M&M REAL ESTATE · LEGAL, TAX & REGULATION

The *Non-Resident* Mortgage Playbook

Financing a Dubai property when you live abroad: the real deposit, the honest rate ranges, the off-plan lending rules, and how to borrow against the property you already own.

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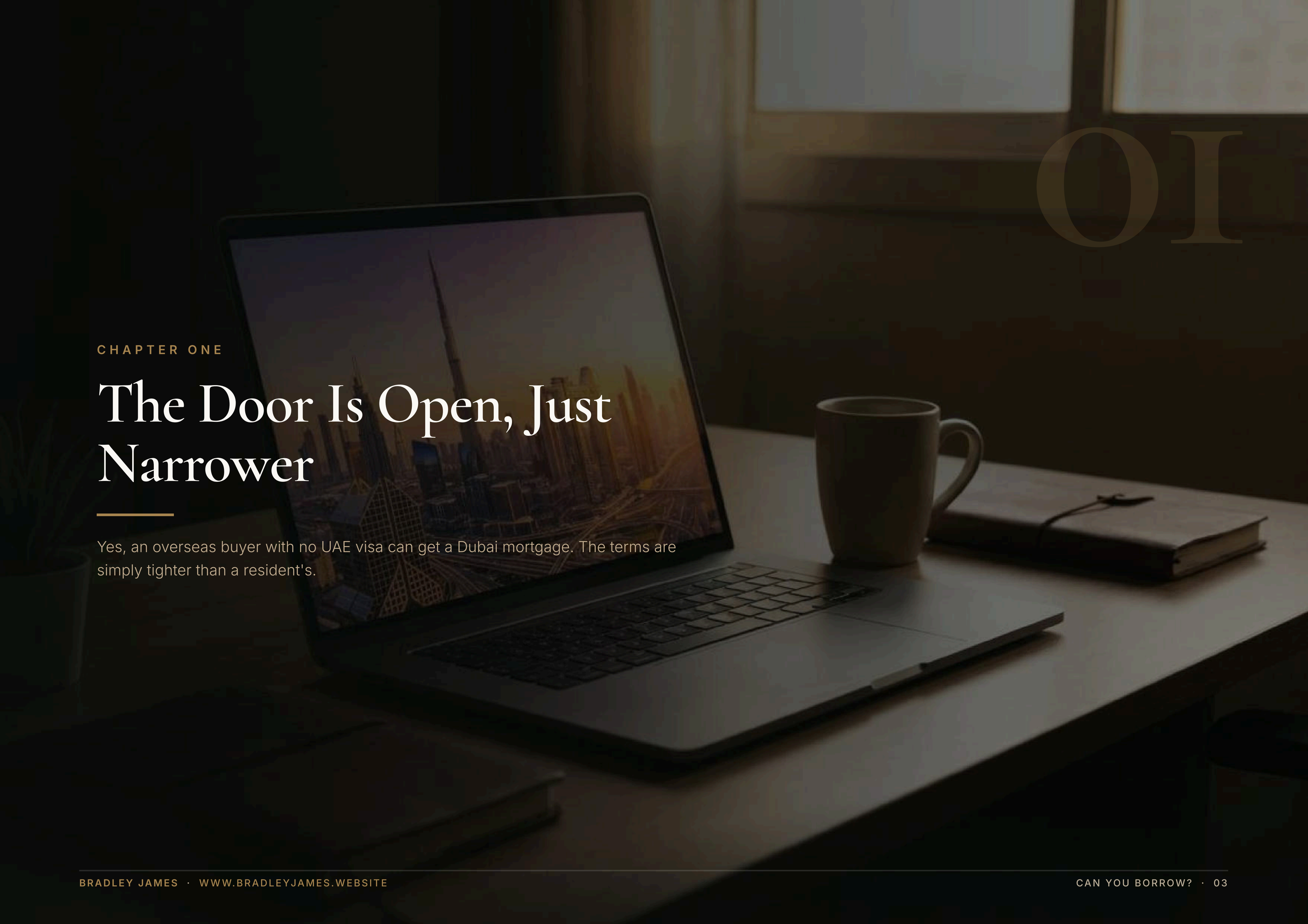


01

CHAPTER ONE

The Door Is Open, Just Narrower

Yes, an overseas buyer with no UAE visa can get a Dubai mortgage. The terms are simply tighter than a resident's.

CHAPTER 01 · THE SHORT ANSWER

Can a Non-Resident Get a Dubai Mortgage?

Yes. If you live abroad and have never held a UAE residence visa, you can still finance a Dubai property. The market for it is real and established. It is simply a narrower door than the one a resident walks through, and knowing the differences up front saves you from the surprises that catch most overseas buyers.

Three things change for a non-resident. First, **fewer lenders.** Not every UAE bank runs a non-resident programme, so you are choosing from a shorter list, commonly names such as HSBC, Emirates NBD, Mashreq, ADCB, RAKBANK and Standard Chartered, usually arranged through a broker who knows which bank suits your profile. Second, a **lower loan-to-value**, which means a larger cash deposit. That is the single biggest difference, and Chapter 02 is devoted to it. Third, an **approved-nationality list**: each bank keeps its own internal roster of eligible passports for compliance, so a small number of jurisdictions are excluded.

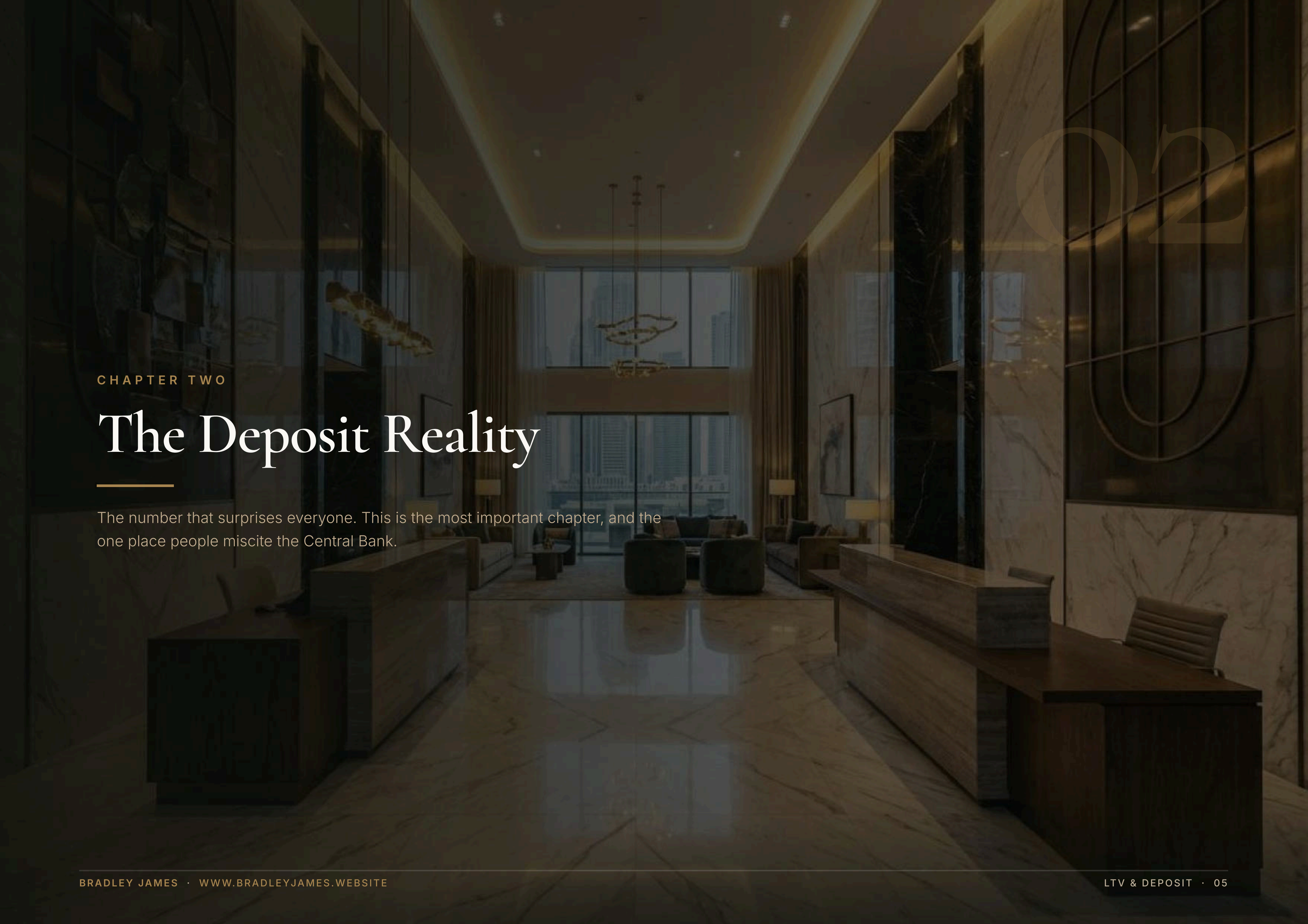
The property side is straightforward. Foreign buyers can own freehold in Dubai's designated areas with no residency required, and completed, ready property in a strong location is the easiest thing to finance. Off-plan is more restricted, which we come back to.

◆ WHAT IS DIFFERENT FOR YOU

- Fewer banks lend to non-residents, so a broker earns their keep.
- A bigger deposit, typically 35% to 50% of the price.
- An approved-nationality list applies, set by each bank.
- Ready property is easiest; off-plan finance is limited.
- No UAE residency is needed to own freehold or to borrow.

◆ THE POINT

"Financing from abroad is normal and well trodden. Plan for a larger deposit and a shorter lender list, and the rest is process."



02

CHAPTER TWO

The Deposit Reality

The number that surprises everyone. This is the most important chapter, and the one place people miscite the Central Bank.

CHAPTER 02 · LOAN-TO-VALUE

The Caps Are for Residents, Not You

Read this chapter twice. The deposit is where non-resident financing is genuinely different, and it is also where the internet gets the regulation wrong most often.

The Central Bank of the UAE publishes loan-to-value caps in its mortgage regulations. Those caps, shown below, apply to **residents and to off-plan**. Here is the point almost every online guide misses: **there is no separate published Central Bank loan-to-value cap for non-residents**. Non-resident lending is offered at each bank's discretion, and the tighter loan-to-value you are quoted is that bank's own risk policy, not a Central Bank figure. Do not let anyone tell you the regulator caps non-residents at 50% or 65%. The regulator does not address non-residents at all; the bank does.

BUYER OR PROPERTY (RESIDENT CAPS)	MAX LOAN-TO-VALUE	MINIMUM DEPOSIT
Expat resident, first home, value at or under AED 5m	80%	20%
Expat resident, first home, value above AED 5m	70%	30%
Expat resident, second or later property	60%	40%
Off-plan, any buyer, any value	50%	50%
UAE national, first home at or under AED 5m	85%	15%

Central Bank of the UAE Rulebook, Article 3 Important Ratios. These are the RESIDENT and off-plan caps. They are stated firmly because they are regulation. The maximum loan tenor is 25 years. None of these rows is a non-resident figure.

◆ **THE MISCITATION TO AVOID**

If a guide says the Central Bank caps non-residents at a set loan-to-value, it is wrong. The published caps govern residents and off-plan. A non-resident's limit is set by the lender, case by case.

What a Non-Resident Actually Puts Down

So what should you budget? Across the market, a non-resident loan-to-value typically lands in the **50% to 65% band**, which means a **35% to 50% cash deposit**. The realistic default to plan around is **60% loan-to-value, a 40% deposit**. One well-known lender advertises borrowing up to 60% of the property's value for non-residents, which is a fair anchor. A few brokers quote up to 65% for prime ready property under 5,000,000 dirhams, and the occasional strongest profile is offered more, but treat anything above roughly 65% as a market estimate, rare and case by case, not a rule.

Above 5,000,000 dirhams the loan-to-value usually steps down further, often toward 50% to 60%. And **off-plan is tighter again**. It is capped at 50% for every buyer under the regulation, and many banks are more cautious still with non-resident off-plan, declining it or lending only near handover. In practice off-plan is more often bought on the developer's own payment plan, with a bank mortgage arranged at or near completion.

~60%

THE REALISTIC NON-RESIDENT LTV TO PLAN AROUND

Market, bank-set

40%

THE DEPOSIT THAT PAIRS WITH IT, IN CASH

Market, bank-set

50%

OFF-PLAN CAP FOR ANY BUYER, UNDER REGULATION

CBUAE Rulebook

◆ THE PLANNING ASSUMPTION

Budget for a 40% deposit and treat anything better as upside. If your plan only works at a 20% resident deposit, it does not yet work as a non-resident. Size the cash first, then shop the loan.

◆ HONEST FRAMING

"The 50% to 65% band is bank policy, not a Central Bank cap. It moves by lender, by property and by your profile, so confirm it in writing."

03

CHAPTER THREE

Financing Off-Plan

Bank finance for off-plan exists, but it runs on rails: tier-one developers only, hard construction milestones, and half the price paid first.

Tier-One Developers, 30% Built, 50% Paid

Off-plan finance is real, but it is the most conditional lending in the market. In practice, as set out in a July 2026 specialist mortgage briefing, banks will only finance off-plan on the projects of **tier-one developers**, and only once the project has crossed hard milestones.

The working rule is simple. Once **construction passes 30%** and the buyer has **paid 50% of the price** from their own funds, the bank can finance the remaining 50%, which lines up with the regulated 50% off-plan cap from Chapter Two. The tier-one roster in practice covers names such as **Emaar, Nakheel, Sobha, Meraas, Dubai Holding, Aldar, Modon and Ellington**, and even within those, eligibility runs project by project, so the specific tower must be confirmed with the lender.

Why only tier one? Two practical reasons. First, their payment plans are front-loaded, 80/20, 90/10, 70/30 or at worst 60/40, so the buyer's 50% is genuinely paid during construction. Smaller developers often collect only 30% to 40% before handover, which never reaches the bank's threshold. Second, transfers: a mortgaged transfer needs the developer's paperwork, the No Objection Certificate or the DSR file, at the trustee office, and second-tier developers often cannot produce it before transfer, so banks simply decline them.

30%
CONSTRUCTION THRESHOLD, FIRST OFF-PLAN PURCHASE
Bank policy, briefing

50%
PAID BY THE BUYER BEFORE FINANCE RELEASES
Aligns with CBUAE cap

40%
CONSTRUCTION THRESHOLD ON AN OFF-PLAN RESALE
Bank policy, briefing

THE PRACTICAL READING

- Tier-one project, 30% built, 50% paid: financeable.
- Buying an off-plan resale: the bar rises to 40% built.
- Everything else: plan on the developer's payment plan, with a mortgage arranged at or near handover.

LABEL IT HONESTLY

"The tier-one list and the construction thresholds are lender practice, not published regulation. They can move, so confirm the project with the bank first."

Off-Plan Resales, and the Lower-of Rule

Buying a part-paid off-plan unit from an exiting investor, an **off-plan resale**, is financeable under slightly tighter terms: the construction threshold rises from 30% to **40%**, the new buyer still funds **50%** in cash, and the tier-one restriction stays. One useful mechanic: the bank can approve the full loan in one go but release it to the developer **in stages**, tracking the remaining instalments, so interest accrues only on what has actually been drawn.

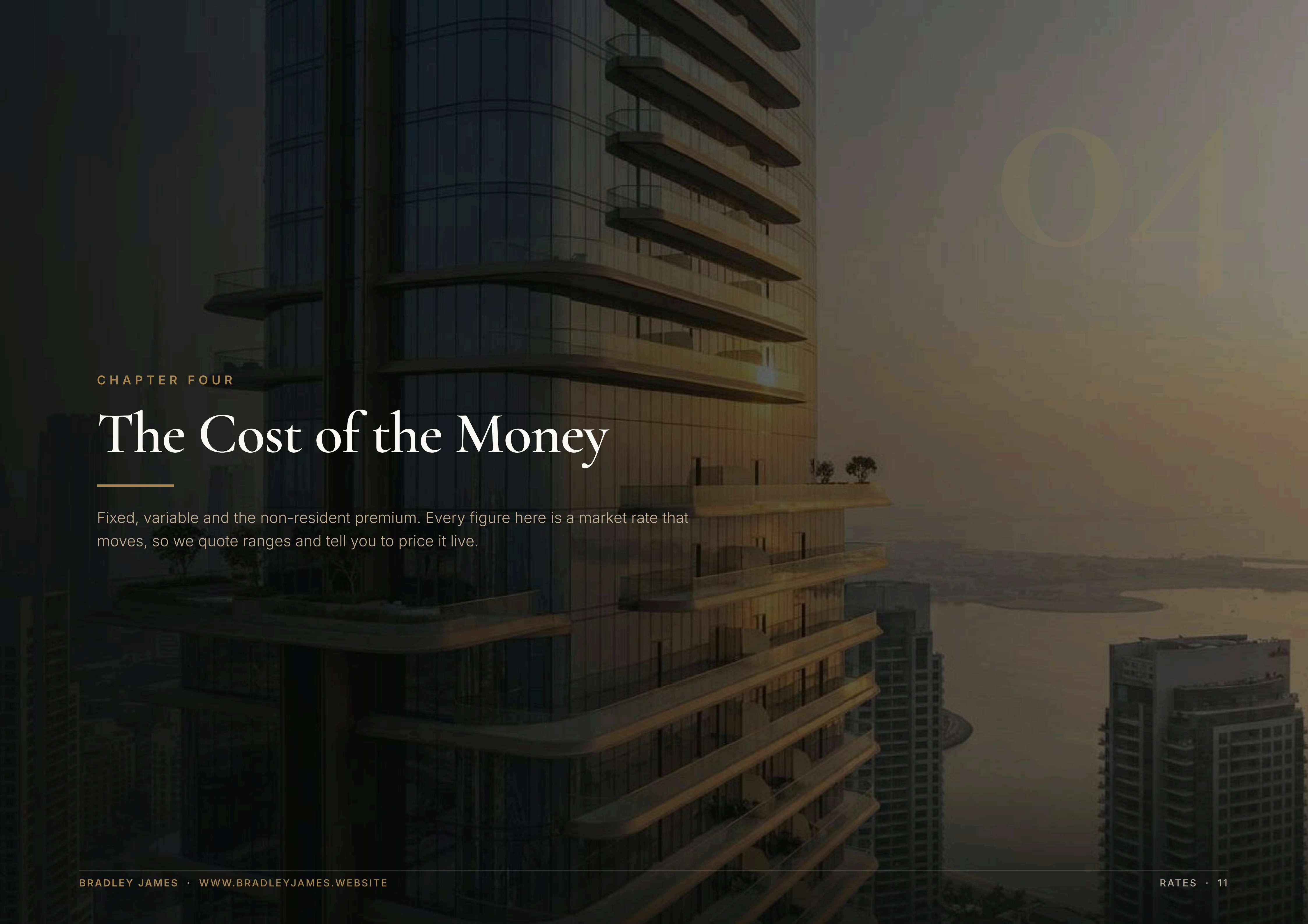
Now the number that decides every leveraged resale: the valuation. On off-plan the bank runs a **desktop valuation** off recently registered transactions in the building and area. It then finances against **whichever is lower: the agreed MOU price or its own valuation**. If a seller wants 1.5 million dirhams and the valuation lands at 1.3 million, the loan is sized off 1.3 million and the buyer bridges the difference in cash. A valuation can be challenged with comparable transaction evidence from sources such as DXB Interact or Property Monitor, and sometimes moves, but the discipline is to budget for the gap before you sign, not after.

◆ THE VALUATION GAP

An inflated asking price does not create borrowing power. The bank lends off registered-transaction evidence, so any premium above the valuation is funded by you, in cash, on completion day. Price that in when you negotiate.

◆ THE POINT

"On a resale, three numbers must line up: 40% built, 50% paid, and a valuation that supports the price. Check all three before committing."



04

CHAPTER FOUR

The Cost of the Money

Fixed, variable and the non-resident premium. Every figure here is a market rate that moves, so we quote ranges and tell you to price it live.

CHAPTER 04 · PRICING

Fixed, Variable and the Premium

Before the numbers, the rule that governs them: **UAE mortgage rates are market rates, not regulated ones**. They are driven by EIBOR, the Emirates Interbank Offered Rate, plus a bank margin, and they change with the benchmark and with your profile. Every figure in this chapter is a range, and the only honest way to use it is to have a live quote pulled at the moment you apply. Never treat a headline rate as fixed.

With that caveat firmly in place, here is the shape of the 2026 market. **Fixed rates**, for an introductory period of one to five years, have broadly run in the region of 4% to 5.5% a year, with the sharpest headline offers reserved for the strongest resident profiles. **Variable rates**, priced as EIBOR plus a margin of roughly 1.5% to 2%, have sat broadly in the 5.5% to 6.5% range. A **non-resident premium** of around 0.5% to 1% typically applies on top of the equivalent resident rate, reflecting the lender's added risk. All of these are market estimates that move. For a live reference point, a July 2026 practitioner briefing quoted headline offers around **3.99% to 4.25%** for the strongest profiles, and roughly **5.5% to 6%** where the file is underwritten on bank statements alone, which sits neatly inside these ranges.

~4% to 5.5%

FIXED INTRO RANGE, A YEAR, MARKET RATE

Quote live

~5.5% to 6.5%

VARIABLE, EIBOR PLUS MARGIN, MARKET RATE

Quote live

~0.5% to 1%

TYPICAL NON-RESIDENT PREMIUM, MARKET ESTIMATE

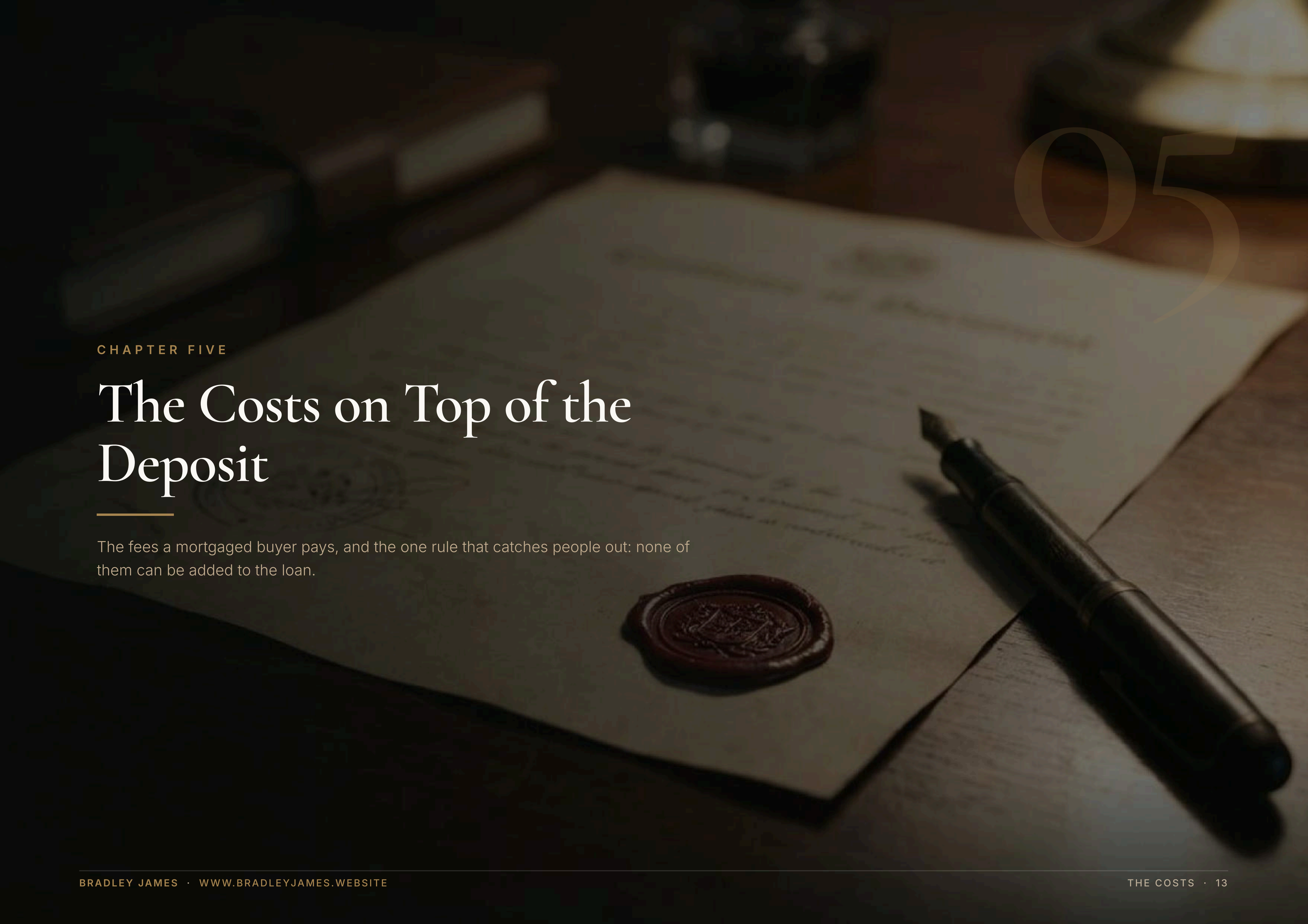
Quote live

◆ FIXED VS VARIABLE

A fixed rate buys a known payment for the intro period, then reverts to a variable follow-on tied to EIBOR. A variable moves with EIBOR from day one. Most buyers take a short fixed period for budgeting certainty, then reassess at reversion.

◆ THE DISCIPLINE

"Do not anchor on a headline number. EIBOR moves, margins differ by bank, and the non-resident premium is a range. Price it live, every time."



05

CHAPTER FIVE

The Costs on Top of the Deposit

The fees a mortgaged buyer pays, and the one rule that catches people out: none of them can be added to the loan.

What the Mortgage Itself Costs

A mortgage carries its own fees, on top of the deposit and on top of the 4% Land Department transfer fee that every buyer pays. The critical rule to absorb first: **these fees are paid in cash at transfer and cannot be rolled into the loan**. They sit alongside your deposit on completion day, so budget them as extra cash, not as part of the borrowing.

COST LINE	AMOUNT	HOW IT WORKS
DLD mortgage registration	0.25% of the loan + AED 290	Dubai Land Department fee to register the mortgage, paid at transfer. Regulated figure.
Bank arrangement fee	~1% of the loan, often capped AED 10k to 15k, plus 5% VAT	Bank-set and often negotiable. Market estimate.
Property valuation	~AED 2,500 to 3,500, plus 5% VAT	Non-refundable even if the loan does not complete. Market estimate.
Life insurance	A small % of the balance a year	Usually mandatory, a decreasing-term policy assigned to the bank. Priced by age and health.
Property insurance	A modest annual premium	Usually required to cover the building.

The DLD mortgage registration (0.25% + AED 290) is a fixed, regulated figure. The rest are bank-set or market estimates that vary by lender and are quoted per application. All are paid in cash and cannot be financed.

Note what is regulated and what is not. The **0.25% plus 290 dirhams** registration is a fixed Land Department figure you can rely on. The arrangement fee, valuation and insurance are commercial, so they vary by bank and the arrangement fee is often negotiable.

◆ THE CASH TRAP

Because none of these can be added to the loan, a mortgaged non-resident needs the deposit plus roughly 6% to 8% of the price again in cash for fees. Size that total before you commit, not at the trustee office.

06

CHAPTER SIX

Who Qualifies, and With What

Income floors, the minimum property value, age limits, the 50% debt rule, and the paperwork for salaried and self-employed buyers.

CHAPTER 06 · THE BAR

The Numbers a Lender Checks

Eligibility is mostly bank policy, so the exact figures vary, but the shape is consistent. Lenders commonly want a minimum income around **15,000 dirhams a month**, with some non-resident programmes setting the bar higher, near **25,000 dirhams**. Loans usually start from a minimum property value of roughly **750,000 dirhams**. Age limits typically require the borrower to be at least 21, with the loan maturing by around 65 for salaried applicants or 70 for the self-employed. Treat all of these as market estimates and verify them for your specific lender.

One figure here is not a market estimate. The Central Bank caps total monthly debt repayments at **50% of monthly income**, the Debt Burden Ratio. That is a regulated ceiling, and it decides how large a loan any borrower can actually service, whatever the income floor. If half your income will not cover the repayment alongside your other commitments, the loan shrinks to fit.

~AED 15k to 25k
TYPICAL MINIMUM MONTHLY INCOME, BANK-SET
Verify per bank

~AED 750k
TYPICAL MINIMUM PROPERTY VALUE, BANK-SET
Verify per bank

50%
DEBT BURDEN RATIO CAP ON INCOME
CBUAE, regulated

◆ THE ONE FIRM NUMBER

Income floors and age limits move by bank. The 50% Debt Burden Ratio does not. It is a Central Bank cap, and it is often the real constraint on loan size, so model your repayment against half your income first.

CHAPTER 06 · PAPERWORK

What You Will Be Asked to Provide

The document list is heavier than a resident's, because the bank is underwriting income and identity from abroad. Prepare it early; a complete file is the difference between a fast approval and weeks of back-and-forth.

DOCUMENT	SALARIED APPLICANT	SELF-EMPLOYED APPLICANT
Passport	Valid passport, signature and any visa pages	Valid passport, signature and any visa pages
Income proof	Salary certificate or employment letter, recent payslips	Two years of audited financials and company documents
Bank statements	3 to 6 months personal statements	6 to 12 months business statements
Other	Proof of overseas address, home-country credit report	Home-country tax returns; often a higher income bar and lower LTV

Indicative and bank-specific. Some lenders also run an Al Etihad Credit Bureau check where you have a UAE footprint. Self-employed files are scrutinised harder and often financed at a lower loan-to-value.

◆ SALARIED VS SELF-EMPLOYED

Salaried income underwrites fastest. If you are self-employed, expect deeper document requests, a higher income bar and often a lower loan-to-value, so build extra deposit and time into your plan.

How Overseas Income Is Actually Read

How does a UAE bank underwrite someone whose money lives abroad? A July 2026 specialist briefing set out the practice plainly, and three mechanics matter.

First, the **one-income rule**. If you earn both in the UAE and abroad, the bank considers one income stream, not the sum. For a pure non-resident, that means your home-country income or, more often, your bank statements carry the whole application.

Second, the **average-balance method**. Where a bank underwrites on statements alone, it takes each day's closing balance, averages it per month, and looks across roughly 3 months. An average around **40,000 dirhams** is a common qualifying baseline, and a materially higher average directly raises what you can borrow. A one-day balance spike does not help; a consistent floor does. Banks that underwrite this way, without a home-country credit check, typically price roughly **0.5% higher** than a fully documented file. That is the trade: less paperwork, slightly dearer money. Your existing liabilities still bind you either way, so treat disclosure as the default.

Third, **self-employed policy splits in two**. A **low-doc** route lends at roughly 60% to 65% loan-to-value on bank statements and the average-balance test alone, no audited accounts. A **full-doc** route reviews 2 years of audited financials, sometimes just VAT returns, and can reach around 75%, exceptionally 80% for outstanding financials. And on rent: **only rent already crediting your account counts**, typically at 75% of its value added to income. Projected rent on a unit you have not let yet counts for nothing.

~AED 40k

QUALIFYING 3-MONTH AVERAGE BALANCE, STATEMENTS-ONLY ROUTE

Bank policy, briefing

~+0.5%

TYPICAL RATE PREMIUM FOR STATEMENTS-ONLY UNDERWRITING

Bank policy, briefing

75%

HAIRCUT APPLIED TO RENTAL INCOME ALREADY CREDITING

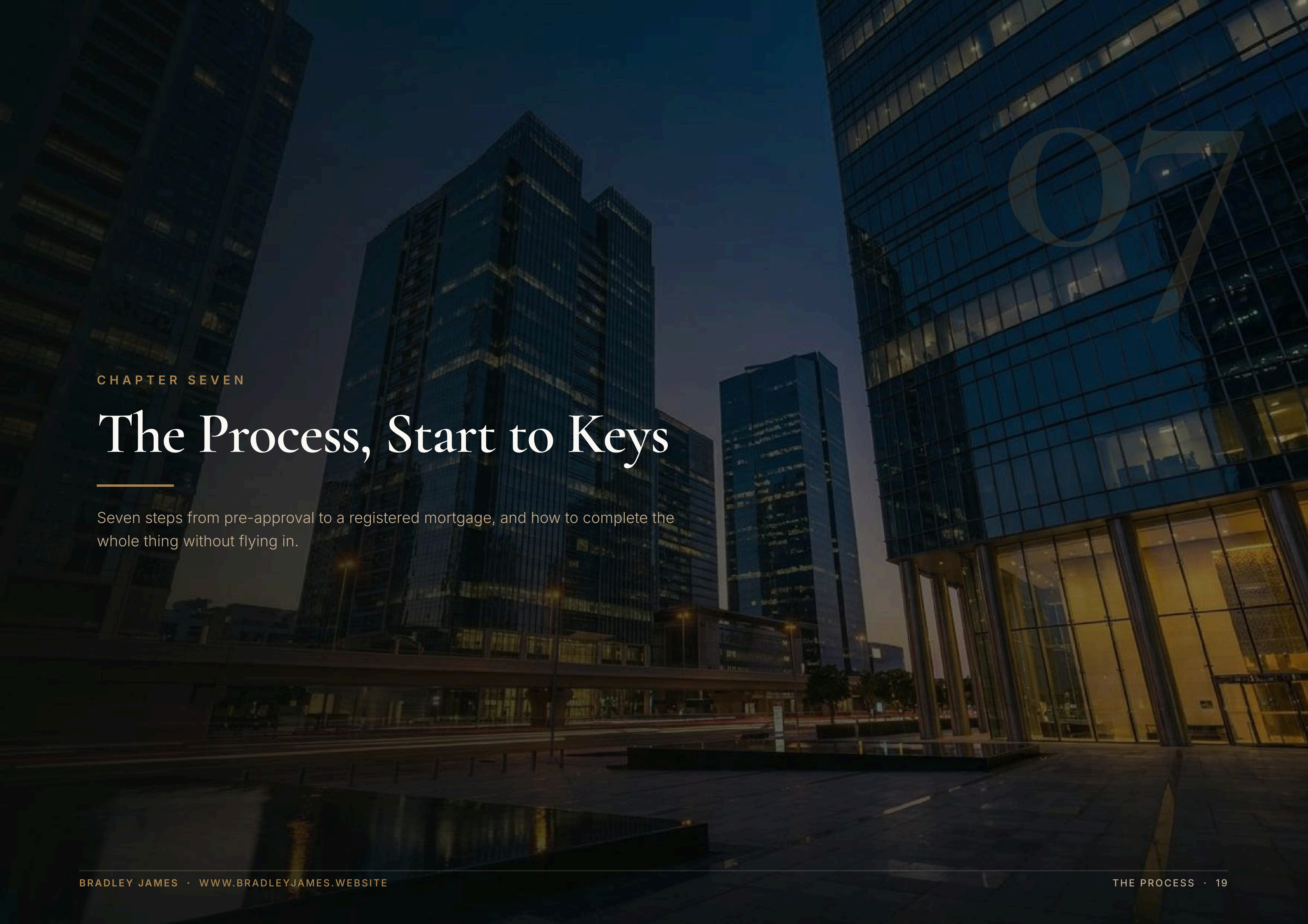
Bank policy, briefing

◆ EVERY BANK READS DIFFERENTLY

Some banks insist on your home-country credit report; others never ask and lend off the average balance. Appetites also differ by property type and floor. This is why a broker who knows each bank's current policy routinely outperforms applying to one bank cold.

◆ THE PREPARATION

"Three months of clean, consistent statements are worth more than one impressive month. Build the average before you apply, not during."



07

CHAPTER SEVEN

The Process, Start to Keys

Seven steps from pre-approval to a registered mortgage, and how to complete the whole thing without flying in.

From Pre-Approval to Title

The mechanics are the same as a resident purchase, with one addition: the mortgage is registered at the Land Department at the point of transfer, and much of it can be done remotely.

1	2	3	4	5	6	7
Pre-approval	**MOU and deposit**	**Valuation**	**Final offer**	**Developer NOC**	**DLD transfer**	**Remote option**
Step 1 · Submit income and identity documents; the bank issues an approval in principle, typically valid around 60 to 90 days.	Step 2 · Agree the property, sign the Memorandum of Understanding (Form F) and pay the deposit, commonly 10% to the seller.	Step 3 · The bank instructs a valuer to confirm the property's value, at a fee of roughly 2,500 to 3,500 dirhams plus VAT.	Step 4 · The bank issues the binding Final Offer Letter; you sign and return it.	Step 5 · The seller obtains a No Objection Certificate confirming there is nothing owed on the property.	Step 6 · At the trustee office the mortgage is registered (0.25% + AED 290), title transfers and the bank pays the seller.	Step 7 · A non-resident can complete without flying in, using a notarised, UAE-attested Power of Attorney so a representative signs at the trustee office.

◆ COMPLETING FROM ABROAD

Most non-residents never board a plane to complete. A properly drawn Power of Attorney lets a representative sign the transfer for you. Confirm your specific bank and the Land Department accept the POA for that step, and have a UAE lawyer draw it under the current rules.

◆ THE PACE

"Pre-approval can be quick, but arranging the loan and completing transfer takes weeks. Start the paperwork before you fall in love with a unit."

CHAPTER 07 · THE CLOCK

Timelines, the 60-Day MOU and the Second Credit Check

How long does it really take? Per the July 2026 practitioner briefing, a straightforward salaried case, **resident or non-resident, runs about 3 to 4 weeks** end to end. Self-employed cases run **5 to 6 weeks** because of the heavier documentation, and complex cross-border files can stretch to 3 months. This is why the MOU for a mortgaged buyer is usually written for **60 days**, against roughly 30 for a cash buyer, and why a seller weighing 2 offers will discount yours if your financing has not started. The counter is simple: **hold a live pre-approval before you shop**. A pre-approved buyer can complete in around 3 weeks, close to cash speed, and negotiates accordingly.

One mechanic almost nobody warns you about: the bank checks your Al Etihad Credit Bureau file **twice**, once at pre-approval and again at disbursement. Any new borrowing between the two, a car loan, a new card, a personal loan, resurfaces at the second check and can shrink or sink the mortgage at the worst possible moment. Take on nothing new between approval and completion.

3 to 4 wks
TYPICAL SALARIED CASE, RESIDENT OR NON-RESIDENT
Practitioner briefing

60 days
STANDARD MOU WINDOW FOR A MORTGAGED BUYER
Practitioner briefing

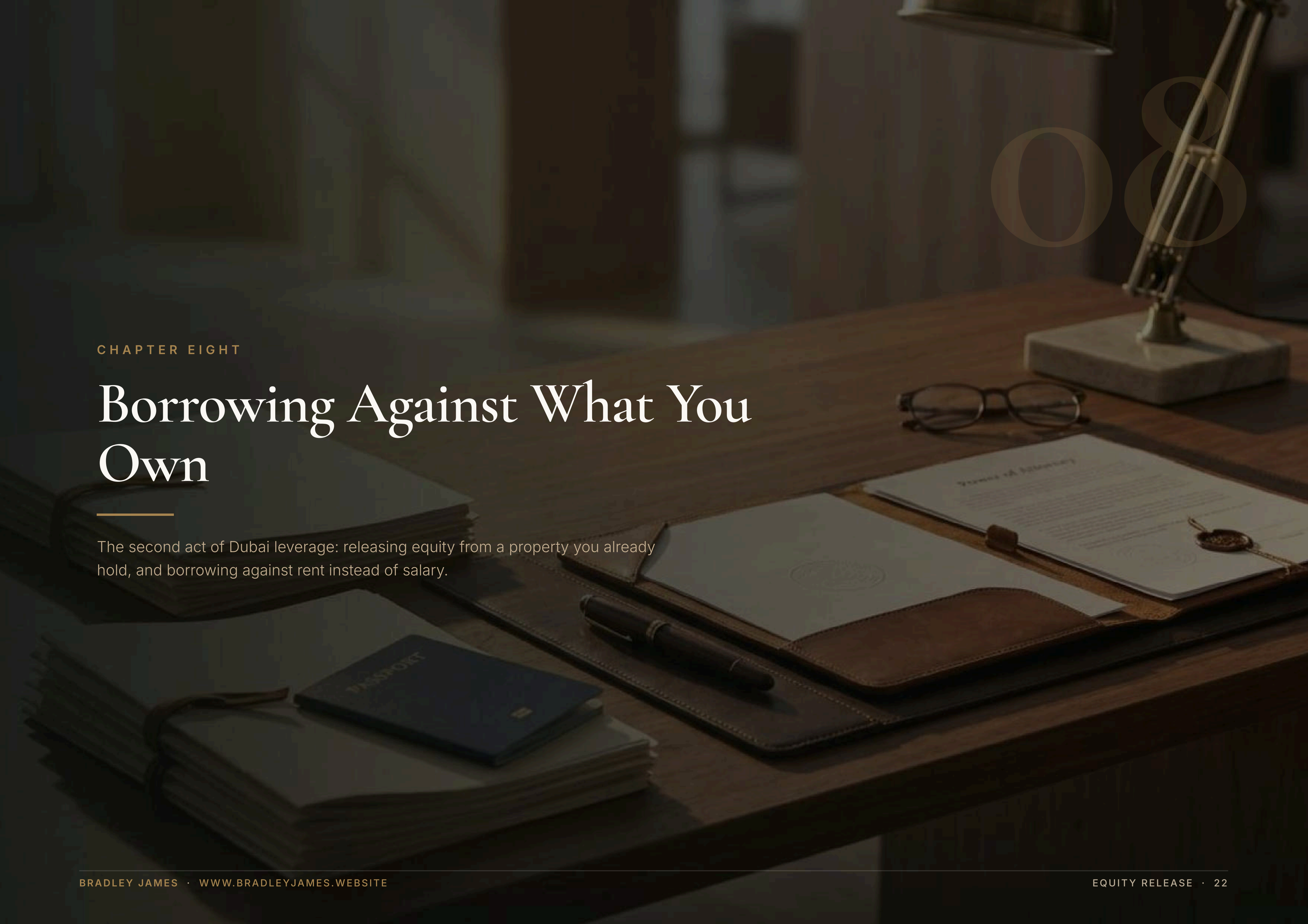
2 checks
AECB CREDIT PULLS: PRE-APPROVAL AND DISBURSEMENT
Practitioner briefing

◆ PRE-APPROVAL IS LEVERAGE

Sellers price certainty. Walking in pre-approved converts your financed offer into something close to a cash offer on timing, which is worth real money in the negotiation.

◆ THE QUIET RULE

"Between pre-approval and disbursement, your credit file should not move. New debt in that window is the most avoidable way to lose a mortgage."



CHAPTER EIGHT

Borrowing Against What You Own

The second act of Dubai leverage: releasing equity from a property you already hold, and borrowing against rent instead of salary.

Recycling a Property You Already Hold

If you already own in Dubai, paid in cash or largely paid down, the property itself can fund the next acquisition. Equity release is the practitioner's favourite tool for exactly this, and the July 2026 briefing put real numbers on it.

The cleanest case is a **fully paid property**: banks will lend up to around **60% of the current market value**, released to your account, with cash typically landing in about 4 weeks. The appreciated case is just as useful. A property bought off-plan 2 or 3 years ago is financed at handover against its **original SPA price**, because at handover the bank ignores appreciation. But once title is registered in your name, you can refinance against the **current market valuation** and release the growth, up to the standard caps, around 80% for residents and roughly 60% for non-residents. On a unit bought at 2 million dirhams and now valued at 2.5 million, that difference is the working capital for the next deposit.

One honest caveat on **cash in hand**. The large banks restrict a pure cash release to roughly **20% of the property value**, or require a documented purpose such as a renovation contract, sometimes paying the contractor directly. Smaller lenders are more flexible on percentage and purpose. Two rules follow: this is broker territory, because appetite varies bank by bank; and a documented purpose is a real obligation, not a formality, so borrow against genuine plans only.

~60%
CASH RELEASE ON A FULLY PAID PROPERTY, OF MARKET VALUE
Bank policy, briefing

~20%
PURE-CASH CAP AT THE MAJOR BANKS, OF PROPERTY VALUE
Bank policy, briefing

~4 wks
TYPICAL TIME FROM APPLICATION TO FUNDS
Practitioner briefing

◆ **WHY INVESTORS USE IT**

Released equity redeployed into a second property lets the portfolio grow without fresh capital from home. The test from Chapter Nine still applies: the combined debt must survive a stressed rate, or the recycling compounds risk instead of capital.

◆ **VALUATION GOVERNS**

"Everything here keys off the bank's valuation, not your asking price. Appreciation only becomes borrowing power once a valuer signs it."

Borrowing Against Rent, Not Salary

Now the structure built for pure investors, including non-residents with no UAE salary at all. Per the briefing, an owner holding **at least 2 UAE properties** producing **at least 100,000 dirhams a year in rent** can borrow against that rental stream alone: up to roughly **7 times the annual rental income**, secured by a mortgage over the existing property, with no home-country financials or credit history required. One structural condition: the funds are released to a **company account**, not a personal one, so the vehicle needs to exist before the application.

The same logic scales to whole buildings through **lease rental discounting**: a handful of banks will fund a full-building purchase at up to 7 times its projected annual rent, over terms up to 15 years, underwriting the building's income rather than the buyer's. That is specialist territory, but for family offices weighing a block purchase it exists and is used.

And a grounding rule for everyone else: when rent supplements a salary application, only rent **already crediting your account** counts, haircut to 75%. The rental structures above are the exception, not the rule, and every figure in this chapter is bank policy that moves, so treat them as a map of what to ask for, not a promise of terms.

7x

ANNUAL RENTAL INCOME, THE LENDING MULTIPLE

Bank policy, briefing

AED 100k

MINIMUM ANNUAL RENT ACROSS THE PORTFOLIO

Bank policy, briefing

2

MINIMUM UAE PROPERTIES HELD TO QUALIFY

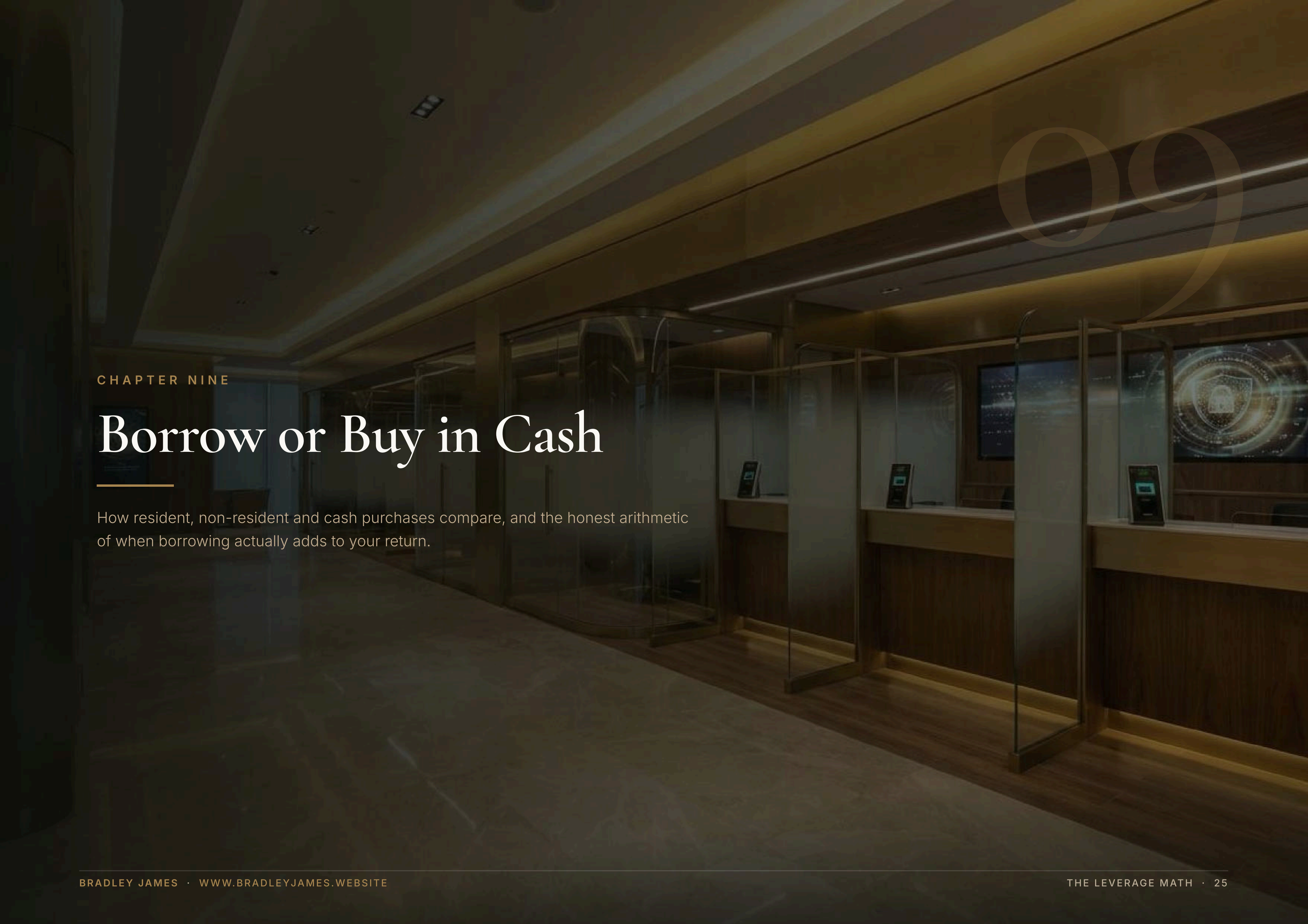
Bank policy, briefing

◆ WHO THIS FITS

The golden-visa investor with 2 or 3 leased units and no desire to share home-country financials. The rent the portfolio already produces becomes the qualifying income for the next purchase.

◆ THE SHIFT

"Salary-based lending asks what you earn. Rental-based lending asks what the portfolio earns. For a non-resident, the second question is often far easier to answer."



09

CHAPTER NINE

Borrow or Buy in Cash

How resident, non-resident and cash purchases compare, and the honest arithmetic of when borrowing actually adds to your return.

Resident, Non-Resident and Cash

Set the three routes side by side and the trade-offs are clear. A resident gets the widest lender choice and the highest loan-to-value. A non-resident gets a narrower list, a lower loan-to-value and a small rate premium, plus more paperwork. A cash buyer skips all of it for the price of tying up the full capital. None is simply better; each suits a different balance of leverage and simplicity.

FACTOR	RESIDENT EXPAT	NON-RESIDENT	CASH BUYER
Maximum LTV	Up to 80%, first home	~50% to 65%, bank-set	Not applicable
Deposit	From 20%	35% to 50%	100%
Rate	Best pricing	~0.5% to 1% premium	None
Lender choice	Wide	Narrow	Not applicable
Speed and simplicity	Moderate	More paperwork, often a POA	Fastest

LTV bands and premiums are bank-set or market estimates, not regulated non-resident figures. The 80% resident cap and the off-plan 50% cap are regulated.

◆ **MATCH THE ROUTE TO THE CASH**

If you have the full amount and value speed, cash is cleanest. If you would rather keep capital working elsewhere and the arithmetic below holds, borrowing lets a smaller deposit control a larger asset.

CHAPTER 09 · POSITIVE CARRY

When Borrowing Actually Pays

Leverage helps only when the arithmetic is on your side. The test is simple: **when the net rental yield is higher than the mortgage rate, borrowing is accretive**. The property earns more than the debt costs, the asset funds its own loan, and your smaller cash deposit controls a larger holding, which amplifies the return on your equity. That is positive carry.

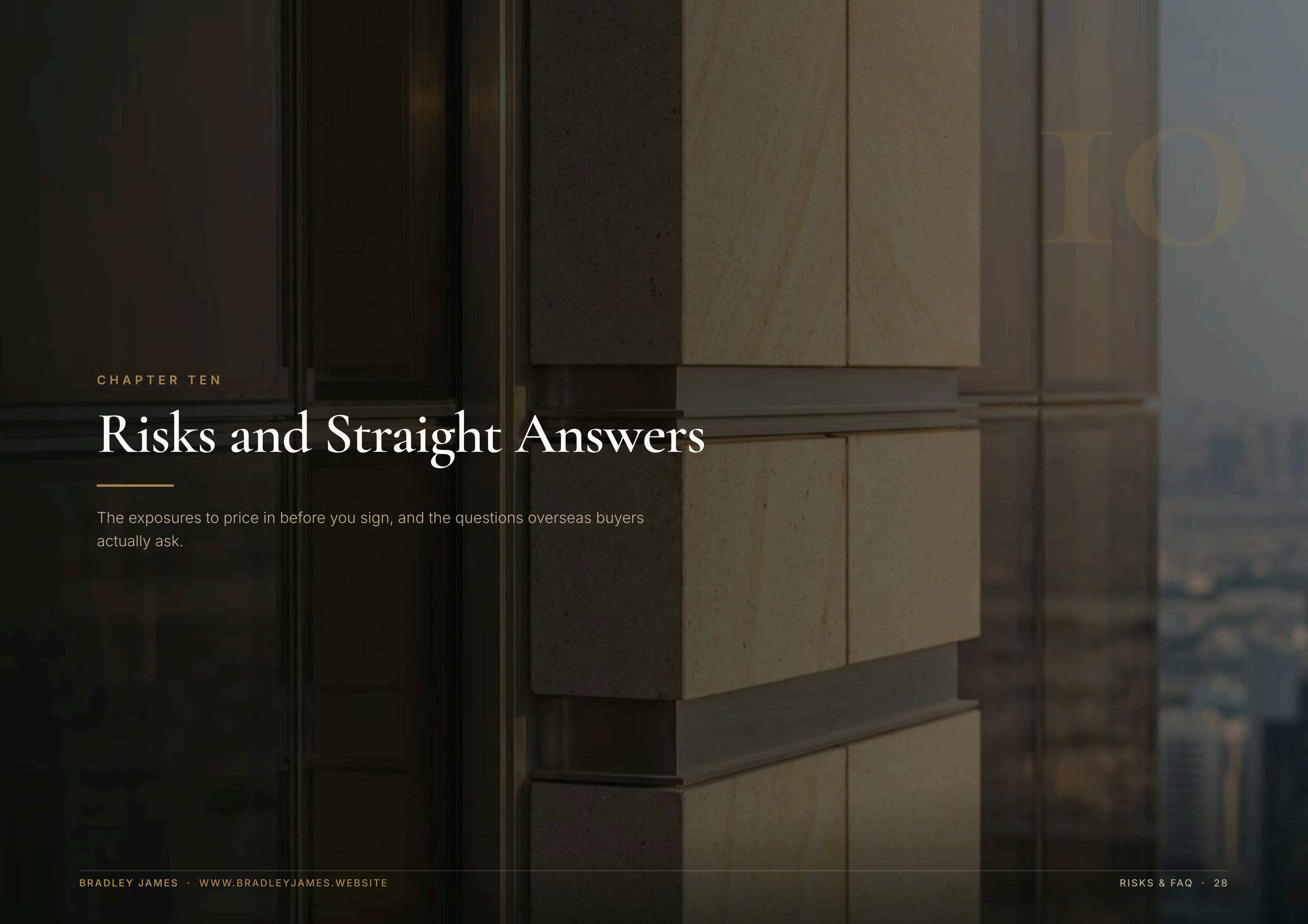
Dubai gross residential yields are commonly cited around 6% to 8%, though that is a market estimate and varies sharply by area and building, so never treat a single yield as guaranteed. As an illustration only: if a property nets around 7% and the mortgage costs around 5.5%, the spread is positive and leverage works in your favour. But if financing costs rise above the net yield, through an EIBOR move at reversion, the carry turns negative and leverage works against you. That is why the spread must be **stress-tested**, not assumed. Model the payment at a rate two or three points higher than today's and check the deal still stands.

◆ THE STRESS TEST

A deal that only works at today's rate is fragile. Rerun it at a materially higher rate before you commit. If it survives that, the leverage is genuine; if it does not, the carry was borrowed optimism.

◆ CAPITAL FIRST

"Leverage magnifies both directions. Used against a stress-tested spread it protects and compounds capital; used on assumption it exposes it."



CHAPTER TEN

Risks and Straight Answers

The exposures to price in before you sign, and the questions overseas buyers actually ask.

The Risks to Price In

A mortgage is a long commitment underwritten from abroad, so weigh the exposures honestly before you sign. None of these is a reason to avoid financing; each is a reason to structure it with room to spare.

- **Rate exposure.** After any fixed period the loan reverts to EIBOR plus a margin. A rise in EIBOR raises your payment and can compress or erase positive carry, so stress-test at higher rates.
- **Currency.** The loan is in dirhams, which is pegged to the US dollar at about 3.6725. If you earn in pounds or euros, you carry the risk of your home currency against the dollar on both the deposit and every repayment. The peg steadies the dollar leg; it does not remove home-currency risk.
- **Early settlement.** The Central Bank caps the early-settlement fee at 1% of the outstanding balance or 10,000 dirhams, whichever is less. That is the ceiling, and the older 3% charge was removed.
- **Off-plan financing gap.** Bank finance for non-resident off-plan is limited, so buyers often use the developer's payment plan and arrange a mortgage near handover. Plan your liquidity for that gap.
- **Discretionary eligibility.** Approved-nationality lists, income floors and loan-to-value bands are bank policy and can change without notice. A pre-approval is not a guarantee until the Final Offer Letter is signed.
- **The valuation gap.** The bank lends against the lower of the agreed price and its own valuation. If the valuation lands below the price, you bridge the difference in cash. Comparable-transaction evidence can move a valuation, but budget for the gap before you sign.

THE REGULATED BACKSTOP

One risk has a firm legal ceiling: early settlement. It is capped at 1% of the balance or 10,000 dirhams, whichever is less. Everything else on this page is bank policy or market movement, so build in margin.

The Questions Overseas Buyers Ask

Q. Can I really get a Dubai mortgage with no UAE visa?
Yes. A defined set of UAE banks lend to non-residents on ready property in designated freehold areas. The terms are tighter than a resident's, mainly a larger deposit, but the financing itself is well established.

Q. What deposit should I budget for?
Plan for 35% to 50% of the price, with 40% (a 60% loan-to-value) the realistic default. That band is bank policy, not a Central Bank cap, so confirm your figure in writing with the specific lender.

Q. Does the Central Bank set a non-resident loan-to-value limit?
No. The published Central Bank caps of 80%, 70%, 60% and 50% apply to residents and to off-plan. There is no separate published non-resident cap. Your limit is set by the bank as a matter of its own risk policy.

Q. What rate will I pay?
It depends on the day and your profile, so the honest answer is a range, not a number. Fixed intro rates have broadly run around 4% to 5.5%, variable around 5.5% to 6.5%, with a non-resident premium of roughly 0.5% to 1%. These are market rates that move with EIBOR, so price it live when you apply.

Q. Can I add the fees to the loan?
No. Mortgage fees, the 0.25% plus 290 dirhams registration, the arrangement fee, valuation and insurance, are paid in cash at transfer and cannot be financed. Budget them on top of your deposit.

Q. Do I have to fly to Dubai to complete?
Usually not. A notarised, UAE-attested Power of Attorney lets a representative sign the transfer for you. Confirm your bank and the Land Department accept it for that step, and have a UAE lawyer draw it under the current rules.

Q. What if I want to repay early?
You can, and the penalty is capped. The Central Bank limits the early-settlement fee to 1% of the outstanding balance or 10,000 dirhams, whichever is less. The older 3% charge no longer applies.

Q. Can I borrow against a Dubai property I already own?
Yes. A fully paid property can release up to around 60% of its market value as cash, and an appreciated property can be refinanced on its current valuation once title is registered. The major banks cap a pure cash release near 20% or require a documented purpose, so this is bank-policy territory where the right lender match decides the outcome.

Q. I have no salary, only Dubai rental income. Can I still borrow?
In a defined case, yes. With at least 2 UAE properties producing at least 100,000 dirhams a year in rent, some banks lend up to 7 times the annual rental income against the existing portfolio, released to a company account, with no home-country financials required.

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Every Figure, Sourced

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◆ 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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