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DUBAI PROPERTY · INVESTOR GUIDE · 2026 EDITION

8 THINGS EVERY BUYER SHOULD KNOW

Before Investing in Dubai Property

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Indian in Dubai since 2013

12+ years in ultra-luxury real estate

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INSIDE THIS GUIDE

Why This Guide Exists

I moved to Dubai in 2013 with the same optimism most Indians arrive with. I believed the marketing, trusted the process, and learned several costly lessons the hard way. Over the following 12+ years working in ultra-luxury real estate with high-net-worth and ultra-high-net-worth clients, I watched the same avoidable mistakes repeat themselves — made by smart, successful people who simply weren't given the full picture.

The Dubai property market is genuinely one of the most dynamic and opportunity-rich markets in the world right now. But opportunity and noise travel together here. Agents are incentivised to close, not to educate. Developers market lifestyle and aspiration, not risk and yield reality. And most online 'advice' is thinly disguised marketing.

This guide is my attempt to cut through that. Seven frameworks, questions, and realities that I believe every serious buyer — whether you are investing for the first time or expanding a portfolio — should understand before committing capital.

Read it carefully. Share it with anyone who is considering a Dubai purchase. And if anything here raises questions about your specific situation, reach out directly.

— Bharat Khanna

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LOCATION STRATEGY

Micro-Location Matters More Than the Address

01

Two buildings 300 metres apart in the same community can perform entirely differently. Here is why.

A prestigious area name on a brochure tells you very little about the actual investment performance of a specific unit. Within every major Dubai community, there are micro-locations that outperform and underperform — and most buyers never ask the right questions to distinguish between them.

What actually drives value within an area:

- Direct water, park, or landmark views — 'partial' or 'angled' views are valued very differently at resale
- Proximity to public transport — walkable Metro access under 800m has a measurable impact on tenant demand
- Floor level and orientation — west-facing units in Dubai carry significant heat load which impacts livability and AC costs
- Completed vs. under-development surroundings — what is being built around a unit in the next 3-5 years matters

The question to ask your agent:

Request the actual rental yield and occupancy data for that specific building — not the area average. A transparent advisor will provide it. If only area-level figures are offered, probe further before deciding.

KEY TAKEAWAY

Buy the specific unit and building, not just the community name. Specificity protects your capital.

GROWTH CORRIDORS & INFRASTRUCTURE

Dubai's Transport Map Is a Property Map

02

Where government infrastructure is being directed is the most reliable leading indicator of where property values will move next.

Active Transport Pipeline (2026 onwards):

- Metro Blue Line — AED 20.5bn, opening Sept 2029. Starts at Al Jaddaf, runs through Dubai Festival City and Creek Harbour. The Creek Harbour station will be the world's tallest metro station at 74 metres.
- Metro Gold Line — Announced April 2026. AED 34bn, 42km, 18 stations, opens 2032. Dubai's first fully underground line. Connects Meydan, MBR City, JVC and Jumeirah Golf Estates — all receiving metro access for the first time.
- Etihad Rail — National passenger rail launching 2026. Dubai station at Jumeirah Golf Estates. High-speed station planned at Al Jaddaf connecting to Al Maktoum Airport. Abu Dhabi to Dubai in 57 minutes.
- Airport Express Line — Tendered metro line connecting DXB through Al Jaddaf and JVC to Al Maktoum Airport (DWC), with spurs to Business Bay and Emirates Golf Club.

Three Corridors Worth Watching:

- Dubai South — Al Maktoum Airport expansion plus EXPO City plus Etihad Rail equals generational infrastructure convergence. Long hold horizon, structurally strong demand case.
- Creek Harbour — World's tallest metro station, iconic tower, major retail destination. Positioned as the next Downtown Dubai, now with direct metro connectivity via Al Jaddaf.
- Al Jaddaf — Confirmed on Etihad Rail high-speed line, Blue Line, existing Green Line, and planned Airport Express. A waterfront multi-modal hub forming in the heart of the city.

A note on timelines:

Infrastructure appreciation plays out over 5 to 10 years, not months. In Dubai, prices typically begin moving well before a station opens. Entry timing matters — but so does patience.

KEY TAKEAWAY

Dubai's transport map is a property map. The pipeline is public — the question is whether you are reading it early enough.

WATERFRONT PROPERTY

The Finite Edge — Why Waterfront Property Holds Value Like Nothing Else

03

You can build another tower. You can create another community. You cannot create more coastline. That single fact is the most powerful investment argument in Dubai real estate.

Dubai has approximately 72 kilometres of natural coastline. Add the man-made islands, creek frontage and canal edges, and the total waterfront inventory is still finite, fixed and impossible to replicate at scale. Every year, more people arrive in Dubai. More wealth concentrates here. More investors enter the market. But the number of metres of waterfront does not increase. This is the structural argument for waterfront property — and it is one that has held true in every major coastal city in the world across generations.

Why waterfront properties hold and grow in value:

- Absolute scarcity — once all waterfront plots are developed, the supply is permanently closed. New supply in this segment is effectively zero in established areas, creating structural upward pressure on prices over time.
- Emotional premium — waterfront living commands a premium that transcends market cycles. Even in downturns, waterfront properties in Dubai have historically experienced shallower price corrections and faster recoveries than non-waterfront equivalents.
- International buyer appeal — waterfront addresses attract globally mobile, high-net-worth buyers who are comparing Dubai not just to other Dubai properties but to Monaco, Miami, Sydney and Singapore. This broadens the buyer pool significantly at exit.
- Lifestyle differentiation — the gap between a waterfront unit and an inland unit of comparable size is not just a view. It is a fundamentally different living experience. That gap has proven remarkably durable in buyer and tenant preference across all market conditions.

Rental returns — what to expect:

Waterfront properties in Dubai typically command a rental premium of 20 to 40 percent over comparable non-waterfront units in the same community. Net rental yields on well-located waterfront assets generally range between 5 and 7 percent annually, reflecting the higher entry price point. While gross yield may appear lower than some inland alternatives, the combination of yield and capital

KEY TAKEAWAY

Waterfront is the only asset class in Dubai where the supply is genuinely and permanently finite. That scarcity, combined with growing global demand, is the

- Waterfront properties in Dubai's established areas have appreciated at a compound rate that consistently outperforms the broader market across multiple cycles.

ASSET TYPE

Villa or Townhouse vs. Apartment — They Are Not the Same Investment

04

The choice between a villa and an apartment is not just a lifestyle decision. It has significant implications for yield, capital growth, and liquidity.

Apartments — what to understand:

- Generally offer higher gross rental yields due to lower entry price relative to rent achievable
- Higher liquidity — easier to sell, broader buyer pool, faster transactions
- Service charges can be significant, particularly in amenity-heavy buildings, which compresses net yield
- Supply in the apartment segment is higher, which means differentiation (view, floor, finish) matters more

Villas and townhouses — what to understand:

- Post-pandemic structural shift in demand — the market for family-oriented, private, outdoor-space properties in Dubai has grown meaningfully and appears durable
- Land component provides a different value driver to apartments — land in established communities is genuinely scarce
- Lower gross rental yield than apartments in many cases, but historically stronger capital appreciation in well-located communities
- Lower liquidity than apartments — transactions take longer, buyer pool is narrower, but serious buyers are typically more committed

The question to ask yourself:

Are you optimising for rental income now, or capital growth over a 5-10 year horizon? Both are valid strategies — but they often point toward different asset types. Clarifying your objective before viewing properties will save significant time and avoid costly misalignment.

KEY TAKEAWAY

Apartments typically offer income now. Villas typically offer capital growth over time. Know which you are buying before you buy it.

FINANCIAL STRUCTURE

The Payment Plan Is Not the Investment Thesis

05

Attractive payment structures can make any project feel compelling. The underlying investment case must be evaluated separately.

Dubai developers have become highly sophisticated at structuring payment plans — 1% per month, post-handover options, 60/40 splits — that make entry feel accessible and low-risk. For cash flow management, these can be genuinely useful. However, the payment plan is not the reason to buy a property.

The numbers that actually matter:

- Projected net rental yield — the range to target in a well-selected Dubai property is broadly 6% to 8% net annually on residential. Gross figures quoted by developers and agents are always higher; calculate net after service charges, agency fees, and maintenance
- Service charges per square foot — this is the single most commonly overlooked cost by first-time buyers (covered in detail in Section 05)
- Developer delivery track record — payment plans on projects that deliver late, or deliver below the spec shown in renders, destroy returns regardless of how attractive the plan appeared
- Post-handover demand — who will rent or buy this unit once it is complete, and at what price? This question should be answered before signing

A simple test:

If the primary reason you are excited about a project is the payment plan structure, pause. Reconstruct the investment case without the payment plan. If it still makes sense on yield, location, and developer credibility, proceed. If the payment plan is doing most of the heavy lifting, that is important information.

KEY TAKEAWAY

A well-structured payment plan on a weak investment is still a weak investment.
Always evaluate the asset independently.

COST AWARENESS

Service Charges Are the Hidden Cost That Quietly Erodes Yield

06

This is the number most buyers never ask about until they own the property. By then it is too late to factor it into the purchase price.

Service charges in Dubai are annual maintenance fees levied on property owners for the upkeep of common areas, building facilities, and shared infrastructure. They are calculated per square foot of the owned unit and vary considerably across the market.

The range you will encounter:

Service charges can range from relatively modest levels in straightforward residential buildings to materially higher rates in luxury towers with extensive amenities — pools, concierge, gyms, valet, landscaped grounds. On a mid-sized unit, the difference between a low-charge and high-charge building can represent a meaningful annual sum regardless of whether the unit is tenanted.

Why it matters for your return calculation:

- Service charges are payable by the owner — they do not transfer to tenants
- In an oversupplied sub-market, high service charges are very difficult to recover through higher rents
- A property showing a strong gross yield can have a materially different net yield once service charges are deducted
- RERA (the Real Estate Regulatory Agency) publishes service charge caps and registers for Dubai properties — this is publicly accessible information

What to do before purchasing:

Request the current annual service charge rate per square foot from the developer or building management before making an offer. Apply it to your unit size. Deduct it from your projected rental income. That net figure is your starting point for yield calculations — not the gross number typically featured in marketing materials.

KEY TAKEAWAY

Always calculate net yield, never gross. Service charges are often the difference between a good investment and an average one.

DEVELOPER EVALUATION

Developer Credibility Is Not Marketing — It Is Track Record

07

In Dubai's off-plan market, the developer's history of delivering on their commitments may be the single most important due diligence question.

Dubai has a large and varied developer ecosystem. The range of experience, financial strength, delivery capability, and post-handover support across that ecosystem is significant. For buyers purchasing off-plan — which represents a large proportion of Dubai's primary market transactions — the developer's credibility is not a secondary consideration. It is central.

What to evaluate in a developer:

- Completed project history — have they actually delivered projects, and do those completed buildings match what was shown at launch?
- Delivery timeline adherence — delays are common across the industry, but there is a meaningful difference between 3 months and 18 months
- Build quality at handover — visit a completed project from the same developer before purchasing off-plan from them
- Escrow account transparency — Dubai law requires off-plan funds to be held in escrow; confirm this is in place
- After-sales and snagging responsiveness — the relationship does not end at handover; defects and snagging require ongoing developer engagement

A practical step most buyers skip:

Search the developer's name alongside terms like 'delay', 'handover', and 'snagging' in forums and social media groups frequented by Dubai residents and investors. Patterns in buyer experiences — positive or negative — are usually visible if you look. Buyers who skip this step and rely solely on agent-provided information are working with incomplete data.

KEY TAKEAWAY

Buy the developer's completed project history, not their renders and show apartments. Due diligence here protects everything downstream.

EXIT STRATEGY

Plan Your Exit Before You Enter

08

Every experienced investor has a clear answer to this question before they sign: who will I sell this to, and when?

Dubai's property market has genuine liquidity advantages compared to many global markets. But liquidity is not uniform — it varies significantly by area, asset type, price band, and market conditions. Buyers who enter without a considered exit strategy sometimes find themselves holding assets that are harder or more expensive to exit than anticipated.

Exit considerations worth thinking through before purchasing:

- Off-plan resale before handover requires finding a buyer prepared to take over your payment plan position — this is achievable in strong markets and harder in slower ones
- Transaction costs in Dubai are real — buyer DLD transfer fees (currently 4%), agency fees on both sides, and NOC costs should be factored into any return model from day one
- Capital gains are currently not taxed in Dubai — this is a structural advantage, but always verify the current regulatory position as it could change
- Your target buyer profile should be identified before purchase: end-user family, long-term investor, or short-term rental operator? Each has different requirements and responds to different attributes

A useful pre-purchase test:

Before committing, ask yourself: if I needed to exit this investment in 3 years, who would buy it, and what would they reasonably pay? If you can construct a credible answer to that question, you have done meaningful exit due diligence. If the answer is unclear, that uncertainty is worth resolving before signing — not after.

The properties that exit cleanly tend to share common characteristics: genuine scarcity or differentiation, strong tenant demand, delivered by credible developers, in locations with durable demand drivers. These are also, not coincidentally, the most competitive to acquire at launch.

KEY TAKEAWAY

Entry price matters. Exit clarity matters equally. Know your buyer before you become the buyer.

Want the Full Picture?

If this guide made you think more carefully about your next Dubai property decision, that was the intention.

I publish insights like these every week on Instagram — no developer promotions, no hype, no commission-driven recommendations. Just honest, experience-backed perspectives from someone who has worked on both sides of this market for over a decade.

Whether you are a first-time buyer trying to understand where to start, or an investor reviewing your next acquisition, I am always open to a direct conversation.

Follow: @bharatkhannaofficial

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"Clarity over hype. Discipline over noise."