

Dubai UAE Investment FAQ (Dutch Investors Edition)

1. Where are you already investing in Dubai, and why? (Track record)

Current Investment Areas:

1. Dubai Creek Harbour

- **Price Appreciation:** In 2023, median property prices increased by nearly **13%**, reaching **AED 2,011 per sq. ft.**
- **Rental Yield:** 1-bedroom apartments saw a **42% rent increase**, leading to **5%-6% gross yield.**

2. Dubai Hills Estate

- **Price Appreciation:** A **45.7% increase** over the past 24 months highlights its rising demand.

3. Al Marjan Island (Ras Al Khaimah)

- **Property Appreciation:** Prices surged **60% in the past year.** Future prices may reach **AED 10,000 per sq. ft. by 2030.**
- **Luxury Sales:** Oceano's **Celest & Stellar residences** sold **off-plan for AED 90M** each.
- **Upcoming Developments:** NH Collection Hotel opening in 2028.

2. Can a foreign investor be a full owner of a company or real estate?

 **Yes!** Foreign investors can own **100% of real estate in designated freehold areas** and **100% of companies in most business sectors.**

Real Estate Ownership:

- **Full Freehold Ownership** in key areas like Palm Jumeirah, Downtown, Dubai Marina, and Al Marjan Island.
- **2-Year Residency Visa** (property purchase of **AED 750K+**).
- **10-Year Golden Visa** (property purchase of **AED 2M+**).

Company Ownership:

- **Mainland:** Previously required **51% local ownership**, but now allows **100% foreign ownership** in most sectors.
- **Free Zones:** Offer **full ownership, tax benefits, and profit repatriation.**
- **Real Estate Companies:** Mainland firms can buy/sell Dubai properties, while Free Zone firms operate globally.

3. Are there restrictions on transferring or selling properties or shares?

✓ No major restrictions.

Property Sale & Transfer Rules:

- 4% Dubai Land Department (DLD) transfer fee.
- No capital gains tax on property sales.
 - Off-Plan Properties: Some developers require 30%-40% payment before resale.

4. How does the tax system work for foreign investors?

✓ Dubai is tax-friendly

✓ 0% income tax

✓ 0% property tax

✓ 0% capital gains tax

✓ 0% tax on rental income

✓ 0% Inheritance tax

✓ 0% property Gifting taxes

5. What are the exit strategies and legal implications when selling?

- Selling Property: No restrictions, 4% transfer fee applies.
- Off-Plan Resale: Some developers require 30%-40% payment before resale.
- Company Liquidation: Handled via DED (Mainland) or Free Zone authorities.
 - Profit Repatriation: No UAE restrictions.

6. What are the current market trends in Dubai?

✓ Luxury Properties in High Demand – AED 10M+ property sales up 20.5% YoY.

✓ Property Prices Increasing – Jumeirah Bay Island villas hit \$134M.

✓ Rental Prices Up – Some areas saw a 20% rise in 2024 due to supply shortages.

✓ 9,000+ villas launching in 2024, 19,700+ by 2025, but demand still outpaces supply.

7. What are the expected returns and rental income?

In 2024, Dubai's residential property prices surged by 19.46% year-on-year, with apartments increasing by 19.43% and villas by 20.28%. Notably, Dubai Hills Estate experienced luxury property price hikes between 7% and 31%.

- ✓ **Net Rental Yields: 5%–8% average**, with prime locations reaching **10%–12%**.
- ✓ **No Rental Income Tax**
- ✓ **Luxury Villas: Lower yields (~6%–8%) but higher appreciation.**

8. What percentage do you pay to a rental agent, and do you already have this network?

- ✓ **2% - 5% annual property management fees.**
- ✓ **We provide end-to-end property management services.**

9. Are there many transformation projects, and do developers have a proven track record?

✓ **Major Mega Projects:**

- **Dubai Creek Harbour (Emaar) – A luxury waterfront city.**
- **Palm Jebel Ali (Nakheel) – 2x bigger than Palm Jumeirah.**
- **Burj Binghatti (Tallest Residential Tower) – In Business Bay.**

✓ **Top Developers:**

- **Emaar, Nakheel, Meraas, Sobha Realty, Damac – Proven track records in high-end developments.**

10. Leasehold vs. Full Ownership Rules

- ✓ **Foreigners can own 100% of freehold properties.**
- ✓ **Leasehold ownership is limited to 10–99 years in non-freehold areas.**

11. Why Dubai? What tax advantages can I benefit from?

- ✓ **0% personal income tax**
- ✓ **0% capital gains tax**
- ✓ **No annual property tax**
- ✓ **100% profit repatriation**
- ✓ **No inheritance tax**

12. How easy is it to get financing in Dubai?

✓ **Mortgage Availability:**

- **Residents: Up to 80% financing.**

- **Non-Residents: Up to 50%-60% financing.**
- ✓ **Interest Rates: 3.5%–7%.**
- ✓ **Approval Time: 2–4 weeks.**
- ✓ **Post-Handover Payment Plans: Available for off-plan projects.**

13. What are the effects of exchange rate fluctuations?

- ✓ **AED Pegged to USD (1 USD = 3.67 AED) – Stable currency, low risk for USD-based investors.**
- ✓ **Euro & GBP Investors: Currency fluctuations may impact returns.**

14. How stable is Dubai's economy and investment climate for the next 5–10 years?

- ✓ **Dubai Economic Agenda (D33) aims to double the economy by 2033.**
- ✓ **Dubai 2040 Master Plan – Population to reach 7.8M by 2040.**
- ✓ **Massive Infrastructure Growth ensures long-term investment stability.**

15. What are the emerging high-growth sectors in Dubai?

- ✓ **Technology & AI**
- ✓ **Renewable Energy**
- ✓ **Healthcare & Biotech**
- ✓ **Tourism & Hospitality**
- ✓ **Real Estate & Smart Developments**

16. How do geopolitical factors impact investments?

- ✓ **Dubai is politically neutral and a safe haven for global capital.**
- ✓ **Strong trade networks, stable currency, and government-backed growth.**

17. What is the competition like?

- ✓ **Dubai is not competing; it is the market.**
- ✓ **Zero income tax, strong infrastructure, and global business-friendly policies.**

18. How many Dutch investors are investing in Dubai?

- ✓ **Over 350 Dutch companies operate in the UAE.**
- ✓ **Netherlands is a top 5 European trade partner for Dubai.**

19. What are the tax implications for Dutch investors?

- ✓ **Box 3 Tax in the Netherlands:** Dubai property is subject to Dutch wealth tax.
- ✓ **Double Tax Treaty (UAE-Netherlands):** Avoids **double taxation**.

20. How do you repatriate profits to the Netherlands?

- ✓ No UAE withholding tax on profits.
- ✓ Declare under Box 3 (wealth tax) or Box 2 (substantial interest tax).

 **Contact for Consultation**

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