a discounted exit.

## 9. What were the actual realized returns for comparable projects launched 3–5 years ago in the same micro-market?

Over the last 3–5 years, investors in comparable, well-selected projects within similar micro-markets have achieved double-digit annual appreciation and IRRs ranging from approximately 15% to 30%, depending on entry timing, payment structure, and exit strategy. Past performance is not a guarantee, but it provides useful context for realistic expectations.

## 10. What is IRR and why does it matter?

IRR (Internal Rate of Return) measures overall investment performance, considering:

- Payment timelines
- Appreciation
- Rental income
- Exit price

Typical IRR ranges in Dubai have historically given between 9% to 25%, depending on structure and timing.

## 11. Are there any restrictions on repatriating rental income or sale proceeds?

No. Dubai imposes no restrictions on repatriating rental income or sale proceeds.

Investors may freely transfer or reinvest capital internationally, subject to home-country regulations.



## Downside, Risks & Liquidity

### 1. What are the main risks in Dubai property?

The most common risks investors face include:

- Choosing the wrong developer
- Buying in oversupplied or weak micro-locations
- Overpaying at entry
- Relying on short-term exit expectations

These risks are reduced through disciplined developer due diligence, escrow-protected payments, conservative entry pricing, and liquidity-focused unit selection.

### 2. What protects investors if market conditions weaken?

In softer market conditions, price growth may slow and resale timelines may extend. However, well-located and correctly priced properties typically remain rentable and liquid.

Investors who plan for rental income as a fallback option are better positioned to hold through cycles rather than being forced into discounted exits.

### 3. How does Dubai handle oversupply risk?

Supply in Dubai is increasingly phased and regulated. While certain micro-markets may experience temporary oversupply, overall demand continues to be supported by population growth, tourism, and business inflows.

This makes micro-location and project selection more important than broad market timing.

### 4. Are “guaranteed returns” a good idea?

Guaranteed returns are usually priced into the purchase cost and may limit long-term upside. Investors are generally better served by focusing on real market demand, achievable rents, and long-term fundamentals rather than short-term guarantees.

## 5. What could go wrong with this specific project?

Project-level risks may include construction delays, pricing pressure from nearby competing supply, or slower-than-expected absorption.

These risks are mitigated by working with established developers, entering at conservative pricing, and selecting locations with sustained end-user and rental demand.

## 6. What happens if the handover is delayed?

Minor handover delays can occur even with reputable developers. In such cases, Dubai's regulatory framework allows authorities to impose penalties on developers.

For investors, the impact is typically on timing rather than capital safety, as funds remain protected through escrow accounts and milestone-based releases.

## 7. What happens if the rental market softens?

If rental demand softens, rents and cash flow may be temporarily lower. However, conservative assumptions and long-term investment horizons help protect overall returns, while experienced developers and strong locations reduce project-level risk.

## 8. If I need to exit in 12–18 months, how realistic is that?

A 12–18 month exit is not considered a base-case strategy, particularly for off-plan investments. However, exits may be possible depending on project stage, pricing discipline, and prevailing market conditions.

Flexibility on timing and realistic pricing are essential if an early exit is required.

## 9. Has this developer ever missed timelines, underdelivered, or faced regulatory or escrow issues?

No. Only financially strong, fully compliant developers with proven delivery records are recommended. Those with legal, escrow, or delivery issues are excluded.

## 10. How liquid is Dubai property if I need to sell?

Liquidity depends on:

- Location
- Unit size
- Entry price
- Market conditions

In active locations with realistic pricing, resale transactions can complete within **15 days to 3 months**.

## 11. What is the liquidity depth for this unit type and ticket size?

Liquidity depth varies by unit size and price point.

Typically, assets priced from AED 2 million and above in strong locations attract deeper buyer demand and more consistent resale liquidity. Lower-priced units may exist but do not always align with targeted ROI or IRR expectations in the current market cycle.

## Off-Plan VS Ready Property

### 1. What is off-plan property?

Off-plan means buying directly from the developer before construction is complete.

### 2. Why do investors choose off-plan?

Off-plan advantages:

- Launch pricing
- Flexible payment plans
- Early-stage appreciation
- Brand-new property
- Escrow protection
- Mortgage eligibility after partial payment

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## 3. What are the advantages of ready property?

Ready property advantages:

- Immediate rental income
- Physical inspection
- Lower development risk

The choice depends on whether the investor wants **growth or income first**.

## 4. Why is off-plan recommended for me specifically?

Off-plan investments offer:

- Launch pricing without resale premiums
- Flexible payment plans
- Early-stage appreciation
- Brand-new assets aligned with current demand
- Escrow-protected capital

They are best suited for investors prioritizing growth over immediate income.

## 5. Can you show a ready-property alternative for comparison?

Yes. Ready properties can be evaluated when immediate rental income or end-use is the priority. These assets typically require full upfront payment and may offer lower short-term appreciation, but they provide income stability and physical visibility.

## 6. What do I lose by choosing a ready property instead?

The primary trade-offs are:

- Reduced capital appreciation potential
- Lack of flexible payment plans
- Higher upfront capital deployment

However, ready properties may still perform well over the long term when selected carefully.

## 7. How fast must payments be completed for ready properties?

For secondary market transactions:

- A token amount of **~10%** plus **2% brokerage** is typically paid at deal finalisation
- Full settlement is generally completed within **10–12 days** for international buyers

The process follows: **NOC → Trustee verification → Dubai Land Department title transfer**

## Legal & Escrow Safety

### 1. Are off-plan investments safe in Dubai?

Dubai has one of the strongest escrow systems globally.

- All off-plan payments go into RERA-approved escrow accounts
- Funds are released to developers only after construction milestones are verified
- Dubai Land Department monitors the entire process

This significantly reduces misuse of funds.

### 2. Who holds the escrow account?

Escrow accounts are managed by licensed banks or trustees under government supervision, not directly by developers.

### 3. What happens if a developer fails or delays?

With established developers:

- Minor delays can happen
- Major defaults are rare

If serious issues arise, authorities can impose penalties or intervene to protect investor interests.

### 4. Is my SPA assignable before handover?

Yes. The SPA is usually assignable after **~20%** payment and DLD registration, subject to approval.

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## 5. Do you receive higher incentives from certain developers?

Investment recommendations are not driven by incentive structures. The primary criterion is investor suitability, capital protection, and long-term performance. Incentives do not override investor interests.

## 6. Which banks commonly provide mortgages to foreign buyers?

Foreign-buyer mortgages are commonly offered by major UAE banks, including leading local institutions, subject to eligibility and documentation.

## 7. Do you receive priority inventory access?

Yes. Due to long-standing relationships and transaction volumes, access to pre-launch phases and priority inventory is often available, allowing better unit selection and entry pricing.

## 4. When does Golden Visa eligibility get triggered?

Golden Visa eligibility is typically activated after approximately 20% of the property value has been paid, along with the 4% Dubai Land Department fee, even if the remaining balance is on a developer payment plan.

## 5. Is there a lower-cost investor visa?

Yes.

- Property value of AED 750,000
- Typically requires full payment

Valid for 2 years, renewable

## Payment & Refund Transfer

### 1. How do Indian buyers send money to Dubai?

Indian residents can remit up to USD 250,000 per person per financial year under RBI's Liberalised Remittance Scheme. Multiple family members, up to 4 members can jointly invest in one property raising the annual remittance to USD 1 million

### 2. Is there tax deducted on remittance from India?

- 20% TCS may apply above certain limits
- TCS can be adjusted against Indian income tax

### 3. What happens once an Indian buyer attains NRI status?

After residing outside India for 180+ days in a year, buyers may qualify as NRIs.

At that stage:

- Rental income and sale proceeds can generally be repatriated to an NRE account

Repatriated funds are typically tax-free in India, subject to individual tax advice

## Visa & Residency

### 1. Can buying property get me a UAE residency visa?

Yes.

### 2. What is the Golden Visa?

- Requires property investment of AED 2 million or more
- Visa validity: 10 years
- Eligibility can be triggered after partial payment
- Covers spouse and children
- Parents may be included subject to conditions

The visa remains valid as long as the investment is maintained.

### 3. What if I sell the property?

If you sell, you must reinvest into another qualifying property to retain the Golden Visa.

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## 4. How do US buyers transfer funds?

US buyers can use:

- Bank wire transfers
- Regulated international transfer services
- Cryptocurrency through compliant channels

There is no Dubai-imposed limit on funds transferred.



## 4. How does buying property in Dubai differ from India or the US?

- Fixed pricing from reputable developers
- Government-regulated escrow payments Transparent registration, clear title issuance, and no cash manipulation significantly reduce risk for overseas buyers.

## Developers & Project Selection

### 1. How many developers are there in Dubai?

There are over **200** registered developers.

### 2. Do you work with all developers?

No. Only a **small, curated group of proven developers** with strong track records, financial strength, and regulatory compliance.



## Tax Questions

### 1. Is there capital gains tax in Dubai?

No.

### 2. Is rental income taxed in Dubai?

No.

### 3. Do US or Indian buyers pay tax in their home country?

- US buyers must report global income
- Indian buyers should consult a tax advisor based on residency status

Dubai itself does not levy property or rental taxes.

## Property Management & After Sales

### 1. Who manages the property after purchase?

End-to-end services can include:

- Tenant sourcing
- Rent collection
- Maintenance coordination
- Annual reporting
- Resale and reinvestment support

## 2. Who is responsible for rent, resale, and reinvestment execution?

Execution accountability for:

- Leasing
- Property resale
- Capital reinvestment

remains with the advisory team handling the transaction, ensuring continuity beyond the initial purchase.

## 3. Is there any risk in retaining or reinvesting income within Dubai?

There is no inherent risk in retaining or reinvesting rental income or sale proceeds within Dubai. Many investors choose to compound capital locally through structured reinvestment strategies.

## 4. What are property management fees?

No management fee in case of Off plan transaction

- Residential: approximately 5% + VAT in case of Secondary transaction
- Luxury residential and commercial: approximately 10% + VAT in case of Secondary transaction

Maintenance charges vary by project.



## Market Context & long-Term Confidence

### 1. Why do global investors continue to choose Dubai over other international property markets?

Dubai offers a rare combination of investor-friendly ownership laws, zero property and capital gains tax, strong regulation, and a USD-pegged currency. In addition, long-term government planning around population growth, infrastructure, and economic diversification creates structural demand rather than short-term speculation. This makes Dubai attractive not just for returns, but for capital protection.

### 2. Has Dubai moved beyond boom-and-bust property cycles?

Dubai has experienced cycles in the past, but the market today is fundamentally different. Tighter regulations, escrow protections, controlled supply releases, and a more diversified economy have reduced speculative excess. While cycles still exist, volatility is more contained and long-term fundamentals play a larger role in price stability.

### 3. What role does population growth play in supporting property values?

Dubai's population growth is policy-driven, supported by residency programs, employment creation, and global migration. As more professionals, families, and business owners relocate, housing demand increases across both rental and ownership markets, supporting long-term absorption.

### 4. Do large investors receive priority access to inventory?

Yes. Large investors (AED 20M+) may receive priority access, early selection, and preferred inventory, subject to developer availability.

## Global Comparison & Capital Allocation

### 1. How does Dubai compare to cities like London, New York, or Singapore for property investors?

Compared to many global cities, Dubai offers higher rental yields, lower transaction friction, and significantly less tax drag. While mature markets may offer stability, Dubai often delivers stronger net returns when tax efficiency, currency stability, and growth potential are considered together.

### 2. Is Dubai considered a safe market for overseas capital?

Dubai has positioned itself as a secure destination for global capital through transparent land registration, government-regulated escrow systems, and clear property laws. Foreign ownership rights are well defined, and transactions are monitored by the Dubai Land Department, reducing counterparty and legal risk.

### 3. What fund transfer methods are commonly used by overseas buyers?

Overseas buyers typically use:

- International bank wire transfers
- Regulated global transfer platforms (e.g., Wise, Revolut)
- Cryptocurrency through compliant and regulated channels

Dubai does not impose upper limits on inbound property investment transfers.



## Strategy & Investor Thinking

### 1. Is Dubai better suited for income investors or growth investors?

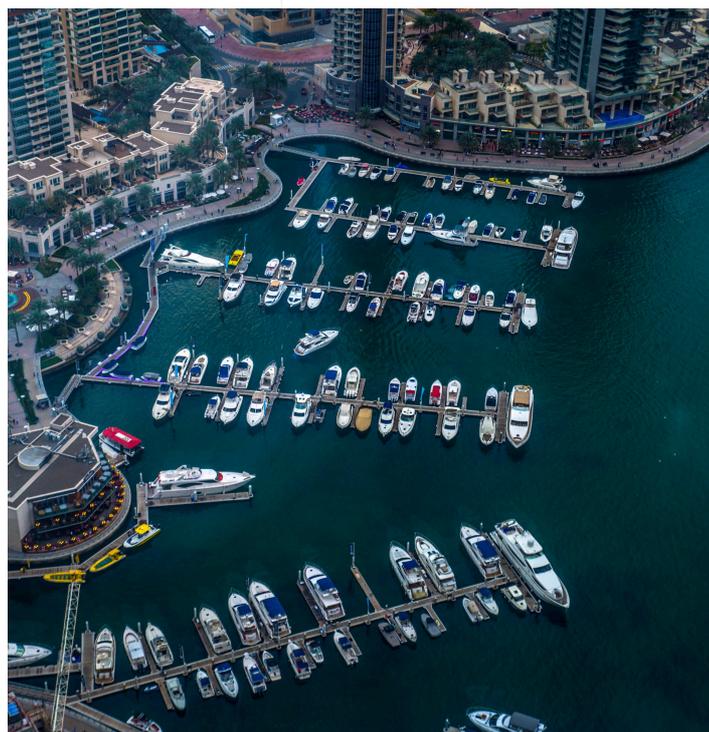
Dubai supports both strategies. Certain locations and property types favor steady rental income, while others are designed for capital appreciation. Many investors adopt a hybrid approach, balancing cash flow with long-term value growth depending on their timeline and risk tolerance.

### 2. Why is entry price more important than market timing?

Long-term performance is heavily influenced by the price paid at entry. Buying well below comparable market value, choosing the right unit type, and selecting strong developers often matter more than trying to time short-term market movements.

### 3. Is short-term flipping a reliable strategy in Dubai?

Short-term flipping can work in specific conditions, usually around launch phases or handovers, but it is not a default strategy. Most conservative investment plans assume holding until completion or stabilised rental income rather than relying on quick exits.



## Exit, Liquidity & Portfolio Planning

### 1. How important is exit planning before buying?

Exit planning is essential. Investors should understand who the future buyer or tenant is, how liquid the unit type is, and what realistic resale timelines look like. Properties with broad appeal tend to perform better across market cycles.

### 2. How long does it usually take to sell a property in Dubai?

In active locations with realistic pricing, resale transactions can complete within a few weeks to a few months. Liquidity depends on pricing discipline, unit size, location, and overall market conditions.

### 3. Can Dubai property be used as part of a long-term portfolio strategy?

Yes. Many investors use Dubai property as a core component of a diversified portfolio, combining income generation, capital appreciation, and currency exposure while benefiting from tax efficiency.



## Future Outlook & Policy Support

### 1. Why is Dubai's long-term growth considered policy-driven?

Dubai's development is guided by long-term government initiatives such as urban master planning, economic diversification agendas, and residency reforms. These policies are designed to attract businesses, talent, and long-term residents, directly supporting property demand.

### 2. What happens to Dubai real estate in a global downturn?

During global slowdowns, transaction volumes may reduce and price growth may slow, but strong fundamentals often prevent sharp corrections in well-performing areas. Investors with conservative leverage and long-term horizons are typically best positioned.



## Advisory Approach

### 1. What is the difference between working with an advisor versus a sales agent?

An advisor focuses on strategy, risk management, and long-term outcomes, while a sales agent focuses on individual transactions. An advisory approach prioritizes suitability over speed and long-term relationships over short-term deals.

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## Proof & Track Record

### 1. Can you share actual transaction prices?

Yes. Actual transaction prices can be shared to reflect real entry points and exits rather than brochure or quoted values. These are provided to offer transparency around execution, timing, and market behavior.

### 2. Can you share sample rental agreements?

Yes. Sample rental agreements can be shared separately to provide clarity on achievable rents, lease structures, and typical tenant terms for comparable properties.

### 3. Can you share real exit cases you have personally handled?

Yes. Below are select exit cases handled personally, shared to provide real-world context on entry pricing, holding periods, and exits across different residential asset types. These examples are illustrative and not indicative of guaranteed outcomes.

- **Mohit Sharma**

3-bedroom townhouse, Dubai Islands

Purchase: 2023 — AED 4.3 million

Exit: 2025 — AED 5.6 million

- **Pramod Kumar**

Villa, Murooj Al Furjan

Purchase: 2022 — AED 2.8 million

Exit: 2024 — AED 8.0 million

- **Mr. Kaliwal**

Semi-detached villa, Tilal Al Furjan

Purchase: AED 3.3 million

Exit: 2025 — AED 6.0 million

- **Pravin Nair**

Harmony Villa

Purchase: 2022 — AED 3.4 million

Exit: 2024 — AED 9.5 million

These cases highlight the importance of entry timing, project selection, and execution rather than market speculation.

### 4. Can I speak to an investor who has already exited a similar investment?

Yes. Where appropriate and subject to prior consent, introductions can be arranged with investors who have completed comparable investment cycles. These conversations are intended to provide independent perspective rather than promotional validation.



## Common Mistakes by New Investors

- Buying based on hype
- Ignoring micro-location
- Choosing unknown developers
- Working with sales-driven advisors instead of investment-led advisors

## Final Thoughts

Dubai offers real opportunity, but outcomes depend on decision quality, not headlines. The right strategy, the right asset, and the right advisory approach make all the difference.



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