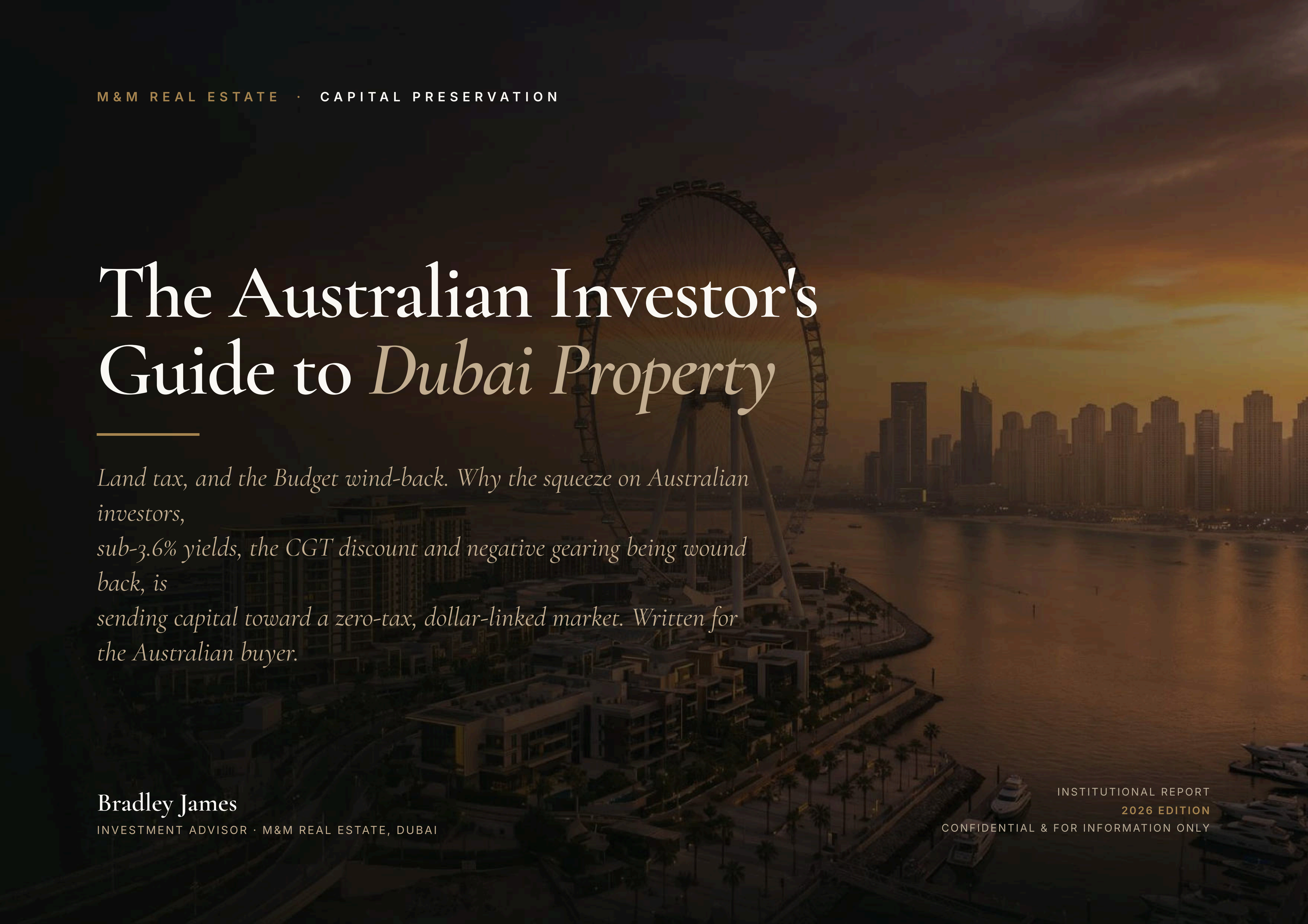

M&M REAL ESTATE · CAPITAL PRESERVATION

The Australian Investor's Guide to *Dubai Property*

Land tax, and the Budget wind-back. Why the squeeze on Australian investors, sub-3.6% yields, the CGT discount and negative gearing being wound back, is sending capital toward a zero-tax, dollar-linked market. Written for the Australian buyer.

Bradley James

INVESTMENT ADVISOR · M&M REAL ESTATE, DUBAI

INSTITUTIONAL REPORT

2026 EDITION

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What This Guide Covers

CHAPTER ONE

The Australian Squeeze

You already know how the numbers feel at home. Record prices, a sub-3.6% yield, a mortgage above 6%, and a policy backdrop turning against the investor. This is the starting point.

CHAPTER 01 · WHY YOU'RE READING THIS

The Maths No Longer Works at Home

If you own an investment property in Australia, you don't need me to describe the squeeze. You live it every month. A national median dwelling near AUD 922,838, a gross yield of 3.59% nationally and around 3.1% in Sydney, and a variable mortgage averaging about 6.2%. The rent doesn't clear the borrowing cost, and it hasn't for a while.

For years the deal was simple. You accepted a thin yield and a monthly cash loss because capital growth and the tax system made up the difference. Negative gearing let you deduct the loss against your salary. The 50% capital-gains discount halved the tax when you sold. And prices kept climbing. That bargain is now coming apart at both ends. Values in Sydney and Melbourne are falling month on month, and the May 2026 Federal Budget is legislating away the two tax pillars that made the loss worth carrying.

This guide is written for you: the Australian investor, the SMSF trustee, the adviser weighing where a client's next dollar should go. It isn't a head-to-head scorecard. It's a practical walk through why the pressure at home is real, why Dubai answers so much of it with 0% personal tax and roughly 7% yields, how you'd actually buy and move the money across, and, just as honestly, where Dubai falls short and where Australian tax still follows you. No hype. Capital preservation first.

3.59%
AUSTRALIAN NATIONAL GROSS RENTAL YIELD
Cotality

~6.2%
AVERAGE OWNER-OCCUPIER VARIABLE MORTGAGE
RBA / Canstar

4.35%
RBA CASH RATE, A CYCLICAL HIGH
RBA

◆ WHAT THIS GUIDE IS

- A guide for Australians, not a Dubai sales brochure.
- The squeeze at home, named with sourced numbers.
- How Dubai answers it, and where it doesn't.
- How you'd buy and move AUD across, honestly.

◆ THE LENS

"Property is a wealth-preservation instrument. Judge it by what it keeps after tax, not only by what it earns before it."

CHAPTER 01 · THE BACKDROP

A Prosperous Economy, Under Pressure

Let's be fair to Australia first, because the case for looking abroad is stronger when it's honest. This is a wealthy, institutionally deep economy with decades of growth behind it. But the gauges an investor watches have turned. Growth is running near 2.1% and the RBA sees it slowing. Headline inflation has re-accelerated to 4.0% and the trimmed mean to 3.6%, both above the 2% to 3% target band, which is why the cash rate sits at 4.35% after three hikes in 2026 on a global energy shock.

Underneath that, the housing paradox every domestic investor knows. Demand is structural: net overseas migration ran at 306,000 in 2024-25 and the population is heading toward 31.5 million by 2035-36. Vacancy is under 2% and rents rose about 5.7% over the year. That scarcity is genuine, and it's the strongest argument for holding Australian property. The trouble is that transaction volumes are down 16.2% year on year, auction clearances have fallen to about 47.4%, the lowest since 2020, and the tax and regulation wrapped around the asset now work actively against the investor. Scarcity you can't profit from after tax isn't the shelter it looks like.

INDICATOR	AUSTRALIA, 2026
Real GDP growth (2026 f)	~2.1%
CPI headline inflation	4.0%
RBA cash rate target	4.35%
National median dwelling	~AUD 922,838
Net overseas migration (2024-25)	+306,000
Auction clearance rate	~47.4%

ABS, RBA, IMF, Cotality, 2026. Yields quoted elsewhere are gross.

◆ THE HONEST FRAMING

Australia's problem for an investor in 2026 isn't weakness, it's pressure. High rates, thin yields, falling values in the big cities, and a tax regime being tightened against you specifically. Good economy, poor after-tax deal.

CHAPTER TWO

The Budget Wind-Back

The May 2026 Federal Budget did what investors long feared: it began unwinding negative gearing and the 50% CGT discount. Here's exactly what changed, and what it costs you.

CHAPTER 02 · WHAT CHANGED

Two Pillars, Removed

For two generations, Australian residential investment rested on two tax pillars: negative gearing and the 50% capital-gains discount. The May 2026 Budget kicked out both. This is the single most important development for an Australian property investor in years, and it's structural, not a one-off levy.

First, negative gearing. From 12 May 2026, losses on established residential property acquired after that date can no longer be offset against your non-rental income. The concession is now restricted to new builds only. For a leveraged investor running a 3.1% Sydney yield against a 6.2% mortgage, that loss was the thing that made the cash bleed bearable at tax time. On an established property bought from now on, it's gone.

Second, the 50% capital-gains discount. From 1 July 2027, the long-standing 50% discount on assets held more than a year is being replaced by cost-base indexation plus a 30% minimum tax on net gains. In plain terms, the tax you'll pay when you eventually sell is going up. Neither of these is a rumour or a proposal. They're legislated, and they change the after-tax arithmetic of the whole asset class for investors specifically, while leaving owner-occupiers largely untouched.

MEASURE	WHAT CHANGED
Negative gearing	New builds only, from 12 May 2026
50% CGT discount	Replaced 1 July 2027 with indexation plus a 30% minimum tax on net gains
Top marginal rate	45% plus 2% Medicare = 47%
Who it hits	Investors, not owner-occupiers

ATO, Baker McKenzie, 2026. Reforms legislated in the May 2026 Budget.

◆ THE SHIFT

"For a generation, the tax code subsidised the loss and softened the gain. From 2026 it does neither. The asset didn't change. The deal did."

CHAPTER 02 · WHAT IT COSTS

The After-Tax Bite, in Numbers

Put the two changes together and the picture is a derating of Australian residential property for investors. On the way in and through the hold, the negative-gearing shelter that offset the monthly loss against your salary is gone for established stock. On the way out, the tax on your gain rises as the 50% discount disappears. You lose the relief on the loss and pay more on the profit. Both ends.

The top marginal rate that now applies to net rental income and, increasingly, to gains is 45% plus the 2% Medicare levy, so 47% effective. Compare that to the market this guide is about, where an individual pays 0% on personal rental income, 0% on capital gains, and 0% on the estate. I'm not arguing you should sell everything at home. I'm pointing out that the after-tax return on the Australian asset is being legislated down, deliberately, and that the gap between what you keep at home and what you'd keep in Dubai just widened by government design.

47%

TOP EFFECTIVE RATE ON NET RENTAL INCOME

ATO

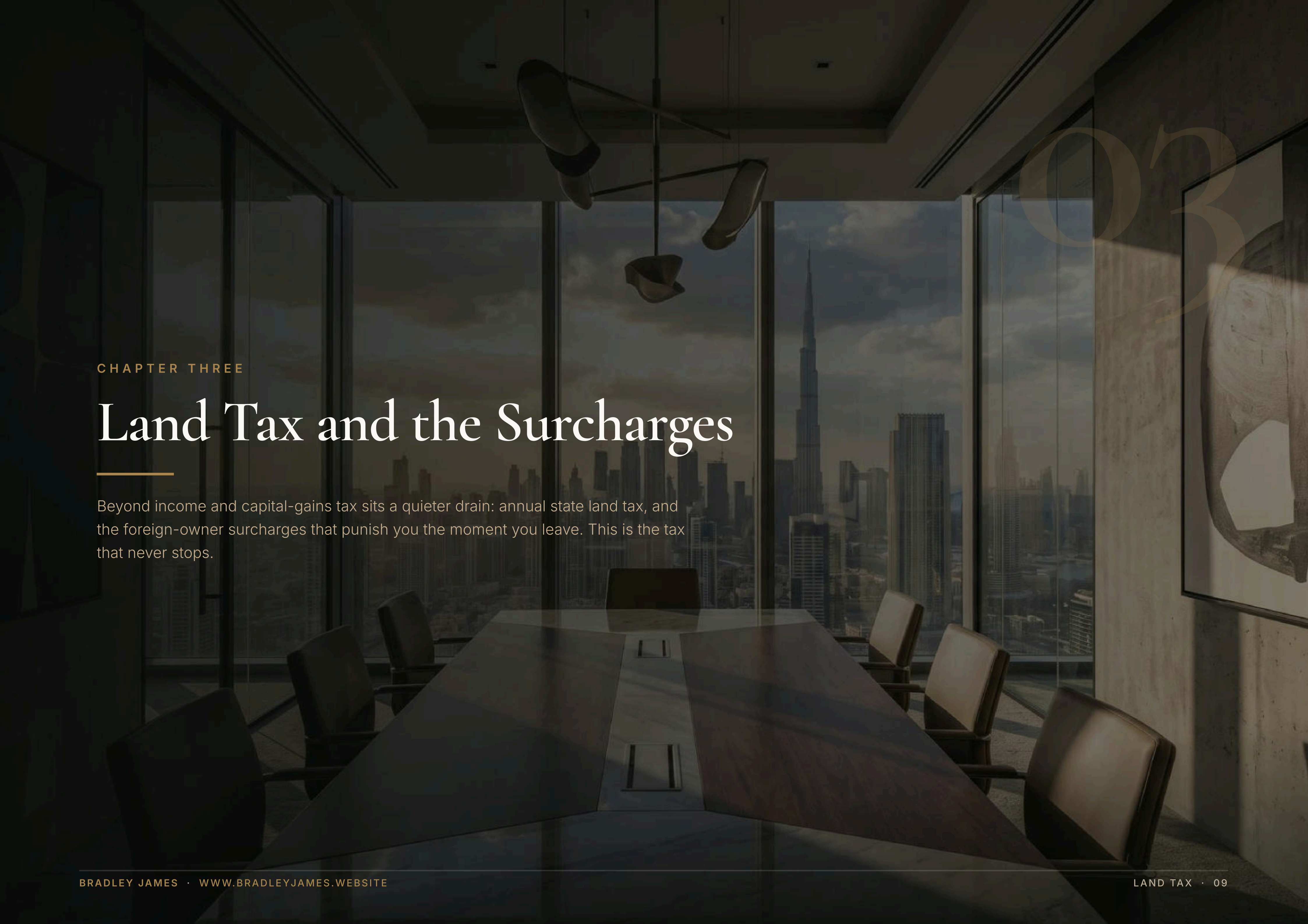
0%

DUBAI PERSONAL INCOME AND CAPITAL-GAINS TAX

PwC / UAE

◆ CREDIT WHERE IT'S DUE

This isn't Australia mismanaging its economy. It's a deliberate policy choice to cool investor demand and favour owner-occupiers. Reasonable as social policy. Just be clear that you, the investor, are the one it's designed to squeeze.



CHAPTER THREE

Land Tax and the Surcharges

Beyond income and capital-gains tax sits a quieter drain: annual state land tax, and the foreign-owner surcharges that punish you the moment you leave. This is the tax that never stops.

CHAPTER 03 · THE ANNUAL DRAIN

The Tax That Runs Every Year

Income tax hits the rent. Capital-gains tax hits the sale. Land tax hits you every single year you own, regardless of whether the property made a cent. It's the levy investors most often underweight, and in 2026 it's the one being turned hardest against anyone with a foreign address.

Land tax is a state annual tax on the unimproved value of your land above a threshold. In NSW the general threshold sits near AUD 1.075 million. That's manageable while you're a resident. The problem arrives the moment you're classed as a foreign owner, because the surcharges are brutal and, critically, they apply from the first dollar with no threshold at all.

A foreign owner in NSW pays a 5% annual land-tax surcharge on the unimproved land value, every year, with no tax-free threshold. On the way in, foreign purchasers pay a stamp-duty surcharge of 9% in NSW and 8% in Victoria and Queensland, on top of ordinary duty, which adds roughly AUD 80,000 to 90,000 on a AUD 1 million home before you've paid the normal transfer duty. And the FIRB application fee starts at AUD 4,500 and rises steeply, with established dwellings carrying around three times the new-dwelling fee. This is a regime built to make foreign residential ownership expensive.

CHARGE	FOREIGN-OWNER CHARGE	RATE
NSW purchaser stamp-duty surcharge	9%	
VIC and QLD purchaser surcharge	8%	
NSW annual land-tax surcharge	5%, no threshold	
FIRB application fee	From AUD 4,500, 3x for established	

Revenue NSW, ATO / FIRB schedule, 2025-26.

◆ THE QUIET ONE

"Income tax and CGT you can see. Land tax just runs in the background, every year, and for a foreign owner it runs from the first dollar."

CHAPTER 03 · THE BAN

And If You've Already Left, You Often Can't Buy at All

There's a harder wall behind the surcharges. From 1 April 2025, foreign persons are banned from buying established dwellings in Australia, and that ban has been extended to 30 June 2029. Foreign buyers are effectively confined to new dwellings, with FIRB approval, or vacant land they must build on within four years. So an Australian who has moved to Dubai and become a foreign resident can't simply buy the established Sydney or Melbourne apartment they know well. The door to the existing-home market is shut.

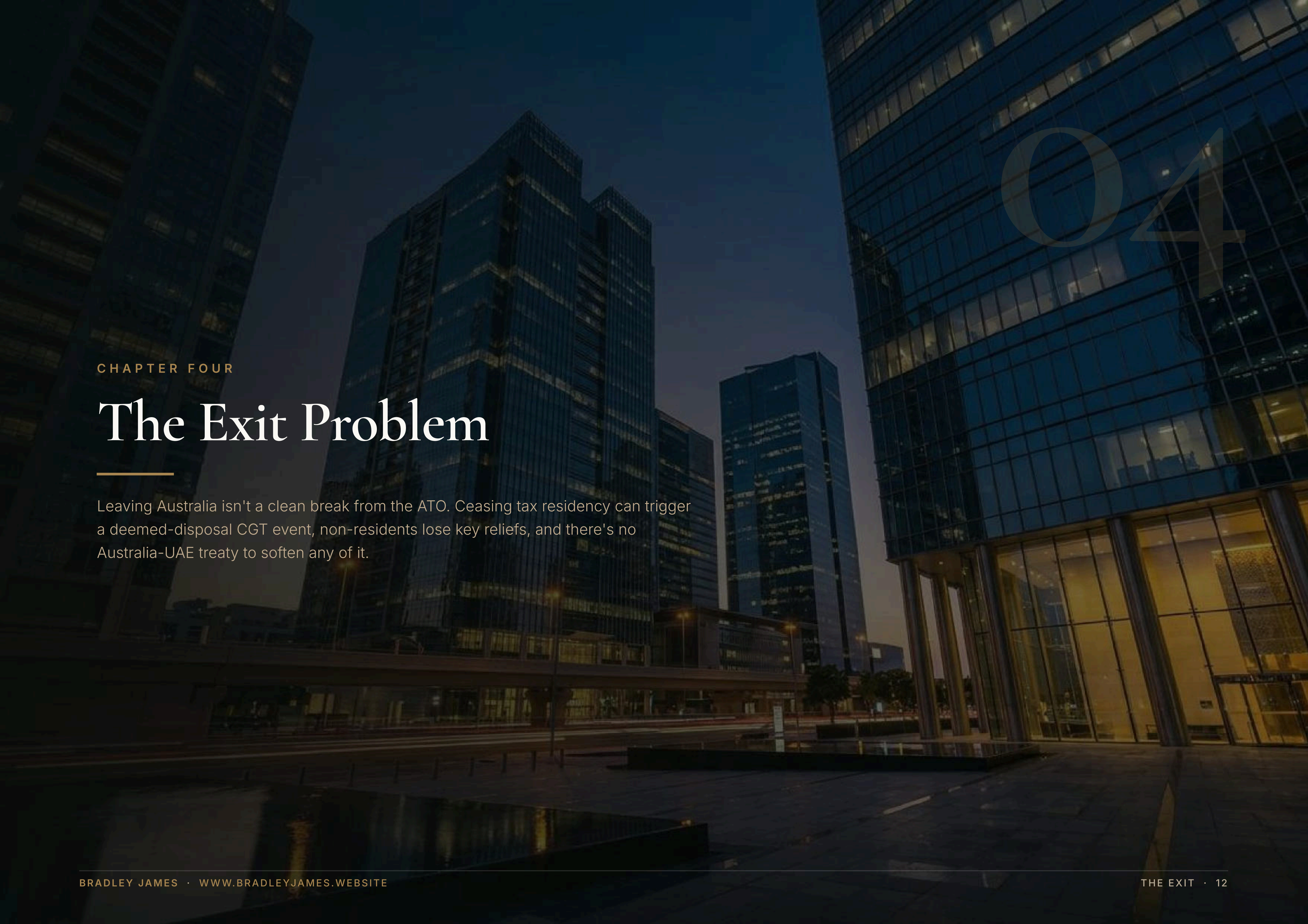
Stack it up and the message from the Australian system to the mobile investor is unusually blunt. If you stay, your yield is thin, your negative-gearing shelter is being removed for new purchases, and your eventual CGT bill is rising. If you leave, you face purchaser surcharges of 8% to 9%, a 5% annual land-tax surcharge with no threshold, triple FIRB fees, and a ban on buying established homes altogether. Whichever way you turn, the domestic asset is being made harder to own profitably. That's the push. The rest of this guide is about the pull.

THE ESTABLISHED-DWELLING BAN

- In force 1 April 2025 to 30 June 2029.
- Foreign persons cannot buy established homes.
- New dwellings with FIRB approval, or vacant land, only.
- It catches Australian expats classed as foreign residents.

THE GENUINE AUSTRALIAN STRENGTH

A deep, chronic housing shortage does underpin long-run Australian rents and values, and this guide doesn't dispute it. The argument is narrower and harder to answer: the after-tax return on that strength is being legislated away for investors.



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CHAPTER FOUR

The Exit Problem

Leaving Australia isn't a clean break from the ATO. Ceasing tax residency can trigger a deemed-disposal CGT event, non-residents lose key reliefs, and there's no Australia-UAE treaty to soften any of it.

The ATO Doesn't Just Wave You Off

A lot of Australians assume that once they move abroad, the Australian tax net simply releases them. It doesn't work like that, and the rules on the way out are strict. If you're planning a Dubai chapter, this is the part to get advice on before you book the flight, not after.

When you cease to be an Australian tax resident, the ATO can treat you as having disposed of certain assets at market value on the day you leave, under what's known as CGT event I1. Taxable Australian property, principally your Australian real estate, stays in the net and is taxed when you actually sell it. Other assets can be caught by the deemed disposal, and you're generally given a choice: pay the CGT on the notional gain now, or elect to defer it and keep the assets within the Australian CGT net until you dispose of them for real. Either way, leaving is a tax event, not a tax escape.

Then the non-resident rules bite. Non-residents are taxed at 32.5% from the very first dollar of Australian-source income, with no tax-free threshold. The 50% capital-gains discount has been denied to non-residents since 8 May 2012. And the main-residence exemption was stripped from foreign residents for disposals after 30 June 2020. So a Dubai-based Australian selling a Melbourne home pays full marginal CGT on the whole gain, with no discount and no main-residence relief. The domestic asset is taxed more harshly precisely because you left.

ON LEAVING	THE EXIT RULE
Ceasing residency	CGT event I1: deemed disposal of certain assets, or elect to defer
Australian real property	Stays in the CGT net, taxed on actual sale
50% CGT discount for non-residents	Denied since 8 May 2012
Main-residence exemption	Removed for foreign residents from 30 June 2020

ATO, 2026. General guidance, not advice. Take cross-border tax advice before changing residency.

◆ THE HARD TRUTH

"Australian tax follows you until your residency genuinely changes, and the rules on changing it are strict. Plan the exit as carefully as the entry."

CHAPTER 04 · NO TREATY

And There's No Treaty to Soften It

Here's the detail that surprises people. Australia and the UAE have no double-tax treaty. None. So there's no bilateral relief mechanism between the two countries, no treaty tie-breaker to help settle which country gets to tax you while your residency is in transition, and no foreign-tax-offset relief flowing between them. In practice the UAE levies roughly 0% anyway, so there's little foreign tax to credit, but the absence of a treaty means the whole question of when and how you cease to be an Australian resident is governed by Australian domestic law alone, applied strictly.

What this means for you is simple to state and important to respect. Buying a Dubai property does not, by itself, make you a non-resident of Australia or end your Australian tax obligations. Residency for tax purposes turns on the facts of your life, where you live, where your family and home are, your ties and your day-count, not on where you own an apartment. Until that genuinely changes, and you can evidence it, you remain an Australian tax resident taxed on worldwide income. The zero-tax advantage of Dubai is real, but you unlock it by properly changing your residency, which is a deliberate legal process, not an automatic result of a purchase. This is exactly the kind of thing a cross-border adviser earns their fee on.

◆ READ THIS TWICE

No Australia-UAE tax treaty exists. That removes treaty relief and treaty tie-breakers, and leaves your residency status to Australian domestic law, applied strictly. Get the sequencing right with professional advice.

◆ THE RULE I HOLD

"A purchase is not a residency change. Anyone who tells you buying in Dubai instantly ends your Australian tax is selling, not advising."

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CHAPTER FIVE

Why Dubai Answers It

Set the Australian squeeze against what Dubai actually offers: 0% personal tax, roughly 7% yields, a currency pegged to the US dollar, and a 10-year visa. This is the pull.

What Dubai Puts on the Table

Everything in the first four chapters was the push: thin yields, a wound-back tax code, punitive surcharges, a strict exit. Now the pull. Dubai answers the Australian squeeze on four fronts at once, and it's the combination, not any single number, that matters.

First, tax. For an individual, the UAE levies 0% personal income tax, 0% capital-gains tax on personal disposals including property, no annual property tax, and no inheritance or estate tax. The rent you collect and the gain you make are yours. The one clarification that keeps this honest: the UAE introduced a 9% corporate tax in June 2023, but it applies to business profits above AED 375,000, not to an individual's personal rental income or personal investment gains. Hold a property in your own name and let it, and that rent isn't caught.

Second, yield. Dubai apartments gross 7.0% to 7.2% on a city average, with high-yield communities running 7.5% to 9%. Against the 3.1% you'd take in Sydney, that's not a rounding difference, it's roughly double, and it arrives untaxed. Third, the currency: the dirham has been pegged to the US dollar at 3.6725 since 1997, importing reserve-currency stability. And fourth, residency: own AED 2 million of property and you qualify for a self-sponsored 10-year Golden Visa. Four answers, one market.

0%
PERSONAL INCOME, CAPITAL-GAINS AND ESTATE TAX
PwC / UAE

7.0% to 7.2%
DUBAI APARTMENT GROSS YIELD
ValuStrat / Property Monitor

3.6725
DIRHAMS PER US DOLLAR, FIXED SINCE 1997
CBUAE

THE COMBINATION IS THE POINT

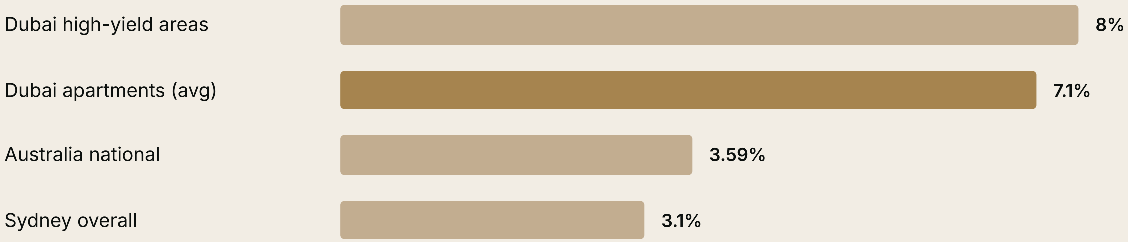
- 0% personal tax on rent, gains and estate.
- Roughly 7% gross yield, versus 3.1% in Sydney.
- A currency anchored to the US dollar since 1997.
- A 10-year self-sponsored visa at AED 2 million of property.

CHAPTER 05 · YIELD AND CARRY

Where the Income Actually Is

Capital growth makes the headlines, but yield is what you bank every month, reinvest and compound. On that measure the two markets aren't close, and the gap only widens after tax, because Dubai levies nothing on the rent while an Australian on the top rate loses up to 47% of it. The chart shows gross yields; apply the tax and the real distance is larger still.

GROSS RENTAL YIELD, DUBAI VERSUS AUSTRALIA (%)



ValuStrat, Property Monitor, Cotality, 2026. Gross, before tax and costs. Dubai apartment average from cr_dubai 7.0% to 7.2%.

There's a carry point hiding in those bars. A 3.1% Sydney yield sits well below a 6.2% mortgage, so a geared Australian property runs at a cash loss from day one and rides entirely on capital growth that has now stalled. A 7% Dubai yield sits above local borrowing costs, so the carry is positive. Positive carry compounds in your favour. Negative carry bleeds. Repeated annually across a long hold, that single difference is most of the wealth story.

◆ NET WIDENS THE GAP

Take 47% marginal tax off the Sydney rent and 0% off the Dubai rent, and a 3.1% versus 7.1% gross gap becomes a chasm after tax. Yield is where Dubai's structural edge is clearest, and where the wound-back Australian code is now weakest.

◆ THE CONTRAST

"Australian property is bought almost entirely for capital growth. Dubai property pays you to wait for it."

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CHAPTER SIX

What Zero Tax Compounds Into

A single year of tax saved looks modest. Compounded across a long hold, the untaxed, higher-yielding stream is the whole argument. Illustrative, with every assumption shown.

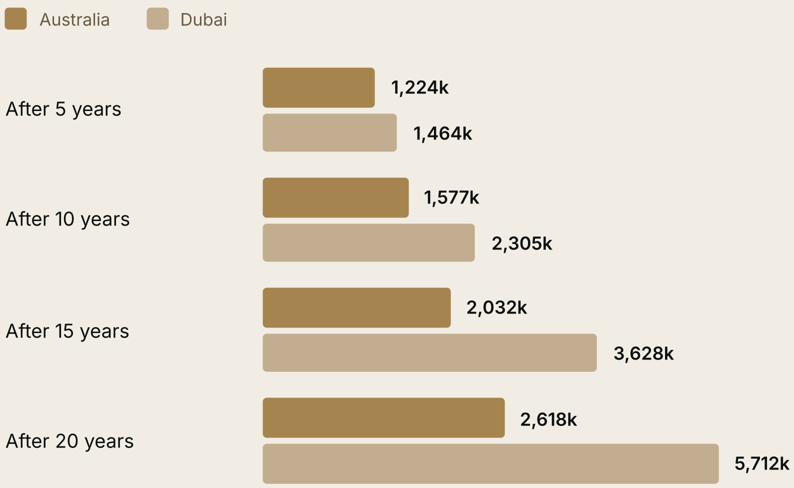
The Same AUD 1,000,000, Kept or Taxed Away

Abstract yields mean little until you put money against them. So consider AUD 1,000,000 of equity deployed as a single, unleveraged purchase in each market, net of entry costs, with net rent reinvested and compounded annually. The point isn't precision to the dollar. It's the shape of the curve, drawn with conservative assumptions that deliberately don't rely on Dubai repeating its recent growth.

- Entry costs: 5% in Australia (resident, no foreign surcharge) and ~7% in Dubai, so roughly AUD 950,000 and AUD 930,000 of working asset.
- Australia: 3.0% annual capital growth plus 2.2% net yield, after tax at the top 47% marginal rate.
- Dubai: 4.0% annual capital growth, well below the recent pace and reflecting the 2026 cooling, plus a 5.5% net yield, taxed at 0%.
- Currency held at AED 2.56 to the Australian dollar. Figures rounded, illustrative, not a forecast.

Even handicapped this way, giving Dubai only 4% growth against roughly 19.8% in 2025, and giving Australia a steady 3% while Sydney and Melbourne values are actually falling, the untaxed higher yield dominates. That's the honest lesson: you don't need Dubai to boom for the arithmetic to favour it. You need only the yield and the tax treatment, held for long enough to compound.

PROJECTED NET WEALTH FROM AUD 1,000,000 (AUD THOUSANDS)



Illustrative only, assumptions as stated above. Unleveraged. Not a forecast and not advice. Your actual outcome depends on the property, timing, currency and market.

◆ READ THE LABEL

This is an illustration of mechanics, not a promise of returns. It's deliberately conservative on Dubai and generous to Australia, and the gap still opens, because untaxed income reinvested is the engine of the whole thing.

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CHAPTER SEVEN

Moving the Money

How an Australian actually buys in Dubai, what the process looks like, and the honest truth about converting AUD into a dollar-linked asset when the Aussie dollar sits near 0.696.

How an Australian Actually Buys

The mechanics of buying in Dubai are simpler than most Australians expect, and the buyer protections are stronger than the reputation suggests. Foreigners own freehold in designated zones, off-plan money sits in regulated escrow under Law 8 of 2007, and title is registered with the Dubai Land Department. There's no foreign-buyer ban and no punitive surcharge to leave the country and buy.

1. **Pick the structure and the zone.**
   Foreign nationals buy freehold in designated areas. You can hold personally, which is what qualifies you for the Golden Visa, or via a company; take advice on which fits your situation and your Australian tax position.

2. **Budget the all-in cost.**
   Round trip costs run near ~7%: a 4% Dubai Land Department transfer fee, around 2% agency, plus trustee and registration. No 8% to 9% foreign surcharge, no triple FIRB fee.

3. **Use escrow for off-plan.**
   Off-plan payments go into a RERA-regulated escrow account tied to construction milestones, so your money is released to the developer as the building rises, not before.

4. **Register title with the DLD.**
   On completion, ownership is registered with the Dubai Land Department and, at AED 2 million or more, that DLD-certified value supports your 10-year visa application.

~7%
ALL-IN ROUND-TRIP BUYING COST
DLD / market

4%
DLD TRANSFER FEE
Dubai Land Department

60%
OFF-PLAN SHARE OF DUBAI SALES
DLD

◆ THE CONTRAST IN ONE LINE

In Australia a foreign buyer faces an 8% to 9% surcharge, triple FIRB fees, and a ban on established homes. In Dubai a foreign buyer pays roughly 7% all-in and owns freehold. The welcome mat is the opposite way round.

CHAPTER 07 · THE CURRENCY, HONESTLY

Converting AUD Into a Dollar-Linked Asset

Now the part a straight guide has to address rather than skate over. The dirham is pegged to the US dollar, so when you buy in Dubai you are effectively converting Australian dollars into a US dollar-linked asset. The Australian dollar sits near 0.696 to the US dollar in mid-2026, which works out to roughly 2.56 dirhams per Australian dollar. That exchange rate is a real variable in your return, and it cuts both ways, so let's be honest about both.

The upside is the reason many Australians look at the peg in the first place. The Aussie dollar is a floating, commodity-linked currency that can weaken sharply in a global risk-off episode. Holding a dollar-pegged asset is a genuine hedge against that: if the AUD falls, your Dubai asset, priced in a dollar-linked dirham, is worth more in Australian-dollar terms. The downside is the mirror image. If you buy when the AUD is weak and later convert back when it's strong, the currency works against you. And the peg means UAE interest rates broadly track US rates, so a mortgaged buyer imports the Federal Reserve's cycle rather than the RBA's. There's no free lunch here, only a different, dollar-anchored exposure in place of a floating, commodity-linked one. Whether that's a hedge or a risk depends on your base currency, your timeframe and your view. Size it deliberately.

~0.696

AUD PER USD, MID-2026

Market data

~2.56

AED PER 1 AUD (DERIVED FROM THE PEG)

Derived / CBUAE

◆ THE CURRENCY, BALANCED

A dollar peg is a hedge against a soft, commodity-linked Australian dollar, and an exposure to the US dollar's cycle. Both are true at once. For a cash buyer it's mostly the hedge. For a leveraged buyer, the US-rate exposure is real. Know which you are.

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CHAPTER EIGHT

Residency and the Visa

How owning property earns a self-sponsored decade of residency, what that residency actually unlocks, and where it stops. The visa is powerful, but it isn't citizenship and it isn't automatic tax residency.

Property That Comes With a Decade of Residency

Own AED 2 million or more of property, held in your own name across one or more properties, and you qualify for the 10-year Golden Visa on the Dubai Land Department's investor route. It's self-sponsored, so you're not tied to an employer or local sponsor, and it's renewable. The property may be mortgaged with a no-objection letter from the bank, and eligibility is assessed on the property's DLD-certified value.

What the visa unlocks matters more than the visa itself. It lets you and your family live in the UAE for a decade at a time, sponsor your spouse and children on the same term and in many cases your parents, bank properly and build credit, plan schooling, and run a business onshore at 100% ownership under the post-2021 reforms. Unlike an ordinary residence visa, it doesn't lapse if you spend an extended period abroad, and it isn't cancelled if you leave a job, because it was never tied to one. For an Australian family weighing a genuine relocation rather than a passive investment, that stability is the point.

AED 2 million
PROPERTY VALUE FOR THE 10-YEAR ROUTE
Dubai Land Department

10 years
RENEWABLE, SELF-SPONSORED TERM
u.ae / DLD

Family
SPONSOR SPOUSE AND CHILDREN ON THE SAME TERM
u.ae

WHAT IT ACTUALLY UNLOCKS

- Live in the UAE for a renewable decade, self-sponsored.
- Sponsor spouse and children, often parents too.
- Bank, build credit and settle schooling.
- Own and run a business onshore at 100%.
- No lapse for time abroad, no cancellation on job loss.

It's Residency, Not Citizenship, and Not Automatic Tax Residency

Because this guide is for Australians, the caveat here is the important half. The Golden Visa is a long-term, renewable residence visa. It is not citizenship, not a passport, and not naturalisation. It gives you the right to live in the UAE, not a second nationality.

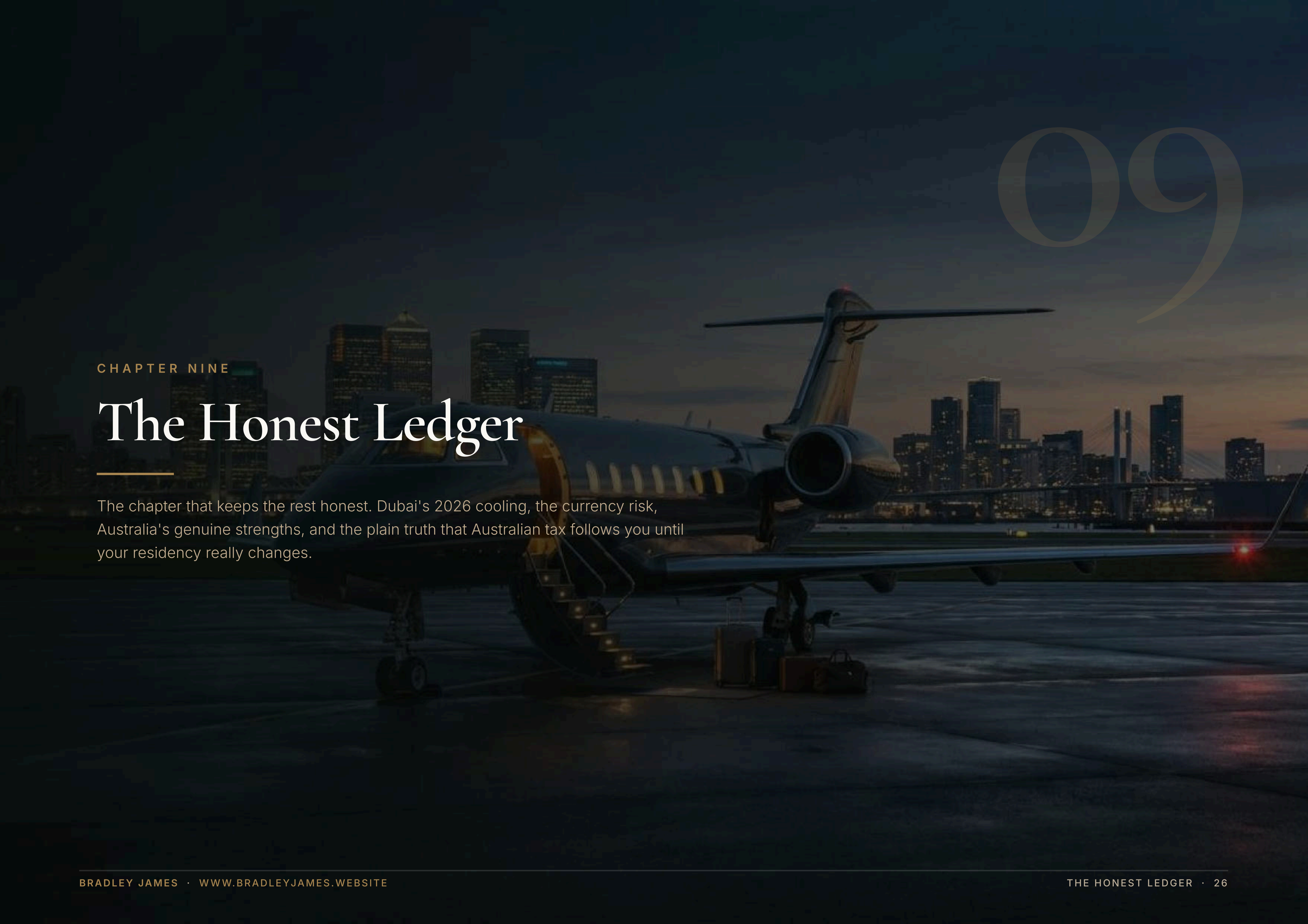
More importantly for your tax position: the visa does not, by itself, make you a UAE tax resident, and it certainly doesn't automatically end your Australian tax residency. Immigration status and tax residency are assessed separately. A UAE Tax Residency Certificate requires meeting a physical-presence day-count, broadly 183 days in a 12-month period, or 90 days with qualifying ties. And, as Chapter Four set out, whether you've genuinely ceased Australian residency turns on Australian domestic law applied to the facts of your life, with no treaty to help. Holding the visa protects your right to reside and is often a genuine part of a relocation, but it's a building block, not the whole structure. If the tax outcome matters to you, and for most readers it does, the visa is step one of a properly advised move, not a shortcut around it.

◆ **TWO SEPARATE QUESTIONS**

Immigration status and tax residency are decided separately. The Golden Visa answers the first. It does not, on its own, answer the second, and it does not end Australia's claim on you until your residency genuinely changes.

◆ **THE HONEST LINE**

"A residence visa, not a passport. A right to live, not automatic tax residency. Get both halves right before you sign."



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CHAPTER NINE

The Honest Ledger

The chapter that keeps the rest honest. Dubai's 2026 cooling, the currency risk, Australia's genuine strengths, and the plain truth that Australian tax follows you until your residency really changes.

CHAPTER 09 · DUBAI'S SIDE

Where Dubai Falls Short, Stated Plainly

A case worth making is a case worth stress-testing. Dubai isn't a one-way bet, and 2026 is a cooling year there, not a boom. Anyone who tells you otherwise is selling, not advising.

Start with the market itself. After roughly ~75% cumulative growth since 2021, Dubai is decelerating. ValuStrat's index was still up +21.3% year on year in Q3 2025 but slowing, and the 2026 capital-growth outlook is around ~10%, down from roughly 19.8% in 2025. Fitch's base case is a moderate, supply-led correction of up to 15%, and it explicitly says that's a correction, not a crash. Around 150,000 new homes are due by 2027, though historical delivery runs at only 40% to 60% of announced pipeline. If you buy expecting the last four years to repeat, you've misread the market. Buy for the yield and the structure, hold through the cycle, and let the roughly 7% income carry you through a flat patch.

Then the currency, which cuts against an Australian specifically. The peg is a hedge if the Aussie dollar weakens, but it's an exposure to the US dollar's cycle either way, and if you convert back into a strong AUD you can give back some of the gain. That's a real risk to size, not a footnote.

~10%
DUBAI 2026 CAPITAL-GROWTH OUTLOOK
ValuStrat

up to 15%
FITCH BASE-CASE CORRECTION, NOT A CRASH
Fitch

150,000
NEW HOMES DUE BY 2027 (40-60% TYPICALLY DELIVERED)
Moody's

◆ THE COOLING, NOT HIDDEN

This is the credibility anchor of the whole guide. Dubai is catching its breath after a large run, which the rating agencies read as healthy. It is not the boom of 2021 to 2024, and I won't pretend it is.

Australia's Genuine Strengths, Credited

Now the other half of the ledger, because a fair guide credits what Australia does well. It's a wealthy, transparent, institutionally deep market with a rule of law, deep mortgage finance and a chronic housing shortage that genuinely underpins long-run rents and values. Net migration of 306,000 a year and sub-2% vacancy are real support. If your whole life and family are in Australia, staying invested at home is a perfectly rational default, and this guide isn't arguing you abandon it.

And Australia has one tax strength that Dubai only matches rather than beats: no inheritance, estate or death duties. For succession planning that's genuinely valuable, and I credit it plainly. The symmetry is worth noting though. Dubai also charges zero estate tax, and adds zero income and zero capital-gains tax on top. On succession, Australia ties Dubai. On the income and gains an investment property actually produces, it doesn't.

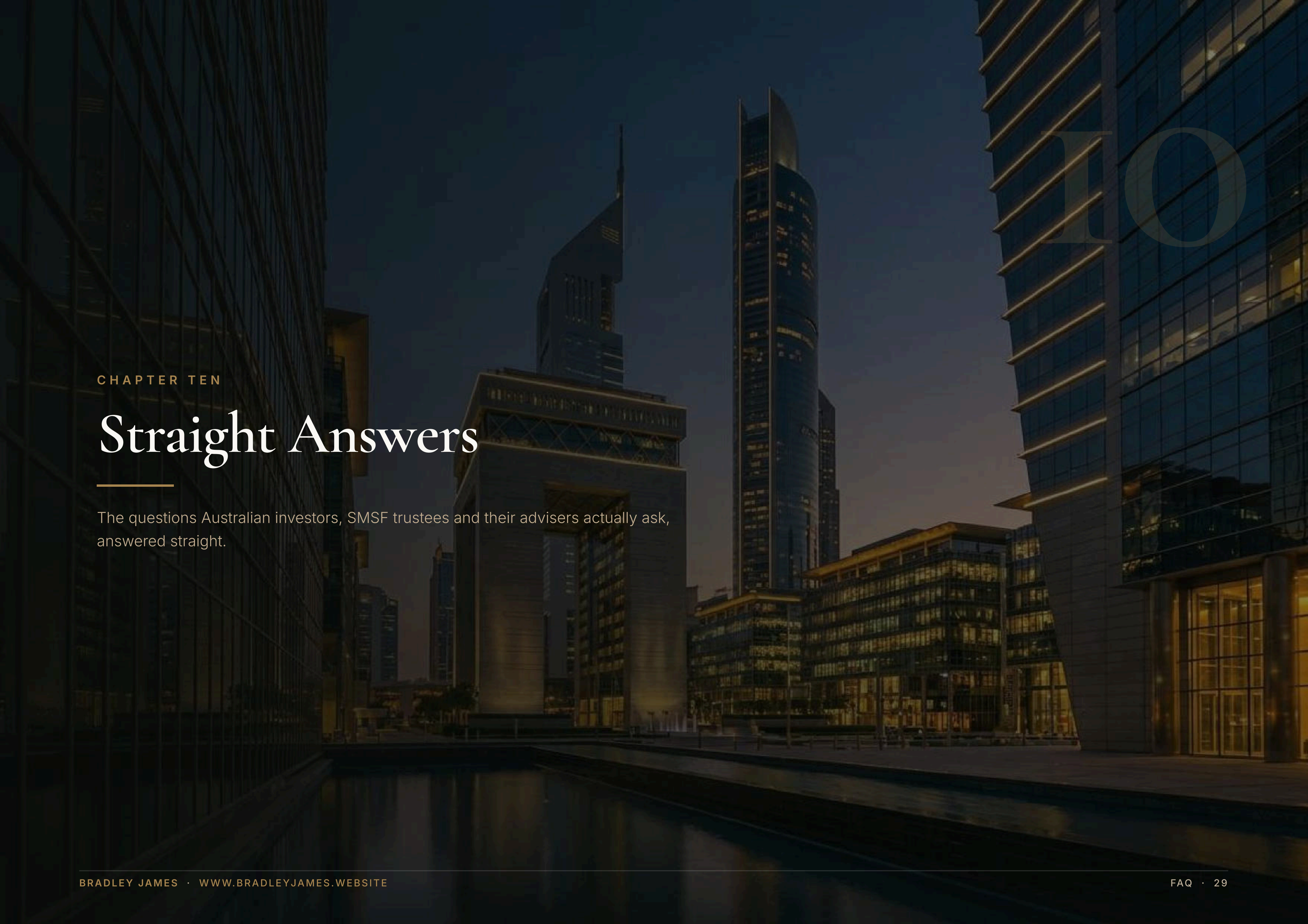
The last honesty is the one this guide keeps returning to. Australian tax applies to you until your residency genuinely changes, and the ATO rules on changing it are strict, with no Australia-UAE treaty to smooth the path. A Dubai allocation for an investor who stays Australian-resident is still a diversification and a yield uplift, but the 0% headline only becomes your reality when you've properly, and provably, become non-resident. Treat that as a professional project, not an assumption.

◆ AUSTRALIA'S REAL STRENGTHS

- Deep institutions, rule of law, transparent title.
- Chronic housing shortage supporting long-run rents.
- No inheritance, estate or death duties.
- A rational home base if your life is there.

◆ THE BALANCED VERDICT

"Keep what works at home. Let the slice being taxed hardest, and carried at a monthly loss, work where it's taxed at nothing, once you've done the residency properly."



CHAPTER TEN

10

Straight Answers

The questions Australian investors, SMSF trustees and their advisers actually ask, answered straight.

CHAPTER 10 · FAQ

The Questions Australians Actually Ask

Q. Does buying in Dubai make me a non-resident of Australia?

No. Residency for tax purposes turns on the facts of your life, where you live, where your family and home are, your ties and your day-count, not on where you own property. Until your residency genuinely changes, and you can evidence it, you stay an Australian tax resident taxed on worldwide income. The zero-tax advantage is unlocked by properly changing residency, which is a deliberate, professionally advised process.

Q. Is Dubai rental income really untaxed for an individual?

At the UAE level, yes. The UAE levies 0% personal income tax and no capital-gains tax on personal disposals, and personal rent isn't caught by the 9% corporate tax, which applies to business profits above AED 375,000. But if you're still an Australian tax resident, Australia can tax that income, treaty or not, so the residency question above is what really decides your outcome.

Q. What happens to my Australian property tax-wise if I move to Dubai?

Ceasing Australian residency can trigger CGT event I1, a deemed disposal of certain assets, though you can usually elect to defer. Your Australian real estate stays in the CGT net and is taxed when you sell. As a non-resident you lose the 50% CGT discount (gone since 2012) and the main-residence exemption (gone from 2020), so selling later is harsher, not easier. Take advice before you leave.

Q. Is there an Australia-UAE tax treaty to protect me?

No. There's no double-tax treaty between Australia and the UAE, so no treaty relief and no treaty tie-breaker. The UAE charges roughly 0% anyway, so there's little foreign tax to credit, but it means your residency status is governed by Australian domestic law alone, applied strictly.

Q. How much do I need for the 10-year Golden Visa?

AED 2 million of property, held in your own name across one or more properties, on the DLD investor route. It can be mortgaged with a bank no-objection letter, is self-sponsored and renewable, and lets you sponsor your spouse and children. It's a residence visa, not citizenship, and not automatic tax residency.

Q. Isn't Dubai about to crash in 2026?

It's cooling, not crashing. After about 75% cumulative growth since 2021, the 2026 outlook is around ~10% and Fitch's base case is a supply-led correction of up to 15%, which it explicitly calls a correction and not a crash. Buy for the roughly 7% yield and the structure, hold through the cycle, and don't assume the last four years repeat.

Q. What about the currency risk as an Australian?

It's genuine and it cuts both ways. The dirham is pegged to the US dollar at 3.6725, so you're converting AUD into a dollar-linked asset. If the Aussie dollar weakens, that's a hedge in your favour. If you convert back into a strong AUD, it works against you, and a mortgaged buyer imports the US rate cycle. Size the position deliberately rather than betting the currency.

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The Squeeze Is Real. So Is the Answer.

◆ 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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