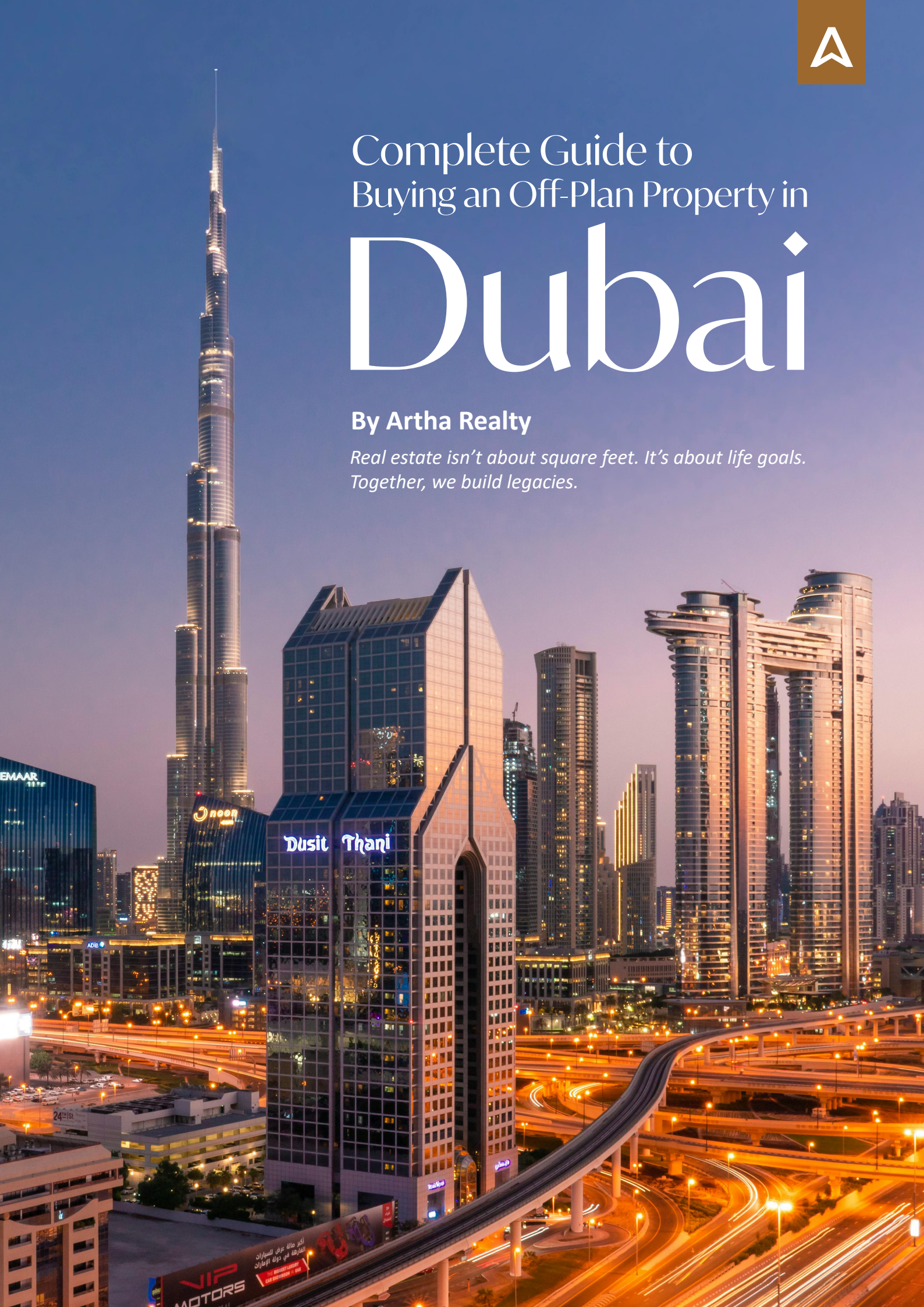




Complete Guide to Buying an Off-Plan Property in Dubai

By Artha Realty

*Real estate isn't about square feet. It's about life goals.
Together, we build legacies.*





Introduction

Dubai's off-plan property market has evolved into one of the most structured, transparent, and opportunity-rich investment avenues globally. Buying off-plan means purchasing a property before it is completed, often directly from a developer.

It offers lower entry prices, flexible payment plans, and strong capital growth potential, but also carries obligations and risks — timelines, developer performance, and market fluctuations.

This guide gives you the complete roadmap — from due diligence to contract, payments to handover, and even resale or exit — ensuring you know exactly what to expect, what to demand, and what to avoid.

Section 1: What is an Off-Plan Property?

An **off-plan property** is one that is sold **before completion** — buyers purchase based on blueprints, renders, and show units.

Key benefits:

- Lower launch prices than ready stock.
- Attractive payment plans (construction-linked or post-handover).
- High potential for capital appreciation.
- Choice of unit, floor, and layout before sell-out.

Key considerations:

- Construction delays may occur.
- Market values can fluctuate before handover.
- Final finishes may vary slightly from show units.

Section 2: The Legal & Regulatory Framework

1. Developer Approval & Escrow

- Developers must hold a **RERA permit**, own the land, and open a **dedicated escrow account** for each project under **Law No. 8 of 2007**.
- All buyer payments must go **into the escrow account** — never to a developer's general or personal account.
- Funds are released only as construction milestones are certified by RERA.

2. Registration

- Your purchase must be registered in the **DLD's Oqood system**, which acts as a pre-title record of ownership for off-plan properties.
- The Oqood registration fee typically ranges **AED 1,000–AED 5,000**.
- The **4 % DLD transfer fee** applies at this stage.



3. Buyer Protections

- RERA can suspend or cancel projects if developers fail obligations, and escrow funds are then refunded to buyers.
- Developers are required to disclose project completion schedules, specifications, and payment structures in the SPA.

4. Handover & Title Deed

- Upon completion, the developer obtains a **Building Completion Certificate (BCC)**.
- You pay the remaining balance, and the **Dubai Land Department issues your Title Deed**.

Section 3: Documents Required

Buyer Type	Key Documents
UAE Residents	Passport, Emirates ID, residence visa, proof of address, proof of funds/bank statements
GCC Nationals	Passport, GCC ID, bank statements (if financing)
International Buyers	Passport, home-country address proof, proof of funds, notarised + attested Power of Attorney (if represented)
Corporate Buyers	Trade licence, MOA/AOA, board resolution, UBO declaration, signatory IDs

Developer provides: Reservation Form, SPA, Escrow Account details, floor plan, brochure, and Oqood registration confirmation.

Section 4: Step-by-Step Buying Process

1. Research & Developer Selection

- Evaluate developer reputation, past delivery, and escrow history.
- Visit show apartments or review verified renders and specifications.
- Compare payment plans and post-handover options.

2. Reservation & Deposit

- Choose your unit, sign a Reservation Form, and pay 5–20 % deposit into the developer's escrow account.

3. Sales & Purchase Agreement (SPA)

- Signed within 2–4 weeks after reservation.
- Details price, unit size, specifications, payment schedule, handover date, penalties, and variation clauses.
- Ensure Oqood registration immediately after signing.
- Pay 4 % DLD fee + admin charges,

4. Construction-Linked Payments

- Payments made per milestones (e.g., foundation 10 %, superstructure 20 %, finishing 30 %, handover 40 %).
- Always pay only into escrow.



5. Monitoring Progress

- RERA updates progress on the DLD portal.
- Visit the site or request progress reports.

6. Handover & Title Registration

- Developer issues handover notice when project completes.
- Conduct snagging inspection before final payment.
- Pay final instalment + receive keys and Title Deed.

Section 5: What Must Be in Your SPA (Contract Fine Print)

Clause	Why It Matters
Long-Stop Date	Final date after which buyer can cancel and seek refund if project delayed.
Delay Penalties (Both Ways)	Defines compensation per day for developer delay and late fees for buyer instalments.
Variation Tolerance	Acceptable area change ($\pm 2-5\%$) and how refund or extra charge handled.
Specification Change Clause	Limits substitutions in materials or finishes; must match brochure standard.
Force Majeure	Defines legitimate uncontrollable delays vs. commercial ones.
Assignment/Resale Rules	Minimum % payment before resale, NOC fees, developer approval timeline.
Dispute Resolution	Defines jurisdiction (Dubai Courts or arbitration) and notice procedure.
PoA Acceptance	Specifies notarisation/attestation path for overseas buyers.

Tip: Artha Realty ensures every SPA is reviewed for fairness and escrow compliance before signing.

Section 6: Payment Plan, Escrow, and Milestones

Example Construction-Linked Payment Plan:

Milestone	% of Price	Verification
Booking + SPA signing	10 %	Receipt / Escrow confirmation
Foundation complete	10 %	RERA certified
Superstructure complete	20 %	RERA certificate
Internal works	20 %	Progress report
Finishing	20 %	Developer update
Handover (on BCC)	20 %	Final inspection + Title transfer

Escrow Rule of Thumb:

Always transfer to the **project's escrow IBAN** listed on your SPA or DLD portal — not to any sales agent or generic account.



Section 7: Fees & Costs

Fee Type	Amount / Notes
Reservation Deposit	5–10 % of unit price
Oqood Registration	AED 1,000 – 5,000
DLD Transfer Fee	4 % of price
Admin/Trustee Fee	AED 4,000 – 5,000
Service Charges	AED 15 – 25 per sq ft (annual, after handover)
Connection Fees	DEWA AED 2,000 deposit; chiller/telecom varies
Mortgage Registration	0.25 % of loan amount (+ AED 290 admin)
Assignment Fee (if resale)	Typically 2 % – 4 % + developer NOC fee

Section 8: Financing Considerations

- **Banks for off-plan:** Some lend only after 20 – 50 % construction completion or to RERA-approved developers.
- **LTV (LTV = Loan-to-Value):** Residents up to 80 %; non-residents 60 % (typical).
- **Pre-approval:** Obtain early; verify that bank supports your developer and project.
- **Currency/FX:** For non-residents paying abroad, factor in exchange rates and bank timelines.
- **Post-handover plans:** Confirm if your bank will take over developer's post-handover instalments.

Section 9: Snagging, Warranties & Delivery Standards

Stage	Buyer Rights
Snagging Inspection	Conduct before final payment; report defects (flooring, paint, AC, fixtures).
Defect Liability Period	1 year from handover for defects in fit-out and mechanical systems.
Structural Warranty	10 years under developer's insurance.
Rectification Timeline	Developer typically has 30–90 days to fix post-handover issues.
Documents to Collect	Handover letter, key handover form, parking map, OA registration, utility clearances.

Section 10: Ownership, Use & Community Rules

- **Parking & Storage:** Confirm number and size in SPA appendix; get EV charging rights if applicable
- **Short-Lets:** Check if DTCM holiday-home permits allowed in the building/community.
- **Community Policies:** Pet, balcony, fit-out and move-in rules often apply.
- **Service Charges:** After handover, billed via Mollak system and paid to Owners Association.



Section 11: Compliance, KYC & AML

- **Source-of-Funds Proof:** Salary slips, tax returns, bank statements — banks and developers must comply with UAE AML laws.
- **Document Retention:** Keep all SPA receipts, escrow payment proofs, Oqood certificates — these will be required at handover and for resale
- **Oqood Updates:** Each assignment or transfer must be re-registered.

Section 12: Exit, Assignment & Resale

Scenario	Buyer Options
Before Handover (Assignment)	Allowed after you pay developer's minimum threshold (usually 30 – 40 % of price). Requires developer NOC and Oqood update.
After Handover	Standard DLD transfer process
Project Delay Beyond Long-Stop	Buyer can seek RERA intervention or refund via escrow if project cancelled.
Market Exit Strategy	Coordinate listing timeline ~ 3 months before handover to target ready buyers or investors.

Section 13: Risks, Delays & How to Mitigate

Risk	Mitigation
Developer Delay	Long-Stop date and penalty clauses in SPA.
Material Change	Set variation tolerance max 5 %.
Cash Flow Issues	Maintain buffer for construction delays or schedule shifts.
Value Drop	Buy in prime locations or master communities with end-user demand.
Developer Insolvency	Verify escrow and RERA registration.
Liquidity Risk	Know assignment rules and fees before buying.

Section 14: Timeline Overview

Stage	Duration
Research & Developer Check	1-2 weeks
Reservation & Deposit	Immediate
SPA Signing & Oqood Registration	Within 2-4 weeks
Construction Period	12-36 months (average)
Handover & Snagging	1 month period
Title Registration	1 day at trustee office
Post-Handover Payments/Setup	1-4 weeks

Section 15: Comparison – Off-Plan vs Ready

Aspect	Off-Plan	Ready
Entry Price	Lower	Higher
Payment Structure	Installments over construction	Full at purchase
Rental Income	After completion	Immediate
Risk Level	Moderate (handover timing)	Low
Capital Growth Potential	High (if market rises)	Steady
Liquidity	Lower until handover	High

Section 16: Golden Visa Eligibility

- Investors owning **AED 2 million+** property qualify for the **10-year UAE Golden Visa**, even for off-plan units once they reach that paid value.
- For mortgaged properties, a bank letter confirming \geq AED 2 million paid is required.

Section 17: Final Buyer Checklist

Before Reservation

- ☐ Verify developer RERA approval
- ☐ Confirm escrow account and IBAN
- ☐ Review developer track record & project status
- ☐ Inspect show unit / brochure
- ☐ Compare payment plans & handover dates

Before SPA

- ☐ Check Long-Stop date + delay penalty
- ☐ Confirm Oqood registration timeline
- ☐ Include variation tolerance limit ($\leq 5\%$)
- ☐ Define handover penalties & Force Majeure
- ☐ Include resale rules & assignment fees
- ☐ Confirm dispute resolution mechanism

- ☐ Pay 4 % DLD fee

During Construction

- ☐ Pay only to escrow account
- ☐ Keep receipts + Oqood updates
- ☐ Monitor RERA progress reports
- ☐ Budget for final fees & service charges

At Handover

- ☐ Snag inspection + sign off
- ☐ Collect BCC + handover letters
- ☐ Pay final instalment
- ☐ Receive Title Deed and keys
- ☐ Register utilities + OA + insurance



Section 18: Artha Realty's Commitment

At Artha Realty, we simplify the complex. From your first call to the handover of your keys — we verify, document, and protect.

We help you:

- Vet developers and projects.
- Review SPAs and payment plans.
- Manage Oqood registrations and escrow tracking.
- Conduct snagging and handover oversight.
- Plan your exit or Golden Visa pathway.



**Real estate isn't just about buying units.
It's about building your legacy.**

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