



# Investing in Dubai

A step-by-step guide



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# Introduction

Welcome to the Investing in Dubai Guide, where we explore the allure of this remarkable city for investors and buyers. Dubai continues to impress as the world's top tourist destination, while Dubai International Airport maintains its status as the busiest international airport for nine consecutive years.

Dubai's real estate market has achieved significant growth and proudly holds its place among the most sought-after property hotspots globally. In 2022, it emerged as the world's fourth most active market for luxury home sales, only slightly surpassed by New York, Los Angeles, and London.



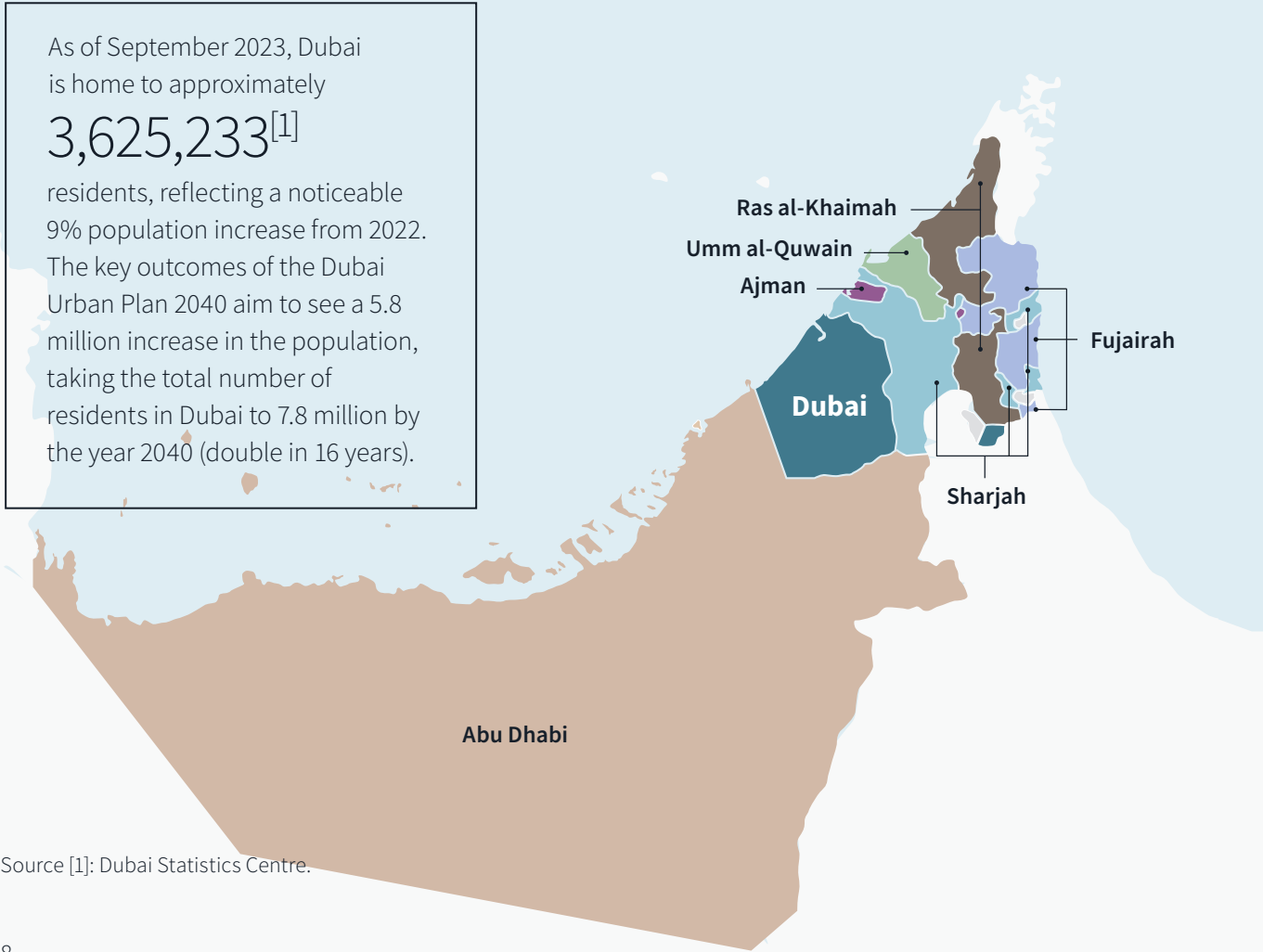
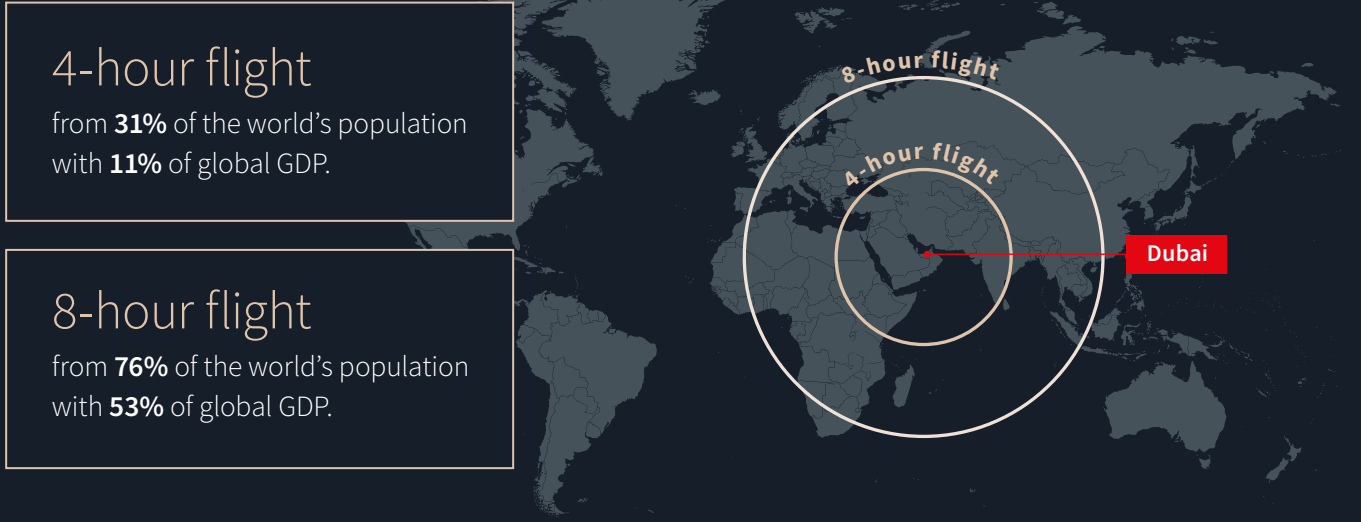


**Key**







- Dubai metro stops - Red line
- Dubai metro stops - Green line
- Dubai airport
- Landmarks
- Neighbourhoods



# Dubai fun facts



Source [1]: Dubai Statistics Centre.

	<p>Busiest airport in the world.</p>	
<p>7<sup>th</sup> safest city in the world<sup>[2]</sup>.</p>		<p>Young population (<b>58%</b> of the population in the 25–44 age group).</p>
	<p>High income (<b>22%</b> higher than the rest of the world).</p>	
<p>Non-oil contributed GDP over <b>95%</b>.</p>		<p>Stable currency</p>

Source [2]: Numbeo.com for year 2023.

# 10 Reasons to buy in Dubai

1

**Strong economic growth**

Dubai has indeed experienced significant economic growth over the years, which has attracted investors from around the world.

2

**Favorable tax environment**

Dubai’s tax policies are beneficial for investors, with no personal income tax, capital gains tax, or ongoing property tax on residential real estate.

3

**10 Years UAE Golden Visas**

The Dubai government introduced the Golden Visa program, allowing property investors with assets valued at over Dh2 million to apply for a 10-year residency visa.

7

**Thriving rental market**

The Dubai government’s unwavering commitment to developing a world-class entertainment and business-friendly environment, along with its tax-free haven, has continuously attracted expatriates, entrepreneurs, and tourists. This has resulted in a growing demand for rental properties.

8

**Tourism and hospitality industry**

Dubai is a popular global tourist destination, attracting millions of visitors annually. A strong tourism industry can indeed contribute to attractive rental yields for residential property investors.

9

**Dirham pegged to the US Dollar**

The UAE Dirham (AED) is pegged to the US Dollar (USD). This fixed exchange rate provides stability and eliminates the risk of currency fluctuations for real estate investors and end-users in Dubai.

4

**Freehold ownership**

Non-UAE nationals can acquire freehold ownership of certain properties in designated areas of Dubai. This provides complete ownership rights and control, offering a sense of security and potential long-term value appreciation.

5

**Safety**

According to Numbeo.com, Dubai has been ranked as the 7th safest city in the world for the year 2023. The city’s low crime rate and efficient legal system contribute to a sense of safety and security for investors.

6

**Population growth**

Dubai has experienced rapid population growth over the years, attracting individuals from various nationalities. The diverse population and favorable living conditions make it a preferred choice for many.

10

**Infrastructure and development**

Dubai is known for its impressive infrastructure and continuous development. The government’s allocation of a substantial fiscal budget for infrastructure development further supports this.





# Purchasing a new-build property in Dubai

## Step-by-Step Guide

1



### Selection

- Finding the right properties with our specialist team according to your criteria, e.g., size and budget.
- Buying Ready / Off Plan
- A cash transaction is undoubtedly suitable for those with liquidity, but for those who are seeking flexibility, it is advisable to consult registered mortgage advisors who can provide assistance.

2



### Coming to Dubai

We would always encourage you to visit the property or sales centre before purchasing but sometimes the opportunities that come up sell out fast. Dubai is an innovative hub and the whole process can be managed remotely with our licensed brokers.

4



### Reservation

Once you select a project / unit, you will need to pay a **non- refundable booking fee** to secure your new property. This amount is **deducted from the initial deposit** to sign the Sales and Purchase Agreement (SPA).  
Passport copy and a current proof of address is required as part of the Anti-Money Laundering (AML) check process.

3



### The offer stage

During the offer stage, JLL will professionally present your offer to the Developer and provide valuable guidance on all other aspects involved, for example choosing the most favourable payment terms.

7



### Mortgage (if needed)

It's recommended to start the pre-approval process at least 3 months before the completion date to understand your borrowing capacity and evaluate different mortgage options.

If you are a cash buyer you can start preparing the necessary funds for completion.

6



### Post SPA signing

You will have a **payment plan** to adhere to if you are buying off plan. The funds will be paid directly into the **DLD controlled Escrow account**.

If the property is ready to move in, you will pay these funds directly to the seller or developer.

5



### Legal steps

All Sales and Purchase Agreements (SPAs) are approved by the Government of Dubai through the Dubai Land Department (DLD).. When using a licensed broker such as JLL, its not a requirement to take legal advice, however we can recommend a number of firms who will be able to report on the SPA. At the point of signing the SPA, 4% Dubai Land Department fees will be payable to transfer the title deed. Buyer will receive a Oqood within 22 working days.

Conveyance/ Admin fees – up to **AED 10,000**.

8



### Practical completion

Once you have received the notice of completion from the developer, you then transfer the remaining funds to the ESCROW account.

If you are completing with a mortgage, you then submit the mortgage application which usually takes 3 to 4 weeks to approve. The lender will conduct a thorough evaluation of the property before finalizing the mortgage approval.

9



### Handover

After completion, handover takes place – benefit from our broad range of after-sales assistance. JLL will be by your side, guiding you through every step of the process.

### Lettings & Management

We can recommend our partnered local lettings and managements agency to assist.

# Purchasing a new-build property in Dubai

## Documents required

### For Individuals

- > Buyer’s Passport / ID
- > Proof of Address

### For Corporate Buyers

- > Original Certificate of Incorporation and/or the Company’s Trade License
- > Original Memorandum and Article of Association
- > Legal Translation of the MOU and Articles of Association
- > Certificate of Incumbency (not more than 3 months old)
- > Copy of Shareholders’ Passports
- > Original Resolution Approving Purchase
- > Original POA
- > Passport of Designated Attorney

*Sales prices continue to climb in Dubai due to increased demand and transactional activity. Villas prices record a new high, crossing previous peak of 2014 prices by 8%.*

Source: JLL research Q3 2023.







# Dubai vision 2040

**25%**

increase in areas for educational and health facilities.

**134%**

increase in hospitality and tourism activities.

**168 sq. kms.**

dedicated to industrial and economic activities.

**5**

Urban Centres Development.

**105%**

increase in green and recreational areas.

**400%**

increase in space for public beaches.



# Frequently asked questions

## Q: Can foreigners buy residential properties in Dubai?

**A:** Yes, Non-UAE nationals can buy property in designated areas of Dubai under freehold or leasehold ownership. We recommend freehold ownership.

## Q: Do I need a local bank account to purchase a property in Dubai?

**A:** No need. However, it's good to have for rent collection. Non-residents can open a local bank account. Emirates NBD Bank is a good option.

## Q: Are there any restrictions on the types of properties that foreigners can buy?

**A:** No, foreigners can buy any type of residential property in Dubai, including apartments, villas, townhouses, and land.

## Q: How much reservation fee usually?

**A:** It varies per project. From 5% to 20% of the agreed property price payable at reservation.

## Q: When do I pay reservation fee after I identified a unit?

**A:** Usually on the spot / within 24 hours. Buyers can agree a timeframe with developer if they need more time to transfer the reservation fee.

## Q: What's the language sales and purchase agreement (SPA) written in?

**A:** English and Arabic

## Q: Can we re-assign the property before completion to friends and families?

**A:** Yes.

## Q: What are the taxes in Dubai?

**A: Income tax:** No.

• **Capital gain tax:** No.

• **Inheritance tax:** No.

• **Corporate tax:** Implemented on 1st June 2023. Businesses will be liable to pay tax of 9% on taxable profits of more than AED 375,000 (Around USD 103,000).

• **VAT:** It was introduced in 2018 at a rate of 5%.

- **Rental tax:** Landlords do not pay tax. 5% payable by residential tenants, while 10% is added onto commercial tenants.
- **Property transfer tax:** Property transfer tax is a tax on the transfer of property ownership in Dubai. It is charged at 4% of the property value to buyers.

## Q: What are the costs associated with purchasing a residential property in Dubai, such as taxes, fees, and commissions?

**A:** The costs typically include a transfer fee (4% of the property value), registration fee (AED 10,000), agent's commission (2% to 5% of the property value if resale), and potentially other fees such as valuation fees, mortgage registration fees, and service charges.

## Q: Are there any financing options available for foreign buyers, and what are the requirements?

**A:** Yes, some banks in Dubai offer mortgages to foreign buyers. The specific requirements may vary, but generally, buyers need to have a stable income and a good credit history. Usually maximum loan-to-value to overseas buyers is 50% - 60%. It's advisable to consult with a mortgage advisor to understand more.

## Q: Do I need a mortgage pre-approval letter before buying completed property?

**A:** While a pre-approval letter may not be mandatory, it can still be beneficial to obtain one even when purchasing a completed property. A pre-approval letter can provide you with an indication of your borrowing capacity and help you set a realistic budget for property hunting. It can also demonstrate to sellers that you are a serious buyer and have already taken steps to secure financing.

## Q: When can buyers apply for golden visa?

**A:** Once buyers have paid DIR 2m equity which would also involve signing the SPA (same as an exchange

of contracts basically). The golden visa requirements are continuously changing in Dubai and it is best to check with immigration or DLD what the current requirements are.

## Q: Are there any restrictions on renting out the property?

**A:** Currently, both short-term (e.g., Airbnb) & long-term rentals are allowed in Dubai.

## Q: What is the fee of letting my Dubai property for long-term?

**A:** The cost of letting your Dubai property through an estate agent can vary depending on several factors, including the agent's fee structure, the type and location of your property, and the specific services provided. Generally, estate agent fees in Dubai are calculated as a percentage of the annual rent or a fixed amount. JLL can advise on this when asked. Historically it is around 5% of the total annual rent.

## Q: Do I need a local bank account to collect rent?

**A:** While it is not a legal requirement to have a Dubai bank account for rent collection, it is generally recommended to have a Dubai bank account to collect rent in local currency (AED) from tenants. Having a local bank account makes the rent collection process more convenient and efficient.

## Q: Can a foreigner who owns a Dubai property to open a local bank account?

**A:** Yes, as a foreigner who owns a Dubai property are generally eligible to open a local bank account in Dubai. Many banks in Dubai offer accounts specifically designed for non-residents or expatriates, allowing homeowners to manage their property-related finances conveniently. Emirates NBD Bank is a reputable bank.



# Why JLL

JLL (Jones Lang LaSalle) was founded in 1783 and has been dedicated to providing real estate and investment management services for 240 years. Consistently ranked as one of the Fortune 500 companies for seven consecutive years, JLL is currently ranked 185th and has been a strategic partner of the World Economic Forum since 2013. As of March 31, 2022, the company's annual revenue is \$19.4 billion, with operations spanning over 80 countries and employing over 100,000 people worldwide. JLL is committed to creating opportunities, shaping ideal spaces, and delivering sustainable real estate solutions for our clients, employees, and communities. We are shaping the future of real estate to make the world a better place.

*JLL is one of the Fortune Global 500 companies.*

## JLL has a strong and extensive range of capabilities.

We provide specific services in real estate across various asset classes, including investment, acquisition, construction, and leasing. Our expertise covers office buildings, retail properties, industrial facilities, logistics centers, residential properties, hotels, data centers, and senior living developments.

## We collaborate with clients from various industries to create remarkable outcomes.

Our client base spans across banking, energy, healthcare, legal, life sciences, manufacturing, and technology sectors. Whether you are a global multinational corporation or a tech startup, choosing JLL is the starting point for breaking barriers and achieving success.



*For 240 years, JLL has been dedicated to providing real estate consulting services.*

## JLL International Residential

Since our establishment in the Chinese market in 2012, JLL International Residential has been dedicated to assisting investors in completing over 6 billion USD worth of overseas property investments. We have international teams in 8 different cities, consisting of over 100 experienced professionals.

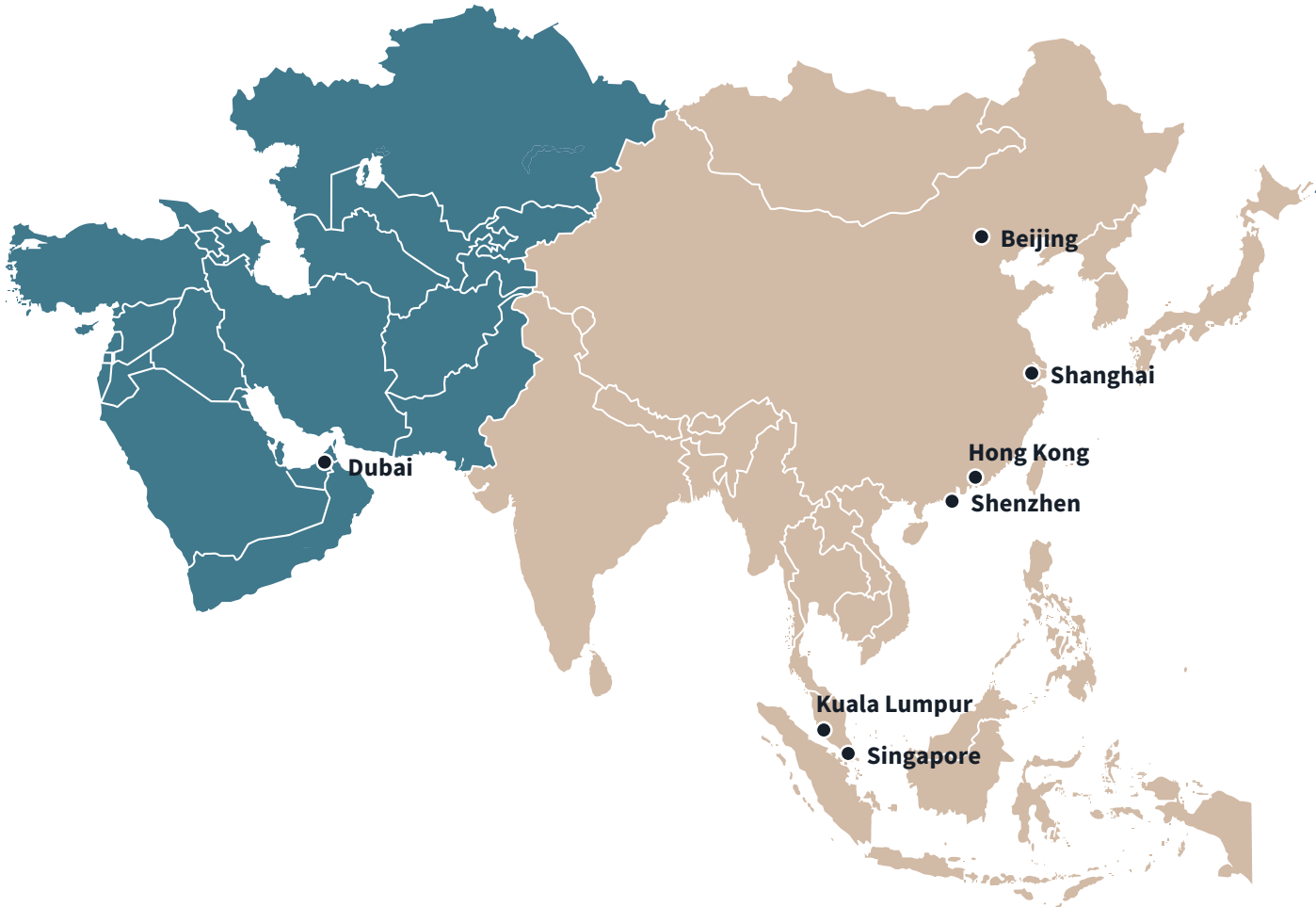
Investing in overseas residential properties is not just about transactions; it is a journey of finding your ideal home abroad. As your one-stop solution for overseas property investment, we are committed to providing comprehensive, secure, and exceptional services to investors. Our International Residential Services have offices in major cities across Asia Pacific, allowing us to cater to clients nationwide and provide professional consultation and advisory services.

**Choose JLL International Residential for a brighter way to invest in global residential properties.**

# Our International Residential teams

## Asia-Pacific and Middle East

● JLL Residential offices



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# Investing in Dubai

## A step-by-step guide

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