BHARAT KHANNA · DUBAI REAL ESTATE ADVISOR

The Real Cost of Buying Property in Dubai

Every fee on top of the sticker price, in one place — so nothing surprises you at the trustee office

DLD Transfer Fee — 4%

The Dubai Land Department charges 4% of the sale value to register any property transfer, on top of small flat knowledge and innovation fees (around AED 20 combined). Market convention is that the buyer typically pays this, though it's negotiable between parties, not fixed by law. This applies to both off-plan and ready property purchases at the point of registration.

Agency Commission — commonly around 2%

If you buy through a broker, expect a commission commonly around 2% of the purchase price. This is market convention, not a government-mandated rate, so it's worth confirming upfront with whoever you're working with rather than assuming.

Mortgage-Related Costs (if financing)

If you're taking a mortgage, budget for a bank arrangement fee (commonly around 1% of the loan amount), a property valuation fee charged by the bank's approved valuer, and mortgage registration with the DLD (typically 0.25% of the loan amount plus a small flat fee). Non-resident buyers should also expect a materially larger down payment than UAE residents — often 35-50%+ of the purchase price, set by individual banks rather than a single published cap.

Developer & NOC Fees (off-plan specific)

Off-plan buyers reselling before handover need a developer No Objection Certificate, commonly reported in the AED 1,000-5,250 range, sometimes structured instead as 2-5% of the original purchase price. Most developers only issue this once you've paid 30-50% of the total price, a threshold set out in your specific SPA.

Service Charges — the ongoing cost

Once you own the property, annual service charges apply for the upkeep of shared areas and building facilities, calculated per square foot of your unit and varying significantly by building type — typically lower for standard apartment buildings, higher for luxury or amenity-heavy towers. This is a recurring cost that directly reduces your net rental yield, and it's payable by the owner regardless of whether the unit is tenanted.

Golden Visa Costs (if applicable)

If your purchase qualifies you for a UAE Golden Visa (AED 2 million+ property investment for the 10-year visa), budget separately for visa-specific costs on top of the property itself — issuance fees, mandatory health insurance, and Emirates ID processing. These are administrative costs distinct from the property transaction itself.

Mortgage Liability Clearance (ready-property resale)

If you're selling a mortgaged ready property, your bank will charge for issuing a liability letter and clearance before the sale can register — budget both the fee and the processing time, which can add real delay to a resale.

QUICK CHECKLIST

1. Have I confirmed the DLD 4% fee and who is expected to pay it in this specific deal?
2. Have I confirmed the actual agency commission rate in writing before engaging a broker?
3. If financing, have I gotten my bank's specific arrangement, valuation, and registration fees in writing?
4. If buying off-plan, have I checked my SPA's specific developer NOC threshold and fee structure?
5. Have I calculated net yield using the building's actual current service charge rate, not an estimate?
6. If applicable, have I budgeted Golden Visa issuance and insurance costs separately from the property price?

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