

UAE Real Estate: The Definitive Guide to Taxation & Finance

An essential reference for investors and homeowners.



RE/MAX
SMART CONCEPT





Your Guide to Navigating the UAE's Financial Landscape with Precision

This guide provides a comprehensive and meticulously structured overview of the key taxation and finance regulations governing the UAE real estate market.

Each section is designed as a self-contained module for clear, easy reference.

We believe in empowering our clients with accurate, actionable information.

**Human-led intelligence
supported by AI precision.**



4.1

Corporate Tax (CT)

4.1 | Corporate Tax (CT) Framework

Headline rates (onshore UAE)

0% on the first AED 375,000 of taxable income.

9% above that threshold.

Free zones

A Free Zone Person may qualify as a Qualifying Free Zone Person (QFZP) and apply **0%** on Qualifying Income.

Conditions: Must meet substance, audited-accounts, and de-minimis tests ($\leq 5\%$ or AED 5m of non-qualifying revenue, whichever is lower), plus other conditions.

9% applies to non-qualifying income.

Pillar Two / DMTT

A **15%** Domestic Minimum Top-up Tax applies to in-scope MNE groups (\geq EUR 750m consolidated revenue).

Effective for financial years beginning on/after 1 Jan 2025.

Withholding tax

0% (generally) under the CT Law.

Compliance highlights

CT registration with FTA.

Maintain audited financial statements (mandatory for QFZP).

Transfer pricing documentation for groups over thresholds.

Quarterly/annual filings per FTA guidance.

4.2

VAT - Real.Estate Treatment

4.2 | VAT (5%) Application in Real Estate

Rates & Property Types

Standard rate	5% on most supplies.
Residential	First supply (sale/lease) of a new building within 3 years of completion → 0% (zero-rated). Subsequent supplies → VAT-exempt.
Commercial	5% on sale/lease (includes offices, retail, hotels/serviced accommodation).
Land	Bare land → Exempt. Developed/covered land → 5% (unless part of a zero-rated first residential supply).

Special Cases & Thresholds

Special Cases	Designated zones and the first supply of charitable buildings (zero-rated) have special rules.
Registration Thresholds	Mandatory: AED 375,000 taxable turnover. Voluntary: AED 187,500 taxable turnover.

4.3 | The Advantage: No Personal Income or Annual Property Tax

There is no personal income tax at the federal level in the UAE.

There is no recurring annual property tax. Municipal housing or “community” fees may apply per emirate (e.g., Dubai housing fee collected via utility bills).

****Clarification**:** Transaction charges (such as registration, transfer, and mortgage fees) are one-time fees, not a recurring property tax.





4.4

Banking & Mortgages

4.4 | Mortgage Framework: UAE Nationals

Governed by CBUAE rules and specific bank policies.

Owner-Occupied / First Home (Central Bank Ceilings)

Property Value \leq AED 5 million: Up to **85% LTV**.

Property Value $>$ AED 5 million: Up to **75% LTV**.

Second Home / Investment Property

LTVs are determined by bank policy, typically **~60-65%** for completed units. (Note: Bank policy, not statute.)

Off-Plan Properties (All Buyer Types)

Maximum **50% LTV** during construction (uniform cap).

Age / Maturity Controls

Debt-Burden Ratio (DBR) capped at 50%.
Maximum loan tenor commonly 25 years.

4.4 | Mortgage Framework: Expat Residents

Market application is aligned to prudential caps and lender policy.

Owner-Occupied / First Home (Market Application of Ceilings)

Property Value \leq AED 5 million: Typically capped at up to **80% LTV**.

Property Value $>$ AED 5 million: Typically **~70-75% LTV**. (Note: This is market practice; verify with the lender.)

Second Home / Investment Property

Typically **~60-65% LTV** for completed units (varies by lender).

Off-Plan Properties

Maximum **50% LTV**.

Age / Maturity Controls

DBR cap of 50%.

Age at final payment is policy-based (e.g., common caps are ~65 for salaried, ~70 for self-employed).

4.4 | Mortgage Framework: Non-Residents & Process Costs

Completed Properties (Investment Use)

Banks generally cap at **~50-60% LTV**. (Note: Dependent on income verification, country of residence, and property. Confirm with bank.)

Off-Plan Properties

Maximum **50% LTV**.

Controls

50% DBR cap and bank-specific age limits apply.

Process Costs to Budget (All Buyers)

- Valuation Fee
- Bank Processing Fee
- Mortgage Registration Fee:
 - Dubai: **0.25%** of the loan amount.
 - Abu Dhabi: **~0.1%** of the loan amount (subject to minimums).

4.5

The New Frontiers: REITs, Tokenization & Fractional Ownership

4.5 | Understanding Modern Investment Structures

REITs (Public/Private)

- Offer dividend-led exposure without direct ownership.
- Public REITs list on Nasdaq Dubai (e.g., Emirates REIT) and DFM.
- ADGM (FSRA) provides a detailed REIT regime with rules on income distribution, leverage, and development.

Tokenization / Fractional Ownership

- **Dubai (VARA):** Regulates Virtual Asset Service Providers (VASPs) and related activities.
- **ADGM (FSRA):** Distinguishes Virtual Assets from Digital Securities. Tokenized real estate interests that are securities fall under digital securities guidance.

Practical Takeaway

- Any fractional/tokenized offering must be structured under the appropriate securities/funds regime (e.g., ADGM, SCA).
- Offerings must meet AML/KYC and marketing rules.
- VARA licensing is required for VA activities in Dubai (ex-DIFC).

4.6 | Regulatory Frameworks for Crypto & Digital Assets



Dubai (VARA)

The *Virtual Assets and Related Activities Regulations 2023* is the operative framework. VARA is the sole VA regulator for Dubai's mainland and free zones (except DIFC).

ADGM (FSRA)

Latest guidance: *Regulation of Virtual Asset Activities (updated 10 June 2025)*. Treats tokenized interests with security-like features as 'Digital Securities' under its securities perimeter

Implications for Real Estate Settlements

Use of Virtual Assets in property transactions has reporting obligations. The UAE FIU's goAML system requires a *Real Estate Activity Report (REAR)* for purchases involving funds converted from/to a virtual asset.

A Practical Guide to Registration & Statutory Fees

4.7 | Illustrative Government & Statutory Fees

**Fees vary. Always confirm on the official service page before a transaction.*

Dubai (DLD / RERA)

Transfer (sale) fee: **4%** of purchase price.

Trustee office fee: AED 4,000-4,200 (incl. VAT).

Title deed issuance/admin: ~AED 580 + fees.

Mortgage registration: **0.25%** of loan amount (+ admin).

Off-plan (Oqood) registration: **4%** of price (+ admin).

Abu Dhabi (ADREC / DARI)

Transfer/registration fee: **2%** of purchase price.

Mortgage registration: **~0.1%** of loan (min. caps may apply).

NOC Fee: AED 5,000 (fixed for most developers).

Digital rails: All applications run through the DARI platform.

4.8 | Official Sources & References

Taxation

UAE Ministry of Finance (CT, VAT)
Ministerial Decision 139/2023
OECD Pillar Two Guidance
FTA Real Estate VAT Guide (VATGRE1)

Finance & Banking

CBUAE Rulebook - Mortgage Loans

Emirate-Level Regulation

DLD service pages
ADREC / DARI service guidance
ADGM Real Property (Fees) Rules 2024

REITs & Digital Assets

Emirates REIT

DFM

ADGM FSRA (REIT rules, VA Guidance, Digital Securities Guidance)

VARA Regulations 2023

SCA Crypto Assets Regulation



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