

REAL ESTATE BUYING GUIDE

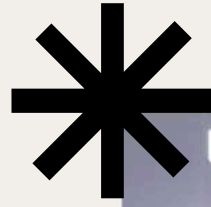
THE **GO-TO GUIDE** FOR DUBAI REAL ESTATE INVESTORS

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About Us



At GenZone Realty, we are passionate about helping individuals and families achieve their dream of property ownership in Dubai. With a deep understanding of the local real estate market, we specialize in providing expert guidance, tailored solutions, and up-to-date resources to make your buying journey seamless and stress-free.

Whether you're a first-time buyer, seasoned investor, or someone looking for the perfect home, we aim to empower you with the knowledge and tools needed to make informed decisions. From understanding Dubai's property landscape to navigating complex legalities, we're here every step of the way.

Dubai's Population Growth

Dubai's population has experienced significant growth over the past decades, and projections indicate this trend will continue in the coming years.

Key Insights:

- **Current Population:** As of October 2024, Dubai's population is approximately 3.789 million.
- **Short-Term Growth:** The population is projected to reach 4 million by 2026, driven by a robust influx of expatriate professionals and investors.
- **Long-Term Growth:** According to Dubai's 2040 Urban Master Plan, the population is expected to reach 5.8 million by 2040.

Factors Influencing Population Growth:

- **Economic Opportunities:** Dubai's dynamic economy continues to attract expatriates seeking employment and investment prospects.
- **Infrastructure Development:** Ongoing projects, such as the expansion of Al Maktoum International Airport and the development of "The Spine" motorway, are enhancing the city's infrastructure to accommodate the growing population.
- **Urban Planning Initiatives:** The 2040 Urban Master Plan focuses on sustainable development, aiming to improve the quality of life for residents and support population growth.



Why Invest In Dubai Real Estate?

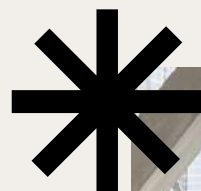
- **High Return on Investment (ROI):** Many areas in Dubai boast rental yields of over 7%, making it a lucrative market for investors.
- **Tax-Free Benefits:** With no property tax or capital gains tax, your investment remains highly profitable.
- **World-Class Infrastructure:** From modern skyscrapers to cutting-edge amenities, Dubai offers a luxurious lifestyle supported by exceptional infrastructure.
- **Growing Economy:** A stable and dynamic economy with continuous growth attracts expatriates and businesses, increasing property demand.
- **Future-Ready Development:** Dubai's 2040 Urban Master Plan ensures sustainable growth, making it a secure long-term investment.



Main question - why are you buying?

Purchasing an investment property differs significantly from buying a family home for personal use. It requires a more strategic, objective approach, free from emotional influence. However, many investors often express that they wouldn't consider buying a property they wouldn't live in themselves.

This mindset stems from the idea that when it's time to resell, securing the highest possible price means appealing to an end user who will value your thoughtful choice of location, view, and layout.





READY PROPERTY

A ready property in Dubai refers to a residential or commercial unit that is fully constructed, available for immediate handover, and ready for occupancy or investment. Unlike off-plan properties, which are still under construction, ready properties provide buyers with the advantage of moving in immediately, renting out the unit, or generating instant returns. They are ideal for individuals seeking certainty and immediate utility, as buyers can inspect the property before purchase, ensuring it meets their standards and requirements. Ready properties are popular among those looking for stability and a straightforward buying process in Dubai's dynamic real estate market.

Required Documents

To streamline your property purchase, ensure you have all the necessary documents ready. The requirements vary based on your employment type:

For Self-Employed Buyers:

- Passport, Visa, and Emirates ID
- 6 months' bank statements
- Trade License
- Memorandum of Association (MOA) / Articles of Association (AOA)
- Audited financials for 2 years (optional but essential for a higher loan amount)
- 12 months' business account statements

Overview of Steps

1. Obtain a Pre-Approval
2. Pre-approval is a conditional agreement from a lender outlining the loan amount you qualify for. This step sets your budget and increases your credibility with sellers.
3. Find an Agent/Brokerage
4. Partner with an experienced real estate agent who understands your needs and Dubai's market.
Key questions to ask:
 - How familiar are you with my preferred area?
 - How frequently do you work with buyers?
 - Can you accommodate my schedule?
5. Select Your Property



READY PROPERTY

6. Choose a property that fits your needs, budget, and lifestyle. Visit potential homes to ensure they meet your expectations.

7. Negotiate and Make an Offer

8. Work with your agent to make a compelling offer.

9. Prepare for negotiation to reach a fair deal.

10. Finalize Your Financing

11. Submit all necessary documents to your lender, agree on the mortgage terms, and finalize your loan.

Mortgage Options to Consider

- **Fixed Rate:** Your interest rate remains unchanged for a set period, providing stability and predictability.
- **Variable Rate:** Your interest rate fluctuates based on the EIBOR, which could mean lower or higher payments over time.

Fees to Consider

- **Dubai Land Department (DLD) Fees:**
- 4% of the purchase price + AED 580 (admin fee for apartments/offices).
- **Mortgage Registration Fees:**
- 0.25% of the loan amount + AED 290 (admin fee).
- **Property Registration Fee:**
- Properties < AED 500,000: AED 2,000 + 5% VAT
- Properties > AED 500,000: AED 4,000 + 5% VAT
- **Valuation Fees:**
- AED 2,500 - AED 3,500 + 5% VAT (charged by the bank).
- **Mortgage Processing Fees:**
- Typically 1% of the loan amount, is negotiable with the lender.
- **Real Estate Agency Commission:**
- 2% of the property price + 5% VAT

This roadmap simplifies the process, helping you prepare, make informed decisions, and avoid unnecessary delays. Stay organized and confident as you take the first step toward owning property in Dubai!





OFF-PLAN PROPERTY

An off-plan property in Dubai refers to a real estate asset that is purchased directly from a developer before its construction is completed. These properties often come with attractive incentives, such as flexible payment plans, lower prices compared to ready properties, and waived fees like Dubai Land Department (DLD) registration. Off-plan properties allow buyers to invest in premium locations and benefit from capital appreciation as the property is developed. While they offer high potential returns, it's important to research the developer's track record and ensure the project aligns with your investment goals. Ideal for long-term investors, off-plan properties are a cornerstone of Dubai's thriving real estate market.

Research and choose the project/developer.

- Start by researching reputable developers in Dubai. Look for well-known companies with a good track record for delivering projects on time and with high quality.
- Choose a Project/Development: Choose an off-plan project that meets your preferences (location, budget, property type, etc.). Off-plan projects are often advertised with attractive payment plans and other incentives.
- Review the Developer's Payment Plan: Off-plan properties often come with flexible payment plans (e.g., installments during construction and post-handover).

Reserve the property and pay a deposit.

- Reservation Form: Once you've selected a unit, you will need to fill out a reservation form. This form includes basic details about the property, price, and payment schedule.
- Pay a Reservation Deposit: Typically, a 5%-10% deposit is required to reserve the property. This amount is non-refundable, so ensure you are committed before proceeding.
- After reserving the property, the developer will draft the Sale and Purchase Agreement (SPA), which outlines the terms of the sale, payment plan, delivery date, and project details.
- Review and Sign: It's crucial to thoroughly review the SPA. If needed, consult with a lawyer to ensure the terms are fair and clearly stated. Once both parties sign the SPA, the transaction becomes official.



OFF-PLAN PROPERTY

Register the property with Oqood and pay DLD fees.

- Oqood Registration: The buyer must register the off-plan property with the Dubai Land Department (DLD) through the Oqood system. This is a mandatory step that ensures the buyer's rights and the property's ownership are protected during the construction phase.
- Pay the Dubai Land Department Fees: At this stage, you will be required to pay 4% of the property value as DLD registration fees. Some developers offer promotions where they cover this fee.

Make payments according to the payment plan.

- Payments are typically made through post-dated checks, bank transfers, or other agreed-upon methods. Ensure to follow the payment schedule as outlined in the SPA.
- Monitor construction progress and visit the site.
- Stay Informed: Developers are required to update buyers on the construction progress at regular intervals. You can also visit the site to check on the progress.
- Check RERA's Project Status: You can monitor the progress of your off-plan property on the Real Estate Regulatory Authority (RERA) website, which provides updates on ongoing projects.

Conduct a pre-handover inspection (snagging).

- Before the property is handed over, you will be invited by the developer to inspect the unit.
- Snagging: This is the process where you check the property for defects or issues, such as structural problems or incomplete finishes. You can either do this yourself or hire a professional to perform a snagging inspection.
- Submit a Snag List: If you find any issues during the snagging process, you will submit a snag list to the developer for rectification before final handover.



OFF-PLAN PROPERTY

Make the final payment and take possession (handover).

- Once the property is ready, you will be notified to make the final payment (if applicable, according to your payment plan). This typically happens close to the handover date.
- Pay Any Remaining Fees: Before handover, you'll need to settle any outstanding fees such as: Final installment of the purchase price, Title deed issuance fees (AED 250), Maintenance fees (if applicable), Service/utility connection fees (if applicable).
- Handover of Property: After clearing all payments and completing the final inspection, the developer will hand over the keys to your new property.

Transfer the title deed at the Dubai Land Department.

- After you take possession of the property, you must complete the transfer of ownership.
- DLD Registration: The final step is registering the property with the Dubai Land Department to get the title deed issued in your name.
- Pay Trustee Office Fees: A trustee office facilitates the title deed registration, and you'll be required to pay the necessary fees (AED 4,000 for properties above AED 500,000, AED 2,000 for properties below AED 500,000, plus 5% VAT).

Move in, rent out, and manage post-handover responsibilities.

- Move-In or Rent-Out: After the handover, you can move in or rent out the property if it's ready for occupancy.
- Maintenance and Service Fees: These fees must be paid on an ongoing basis for the upkeep of the building and its facilities.
- Utility Setup: Ensure that utilities (such as electricity, water, and cooling) are set up in your name.





FREEHOLD VS LEASEHOLD PROPERTY

Freehold Property

A freehold property grants you complete ownership of the property and the land it is built on. You have the right to sell, lease, or even pass it on to your heirs without any restrictions. Freehold properties in Dubai are typically located in designated areas, such as Downtown Dubai, Palm Jumeirah, and Dubai Marina, which are open to foreign ownership.

Advantages of Freehold Property:

- Complete Ownership: You own the property outright.
- Long-Term Investment: Ideal for those looking for long-term capital appreciation.
- Full Control: You can sell or rent out the property as you wish.
- Visa Eligibility: Purchasing freehold property may make you eligible for a residency visa under certain conditions.

Considerations for Freehold:

- Generally higher upfront costs compared to leasehold properties.
- Ongoing maintenance and service charges are the owner's responsibility.

Leasehold Property

A leasehold property allows you to lease the property for a specified period, typically up to 99 years. While you have full rights to use the property during the lease term, ownership of the land remains with the landlord or property owner. Leasehold properties are common in areas like Al Barsha South and Green Community.

Advantages of Leasehold Property:

- Lower Initial Investment: Leasehold properties often have lower purchase prices, making them more accessible.
- Access to Prime Areas: Some leasehold zones provide excellent amenities and locations.
- Shared Responsibility: The landlord often remains responsible for major repairs or land-related issues.

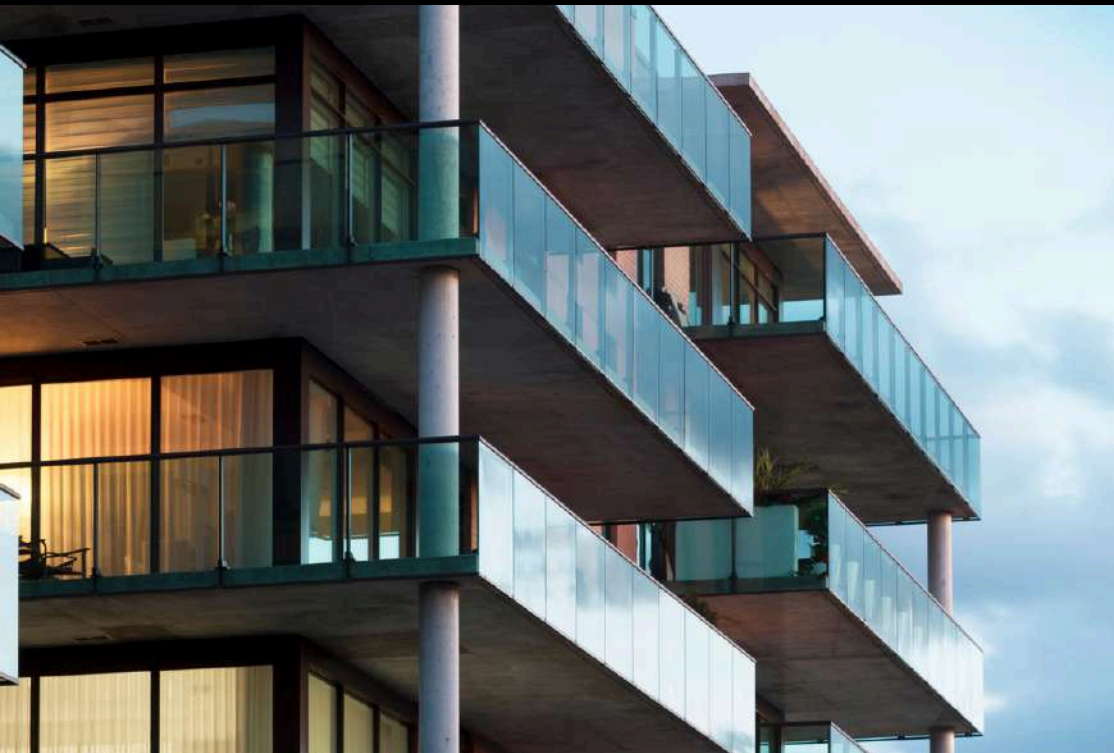
Considerations for Leasehold:

- Ownership reverts to the landlord when the lease term expires unless renewed.
- Limited flexibility in making structural changes to the property.
- Selling a leasehold property can be more complex than selling freehold.



Guide to Average Price Per Square Foot in Dubai (2024)

- **Investment Opportunities:** Compare price per square foot to gauge property value and potential ROI. Affordable areas like JVC and DAMAC Hills 2 offer good returns, while luxury areas like Downtown Dubai and Palm Jumeirah cater to premium buyers.
- **Lifestyle Preferences:** Family-friendly communities such as The Springs and Arabian Ranches provide privacy and green landscapes, while locations like Dubai Marina and Business Bay appeal to urban professionals.
- **Informed Decisions:** Bayut emphasizes assessing price per square foot alongside amenities, location, and ROI to make well-informed real estate investments in Dubai.



APARTMENTS

Jumeirah Village Circle (JVC)

- Average Price: AED 1,366/sq. ft.

Why Choose JVC?

- Centrally located and affordable, JVC is ideal for families seeking a community-focused lifestyle with accessible amenities.

Dubai Marina

- Average Price: AED 2,102/sq. ft.

Why Choose Dubai Marina?

- Known for luxurious skyscrapers and waterfront living, it offers proximity to entertainment, dining, and retail options.

Business Bay

- Average Price: AED 2,315/sq. ft.

Why Choose Business Bay?

- A dynamic mixed-use hub with modern high-rises, popular among professionals and businesses.

Downtown Dubai

- Average Price: AED 3,107/sq. ft.

Why Choose Downtown Dubai?

- Home to iconic landmarks like the Burj Khalifa and Dubai Mall, Downtown is synonymous with luxury and prestige.

Jumeirah Lake Towers (JLT)

- Average Price: AED 1,702/sq. ft.

Why Choose JLT?

- A mixed-use community featuring scenic artificial lakes and a convenient location for residents and businesses.

VILLAS

The Springs

- Average Price: AED 1,832/sq. ft.

Why Choose The Springs?

- A serene, family-friendly neighbourhood with lush greenery and tranquil lakes.

Arabian Ranches

- Average Price: AED 1,969/sq. ft.

Why Choose Arabian Ranches?

- Offers luxury living with golf courses, parks, and high-end amenities.

Dubai Hills Estate

- Average Price: AED 2,521/sq. ft.

Why Choose Dubai Hills Estate?

- Combines modern villas with a golf course and a vibrant community atmosphere.

DAMAC Hills 2

- Average Price: AED 923/sq. ft.

Why Choose DAMAC Hills 2?

- Affordable and eco-friendly, featuring golf-centric amenities and expansive green spaces.

Palm Jumeirah

- Average Price: AED 5,860/sq. ft.

Why Choose Palm Jumeirah?

- Dubai's iconic man-made island offers ultra-luxury villas, private beaches, and world-class facilities.



AVERAGE RENTAL YIELDS



The Greens and The Views

Average Rental Yield
Approximately 6.9%



Dubai Silicon Oasis

Average Rental Yield
Approximately 8.3%



Dubai Sports City

Average Rental Yield
Approximately 7.8%



Jumeirah Lake Towers

Average Rental Yield
Approximately 7.5%



Jumeirah Village Circle

Average Rental Yield
Approximately 7.8%



Za'abeel

Average Rental Yield
Approximately 7.3%



Dubai Marina

Average Rental Yield
Approximately 6.5%



Dubai Downtown

Average Rental Yield
Approximately 8%



Al Furjan

Average Rental Yield
Approximately 6.5%



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