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The Off-Plan Investor's Complete Glossary

Every term a Dubai off-plan investor needs to know, explained without jargon.

The fastest way to lose confidence in a property conversation is not knowing what a word means. This reference removes that entirely.

Bradley James

INVESTMENT ADVISOR · M&M REAL ESTATE · DUBAI

M & M REAL ESTATE

mandmrealestate.ae

INTRODUCTION

Knowledge Removes Hesitation. Hesitation Costs Money.

In my experience, the most common reason an investor delays a Dubai purchase is not price, timing or location. It is unfamiliarity with the process, terms like SPA, NOC, DLD transfer, escrow release and snagging that they did not want to ask about. Read this once and you will walk into any reservation meeting or legal review with complete confidence.

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TERMS DEFINED IN THIS GUIDE	CATEGORIES COVERED	JARGON LEFT UNEXPLAINED	READ TO FULL CONFIDENCE

> *The investor who understands the process moves faster, negotiates better, and captures the entry point. The one still learning misses it.*
>
> BRADLEY JAMES

CATEGORY 01 · REGULATORY BODIES

The Bodies That Govern Dubai Real Estate

DLD, Dubai Land Department

The government authority that registers all real estate transactions in Dubai and collects the 4% transfer fee on every deal.

RERA, Real Estate Regulatory Agency

A DLD division regulating developers, brokers and off-plan projects. Approves launches, mandates escrow, sets service-charge caps, licenses brokers.

Ejari

The official DLD system for registering tenancy contracts. Rentals must be registered on Ejari for the tenant to access certain services.

Title Deed

The DLD document confirming legal ownership. For off-plan, issued at handover once all payments are complete.

Freehold Zone

Designated areas where foreign nationals own outright: Marina, Downtown, Business Bay, Palm, JVC, JLT.

Leasehold

A right to occupy for a fixed period (typically 99 years) rather than owning the land. Overseas investors should focus on freehold.

CATEGORY 02 · TRANSACTION DOCUMENTS

Documents You Will Sign and What They Mean

SPA, Sale and Purchase Agreement

The main contract between buyer and developer: property details, price, payment schedule, handover date and penalty provisions. Read carefully before signing.

Escrow Account

A RERA-mandated bank account holding all off-plan payments, released to the developer only as milestones are verified. The primary investor protection.

MOU, Memorandum of Understanding

Used in secondary (resale) transactions. Specifies price, deposit and completion terms between buyer and seller, signed before the NOC process.

Registration Trustee

An authorised DLD office where transfer of ownership is completed. Both parties attend in person or via Power of Attorney.

NOC, No Objection Certificate

Issued by the developer confirming no outstanding charges and no objection to transfer of ownership.

Power of Attorney (POA)

A legal document authorising a named person to sign on your behalf, commonly used by overseas investors so deals complete without travel.

CATEGORY 03 · PAYMENT STRUCTURE

How Off-Plan Payments Are Structured

Reservation Deposit

The initial payment (typically 10%) to secure a unit at a fixed price. The unit is taken off market; a reservation letter is issued and Oqood initiated.

1% Per Month Plan

Buyers pay 1% of the price monthly during construction. On AED 1.5M, that is AED 15,000 a month, simple to model against cash flow.

Construction-Linked Plan

Payments tied to build milestones: foundation, structure, finishing, handover. Typically 10% reservation then instalments, with 30-40% on handover.

50/50 Plan

50% during construction, 50% on handover. Common on shorter cycles; gives a clean exit at handover with no ongoing developer obligation.

Post-Handover Payment Plan

Developer financing where 30-50% is paid in instalments after delivery, over 1-5 years. Significantly reduces initial capital required.

DLD Transfer Fee (4%)

A one-time fee paid to the DLD on completion of transfer, the only property transfer tax in Dubai, paid by the buyer unless agreed otherwise.

CATEGORY 04 · HANDOVER & COMPLETION

What Happens When Your Property Is Ready

Handover
The moment the developer formally delivers the completed property. The buyer inspects, signs a handover certificate and completes remaining payments.

Oqood Registration
Interim registration of an off-plan contract with the DLD. The Oqood certificate proves you are the registered buyer before the title deed is issued.

Snagging
Inspecting a newly handed-over unit for defects or work not matching the SPA. The developer must rectify snag items within an agreed period, typically one year.

Completion Certificate
Issued by Dubai Municipality certifying the building meets approved plans and safety standards. Required before handover and title issuance.

Defects Liability Period
The period after handover when the developer is responsible for defects. Dubai law: a 10-year structural warranty and 1-year non-structural liability.

Service Charge
An annual fee for common-area maintenance, security and management. RERA-regulated, typically AED 10–30 per sqft per year by building type.

CATEGORY 05 · INVESTMENT & RETURNS

The Numbers You Need to Understand

Gross Yield
Annual rent divided by purchase price. Excludes service charges, management and vacancy. A quick comparison tool between markets.

Net Yield
Rent minus all expenses, divided by price, a truer measure of return. Dubai prime net yields run 0.5–1.5% below gross.

Capital Appreciation
The rise in value over time. Off-plan investors often target construction-phase appreciation, then hold for yield or sell tax-free.

Off-Plan Discount
The gap between developer launch (Phase 1) and the secondary price after construction starts, typically 15–30% below handover value.

ROI
Total return, capital gain plus rental income, as a percentage of the original investment over a defined hold period.

Resale / Flip
Selling an off-plan unit before handover after it has appreciated. Some developers restrict early resale; check the SPA.

Short-Term Rental Yield
Return on an Airbnb-style let, requiring a DTCM licence. Prime Dubai achieves 8–12% gross, well above long-term rental yields.

Built-Up Area (BUA)
Total floor area including walls, common-area apportionment and balconies. Pricing is quoted per sqft of BUA, verify what is included.

QUICK REFERENCE

The Off-Plan Purchase Process at a Glance

01 **Select unit, pay reservation (10%)**
Unit locked at the agreed price. Oqood registration initiated; reservation letter issued.

02 **Sign the SPA (within 30 days)**
Locks in all terms. Review the handover date, penalty clauses and full payment schedule carefully.

03 **Pay construction instalments**
Monthly or milestone-based per the agreed plan. All funds held in RERA escrow.

04 **Handover, snagging, final payment**
Inspect, prepare the snag list, pay the final balance, receive keys. Escrow released to developer.

05 **DLD registration & title deed**
Title deed issued in your name. If AED 2M+ on a completed property, apply for the Golden Visa.

VERIFY EVERY FIGURE

Sources & References

Every figure is drawn from the sources below. Links are live: tap any URL to open the original.

01 **Dubai Land Department: registration, Oqood and the 4% transfer fee** — DUBAI LAND DEPARTMENT (OFFICIAL)
https://dubailand.gov.ae/en/

02 **RERA off-plan escrow accounts and project regulation** — DLD / RERA (OFFICIAL)
https://dubailand.gov.ae/en/eservices/escrow-account/

03 **Buying and financing a property in Dubai (freehold, process, Ejari)** — UAE GOVERNMENT (U.AE)
https://u.ae/en/information-and-services/housing/buying-and-financing-a-property

04 **Holiday-home (short-term rental) permits via Dubai's tourism authority** — DUBAI DEPARTMENT OF ECONOMY & TOURISM
https://www.dubaidet.gov.ae/en/

WORK WITH BRADLEY JAMES

You Know the Language. Now Find the Right Opportunity.

Understanding the terminology is step one. Step two is identifying which project, which zone and which payment structure matches your goals. That is exactly what I do in a discovery call. No presentation. No pitch.

Most complexity in Dubai property is perception, not reality. An honest conversation about what makes sense for you is the fastest way through it.

WHATSAPP / CALL

+971 56 500 6162

EMAIL

b.james@mandmrealestate.ae

WEBSITE

mandmrealestate.ae

CLICK HERE TO CHAT

Bradley James

INVESTMENT ADVISOR

M&M REAL ESTATE