

THE REAL COST OF BUYING IN DUBAI

Beyond the listing price — DLD fees, agent fees, NOC charges, service fees, and the hidden costs no one tells you about upfront.

Honest numbers for buyers who want to know what they are actually committing to.

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Why This Guide Exists

Almost every buyer in Dubai is surprised by the same thing: the property cost more than they thought. Not because the listing price was wrong — but because the listing price was only part of the picture.

Stamp duties, agency fees, registration costs, mortgage charges, service fees, cooling bills — they add up to far more than most buyers budget for. And the people walking you through the process rarely volunteer the full number. Not because they are hiding anything, but because their job is to sell the property, not to flag the costs around it.

This guide does the opposite. It walks through every cost — upfront, recurring, optional, and easily-forgotten — that you should plan for before you sign anything. By the end you will have a clear, realistic number in mind, and the confidence to make a budget that actually works.

The right number to know is not what the property costs. It is what owning the property will cost you, year after year, in total.

Who this guide is for

- First-time buyers building their first realistic budget.
- Overseas investors comparing Dubai with other markets.
- UAE residents upgrading, downsizing, or buying a second property.
- Anyone who has been quoted a property price and wants to know what they are really committing to.

Chapter 1: The Three Layers of Cost

To make sense of property costs in Dubai, it helps to split them into three layers. Most buyers focus only on the first. The best-prepared buyers plan for all three.

Layer 1: Transaction costs

These are the one-off costs you pay at the point of purchase. DLD fees, agent commission, trustee office charges, NOC fees, mortgage costs. They typically add 4-8% on top of the property price.

Layer 2: Setup costs

These are the costs you pay shortly after buying — moving in, furnishing, connecting utilities, registering with the building. Often overlooked, but easily AED 20,000–100,000+ depending on the property.

Layer 3: Ongoing costs

These are the costs you pay every year you own the property. Service charges, cooling, DEWA, insurance, maintenance, and if relevant, mortgage repayments. Year after year, these often add up to more than the original transaction costs.

The honest math

A buyer paying AED 2,000,000 for an apartment should plan for roughly AED 140,000–180,000 in transaction costs, AED 30,000–80,000 in setup costs, and AED 30,000–60,000 per year in ongoing costs. None of these are unusual — they are simply rarely added up in advance.

Chapter 2: Upfront Transaction Costs

These are the unavoidable costs that come with buying any property in Dubai. They are paid at — or just before — the transfer of title.

Dubai Land Department (DLD) fee — 4% of purchase price

The single largest cost on top of the property price. It is officially split as 4% from the buyer and 0% from the seller — though it is sometimes negotiated as a shared cost on the secondary market. Almost always, in practice, the buyer pays the full 4%.

On a AED 2,000,000 property, that is AED 80,000. The fee is paid directly to the Dubai Land Department on transfer day, usually by manager's cheque.

DLD admin fee — AED 580

A small fixed admin fee charged by the DLD on every transaction. Easy to overlook in a budget.

Title deed issuance fee — AED 250

The cost of issuing your new title deed (or, for off-plan, your Oqood registration).

Trustee office fee — AED 4,000 (+ VAT)

The fee for using a Dubai Land Department trustee office to process the transaction. For properties under AED 500,000, this is reduced to AED 2,000. VAT at 5% applies on top.

Agent commission — 2% (+ 5% VAT)

Most buyers pay a 2% commission to the agent representing them in the transaction, plus 5% VAT on the commission itself. On a AED 2,000,000 property, that is AED 42,000 (AED 40,000 + AED 2,000 VAT).

For off-plan purchases bought directly from the developer's sales office, agent commission is usually paid by the developer — but always confirm this in writing before signing.

NOC fee — AED 500 to AED 5,000

On the secondary market, the seller must obtain a No Objection Certificate (NOC) from the developer before the property can be transferred. The fee varies dramatically by developer — some charge only AED 500, others charge AED 5,000. The NOC fee is technically the seller's responsibility, but it is often passed to the buyer in negotiation.

Hidden fee alert

Some developers charge additional 'transfer fees' or 'community improvement contributions' on resale — sometimes 1–2% of the property price. These are not always disclosed upfront. Always ask the developer for the full NOC fee structure in writing before signing Form F.

Chapter 3: Mortgage Costs

If you are financing the purchase with a mortgage, expect a further layer of costs. These can be substantial and are not always quoted upfront.

Mortgage registration fee — 0.25% of loan amount

Paid to the Dubai Land Department to register the bank's interest in your property. On a AED 1,500,000 mortgage, that is AED 3,750, plus a small admin fee of AED 290.

Bank processing fee — 0.5% to 1% of loan amount

Charged by the bank for arranging the mortgage. On a AED 1,500,000 loan, this is typically AED 7,500–15,000 plus 5% VAT. Some banks offer reduced or waived fees during promotional periods — always ask.

Property valuation fee — AED 2,500 to AED 3,500

The bank arranges an independent valuation of the property. The fee covers the surveyor's report. Plus 5% VAT.

Life and property insurance

Banks usually require both life insurance (covering the loan amount) and property insurance for the duration of the mortgage. Annual costs vary but typically range from AED 1,500–6,000 per year combined, depending on the property value, the borrower's age, and the bank's preferred provider.

Early settlement fees

If you settle the mortgage early — through a sale or refinance — most banks charge an early settlement fee, typically capped at 1% of the outstanding amount or AED 10,000, whichever is lower. Read your facility offer letter carefully before signing.

Use a mortgage broker — it costs you nothing

Mortgage brokers in Dubai are paid by the bank, not by you. A good broker will compare rates across at least three banks, manage the paperwork, and often negotiate better terms than going direct. They typically save buyers thousands. Always ask for a written comparison before choosing a lender.

Chapter 4: Total Transaction Cost Examples

Here are honest, realistic transaction cost estimates for three common scenarios. Use these as starting points — your exact figures will vary slightly with the developer, the bank, and the negotiation.

Example 1: AED 1,000,000 ready apartment, cash purchase

Cost item	Amount (AED)
DLD fee (4%)	40,000
DLD admin fee	580
Title deed issuance	250
Trustee office fee (+VAT)	4,200
Agent commission (2% + VAT)	21,000
NOC fee (estimate)	2,000
Total transaction cost	~68,000
As % of property price	~6.8%

Example 2: AED 2,000,000 ready apartment, with mortgage

Cost item	Amount (AED)
DLD fee (4%)	80,000
DLD admin fee	580
Title deed issuance	250
Trustee office fee (+VAT)	4,200
Agent commission (2% + VAT)	42,000
NOC fee (estimate)	3,000

Mortgage registration (0.25%)	4,040
Bank processing fee (~0.75%)	12,600
Property valuation (+VAT)	3,150
First-year insurance (estimate)	3,500
Total transaction cost	~153,000
As % of property price	~7.7%

Example 3: AED 1,500,000 off-plan property, payment plan

Cost item	Amount (AED)
DLD fee (4%) — on Oqood registration	60,000
Oqood registration fee	3,000
DLD admin fee	580
Agent commission (often paid by developer)	0
Total upfront transaction cost	~63,580
As % of property price	~4.2%

Why off-plan looks cheaper at first

Off-plan transaction costs are lower upfront because you avoid NOC fees, mortgage costs (initially), and the agent commission is usually paid by the developer. But remember — you will still owe the same DLD fee, just structured differently, and if you later mortgage the property at handover, those costs apply then.

Chapter 5: Setup Costs After Buying

Once the property is yours, the next set of costs begins. These are easy to underestimate because they are spread across utilities, services, and personal choices.

DEWA setup deposit

To activate electricity and water in your name, DEWA requires a refundable deposit — AED 2,000 for apartments and AED 4,000 for villas. Plus a small connection fee of AED 110.

Cooling provider activation

If your property uses district cooling (Empower, Emicool, Tabreed, or similar), expect to pay an activation/connection fee of AED 1,500–2,500, plus a refundable security deposit of around AED 2,000.

Internet and TV setup

Du or Etisalat home packages range from AED 300–800 per month depending on speed and TV channels. One-time installation is usually free, but expect a 12-month contract minimum.

Ejari registration (if renting out)

If you plan to rent out the property, every tenancy contract must be registered with Ejari — the official tenancy registration system. Fee: AED 220 per contract.

Move-in deposits to the building

Many buildings require refundable move-in deposits — typically AED 1,000–5,000 — held against any damage caused during the move. Some buildings also charge non-refundable move-in fees of AED 500–1,500.

Furnishing and finishing

Often the biggest setup cost of all. Even modest furnishing of a one-bedroom apartment usually costs AED 25,000–50,000. A family villa can easily run to AED 150,000–300,000 — and significantly more if you upgrade finishes.

Snagging and rectification

For off-plan handovers, a professional snagging inspection costs AED 1,500–4,000. Any minor works you choose to do before moving in (paint touch-ups, light fittings, curtains, blinds) can easily add AED 10,000–30,000.

The setup cost rule of thumb

Budget at least 2–5% of the property price for setup costs. For furnished apartments where you keep the existing furniture, you might come in lower. For empty units, especially villas or premium properties, plan for significantly more.

Chapter 6: Ongoing Annual Costs

These are the costs you pay every year, for as long as you own the property. Over a 10-year hold period, ongoing costs almost always exceed the initial transaction costs — sometimes by a wide margin.

Service charges

Paid annually to the owners' association or building management. They cover building maintenance, common area upkeep, security, swimming pool, gym, lifts, and general administration. Service charges are calculated per square foot of your property.

Typical ranges by community type:

- Older, basic buildings: AED 8–12 per sqft.
- Mid-range communities (Marina, JVC, Sports City): AED 12–20 per sqft.
- Premium areas (Downtown, Palm, Dubai Hills): AED 18–28 per sqft.
- Branded residences and luxury towers: AED 25–45+ per sqft.

On a 1,200 sqft apartment at AED 18/sqft, that is AED 21,600 per year. Always ask for the current service charge in writing before buying — and ask whether it is expected to rise.

DEWA — electricity and water

Highly variable depending on the property type, occupancy, and your habits. Realistic ranges:

- Studio or 1-bed apartment: AED 400–900 per month.
- 2–3 bed apartment: AED 800–1,800 per month.
- Family villa: AED 2,000–5,500 per month.

Annual DEWA costs for a typical family apartment usually run AED 12,000–22,000.

District cooling

Charged separately from DEWA in most newer developments. There are two parts: a fixed monthly availability charge based on the property's BTU capacity, plus consumption charges based on actual use.

Combined, expect AED 500–2,500 per month depending on the property size and the cooling provider. Annual cooling costs of AED 8,000–25,000 are common.

The cooling charge surprise

Many first-time buyers do not realise that cooling fees continue even when the property is empty — the fixed availability charge is payable whether you use the unit or not. For overseas investors or holiday-home owners, this is an unavoidable ongoing cost. Always ask the cooling provider for the property's monthly availability charge before buying.

Home insurance

If you have a mortgage, building and contents insurance is mandatory. Annual premiums for a typical apartment run AED 800–2,500. For a villa, expect AED 1,500–6,000+ depending on rebuild value and contents.

Even without a mortgage, basic property insurance is strongly recommended — and inexpensive relative to the value protected.

Property maintenance and minor repairs

Every property needs ongoing maintenance. For apartments, budget AED 2,000–6,000 per year for things like AC servicing, plumbing fixes, and minor repairs. For villas, budget AED 10,000–25,000+ depending on the size and outdoor areas (pool, garden, AC units).

Owners' association management fees

In some communities, particularly villa neighbourhoods and master-planned developments, there is an additional master community fee on top of building service charges. These typically range from AED 1–5 per sqft per year.

Chapter 7: If You Are Renting It Out

If you are buying as an investment and intend to rent the property, additional costs and considerations apply. Net yield is what matters — not gross rent.

Property management fees

If you use a property management company (almost essential if you are overseas), expect to pay 5–10% of the annual rent. Some firms charge a flat monthly fee instead — typically AED 500–1,500.

Tenancy commission

Most landlords pay a commission to the agent who finds the tenant — typically 5% of the annual rent, plus 5% VAT. On a property renting for AED 100,000 per year, that is AED 5,250 per tenancy.

Ejari registration

Every tenancy contract must be registered with Ejari. Fee: AED 220 per contract.

Vacancy periods

Properties are rarely tenanted 100% of the year. Build in 2–6 weeks of vacancy between tenancies — for cleaning, repairs, marketing, and the new tenant's move-in timing. On an AED 100,000-per-year property, four weeks vacancy equals roughly AED 7,700 in lost rent.

Furnishing and refresh

Furnished rentals command higher rents but require regular refresh. Budget for replacements every 3–5 years, especially in short-term lets where wear is faster.

Short-term let licences

If you choose to operate as a short-term (holiday) rental, you must obtain a DTCM (Dubai Tourism) holiday home licence — typically AED 1,500–2,000 per year per unit, plus tourism dirham fees per night of guest stays. Short-term lets generate higher gross income but require significantly more operational input.

Net yield reality check

Buyers are often quoted gross rental yields of 7–9% in popular Dubai areas. Once service charges, management, vacancy, maintenance, and commission are factored in, net yields are usually 4–6%. Still attractive — but plan around the real number, not the marketing one.

Chapter 8: The Costs of Selling

Often forgotten when buying, but worth knowing in advance — because eventually almost every property is sold. Selling costs typically run 4–6% of the sale price.

Agent commission — 2% (+VAT)

Sellers typically pay 2% commission plus 5% VAT to the agent who lists and sells the property. On a AED 2,500,000 sale, that is AED 52,500.

NOC fees

As the seller, you are responsible for obtaining the NOC from the developer. As noted earlier, fees range from AED 500 to AED 5,000+ depending on the developer.

Mortgage early settlement (if applicable)

If your property is mortgaged, you will need to settle the loan before the title can be transferred. Most banks charge an early settlement fee — typically the lower of 1% of the outstanding amount or AED 10,000.

Mortgage clearance and re-registration

Settling and removing a mortgage involves additional DLD fees of around AED 1,290 plus admin charges.

Service charges and DEWA settlement

Before the NOC can be issued, all outstanding service charges and DEWA bills must be settled. Plan for this in your sale-day budget.

Capital gains tax

Good news: there is no capital gains tax on personal property in the UAE. Your sale proceeds, less the costs above, are yours in full. However, depending on your tax residency in other countries (especially the UK, USA, and Canada), you may have foreign tax obligations on gains. Always check with a tax advisor in your country of residence.

Chapter 9: The Hidden Costs No One Talks About

These are the costs that catch buyers off guard — not because they are secret, but because no one volunteers them upfront. Read this chapter carefully.

1. Service charge increases

Service charges rise. Sometimes modestly, sometimes dramatically. New buildings often have low initial service charges that increase once the developer hands the building over to an owners' association. Older buildings face rising maintenance costs as equipment ages. Always ask: what is the five-year service charge trend in this building?

2. Special assessments

If a building needs major repairs — facade works, lift replacement, structural waterproofing — owners can be charged 'special assessments' on top of regular service charges. These can run to tens of thousands of dirhams per unit. Review the building's reserve fund balance before buying older properties.

3. Move-in restrictions and access fees

Some buildings restrict move-in days and hours and require booking the service lift in advance — sometimes with a fee. Others require security deposits for keys, access cards, and parking permits.

4. Replacement of developer-supplied appliances

New properties come with developer-supplied white goods (oven, hob, fridge, washing machine). These are often basic models. Many buyers replace them within 1–3 years — budget AED 15,000–40,000 for a full kitchen upgrade.

5. The 'shell-and-core' surprise

Some off-plan units are sold 'shell-and-core' or 'semi-fitted', requiring the buyer to install kitchens, bathrooms, and flooring. The brochure rarely makes this clear. Always confirm exactly what is included before signing.

6. Parking and storage

Not every apartment comes with a dedicated parking space. Some buildings sell or rent extra spaces. Storage units, where available, often cost extra to purchase or rent.

7. Furnishing 'staging' costs for resale

Properties that show well sell faster and for more. Many sellers invest AED 10,000–30,000 in cleaning, paint touch-ups, and staging when listing — a hidden cost of any future resale.

8. Currency exchange costs (for overseas buyers)

Most international buyers transfer large sums in foreign currency. The difference between a bank's exchange rate and a specialist FX broker's rate can be 1–3% of the total. On a AED 2 million purchase, that is AED 20,000–60,000 in costs you can usually reduce.

The honest 10-year number

Over a 10-year hold, a typical AED 2 million apartment in Dubai will cost roughly: AED 150,000 in transaction costs, AED 40,000 in setup costs, AED 350,000–600,000 in ongoing costs (service charges, DEWA, cooling, maintenance, insurance), and AED 100,000–130,000 in eventual selling costs. Total cost of ownership: around AED 650,000–950,000 beyond the purchase price itself.

Chapter 10: How to Build a Realistic Budget

Now that you know what the real costs look like, here is how to build a budget you can trust.

Step 1: Start with your maximum total commitment

Not the property price — the total amount you are willing to commit, including transaction costs and setup. Work backwards from there to find your true property price range.

Step 2: Apply the 8% rule

As a starting point, assume transaction and setup costs together will equal roughly 8% of the property price. So if your total commitment is AED 2,160,000, your maximum property price is around AED 2,000,000. Adjust upward for cash purchases (lower mortgage costs) or downward for off-plan with no mortgage (lower initial costs).

Step 3: Calculate your true annual cost

Add up the four big annual costs:

1. Service charges (size in sqft x annual rate per sqft)
2. DEWA (use the building average for the unit size)
3. Cooling (ask the provider for the unit's monthly availability charge x 12, plus a consumption estimate)
4. Insurance and maintenance reserve (1–2% of property value)

This number is what owning the property costs you each year — before any mortgage payment. For most apartments, it lands somewhere between 1.5–3% of the property price. For villas, 2–4%.

Step 4: Stress-test

Ask yourself: if my rental income dropped 20%, or if interest rates rose 2%, or if my service charges increased 30% — would I still be comfortable owning this property? If the answer is no, you may be over-extended.

*A property you can afford to buy is not the same as a property you can afford to own.
The real question is the second one.*

A Final Word

Knowing the real cost of buying in Dubai is not about being put off the market. It is about being prepared for it. Buyers who plan honestly almost always have a better experience than those who only plan optimistically.

The numbers in this guide are not designed to scare you. They are designed to remove the surprises. A confident buyer is one who has run the numbers, understood the trade-offs, and chosen the property anyway — because it still makes sense for them.

That kind of clarity is worth more than any negotiating tactic, any timing strategy, or any inside tip. It is the foundation of every good property decision.

Want help running your own numbers?

If you are weighing up a property and want an honest, unhurried look at the full cost of ownership — including the numbers no one else has shown you — get in touch. The first conversation is genuinely a conversation. No pitch, no pressure, no expectation to move forward.