

How to Buy Property in Dubai?

If you are new to Dubai and want to buy a property here but don't know the legal procedures, then don't worry because this article will tell you how to buy property in Dubai. Dubai welcomes you with open arms and allows you to own a property here. Investing in the real estate market of Dubai is very exciting so with a few easy steps you can buy your dream property.

Law's Behind Buying a Property in Dubai

The United Arab Emirates government laws regarding its property are well articulated and welcoming to both local and international investors; therefore, the real estate market is easily accessible to both categories. These laws allow both freehold and leasehold property areas of the country to let any specified property within them both to the groups. They can freely and wholly acquire full unrestricted and perfect ownership of their property as regulated by the freehold ownership law, thus gaining full control. On the contrary, through the leasehold arrangements, one can acquire a property for a number of years which usually stands at 99 years. Once the agreed term expires, one is forced to negotiate another usage over the property or return it. The main law governing the buying of properties in Dubai is Law No. 7 of 2006. It is through this Act that the state explains to people whether or not they are eligible to buy property in the state of Dubai. In this law, one who is either a citizen of the United Arab Emirates (UAE) or GCC citizens is legally enabled to acquire a property. Then, foreign ownership is allowed to purchase an estate whether freehold or developed within a leasehold area.

Documents Required for Buying a Property in Dubai

If you are buying a property in Dubai for the first time you will need a few documents which include

1. Passport.
2. Visa.
3. Document for proof of income.
4. Latest bank statement.
5. No Objection Certificate (NOC) from the developer.
6. Details about the property.
7. Agreement of purchasing property.
8. Payment information.
9. Proof of seller's identity.

Process of How to Buy Property in Dubai

The process of buying is the same, whether one is buying a house to reside in or an investment opportunity into the business of Dubai real estate. The procedures below outline the right steps if one is considering purchasing property in Dubai.

Prepare a Buyer and Seller Contract

Once you have found the right property for yourself you should start a conversation with the seller to discuss many factors including terms and conditions. After you both have decided on all the conditions the next thing is to decide the payment method. You have the advantage of paying in cash or mortgage depending on your choice. A contract is then drafted which should be precise and mention the price of the property, payment methods, and all relevant conditions to avoid any misunderstanding in the future.

Sign the Real Estate Sale Agreement

Once you both have agreed on terms the next step is to sign a Sale Contract. Sale Contract (Form F) also called the Memorandum of Understanding (MOU). This can be downloaded and printed from the official website of the Dubai Land Department (DLD). You are also free to add your terms and conditions. When all of these steps are completed both the buyer and seller should sign this form in front of a witness which is generally at the Registration Trustee's Office. You are also required to submit a 10% amount of the total payment as a security deposit to the registration trustee and you will receive them after the whole transaction is completed.

Apply for a No Objection Certificate

After signing Form F, the next thing would be to fix a date with the developer in order to procure a No Objection Certificate and finally seal the transfer. If all the outstanding bills and charges on the property are cleared the developer will issue the certificate.

Transfer of Ownership

You should prepare all the required documents. You can go in person or send a person who is your authorized representative. The documents include

1. A payable check of the property price.
2. Original identification documents for both buyer and seller. These documents include Emirates ID and Passport.
3. Original No Objection Certificate (NOC).
4. A signed Memorandum of Understanding (MOU).

After you have submitted the required documents the next step is to get a verification of data pay the fees and receive a payment receipt. You will receive the results through your email. If the parties are able to submit their documents early the transfer will start processing on the same day. After you receive the email of approval a new deed will be issued in your name as the new owner.

Admin Cost While Buying a Property in Dubai

The admin costs should also be considered while buying a property in Dubai. A few of the cost details are

1. Issuing the title deed: AED 580.
2. Admin fees to DLD: AED 4200.
3. Fees for the DLD are 4% of the property value.

All these depend on one's nationality. If one happens to be a United Arab Emirates citizen, his deposit should at least amount to 20% value of the property. For the rest, they are supposed to give a minimum deposit that amounts to, at least, 25% in value of the property.

Process Time

The process time of buying a property in Dubai can take a duration of 2 to 10 weeks. The process time might get longer if the property is already mortgaged or being purchased with a mortgaged.

Trustee Office

Trustee offices in Dubai are offices that act as brokers or middlemen between DLD and Clients. These offices are authorized by the Dubai Land Department (DLD). Their services include managing mortgages, facilitating transactions, and, overseeing property registration. Their services also include verifying property documents, compliance with the regulations of the Dubai Land Department, and collecting transfer fees required by the Dubai Land Department. Collaborating with all the involved parties, ensuring a smooth and legal complement process of sale, purchase, and leases. These trustee offices are essential for local and international investors as well as property dealers.

Title Deed

This is a true paper, issued lawfully by the DLD, that clarifies ownership of a property in question. Rights and privileges bestowed on the owner, most importantly the right to occupy, sell, or lease are also clarified in the title deed. It should thus include all the details such as name of owner, location of house, size of property, and the nature of property. And if you paid for your house in full then your title deed only ought to carry your name. If you are an owner then you should note that this document is critical in real estate transactions.

Best Way to Buy a Property in Dubai

It is not that hard to acquire a property in Dubai, considering that one follows some steps.

1. Now, this is the one judging your ability: how much you can afford.
2. Start saving by setting aside money for your down payment and other expenses.
3. Decide the property you want and where you want to live.

4. Once you find the right property that suits your needs put in an offer.
5. Finalize the mortgage application to secure financing.
6. Complete all the legal procedures to finalize your procedures.

Things to Consider

There are a few important things that you need to consider before you start the process of buying a property in Dubai. They are following

1. You should try to only work with those agents who are registered with RERA.
2. Such official documents drafted in a language other than the official Arabic should be apostilled and then translated.
3. The same is recorded within 60 days from the date when it has been signed by both parties concerned.
4. Some of the freehold areas, which allow foreigners to purchase property, are located on Palm Jumeirah, Dubai Marina, Downton Dubai, and Arabian Ranches.

Conclusion

Whether you are buying a property for your personal use or investing in the real estate market of Dubai with a high benefit ratio it is a great decision. With the growing economy of Dubai, this sector will be one of the most profitable sectors for its investors in the near future. If you have a question about how to buy property in Dubai? You would have got the answer to it.