



# THE DUBAI SHORT-LET INVESTMENT GUIDE

# Foreword

This report provides a comprehensive analysis and comparison of Dubai's real estate market performance and investment potential, tailored for both current and prospective investors.

In the first three quarters of 2024, Dubai's real estate market has demonstrated exceptional resilience and growth, achieving a sales volume of 130,190 units and a sales value of AED 374.5 billion. This strong performance is supported by a growing population of 3.79 million residents and an influx of 10.62 million tourists from January to July 2024. The resident population has increased by 5% since 2023, with similar growth expected in 2025, potentially exceeding 4 million by 2025. A significant trend among residents is the shift towards short-let options, offering more flexible monthly payment plans. These trends and their implications are examined in detail in the report.

Dubai's strategic advantages make it an attractive destination for real estate investment. The city offers higher rental yields compared to many global cities, appealing to investors seeking steady income. Geographically, Dubai's position at the crossroads of Europe, Asia, and Africa enhances its appeal as a global business and travel hub, facilitating access to a wide range of markets.

For foreign investors, Dubai presents a highly favorable environment. The city offers a tax-friendly regime and a low 5% VAT, making it more attractive than cities like London and New York. Foreign investors can own properties and have attractive visa options, including a 10-year renewable Golden Visa for property investments of AED 2 million or more or an investor visa for an AED 1M+ investment. The property buying process in Dubai is straightforward and user-friendly, with fewer bureaucratic hurdles compared to other major cities.



AirDXB simplifies the investment process for those looking to capitalize on Dubai's dynamic real estate market. We provide access to a curated selection of properties ideal for short-term rentals, strategically located to maximize rental income. Our comprehensive management services cover everything from bookings and guest communications to property maintenance. By leveraging market insights, we optimize pricing strategies to ensure competitive rates and high occupancy levels throughout the year. With AirDXB's expert guidance and exceptional services, investors can secure valuable assets that generate monthly income and appreciate over time.

**Gregory Lewis**  
CEO & Founder  
AirDXB



# Dubai's Short-Let Advantage

The combination of growing tourism, the demand for short-let vacation homes, and Dubai's successful, well-regulated short-let model presents a compelling case for investment. The tourism sector has seen significant growth, with 17.15 million international tourists in 2023, a 19% increase from 2022. In the first half of 2024 alone, Dubai welcomed over 10 million visitors, setting the stage for a record year. By 2025, the city aims to attract between 23–25 million tourists.

**23–25 million**

TOURISTS BY 2025

## Dubai's Connectivity Continues to Grow

Dubai International Airport (DXB) handled 86.9 million passengers in 2023 and is projected to serve 88.8 million in 2024. The future opening of Al Maktoum International Airport, set to become the world's largest, will further enhance connectivity, potentially serving over 400 destinations once fully operational.

**86.9 million**    **88.8 million**

PASSENGERS IN 2023

PROJECTED TO SERVE  
IN 2024

## Factors to Consider

Key considerations include planning your exit strategy, whether it be in 5, 10, or 50 years, choosing reputable developers, and selecting the right rental model to suit your needs. Short-let rentals offer flexibility, frequent maintenance, and higher occupancy rates, often yielding higher returns compared to long-term leasing. Investors can also choose between off-plan properties with lower initial costs and potential appreciation or ready properties offering immediate occupancy and reduced risk.

## The Global Short-Let Market

Globally, Dubai exemplifies a successful model with well-regulated short-term rentals that support both investors and tourists. As highlighted by H.E. Bin Touq, Minister of Economy, at the Arabian Travel Market in May 2024, tourism is predicted to contribute to 12% of the total GDP this year. This thriving tourism sector enhances the appeal of investing in short-term rentals across various prime areas in Dubai. Beachfront developments like Dubai Marina and Palm Jumeirah attract tourists with stunning views and luxury living. Urban areas such as Dubai Creek Harbour and Downtown Dubai provide vibrant city life with easy access to main attractions. For families, communities like Arabian Ranches and Dubai Hills Estate offer quiet neighborhoods with excellent facilities. Luxury seekers can find exclusive living in Emirates Hills and Jumeirah Golf Estates. Emerging areas like Jumeirah Village Circle and Dubai Sports City present affordable investments with high growth potential.

**12% GDP**

TOURISMS EXPECTED CONTRIBUTION TO 2024 GDP



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# Investor Insights

Dubai's real estate market has shown robust performance in the first three quarters of 2024, with a sales volume of 130,190 units and a sales value reaching AED 374.5 billion. This growth is supported by a substantial population of 3.79 million residents and an influx of 10.62 million tourists from January to July 2024. The number of residents has seen a 5% increase since 2023, and a similar 5% growth is expected next year, bringing the population to over 4 million by 2025. Additionally, there is a notable trend of residents turning to short-let options for more flexible monthly payment plans.

Looking ahead, the market is poised for further expansion with 41,800 units scheduled for handover in 2025. These figures indicate a dynamic and thriving real estate sector, driven by both local demand and international interest.

130,190

SALES VOLUME Q1-Q3 2024

AED 374.5 billion

SALES VALUE Q1-Q3 2024

41,800

NUMBER OF UNITS  
FOR HANDOVER  
IN 2025

3.79 million

NUMBER OF RESIDENTS IN  
DUBAI OCTOBER 2024

10.62 million

NUMBER OF TOURISTS TO  
DUBAI JAN-JULY 2024

**AED 15 Billion**  
**+3.2% YOY**  
GDP Q1 2024

## Top 5 Projects in Dubai: 2025 Handover



RaIn Residence by Object 1



Villa Terkos by Turkey Projects



Marriot Residences by Fortune 5



Kilic Vadi Apartments by Turkey Projects



Reference Beşiktaş Apartments





## Key Considerations for Investors

Dubai emerges as the most favourable option for foreign investors looking to buy property. Dubai offers a highly attractive tax environment with income earned from personal real estate investments is not subject to corporate tax, and a low 5% VAT, which is significantly more favourable compared to cities like London and New York, where high income taxes and capital gains taxes can substantially reduce investment returns. Foreign investors can own properties in Dubai, providing a straightforward and secure legal framework, unlike cities like Singapore, where approval from the Land Dealings Approval Unit is required, adding an extra layer of complexity.

Dubai also offers attractive visa options for property investors, with an investor visa available for investments of AED 1 million or more, and properties valued at AED 2 million or more qualifying for a 10-year renewable Golden Visa. This is a significant advantage over cities like London and New York, where visa requirements are more stringent, and investment thresholds are higher.

**Only 5%**

VAT

**10 year Golden Visa**

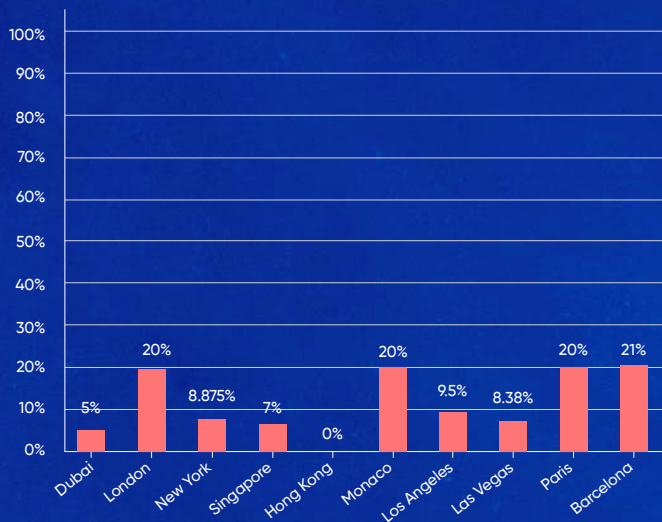
ATTRACTIVE VISA OPTION FOR  
PROPERTY INVESTORS

The process of buying property in Dubai is straightforward and user-friendly, with fewer bureaucratic hurdles compared to cities like Paris and Barcelona, where bureaucratic procedures and language barriers can complicate the process. Overall, Dubai stands out as the most favourable city for foreign property investors due to its tax advantages, legal framework, sub-leasing flexibility, visa opportunities, and ease of buying property.

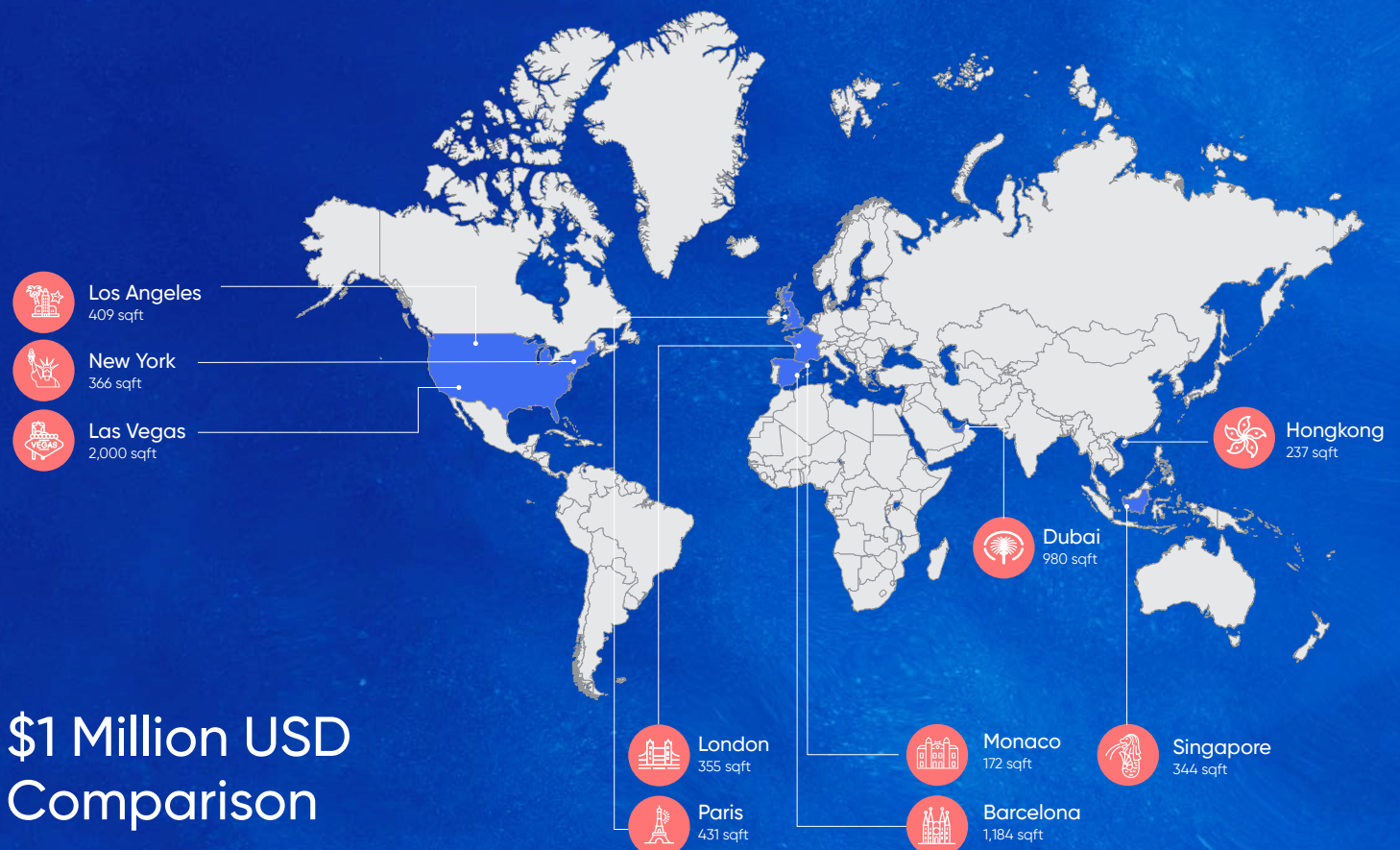
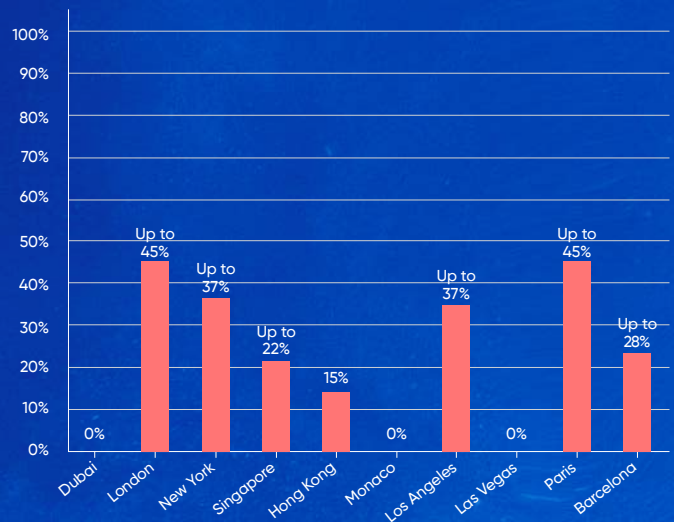
| City        | Tax Regulations  | Legal Set-Up for Foreign Investors                                       | Sub-Leasing   | Limit on Sub-Leasing   | Visa Requirements   | Additional Challenges                                 | Ease of Buying Property |
|-------------|--|--|---|--|---|---|-------------------------|
| Dubai       | 0% corporate tax up to AED 375000, no personal income tax, 5% VAT              | No restrictions on foreign ownership                                     | Written permission from landlord required                       | N/A  | Investor visa for AED 1M+ investment or for properties valued at AED 2 million or more, you can apply for a 10-year renewable Golden Visa | None  | Easy                    |
| London      | Up to 12% stamp duty, capital gains tax, up to 45% income tax                  | No restrictions on foreign ownership                                     | Allowed, subject to lease terms                                 | Short-term rentals limited to 90 days/year without planning permission | Investor visa for £2M + investment  | High property prices, complex regulation              | Medium                  |
| New York    | Property tax varies, up to 37% income tax, federal and state capital gains tax | Foreign investors form a US business entity                              | Written permission from landlord required                       | Subleases must be for 30+ days   | EB-5 visas for \$1.8M + investment  | High property prices, stringent tenant laws           | Medium                  |
| Singapore   | Up to 6% stamp duty, progressive property tax, up to 22% income tax            | Approval from LDAU required, restrictions under Residential Property Act | Subletting to related businesses allowed with JTC approval      | Subleasing for less than 3 months illegal                              | Global Investor Programme for S\$2.5M+ investment   | High additional buyer's stamp duty, market volatility | Medium                  |
| Hong Kong   | Up to 15% stamp duty, 15% property tax, no capital gains tax                   | No restrictions on foreign ownership                                     | Depends on mortgage agreement, lease terms, and owner's consent | Maximum 28 days per stay without registration                          | Capital Investment Entrant Scheme for HK\$10M+ investment   | Political instability, high property prices           | Medium                  |
| Monaco      | No property tax, no income tax, 1% stamp duty                                  | Non-residents need a certificate of residence, higher purchase taxes     | Allowed with landlord's consent                                 | Maximum 56 days per year   | Residency requires proof of funds   | Extremely high property prices, limited space         | Hard                    |
| Los Angeles | Property tax varies, up to 37% income tax, federal and state capital gains tax | Foreigners can buy, sell, rent, or lease properties                      | Allowed unless lease prohibits                                  | Short-term rentals limited to 120 days per year without registration   | EB-5 visa for \$1.8M + investment   | High property prices, natural disaster risks          | Medium                  |
| Las Vegas   | Property tax varies, up to 37% income tax, federal and state capital gains tax | Foreigners can buy, sell, rent, or lease properties                      | Allowed with written approval                                   | Short-term rentals banned in some areas                                | EB-5 visa for \$1.8M + investment   | Market volatility, reliance on tourism                | Medium                  |
| Paris       | 5.8% stamp duty, progressive property tax, up to 45% income tax                | No restrictions on foreign ownership                                     | License required for Airbnb, 120 days/year limit                | Short-term rentals limited to 120 days per year for primary residences | French Tech Visa for significant investment   | Bureaucratic procedures, language barriers            | Medium                  |
| Barcelona   | 1.5% stamp duty, progressive property tax, up to 28% income tax                | No restrictions on foreign ownership                                     | Tourist License required for short-term stays                   | N/A  | Golden Visa for €500K+ investment   | Regulatory changes, economic fluctuations             | Medium                  |



## VAT/Sales Tax



## Personal Income Tax



## \$1 Million USD Comparison

### Residential Space Available for \$1 Million in Major Global Cities

Dubai stands out for its relative affordability on a global scale, illustrating how much residential space can be purchased for US\$ 1 million in major global cities. In Dubai, US\$ 1 million buys 980 square feet of prime residential space, whereas in New York, it only secures 366 square feet, in London 355 square feet, and in Monaco just 172 square feet.



### Off-Plan Properties

- Lower Initial Cost
- Potential for Appreciation
- Flexible Payment Plans
- Customization of Property

### Ready Properties

- Immediate Ownership
- Reduced Risk
- Established Communities
- No Construction Delays

### Cons

#### Off-Plan Properties

- Construction Delays
- Property Value Can Fluctuate During Construction
- Developer Reliability

#### Ready Properties

- Higher Initial Cost
- Limited Customization
- Potentially Lower Rental Yields
- Immediate Payment

### Pros

## Off Plan Versus Ready Projects

In Dubai's real estate market, off-plan properties are those under construction, offering lower initial costs, potential for appreciation, and flexible payment plans, but come with risks like construction delays. Ready properties are fully constructed and available for immediate occupancy, providing immediate ownership and reduced risk, but usually at a higher initial cost. Your choice depends on your investment goals, budget, and risk tolerance.



# Investing in Dubai, A Location Guide

## Discover What Each Area Has to Offer for Your Investment

When considering short-term rental investments in Dubai, there are several prime areas to explore, each offering unique advantages.



### Beachfront Developments

Areas like Dubai Marina, Palm Jumeirah, and J1 are highly sought after for their stunning views and luxurious lifestyle. These locations are perfect for attracting tourists looking for a premium experience.



### New Cities Within a City

Developments such as Dubai Creek Harbour and Downtown Dubai offer a blend of modern living with easy access to the city's main attractions. These areas are ideal for those seeking a vibrant urban lifestyle.



### Quiet Family Communities

For a more serene environment, consider communities like Arabian Ranches and Dubai Hills Estate. These areas are designed with families in mind, featuring excellent facilities such as playgrounds, shops, restaurants, and green spaces.



### Top Luxury Locations

If luxury is your focus, areas like Emirates Hills and Jumeirah Golf Estates offer exclusive living with high-end amenities and beautiful surroundings.

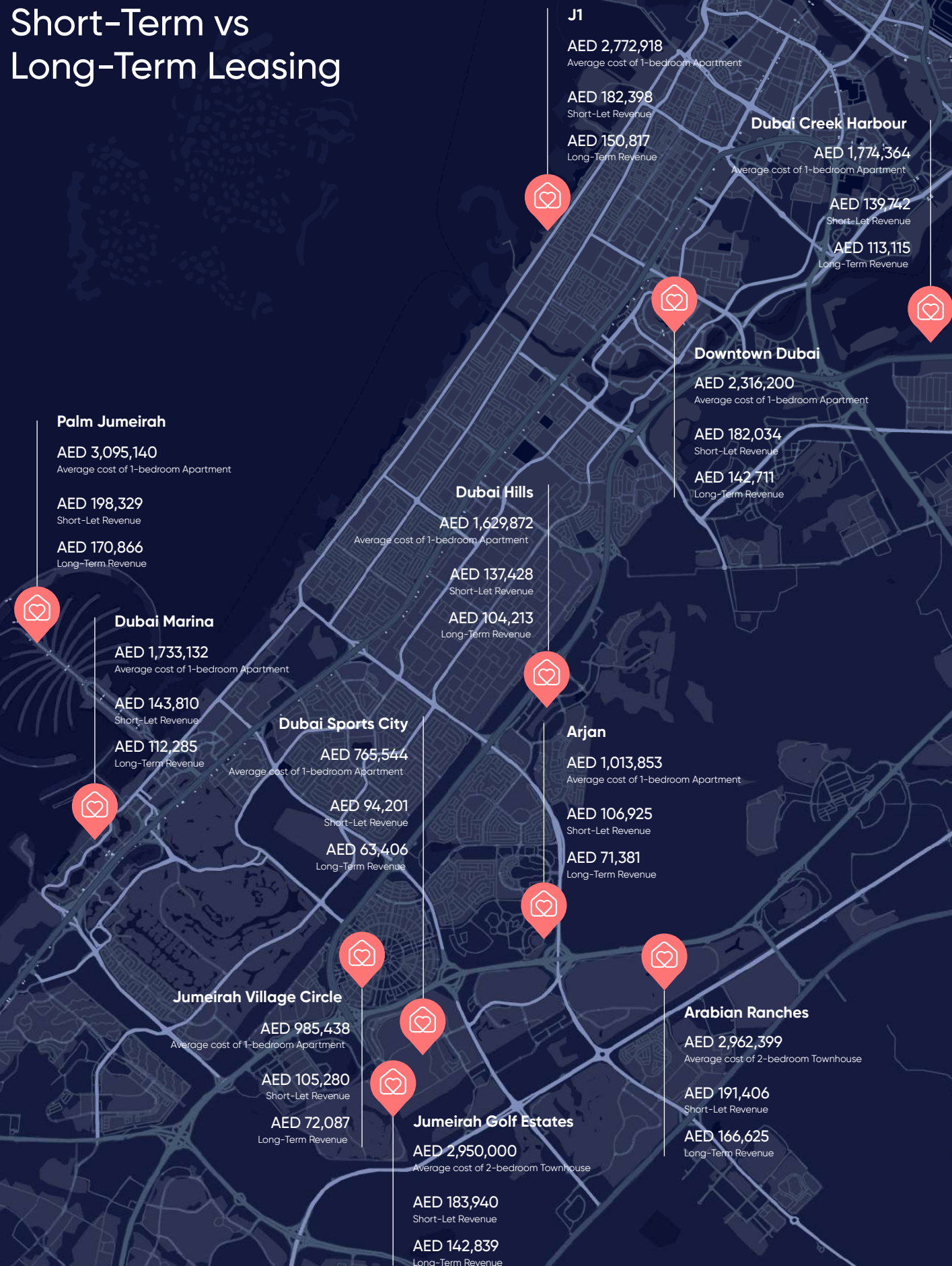


### Emerging Areas

Jumeirah Village Circle (JVC), Arjan and Dubai Sports City are excellent options for those looking for more affordable investments with high potential for growth. These areas offer a mix of residential and commercial properties, with a range of amenities and easy access to major highways, making them attractive to both residents and tourists.



# Short-Term vs Long-Term Leasing





## Short-let rentals offer several advantages over long-term leasing.

One of the primary benefits is flexibility; property owners can adjust rental prices based on demand, leading to higher income during peak seasons. Short-let also allows for more frequent property inspections and maintenance, ensuring the property remains in good condition.

Additionally, short-term rentals cater to tourists and business travelers, often resulting in higher occupancy rates and less risk of prolonged vacancies. This model can be particularly lucrative in popular tourist destinations where demand for temporary accommodation is high.

Dubai Marina, a 1-bedroom apartment purchased for **AED 1,920,000** can yield a short-term ROI of **AED 193,000** compared to **AED 145,000 for long-term leasing.**

Similarly, in Jumeirah Village Circle (JVC), a 1-bedroom apartment bought for AED 960,106 can generate AED 124,895 from short-lets versus AED 71,655 from long-term rentals. These examples highlight how short-let can offer higher rental yields, especially in areas with strong demand for short-term accommodation from tourists or residents.

# Dubai's Strategic Location

## The Crossroads of Europe, Asia, And Africa

Dubai stands out as a strategic choice for real estate investment due to its unique combination of economic benefits and geographical advantages. The city consistently provides higher rental yields compared to many other global cities, making it an attractive option for investors seeking steady income.

Geographically, Dubai's location is a significant factor in its appeal. Positioned at the crossroads of Europe, Asia, and Africa, Dubai serves as a global hub for business and travel. This strategic location facilitates access to a vast range of markets, making it an ideal base for international business operations. These factors collectively enhance Dubai's attractiveness as a prime destination for real estate investment.





# Dubai's tourism sector saw a remarkable increase in visitor numbers, with **17.15 million international tourists in 2023**, up 19% from 2022.

In 2024, Dubai welcomed over 10 million visitors in the first half alone, indicating a continued upward trend and setting Dubai on track for a record tourism year<sup>6</sup>. By 2025, Dubai aims to attract between 23–25 million tourists. Dubai International Airport (DXB) handled 86.9 million passengers in 2023 and is projected to serve 88.8 million in 2024.

Al Maktoum International Airport, set to become the world's largest, is expected to open within the next decade and will eventually accommodate up to 260 million passengers annually. Currently, DXB offers direct flights to 267 destinations, and once Al Maktoum Airport is fully operational, it is expected to significantly expand this network, potentially serving over 400 destinations.

**AED 128.45 billion**

COST

**260 million**

CAPACITY

**400 aircraft gates**

INFRASTRUCTURE

**10 years**

TIMELINE



# Top Tourist Destinations



Gold Souq

Dubai Frame

Burj Al Arab

Museum of the Future

Burj Khalifa

Madinat Jumeirah

Dubai Fountain

The Dubai Mall

Atlantis Water Park

Dubai Marina  
Jumeirah Beach Residences

JBR

IMG Worlds of Adventure

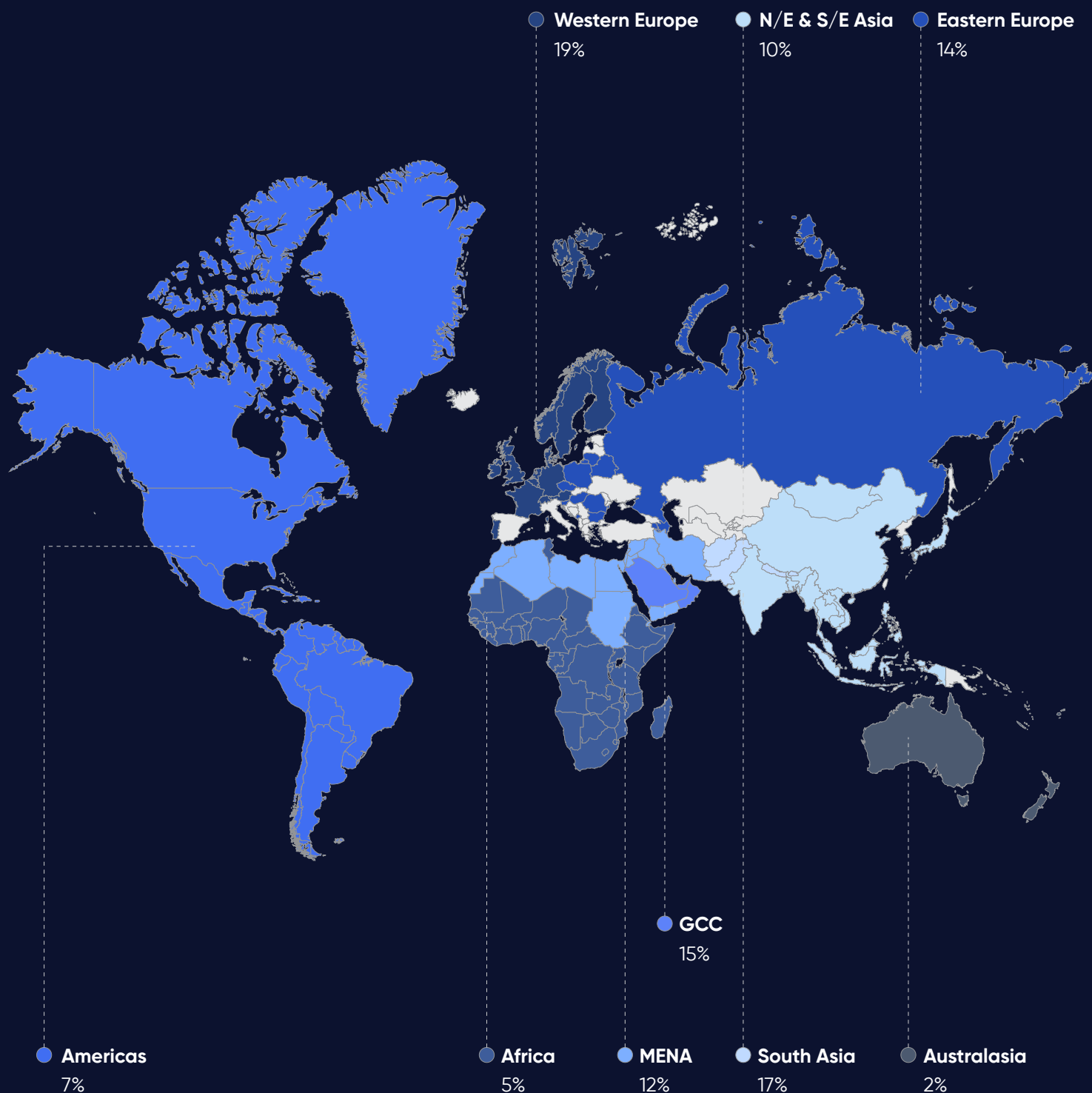
IMG  
WORLDS  
OF  
ADVENTURE

Dubai Miracle Garden


Global Village



## Where are tourists coming from?







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