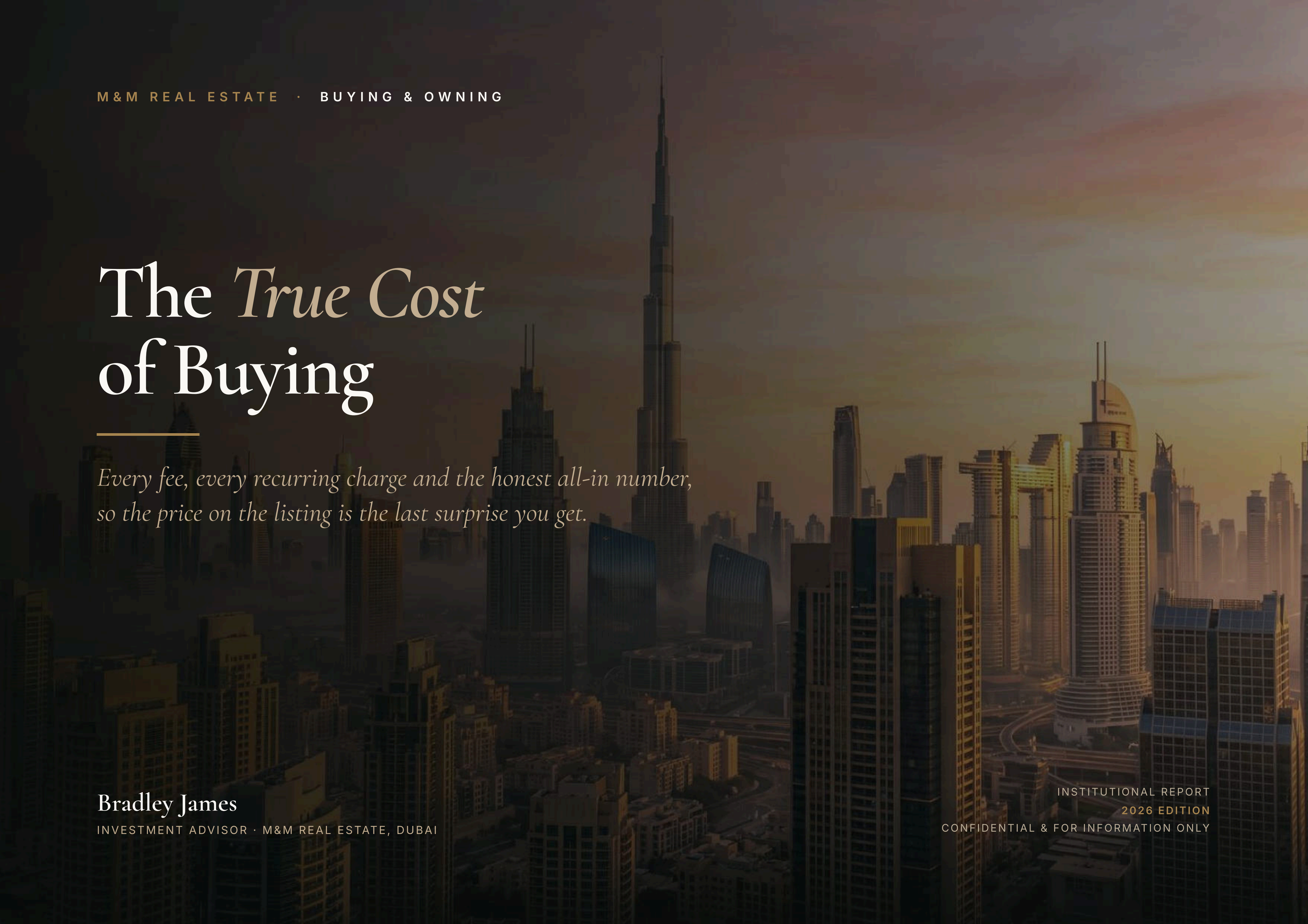

M&M REAL ESTATE · BUYING & OWNING

The *True Cost* of Buying

Every fee, every recurring charge and the honest all-in number, so the price on the listing is the last surprise you get.

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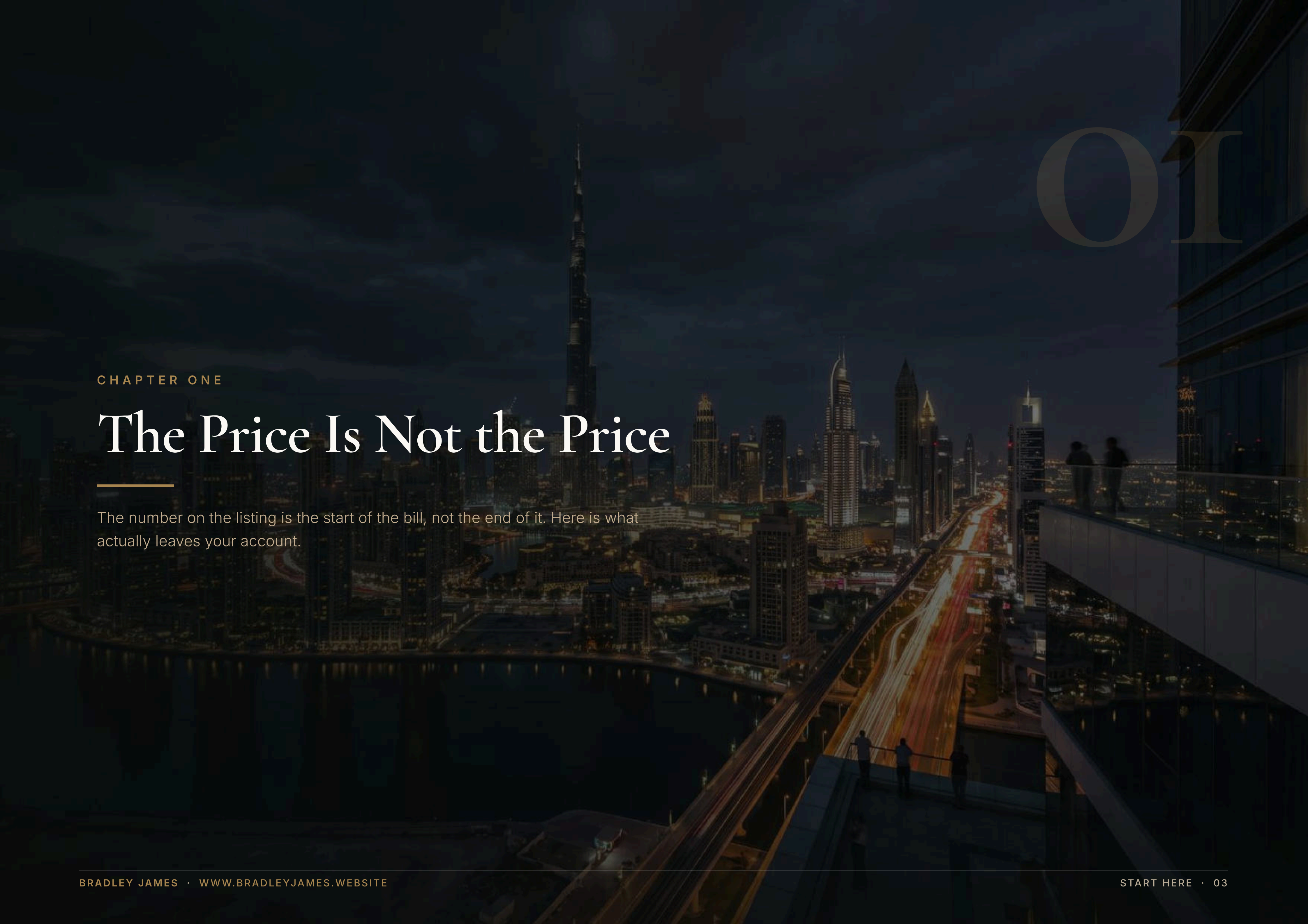


01

CHAPTER ONE

The Price Is Not the Price

The number on the listing is the start of the bill, not the end of it. Here is what actually leaves your account.

CHAPTER 01 · THE REAL NUMBER

What a Purchase Actually Costs

Every buyer fixates on the headline price. The professionals budget for something else: the all-in cost, which in Dubai lands between 7% and 10% on top of the price once every fee is counted. Miss that, and your first month as an owner is a series of unpleasant surprises.

The good news is that Dubai's costs are unusually transparent and, by global standards, low. There is no annual property tax, no council tax and no capital-gains tax. But there is a stack of one-off transaction fees at purchase, a set of recurring charges you pay for as long as you hold, and a smaller bill again when you sell. This guide walks through all three, in the order your money actually moves, with every figure sourced.

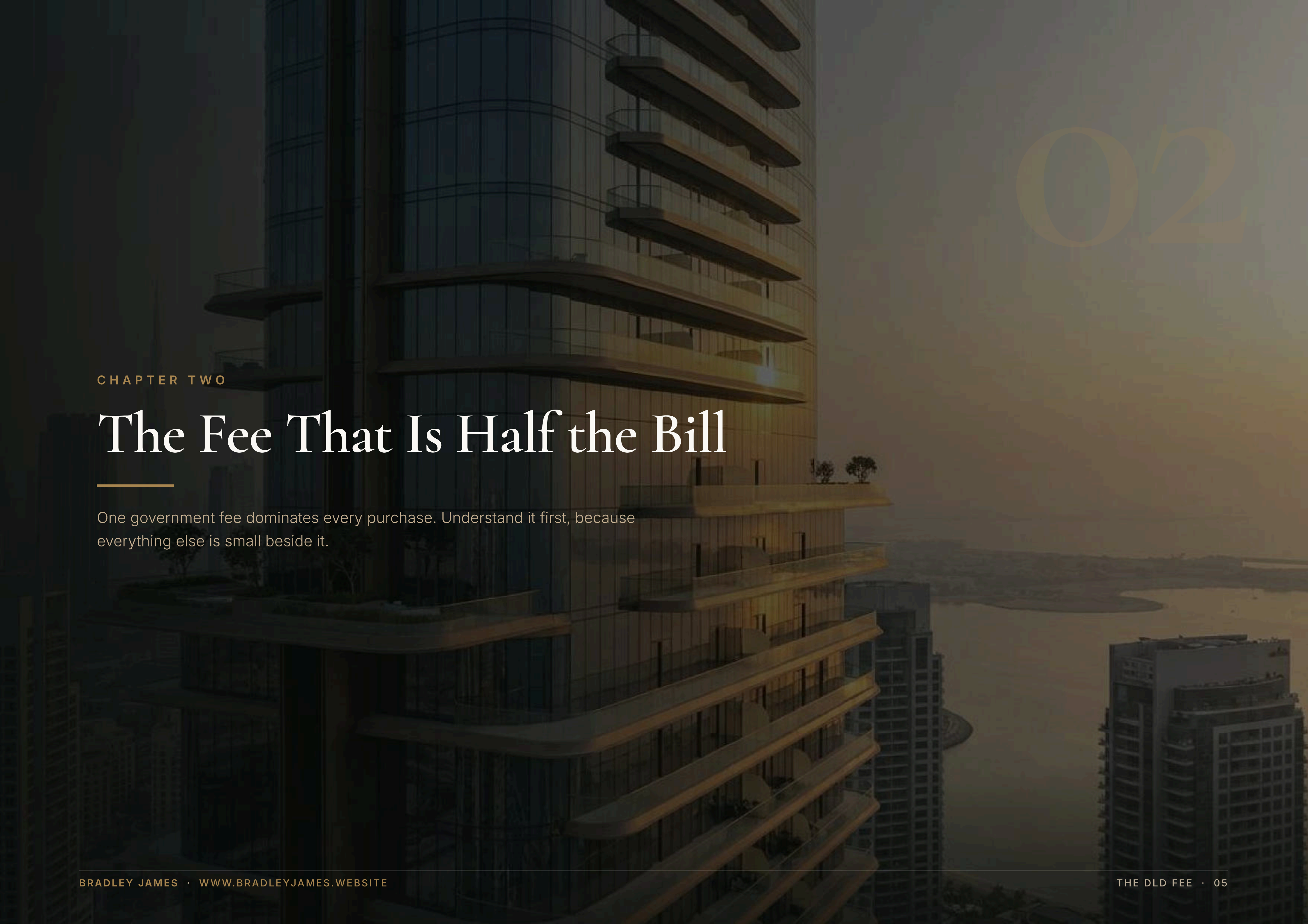
Read it once and you will be able to build the full cost of any Dubai purchase on the back of an envelope, and know exactly which fees are fixed, which are negotiable, and which you can avoid.

◆ THE ONE RULE

- Budget 7% to 10% on top of the price for a ready purchase.
- The 4% Land Department fee is roughly half of that bill, every time.
- Off-plan entry is cheaper up front, nearer 4% to 6%.
- Then add the recurring charges: service fees, cooling and utilities.
- There is no annual property tax to add. That part is genuinely zero.

◆ THE POINT

"The cheapest surprise is the one you budgeted for. Know the all-in number before you sign, not after."



02

CHAPTER TWO

The Fee That Is Half the Bill

One government fee dominates every purchase. Understand it first, because everything else is small beside it.

CHAPTER 02 · THE LAND DEPARTMENT

The 4% Transfer Fee, Explained

The Dubai Land Department, the DLD, charges a transfer fee of **4% of the purchase price** to register the property in your name. On paper it is split 2% to the buyer and 2% to the seller, but by long-standing market convention the buyer pays the full 4%. On a 2,000,000 dirham property that is 80,000 dirhams, and it is non-negotiable. This single fee is about half of your total transaction cost in almost every case.

Alongside it sit a handful of small fixed administrative charges: roughly 580 dirhams of DLD admin on a ready sale, a title-deed issuance fee of 250 dirhams, and a similar amount for the property map. These are rounding errors next to the 4%, but they belong in the budget.

4%
DLD TRANSFER FEE, ON THE PURCHASE PRICE
Dubai Land Department

AED 80,000
THE FEE ON A 2,000,000 DIRHAM PROPERTY
Illustrative

AED 250
TITLE DEED ISSUANCE
Dubai Land Department

◆ READY VS OFF-PLAN

For an off-plan purchase the same 4% is paid, but it is registered through the developer's Oqood system at the point of sale. There is no second 4% at handover, only the small title-deed and map fees when the finished unit is transferred into your name.

◆ REMEMBER

"The 4% is the one fee you cannot design around. Everything in this guide is about the other half of the bill, which you can influence."

03

CHAPTER THREE

The Deal Costs

The fees that move the transaction itself: the agent, the trustee office and the developer's no-objection.

Agency, Trustee and NOC

Beyond the government's 4%, a completed resale carries three deal fees. None is large, but together they add up, and two of them are negotiable.

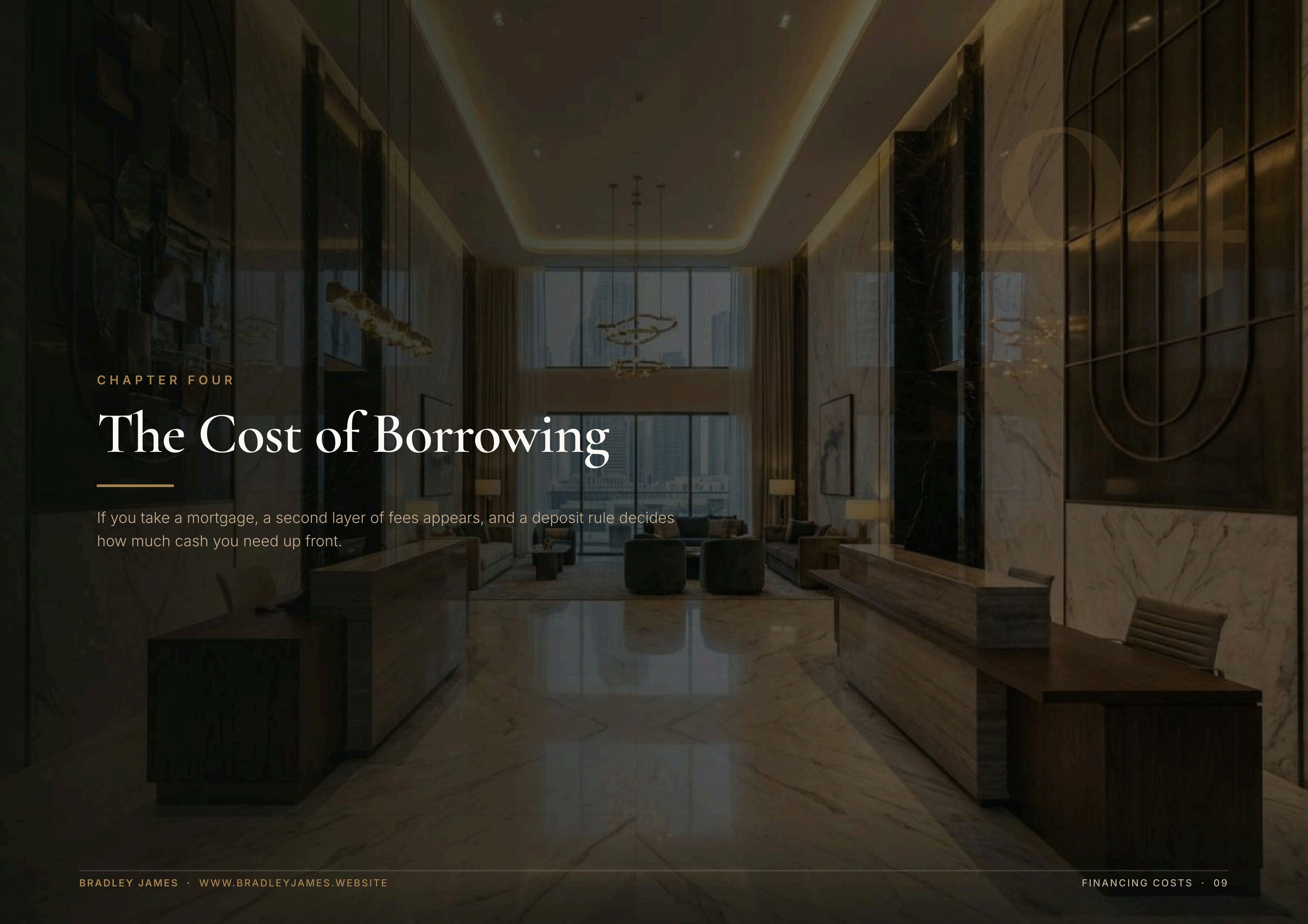
FEE	WHAT IT IS	TYPICAL COST
Agency commission	The broker's fee on a resale, paid by the buyer	2% of price, plus 5% VAT
Trustee office fee	The registration-trustee office that processes the transfer	AED 4,000 above 500k, AED 2,000 below, plus VAT
Developer NOC	The developer's no-objection certificate to sell, paid by the seller	AED 500 to 5,000, plus VAT

Agency commission is negotiable and is not fixed by RERA. On off-plan, the developer usually pays the agent, so a buyer often pays little or no commission.

The agency commission is the one to focus on. At 2% plus VAT it is the second-largest line after the DLD fee, and unlike the DLD fee it is genuinely negotiable. On an off-plan purchase the developer typically pays the agent, which is a large part of why off-plan entry costs are lower.

◆ WHO PAYS WHAT

On a resale the buyer pays the agency commission and the trustee fee; the seller pays the NOC and clears any mortgage. On off-plan, the developer usually absorbs the agent's fee, so your deal costs shrink to the DLD 4% and a small Oqood admin.



04

CHAPTER FOUR

The Cost of Borrowing

If you take a mortgage, a second layer of fees appears, and a deposit rule decides how much cash you need up front.

CHAPTER 04 · IF YOU FINANCE

The Deposit, and the Fees on the Loan

A mortgage adds its own costs, and they cannot be rolled into the loan. Budget for four: a DLD mortgage registration fee of **0.25% of the loan plus 290 dirhams**, a bank arrangement fee of roughly **1% of the loan** (usually capped near 15,000 dirhams) plus VAT, a property valuation of 2,500 to 3,500 dirhams, and life and property insurance charged annually thereafter.

Before any of that, the deposit. The Central Bank sets loan-to-value caps that decide how much cash you must put down. As a guide, an expatriate buying a first home under 5,000,000 dirhams can borrow up to 80%, so a 20% deposit; the cap tightens for higher values, second properties and, notably, off-plan, where financing is typically limited to around 50%. These caps are set by the regulator and revised from time to time, so confirm the current figure with your bank before you commit.

20%
TYPICAL DEPOSIT, EXPAT FIRST HOME UNDER AED 5M
CBUAE, confirm current

0.25%
MORTGAGE REGISTRATION, ON THE LOAN
Dubai Land Department

~1%
BANK ARRANGEMENT FEE, OFTEN CAPPED ~AED 15,000
Lender schedules 2026

◆ THE HONEST FRAMING

Off-plan usually caps financing near 50%, so it is not the low-cash route it looks like if you need a mortgage. Cash and ready-property buyers get the highest loan-to-value. Match the route to how you are funding the purchase.

◆ A CAUTION

"Mortgage fees cannot be added to the loan. They are cash, on top of your deposit, on completion day. Budget them separately."

05

CHAPTER FIVE

Ready or Off-Plan

The same property, bought two ways, carries a very different cost shape. Here is why the timing matters.

CHAPTER 05 · THE TWO ROUTES

Why the Entry Cost Differs

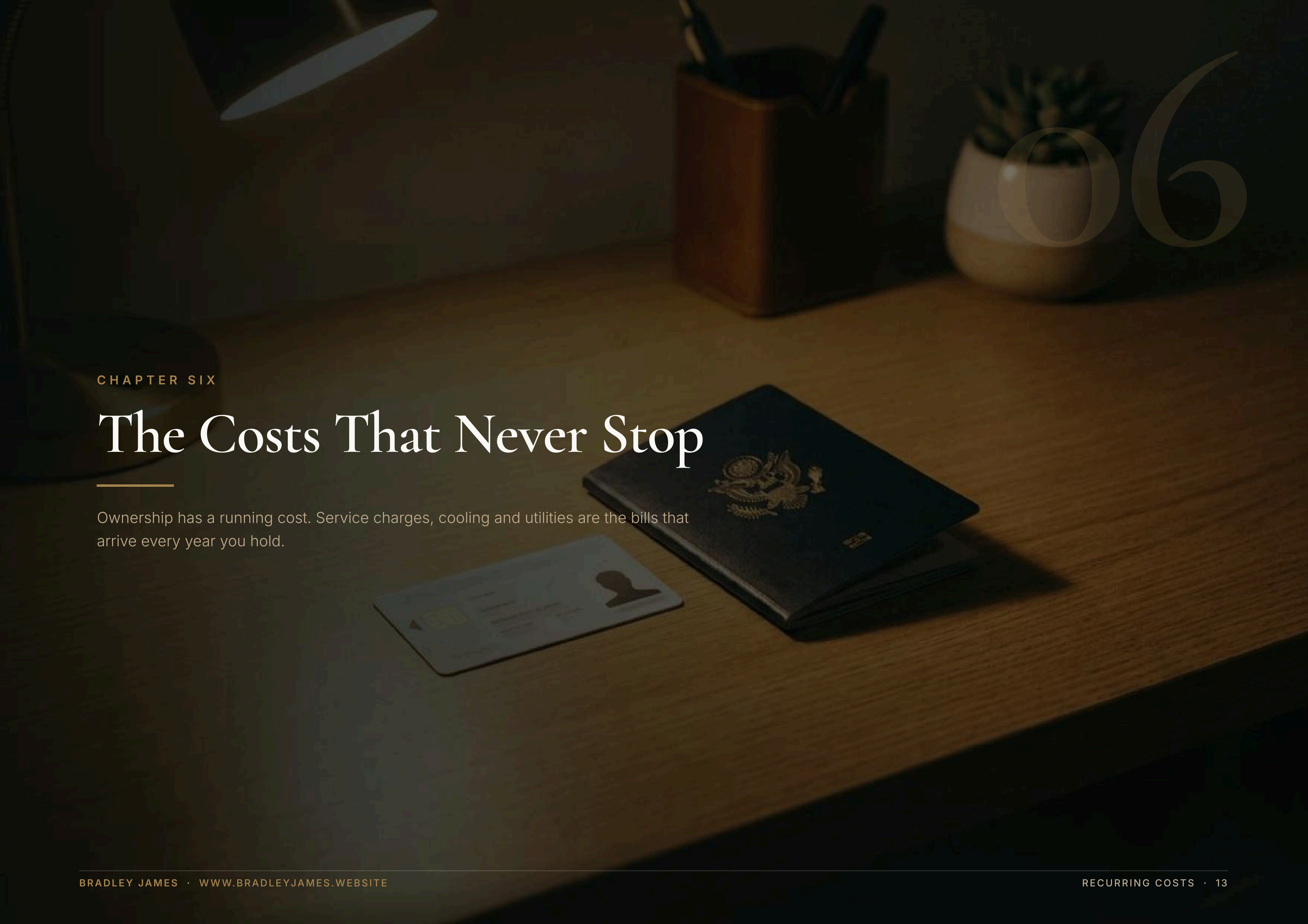
Two buyers can pay the same price for the same apartment and face very different bills at the door, purely because one bought ready and one bought off-plan.

A ready purchase carries the full deal stack: the 4% DLD fee, 2% agency plus VAT, and the trustee fee, landing the all-in transaction cost near 6% to 8% in cash. An off-plan purchase pays the same 4% through Oqood but usually no agency commission, because the developer pays the agent, which pulls the entry cost down toward 4% to 6%. Off-plan also spreads the price itself across a payment plan, so less capital is committed up front, though that is a cash-flow advantage, not a saving.

The trade is straightforward. Off-plan is cheaper and lighter to enter but you wait for the asset and carry construction risk. Ready costs more up front but you own an income-producing property from day one. Neither is cheaper overall; they simply put the cost in different places.

◆ THE CASH-FLOW POINT

Off-plan's staged payment plan is not a discount. You still pay the full price, and the DLD 4% still applies. What you gain is time to fund it, which is valuable, but it is not the same as paying less.



CHAPTER SIX

The Costs That Never Stop

Ownership has a running cost. Service charges, cooling and utilities are the bills that arrive every year you hold.

What You Pay Every Year You Own

The transaction fees are one-off. These are not. The single most important recurring cost is the **service charge**, an annual, per-square-foot fee for the upkeep of the building and community. It is set per community, approved by RERA, published on the DLD Service Charge Index and billed through the Mollak system, so it is fully checkable before you buy. It ranges widely by segment.

	AFFORDABLE	MID-MARKET	PRIME / BRANDED
Service charge, AED per sq ft per year	6 to 10	10 to 18	20 to 35+

DLD Service Charge Index, 2026. City-wide median is around 17 dirhams per square foot. Always check the exact figure for a specific building on the index before buying.

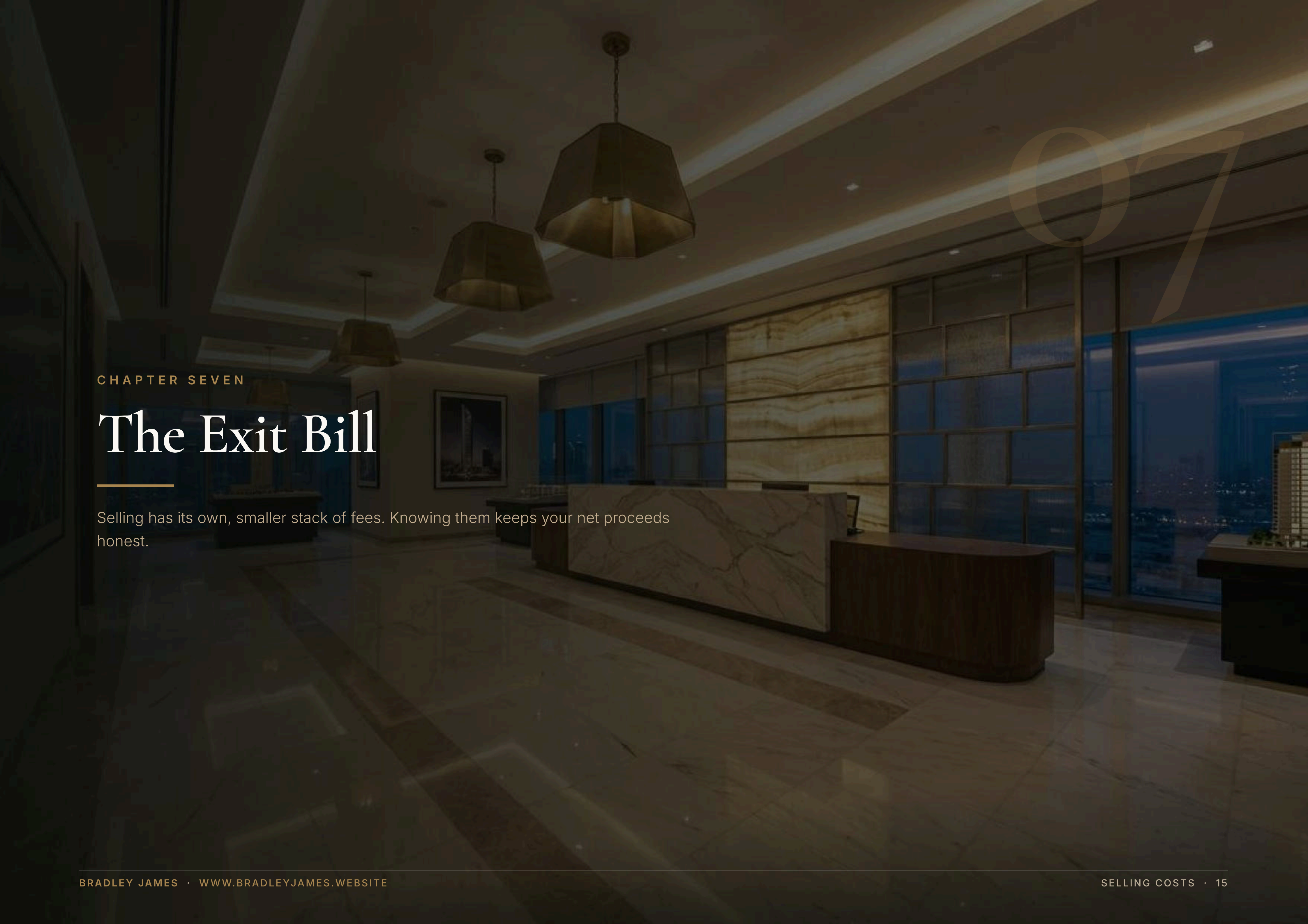
On top of the service charge, most modern towers use district cooling from a provider such as Empower, which bills a fixed capacity charge of roughly 750 dirhams per refrigeration tonne per year plus consumption. Then there is a refundable DEWA connection deposit, 2,000 dirhams for an apartment or 4,000 for a villa, ordinary utility bills, and the 5% municipality housing fee, charged on 5% of the annual rental value and collected in monthly instalments on the DEWA bill.

◆ CHECK THIS BEFORE YOU BUY

Service charges vary enormously. A high charge quietly eats your yield every single year. Pull the building's figure from the DLD Service Charge Index and put it into your net-yield sum before you commit, not after.

◆ THE ZERO

"There is no annual property tax and no council tax in Dubai. The recurring bill is service, cooling and utilities, and nothing to a tax authority."



07

CHAPTER SEVEN

The Exit Bill

Selling has its own, smaller stack of fees. Knowing them keeps your net proceeds honest.

CHAPTER 07 · WHEN YOU SELL

What It Costs to Get Out

Exit costs are lighter than entry costs, but they are real and they come out of your proceeds. As a seller you typically pay the agency commission of 2% plus VAT, the developer's NOC fee of 500 to 5,000 dirhams, and, if you have a mortgage, a discharge fee of roughly 1,290 dirhams on a conventional loan or 1,560 on an Islamic one, plus a DLD blocking fee of around 1,000 to 1,500 dirhams. If you settle a mortgage early, the bank may charge 1% of the outstanding balance, capped at 10,000 dirhams.

Added together, a seller's all-in cost usually lands between 2% and 4% of the sale price. There is no capital-gains tax to pay on top, which is one of the defining advantages of the market, so your gain is your gain, less only these transaction fees.

◆ THE ROUND TRIP

Entry near 7% plus exit near 3% means a full round trip costs roughly 10% of value in fees. That is why Dubai rewards holding: the costs are front and back loaded, so flipping quickly rarely pays after fees.

08

CHAPTER EIGHT

The Numbers, Worked

One property, three ways of buying it, every fee added up. Illustrative, but built from the real figures.

CHAPTER 08 · A 2,000,000 DIRHAM PURCHASE

The All-In Cost, Three Ways

Here is the whole guide in one worked example: a 2,000,000 dirham property, bought three ways. The figures use the fees set out above and are illustrative, but they are close to what a real buyer pays. Recurring holding costs and insurance are excluded here; this is the cost to acquire.

COST LINE	CASH, READY	MORTGAGED, READY	OFF-PLAN
DLD transfer fee (4%)	80,000	80,000	80,000
DLD admin, title, map	~1,080	~1,080	~60
Agency (2% + VAT)	42,000	42,000	0
Trustee (+ VAT)	4,200	4,200	included
Mortgage reg + arrangement + valuation	0	~23,040	0
All-in, dirhams	~127,300	~150,300	~80,100
All-in, % of price	~6.4%	~7.5%	~4.0%

Illustrative, on a 2,000,000 dirham purchase, from the sourced 2026 fee schedule. Mortgaged figure excludes the deposit and annual insurance. Off-plan assumes the developer pays the agent.

ALL-IN ENTRY COST BY ROUTE (% OF PRICE)

Illustrative. Budget 7% to 10% for a ready purchase to stay safe.

◆ THE SAFE BUDGET

Plan for the top of the range, not the middle. Budget 7% to 10% on a ready purchase and you will never be caught short at the trustee office.

09

CHAPTER NINE

Your Budgeting Checklist

The costs turned into a checklist you can run before you sign, plus the questions buyers actually ask.

CHAPTER 09 · BEFORE YOU SIGN

The Pre-Purchase Cost Checklist

1. **Add 4% for the DLD, in cash, non-negotiable.**
   This is half your transaction bill. Never forget it.
2. **Add 2% plus VAT for the agent on a resale.**
   Negotiate it. On off-plan, confirm the developer pays it.
3. **Add the trustee fee and small DLD admin.**
   Roughly 4,000 to 5,000 dirhams all in.
4. **If financing, add the loan fees and confirm your deposit.**
   Registration, arrangement, valuation and insurance, plus the Central Bank deposit cap for your case.
5. **Pull the building's service charge from the DLD index.**
   It is an annual cost for life. Put it in your net-yield sum now.
6. **Budget 7% to 10% all-in for ready, 4% to 6% for off-plan.**
   If your plan only works at 4% on a ready purchase, the plan is wrong.

◆ THE YIELD REALITY CHECK

A gross yield is not a net yield. Subtract the service charge, cooling, management and void allowance before you call a number attractive. The fees in this guide are exactly what turns a gross figure into the real one.

CHAPTER 09 · STRAIGHT ANSWERS

The Questions Buyers Actually Ask

Q. Is the 4% DLD fee ever negotiable?

No. It is a government registration fee of 4% of the price, and although it is nominally split with the seller, the buyer pays it in full by convention. Budget for it as a fixed cost.

Q. Can I add the fees to my mortgage?

No. Transaction fees must be paid in cash on completion and cannot be financed. They sit on top of your deposit, so a mortgaged buyer needs the deposit plus roughly 7% to 8% of the price in cash.

Q. Is off-plan really cheaper to buy?

Cheaper to enter, yes, because the developer usually pays the agent and the price is staged, so entry costs land near 4% to 6%. But you pay the same 4% DLD fee and the same total price, so it is not cheaper overall, only lighter up front.

Q. Are there any annual taxes?

No annual property tax, no council tax and no capital-gains tax. Your recurring costs are the service charge, district cooling, utilities and the 5% municipality housing fee on the rental value, not a tax on the asset.

Q. What is the one cost people forget?

The service charge. It is easy to ignore at purchase and it quietly reduces your yield every year. Always check the specific building's figure on the DLD Service Charge Index before you buy.

Q. So what should I actually budget?

For a ready purchase, 7% to 10% of the price on top, in cash. For off-plan, 4% to 6%. Then add the annual service charge and holding costs to your net-yield calculation.

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WORK WITH BRADLEY JAMES

Know the Number Before You Sign.

◆ ABOUT BRADLEY

Not a broker, an advisor. I built a business in the UK and spent more than a decade advising people from all walks of life, before moving to Dubai and joining M&M Real Estate to work at a higher strategic level than the typical transactional broker. I specialise exclusively in off-plan investment for overseas and high-net-worth clients, I put my own capital into the projects I recommend, and my business is more than 80% referral-driven, because every client came through someone who trusted me first.

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