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A Guide to Investors & Expatriates Buying Property in the UAE



This guide aims to shed light on the process of buying property in the UAE, whether you are an expatriate looking to buy your home or an investor seeking profitable opportunities. Each emirate has its own set of rules, and here we will explain the key property ownership regulations for Abu Dhabi, Dubai, and Sharjah.

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1. Buying Property in Abu Dhabi

Abu Dhabi has a well-structured real estate market for expatriates under Law No. 19 of 2005, which allows foreigners to own properties in the form of apartments and floors, not land, through four main systems:

- **Ownership:** Expatriates can own apartments and villas (excluding land) for 99 years, giving them the right to sell or rent the property as they see fit.

- **Musataha:** This contract allows ownership for 50 years, with an option to renew for an additional 50 years. During this period, the owner has the right to use, build, or alter the property.

- **Usufruct:** You can use and live in the property for up to 99 years, though you are not allowed to alter the property.

- **Long-term Lease:** This allows expatriates to lease property for an initial period of at least 25 years.

Designated Areas for Foreign Ownership

Expatriates can own properties in designated areas like Yas Island, Saadiyat, Reem, Lulu, Al Raha Beach, and Masdar City, among others.

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Amended Provisions in Abu Dhabi Real Estate Law (2019)

In April 2019, the Abu Dhabi Real Estate Law was amended to allow foreigners more freedom in purchasing properties within investment areas. The amendment included:

- **Article 3 (i): Ownership rights are granted to Emirati citizens, public companies (with less than 49% foreign ownership), and individuals approved by the Abu Dhabi Crown Prince or Executive Council President.**

- **Article 3 (ii): Non-UAE nationals, whether individuals or companies, can own real estate in investment areas.**

- **Article 4: Holders of usufruct or Musalaha contracts for more than 10 years can mortgage or sell the property without the landlord's consent. However, the landlord needs permission to mortgage the property unless otherwise agreed.**

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2. Buying Property in Dubai

Dubai's real estate market is known for its openness to foreign investment. Expatriates and foreign nationals can own property in designated freehold areas, offering full ownership for up to 99 years.



- **Freehold Ownership:** Foreigners can buy property in areas like Dubai Marina, Downtown Dubai, and Palm Jumeirah, with no restriction on nationality or residency.

- **Title Deeds:** Issued by the Dubai Land Department, title deeds are proof of ownership, and there is no age limit for owning property in Dubai.

Why Invest in Dubai (2024 – Facts and Figures)

- **Dubai attracts 15.95 million visitors annually.**

- **It's a gateway to 2.5 billion consumers across the Middle East, Indian Subcontinent, and East Africa.**

- **$30.81 billion in annual visitor spending makes Dubai a prime investment destination.**

- **100% repatriation of profits and foreign business ownership are allowed.**

- **High rental yields: Dubai properties offer an average return of 7%, higher than global cities like New York, Singapore, and London.**

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How to Invest in Dubai Real Estate (For Indians)

Both resident and non-resident Indians can invest in Dubai properties under the Liberalized Remittance Scheme (LRS). This allows Indian citizens to invest up to $250,000 annually. Indians have already invested Dh83.62 billion in Dubai properties over the last five years.
Dubai offers high rental yields, tax-free profits, and the possibility of acquiring long-term residency visas through property ownership:

- **5-year visa for properties worth 2 million AED.**



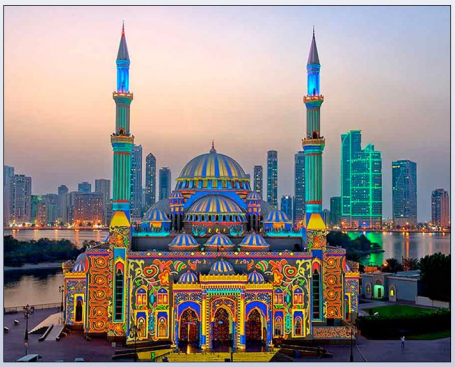
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3. Buying Property in Sharjah

Unlike Dubai and Abu Dhabi, expatriates in Sharjah cannot own property directly. However, they are allowed to acquire usufruct rights under Executive Council Resolution No. 26 of 2014:

- Expatriates can use and benefit from properties for up to 100 years, but this right must be registered with the Sharjah Real Estate Registration Department (SRERD).

- Usufruct rights are only available in designated areas and require special approval from the Ruler of Sharjah.



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Why investors are flocking to this lucrative destination?

Dubai's booming real estate market offers multiple advantages for investors:

- Affordable property prices compared to other major global cities.
- High rental returns, ranging from 5-9% annually.
- No property taxes, which increases profitability.
- Flexible visa options: Investors with properties worth over 1 million AED are eligible for a 2-year residency visa, and those with properties above 10 million AED can get a 10-year visa.
- Prime location: Dubai is a global hub for business and tourism, with excellent infrastructure and a stable political environment.

Key Considerations for Investors:

- **Location:** Properties in community-based areas with access to amenities command higher prices and offer better returns.

- **Size & Quality:** Larger, high-quality properties tend to appreciate more.

- **Rental Yields:** High rental demand in Dubai can generate lucrative returns.

- **Tax Exemption:** Dubai's real estate market benefits from zero property taxes, making it highly attractive for global investors.

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Conclusion: Investing and Buying Property in the UAE

Whether you're an expatriate looking for a home or an investor seeking high returns, the UAE offers various opportunities across its emirates. While Abu Dhabi offers structured ownership options, Dubai leads the market with its open policies, high rental yields, and long-term visa incentives. Meanwhile, Sharjah offers long-term usufruct rights for specific areas.

Each emirate has its own set of rules, so it's essential to understand the local laws and consult with a legal advisor or real estate expert before purchasing.

Disclaimer: The information provided in this guide is for general informational purposes only and is not intended as legal advice. Property laws and regulations in the UAE can change, and specific conditions may apply depending on your circumstances and the emirate in which you wish to purchase property. We recommend consulting with a qualified real estate agent or legal professional before making any property-related decisions.

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