



Why Choose Dubaiesque for Mortgage Assistance?

At Dubaiesque, we provide expert guidance on securing the best mortgage rates and financing solutions in Dubai.

Our Services Include:

- ✓ Mortgage Pre-Approval Support – Get pre-qualified for better negotiations.
- ✓ Lender Comparison – Find the best mortgage rates and terms.
- ✓ Property Valuation & Legal Support – Hassle-free mortgage approval process.
- ✓ Off-Plan Mortgage Solutions – Expert advice on financing under-construction properties.

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يراقعنا

Secure Your Dream Home with the Best Mortgage Solutions in Dubai!



DUBAIESQUE STEP BY STEP TO MORTGAGES

Comprehensive Mortgage Guide in Dubai

Introduction

Dubai's real estate market is one of the most dynamic in the world, offering lucrative opportunities for both residents and non-residents. If you're planning to finance a property purchase in Dubai, understanding the mortgage process is crucial to making informed decisions. This guide provides a detailed, step-by-step overview of securing a mortgage in Dubai, along with recent developments, including DAMAC Properties' 35% completion mortgage initiative.

1. Understanding Mortgage Financing in Dubai

Who Can Apply for a Mortgage?
Mortgages in Dubai are available to:

- UAE Nationals – Can access competitive rates and higher loan-to-value (LTV) ratios.
- UAE Residents (Expats) – Can obtain mortgages from UAE banks with a minimum required salary.
- Non-Residents – Limited mortgage options but can still apply with select lenders, usually requiring higher down payments.



How Much Can You Borrow?

- Salaried individuals – Maximum financing up to 80% of property value (UAE nationals) or 75% (expats) for properties under AED 5 million.
- Self-employed individuals – Financing eligibility depends on business revenue, company stability, and bank statements.
- Non-residents – Typically receive a 50% mortgage of the property value.

Mortgage Terms & Loan Duration

Maximum loan tenure: 25 years (expats) or 30 years (UAE nationals).

Maximum age at loan maturity: 65 years for salaried individuals, 70 years for self-employed borrowers.

2. Types of Mortgages Available in Dubai

1. Fixed-Rate Mortgage

- The interest rate remains the same for a set period (1-5 years), ensuring stability in repayments.
- Ideal for those seeking predictable monthly payments.

2. Variable-Rate Mortgage

- The interest rate fluctuates based on EIBOR (Emirates Interbank Offered Rate).
- Suitable for those willing to take a risk for potential savings.

3. Offset Mortgage

- Allows borrowers to offset their savings against their mortgage balance, reducing interest payments.
- Beneficial for investors and those with significant cash reserves.

4. Interest-Only Mortgage

- Borrowers pay only the interest for a fixed period before repaying the principal.
- Best for short-term investors looking to maximize cash flow.

5. Islamic Mortgage (Murabaha & Ijara)

- Sharia-compliant financing, where banks purchase the property and lease or sell it back at a profit.
- No traditional interest payments, aligning with Islamic finance principles.



3. Step-by-Step Mortgage Process in Dubai

Step 1: Speak to a Mortgage Adviser

- Identifying the right mortgage can be overwhelming. Working with a qualified mortgage broker ensures access to multiple banks and competitive rates.
- Mortgage advisers can also guide you on important aspects such as life insurance, property insurance, and loan-to-value (LTV) requirements.

Step 2: Mortgage Pre-Approval

- Secure a pre-approval letter from a bank, confirming your loan eligibility and budget.
- Pre-approval is valid for 60-90 days.
- Required Documents:
 - Passport & visa copy
 - Emirates ID (for residents)
 - Salary certificate (for salaried individuals)
 - Company trade license & financial records (for self-employed individuals)
 - Bank statements (past 6-12 months)
 - Credit report (some banks require this for assessment)

Step 3: Find a Property

- Work with a real estate agent to shortlist properties within your budget.
- Ensure the property is mortgage-compliant (some off-plan properties may not qualify).

Step 4: Make an Offer & Sign the Agreement

- Negotiate the price and sign a Memorandum of Understanding (MOU).
- Pay an initial deposit of 10%, held in escrow.
- Engage a conveyancer or property lawyer for legal due diligence.



Step 5: Property Valuation

- The lender appoints a valuation company to assess the property's market value.
- Fees for valuation range from AED 2,500 to AED 3,500.
- If the valuation is lower than the agreed price, the borrower must cover the difference.

Step 6: Final Mortgage Approval & Loan Disbursement

- The bank issues a Final Approval Letter outlining the formal terms of financing.
- The borrower opens a new account with the bank and deposits their share of the funds.
- The bank then prepares manager's cheques for payments (to the seller, developer, and mortgage settlement).

Step 7: Transfer of Ownership

- Both buyer and seller visit the Dubai Land Department (DLD) Trustee Office to complete the transfer.
- Buyer pays the 4% DLD transfer fee + mortgage registration fee (0.25% of the loan amount).
- The new Title Deed is issued in the buyer's name.

4. DAMAC's 35% Completion Mortgage Initiative

DAMAC Properties has partnered with Abu Dhabi Islamic Bank (ADIB) to offer mortgages on off-plan properties at 35% construction completion, allowing buyers to finance their properties earlier in the development cycle.



Key Benefits:

Early Financing Access: Buyers can obtain mortgage financing at an earlier stage than usual.

Lower Initial Investment: Makes homeownership more accessible to first-time buyers.

Flexible Repayment Plans: Structured payments spread across construction and handover.

Who is Eligible?

Available for selected DAMAC developments.

Suitable for UAE residents and non-residents.

Subject to individual bank credit approval

5. Mortgage Fees & Costs in Dubai

Mandatory Costs to Consider

DLD Transfer Fee: 4% of the property value.

Mortgage Registration Fee: 0.25% of the loan amount.

Processing Fees: 0.5% to 1% of the loan amount.

Property Valuation Fee: AED 2,500 - AED 3,500.

Trustee Office Fee: AED 5,250.

6. Common Pitfalls to Avoid

Not Checking Your Credit Score: A low score can result in loan rejection or high interest rates.

Ignoring Additional Costs: Factor in service charges, insurance, and maintenance fees.

Overlooking Interest Rate Changes: Be aware of how variable rates may impact payments.

Not Understanding Exit Clauses: Ensure clarity on early repayment penalties.