DRAGOS MIHALTE

FREQUENTLY ASKED QUESTIONS · 2026

Buying property in Dubai.

Answers to the questions I am asked most often.

I have prepared these answers for buyers who are considering Dubai for the first time and who, quite reasonably, want to understand how safe and how practical it really is. These are the questions I hear most often. Where a topic touches on law or tax, I share how things generally work and my own experience, but I always recommend confirming the specifics with a licensed lawyer or tax adviser, because I do not provide legal or financial advice.

TABLE OF CONTENTS

Ownership and Security	01–04
Inheritance	05–06
Taxes and Money	07–09
Off-Plan and Market Risk	10–11
Residency	12
Practicalities	13–17
Investing	18–19

01 Can a foreigner actually own property in Dubai, or is it only a long lease?

Foreigners can own property outright, on a freehold basis, in Dubai's designated freehold areas. These include most districts international buyers know, such as Palm Jumeirah, Dubai Marina, Downtown Dubai and Emirates Hills. Freehold means you own the property and your share of the land in perpetuity. You can sell it, rent it, mortgage it or pass it to your heirs. This has been enshrined in Dubai law since 2006, and every freehold owner receives a title deed issued by the Dubai Land Department, the government land registry.

02 Can the government take my property away?

This is one of the most common fears I hear. The short answer is that private property rights are protected under UAE law, and arbitrary confiscation does not happen. Expropriation exists in Dubai, as it does everywhere, but only for genuine public infrastructure, and it requires compensation. In practice it is extremely rare, and essentially unheard of in the established freehold communities where my clients buy. Dubai's economic model depends on foreign capital feeling secure, and protecting that trust is in the government's own direct interest.

03 When I want to sell, does the government have a right to buy first?

No. There is no state pre-emption right on residential freehold property in Dubai. When you sell, you agree the price with your buyer, you both sign at a registration trustee office, the Dubai Land Department transfers the title, and the money is yours. The state's role is purely administrative. The only pre-emption concepts here are contractual ones in specific situations, for example between co-owners, and a lawyer can confirm whether anything of that kind applies, though for a standard freehold apartment or villa it does not.

04 Is my ownership recorded somewhere official that I can verify?

Yes. Every property is registered with the Dubai Land Department, and you receive an electronic title deed in your name. You can verify any title deed yourself through the Dubai REST app, the official government application. There is no ambiguity about who owns what, which is one reason transactions here complete in days rather than months.

INHERITANCE

05 What happens to my property if I die? I have heard the UAE applies Islamic inheritance law.

A legitimate question, and the answer is reassuring. By default, and without planning, UAE courts historically applied local inheritance rules, which is where the concern comes from. The law has developed significantly. Non-Muslims can now ensure their assets pass exactly as they wish, and the standard tool is a registered will. A federal law introduced in 2022 also provides that the estate of a non-Muslim who dies without a will is distributed under statutory rules resembling European ones, with half to the surviving spouse and the remainder to the children. Even so, I always recommend registering a will, because it removes every doubt and makes probate far faster for the family.

06 How does a will work here and how much does it cost?

There are two main routes. The first is a will registered through the local courts, the more economical option, typically around two to three thousand dirhams, roughly five hundred to seven hundred euros. The second is a will registered with the DIFC Courts Wills Service, which operates under a common law framework in English. The DIFC route is more expensive, with a registration fee of ten thousand dirhams plus drafting fees, but many international investors prefer it because the whole process runs in English under familiar principles. Both achieve the same outcome. I can introduce clients to specialists who handle this, and it can be completed remotely by video call.

TAXES AND MONEY

07 What taxes will I pay as a property owner in Dubai?

For an individual owner, the position is remarkably simple. There is no annual property tax, no tax on rental income for individuals, no capital gains tax on sale, and no inheritance tax. The main cost is a one-time transfer fee of four percent of the purchase price, paid to the Dubai Land Department at purchase, plus modest administrative and trustee fees. I always remind clients that their tax position at home is a separate matter, and that they should speak with a local tax adviser about how foreign property and rental income are treated there.

08 Can I take my money out of the UAE when I sell?

Yes. The UAE has no capital controls and no restrictions on repatriating sale proceeds or rental income. The dirham has been pegged to the US dollar since 1997, which removes local currency risk. When you sell, the buyer typically pays by manager's cheque or bank transfer at the moment of title transfer, and you are free to send the funds wherever you wish.

09 Is my money safe during the purchase itself?

The process is designed so that money and title change hands simultaneously. For ready properties, payment is made at a government registration trustee office at the same moment the title transfers into your name. For off-plan purchases, the law requires developers to collect all buyer payments into a project escrow account supervised by the regulator, and the developer can only draw funds as construction milestones are certified. This system was introduced after the 2008 to 2009 crisis precisely to protect buyers.

OFF-PLAN AND MARKET RISK

10 What if I buy off-plan and the developer never finishes the building?

This risk was real fifteen years ago, and the regulatory response has been substantial. Today every off-plan project must be registered with the authorities, buyer payments sit in a supervised escrow account rather than in the developer's pocket, and if a project is cancelled the regulator oversees the refund of escrowed funds. Beyond the legal protections, my own approach is simpler. I guide clients towards developers with long, verifiable delivery track records, because the best protection is choosing the right counterparty in the first place.

11 Is Dubai not a bubble? I remember what happened in 2009.

I would never tell anyone that a property market only goes up, and I cannot predict prices. Dubai had a severe correction in 2009 and a softer one between 2015 and 2020, and prices have risen strongly since 2021. What I can say is that today's market is structurally different from 2008. Speculative flipping is constrained by escrow rules and payment plans, the buyer base is far more end-user and long-term-investor driven, transparency is incomparably better, and demand is supported by real population growth and by residency reforms that tie people to the city. Whether the timing is right for a particular buyer depends on their horizon and objectives, and that is exactly the conversation I have with each client individually.

RESIDENCY

12 Does buying property give me residency?

It can, and this is one of the strongest practical benefits. As matters stand in 2026, owning property worth at least two million dirhams, roughly five hundred thousand US dollars, qualifies you for the ten-year renewable Golden Visa, which also lets you sponsor your spouse and children. The threshold can be met with one property or several combined. For smaller purchases, Dubai now also offers a two-year renewable investor visa, and recent changes removed the previous minimum value for sole owners of completed properties. There is no minimum stay requirement on the Golden Visa, so it works equally well for people who relocate and for those who simply want the option. Visa rules change from time to time, so I always confirm the current requirements when a client is ready to proceed.

13 Do I need to come to Dubai to buy?

No. The entire purchase can be completed remotely through a power of attorney, and many of my clients buy their first property before ever visiting. That said, I always encourage a visit, because seeing the communities in person changes how confidently people decide. When clients do visit, I organise the viewings around their shortlist so the trip is efficient.

14 Can I rent the property out, including short-term?

Yes. Long-term rental is straightforward and contracts are registered through the official Ejari system, which protects both landlord and tenant. Short-term holiday letting is also legal and regulated. It requires a permit from the tourism department and can be run by the owner or through a licensed management company. Gross yields in Dubai are among the highest of any major global city, typically five to eight percent depending on the area and format, though I always present yield figures for the specific property rather than relying on averages.

15 What are the ongoing costs of owning?

The main ongoing cost is the annual service charge, which covers maintenance, security and amenities of the building or community. It is charged per square foot and varies considerably by development, so I include the exact figure in every proposal I prepare. Beyond that there are utilities and, if you let the property, management fees. There are no annual government property taxes.

16 What legal system applies, and will my contracts be in English?

Property matters in Dubai are governed by clear, codified local laws, and the institutions that matter to a buyer, the Land Department, the regulator RERA and the rental dispute centre, are well established and efficient. Sale contracts for international buyers are issued in English or bilingually, and title deeds are bilingual. For clients who want extra comfort, independent conveyancing lawyers are available at reasonable cost, and I am happy to recommend firms I trust.

17 What is conveyancing, and do I need it?

Conveyancing is the work of transferring ownership from the seller to you: the paperwork, the checks on the title and the safe handling of the money. It is not compulsory in Dubai, and a buyer is free to complete a transfer without it, but I recommend it in almost every case because it saves time and prevents errors that are expensive to correct afterwards. A conveyancer prepares and reviews the sale contract, holds the deposit as a neutral party, applies for the developer's no objection certificate, checks the title for a mortgage, unpaid service charges or other restrictions, coordinates with the banks on both sides, attends the appointment at the registration trustee and confirms that the new title deed is issued correctly. The fee is separate from the agency commission and is normally paid by the buyer, unless the parties agree otherwise. I confirm the exact cost with you before you commit, so that nothing is unexpected on the day of transfer.

INVESTING

18 Does property belong in a balanced portfolio?

In my view, yes, as one part of it. Property behaves differently from shares and bonds: it produces rent, it is a physical asset, and when you own it directly you control it. The family offices surveyed by UBS in 2026 held 11% of their portfolios in real estate in 2025, and those planning changes expect to hold 8% in 2026, after a period in which property did less well than other assets. How much belongs in your own portfolio depends on your other assets, your need for income and how long you plan to hold, and that is a question for a regulated financial adviser. My part is helping you choose the property itself. I write about this in Real estate in a balanced portfolio.

19 How do I tell whether a price is really below market?

Compare it with registered sales, never with other asking prices. Start with sales in the same building, with the same number of bedrooms, over the last twelve months. Measure the price per square foot on the same area, normally the area on the title deed, and use the median rather than a single sale. If the price is genuinely low, find out why: a low floor, a tenant on a cheap lease and a seller who needs to sell quickly all lower a price, for very different reasons. Then check that the property rents well. I run these checks on registered data for every property I propose.

This document reflects my professional experience and general market knowledge as at mid-2026. It is prepared for general information only and does not constitute legal, tax or financial advice. Laws, fees and visa rules change, and every individual's circumstances differ. You should always confirm the current position with a qualified and independent legal and tax adviser before making any decision based on this content.

Dragos Mihalte · +971 58 600 4911 · dragosmihalte.com