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Mortgage Guide for Buying Property in Dubai.

MORTGAGE GUIDE | FINANCING | BUYER'S GUIDE



Dubai Mortgage Guide for Expats and Foreign Investors (2026)

Buying property in Dubai with a mortgage can make your investment more accessible, improve cash flow, and allow you to preserve capital for other opportunities. Whether you are a UAE resident, an expat living in Dubai, or an overseas investor, understanding how mortgages work is essential before making an offer.

This guide explains the key mortgage rules, eligibility requirements, loan-to-value limits, down payments, required documents, approval process, and practical considerations for financing property in Dubai in 2026.

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UNDERSTANDING MORTGAGES IN DUBAI

Dubai has a well-established mortgage market with financing options available from local and international banks. Buyers can use a mortgage to purchase ready properties, completed homes, and in some cases, selected off-plan properties depending on the developer, project stage, and lender policy.

A mortgage allows the buyer to finance part of the property value through a bank loan while contributing the remaining amount as a down payment. The property is then registered under the buyer's name, while the bank registers a mortgage against the property until the loan is repaid.

• How the UAE Mortgage Market Works

Mortgage lending in the UAE is regulated by the Central Bank of the UAE. Banks assess each applicant based on income, employment status, credit history, existing liabilities, age, and the property being purchased.

The bank also evaluates the property itself to confirm its market value, condition, eligibility, and suitability for financing. This is why mortgage approval depends on both the buyer and the property.

• Fixed vs Variable Interest Rates

Most banks offer fixed-rate and variable-rate mortgage options.

A fixed-rate mortgage keeps the interest rate unchanged for a specific period, usually between one and five years. This gives buyers more predictability when planning monthly repayments.

A variable-rate mortgage can change based on market conditions and benchmark rates. This may be beneficial when rates fall, but it can also increase monthly payments if rates rise.

The best option depends on your risk tolerance, income stability, investment horizon, and expectations for future interest rates.

• Islamic vs Conventional Mortgages

Buyers in Dubai can choose between conventional mortgages and Sharia-compliant Islamic home finance.

Conventional mortgages are interest-based, while Islamic finance products are structured differently, often using models such as Ijarah or Murabaha. Many UAE banks offer both options, allowing buyers to choose the structure that best suits their financial and personal preferences.



WHO CAN APPLY FOR A MORTGAGE IN DUBAI?

Mortgage options are available to several buyer profiles, although terms vary depending on residency status, income type, nationality, bank policy, and property type.

• UAE Residents

UAE residents with valid residency visas and Emirates IDs can usually apply for mortgage financing through local banks. Salaried employees often have a more straightforward approval process, especially when working for a recognised company and receiving regular salary transfers.

• Non-Resident Foreign Investors

Non-residents can also apply for mortgages in Dubai, although the requirements are usually stricter. Banks may request additional overseas income documents, tax records, credit reports, and bank statements.

Non-resident mortgages generally require a larger down payment compared to resident mortgages.

- **Self-Employed Applicants**

Self-employed applicants, business owners, and freelancers can qualify for mortgage financing, but banks usually require more documentation. This may include trade licences, company financial statements, VAT returns, personal bank statements, company bank statements, and proof of consistent income.

- **Company Owners**

Company owners may be assessed based on both personal income and business performance. Banks typically review the financial health of the company, length of operation, revenue consistency, liabilities, and shareholder structure.



HOW MUCH CAN YOU BORROW?

The amount you can borrow depends on the loan-to-value ratio, your income, existing financial commitments, credit profile, age, and the property value.

- **What Is Loan-to-Value?**

Loan-to-value, commonly known as LTV, refers to the percentage of the property value that the bank is willing to finance.

For example, if a property costs AED 2,000,000 and the bank approves 75% LTV, the bank may finance AED 1,500,000. The buyer would need to contribute the remaining AED 500,000 as the down payment, in addition to transaction costs.

TYPICAL LOAN-TO-VALUE RATIOS

BUYER TYPE	TYPICAL MAXIMUM LTV	TYPICAL MINIMUM DOWN PAYMENT
UAE Nationals, first property under AED 5 million	Up to 80%	From 20%
UAE Resident Expats, first property under AED 5 million	Up to 75%	From 25%
Resident Expats, property above AED 5 million	Often up to 65%	From 35%
Second or additional property	Usually lower LTV	Higher down payment required
Non-resident foreign investors	Often around 50% to 60%	Usually 40% to 50%

Exact limits depend on the bank, the applicant profile, and the property being purchased. Buyers should always confirm eligibility before making a financial commitment.



RESIDENT VS NON-RESIDENT MORTGAGES

The biggest difference between resident and non-resident mortgages is usually the down payment requirement, documentation process, and lender flexibility.

• Resident Mortgages

Residents generally have access to more competitive mortgage terms because banks can more easily assess local income, employment history, credit bureau records, and banking activity.

• Resident buyers may benefit from:

- Higher loan-to-value ratios
- More bank options
- Faster processing
- More competitive rates
- Easier income verification

• Non-Resident Mortgages

Non-resident buyers can still finance property in Dubai, but the process may require more planning. Banks often ask for overseas income verification, international bank statements, proof of employment or business ownership, and credit documentation from the buyer's home country.

• Non-resident buyers should be prepared for:

- Higher down payments
- Lower loan-to-value ratios
- More documentation
- Potentially longer approval timelines
- More limited lender options



DOCUMENTS REQUIRED FOR A DUBAI MORTGAGE

The exact documents required depend on whether you are a UAE resident, non-resident, salaried employee, or self-employed applicant. However, most banks request a similar set of core documents.

• Documents for UAE Residents

- Passport copy
- Valid UAE residence visa
- Emirates ID
- Salary certificate or employment letter
- Recent payslips, if required
- Bank statements, usually for the last three to six months
- Credit report
- Details of existing loans, credit cards, or liabilities
- Property documents once a property is selected

• Documents for Non-Residents

- Passport copy
- Proof of residence address
- Overseas bank statements
- Salary certificate or employment confirmation
- Tax returns or income statements, where applicable
- Credit report from the home country, if requested
- Proof of assets or savings
- Property details once selected

• Documents for Self-Employed Buyers

- Passport copy
- Emirates ID and visa, if UAE resident
- Trade licence or company registration documents
- Company bank statements
- Personal bank statements
- Audited financial statements, if available
- VAT returns, if applicable
- Shareholder documents
- Proof of business activity

MORTGAGE PRE-APPROVAL

Mortgage pre-approval is one of the most important steps before buying property in Dubai with financing.

Pre-approval gives you a clear idea of how much the bank may be willing to lend. It also helps you understand your likely monthly repayment, required down payment, and overall affordability before committing to a property.

• Why Pre-Approval Matters

- It confirms your approximate borrowing capacity
- It helps you search within a realistic budget
- It shows sellers that you are a serious buyer
- It can make negotiations stronger
- It reduces the risk of delays later in the transaction
- It helps identify potential approval issues early

• How Long Does Pre-Approval Take?

Timelines vary by bank and applicant profile. Salaried UAE residents with clear documentation may receive pre-approval relatively quickly. Self-employed applicants and non-residents may require more time due to additional checks and documentation.

• How Long Is Pre-Approval Valid?

Mortgage pre-approval is usually valid for a limited period. The exact validity depends on the bank. Buyers should confirm the validity period and avoid assuming that approval will remain open indefinitely.

• What Happens After Pre-Approval?

Once pre-approved, you can begin shortlisting suitable properties with more confidence. After selecting a property, the bank will usually conduct a valuation and move toward final approval before the transfer process.

MORTGAGE COSTS TO CONSIDER

Many buyers focus solely on the property's purchase price and down payment, but several additional costs should be included in your budget. Understanding these expenses early will help you avoid unexpected surprises and ensure a smoother purchasing process.

DUBAI LAND DEPARTMENT FEES

When purchasing property in Dubai, buyers are generally required to pay a transfer fee to the Dubai Land Department (DLD). This fee is typically calculated as a percentage of the property's purchase price and is payable during the ownership transfer process.

MORTGAGE REGISTRATION FEE

If you finance your property purchase with a mortgage, the mortgage itself must also be registered with the Dubai Land Department. Registration fees are separate from the property transfer fees and should be included in your overall purchasing budget.

PROPERTY VALUATION FEE

Before approving your mortgage, the bank will appoint an independent valuer to assess the property's market value. This valuation protects both the buyer and the lender by ensuring the property is worth the agreed purchase price.

BANK PROCESSING FEES

Most lenders charge a mortgage processing fee to cover the administrative work involved in reviewing your application, assessing your financial profile, and issuing the mortgage.

LIFE INSURANCE

Many banks require borrowers to have life insurance linked to the mortgage. This protects both the borrower and the lender by ensuring that the outstanding mortgage balance can be settled should an unexpected event occur.

PROPERTY INSURANCE

Property insurance is often required by mortgage providers. It protects the physical structure against risks such as fire and accidental damage. If you intend to rent the property, you may also wish to consider landlord insurance for additional protection.

EARLY SETTLEMENT FEES

If you decide to repay your mortgage before the agreed loan term ends, your lender may charge an early settlement fee. These fees vary between banks, so it is worth understanding the conditions before signing your mortgage agreement.

OTHER COSTS TO BUDGET FOR

- Agency commission (for secondary market purchases)
- Trustee Office administration fees
- Service charges
- Utility connection deposits
- Furniture and appliances
- Property management fees (if renting the property)



HOW TO CHOOSE THE RIGHT MORTGAGE

Not every mortgage is the same. Choosing the right financing solution requires looking beyond the advertised interest rate.

INTEREST RATE

A lower interest rate can reduce your monthly payments, but buyers should also compare processing fees, insurance costs, early settlement penalties, and flexibility.

LOAN TERM

Longer mortgage terms generally reduce monthly repayments but increase the total amount of interest paid over the lifetime of the loan.

Shorter loan terms increase monthly repayments but allow borrowers to build equity faster while reducing overall financing costs.

MONTHLY AFFORDABILITY

Buying the most expensive property you qualify for is not always the best financial decision. Your mortgage should comfortably fit within your monthly budget while leaving room for savings, investments, travel, education, and unexpected expenses.

FIXED OR VARIABLE?

Fixed-rate mortgages offer stability and predictable repayments, making them attractive for buyers who value certainty.

Variable-rate mortgages may offer savings if interest rates decrease, but monthly repayments can also increase when rates rise.

MORTGAGE FLEXIBILITY

Some banks allow borrowers to make additional repayments without penalties or offer flexible repayment options. These features can help reduce interest costs over time.

REFINANCING OPPORTUNITIES

As market conditions change, refinancing may allow you to secure a better interest rate, reduce your monthly repayments, release equity, or shorten your mortgage term.

Before refinancing, compare all associated costs against the potential savings to determine whether refinancing is financially worthwhile.

SHOULD YOU BUY WITH CASH OR FINANCE YOUR PURCHASE?

Many investors ask whether it is better to purchase property outright or use mortgage financing. There is no universal answer, as the best option depends on your investment objectives, cash flow requirements, and risk tolerance.

• Advantages of Buying with Cash

- No monthly mortgage repayments.
- No interest costs.
- Faster transactions.
- Greater negotiating power with sellers.
- Immediate ownership without financing conditions.

• Advantages of Using a Mortgage

- Preserve capital for other investments.
- Increase purchasing power.
- Potentially achieve higher long-term returns through leverage.
- Maintain liquidity for emergencies or business opportunities.

Many experienced investors choose financing even when they have sufficient funds available because they prefer to diversify their investments rather than tying all their capital to a single asset.

TIPS FOR IMPROVING YOUR MORTGAGE APPROVAL CHANCES

Preparing properly before applying can significantly improve your chances of receiving favourable mortgage terms.

- Maintain a strong credit history.
- Avoid taking new personal loans immediately before applying.
- Reduce outstanding credit card balances.
- Prepare all required documentation in advance.
- Save for a larger down payment where possible.
- Keep stable employment or business income.
- Obtain mortgage pre-approval before searching for properties.
- Work with an experienced real estate advisor who understands the financing process.

COMMON MORTGAGE MISTAKES TO AVOID

BUYING BEYOND YOUR BUDGET

Qualifying for a certain mortgage amount does not necessarily mean you should borrow the maximum available. Always leave room in your monthly budget for lifestyle expenses and future financial goals.

IGNORING ADDITIONAL COSTS

The down payment is only one part of the total investment. Buyers should budget for registration fees, valuation fees, insurance, service charges, maintenance, and moving expenses.

ONLY COMPARING INTEREST RATES

A mortgage with a lower advertised interest rate may include higher fees or less flexibility. Always compare the total cost of borrowing rather than focusing on one figure.

NOT GETTING PRE-APPROVED

Looking for properties before understanding your financing capacity can waste valuable time and may lead to disappointment if your preferred property exceeds your approved budget.

CHOOSING THE WRONG LOAN TERM

Some buyers select the longest possible repayment period simply to reduce monthly instalments. While this may improve short-term affordability, it can significantly increase total interest costs over the life of the mortgage.

FREQUENTLY ASKED QUESTIONS

CAN FOREIGNERS GET A MORTGAGE IN DUBAI?

Yes. Many UAE banks offer mortgage products for non-resident foreign investors, although financing limits and eligibility requirements may differ from those available to UAE residents.

WHAT IS THE MINIMUM DOWN PAYMENT?

The required down payment depends on your residency status, the value of the property, and the bank's lending criteria. Resident buyers generally qualify for higher loan-to-value ratios than overseas investors.

CAN I FINANCE AN OFF-PLAN PROPERTY?

Some banks offer financing for selected off-plan developments, usually after certain construction milestones have been achieved. Eligibility depends on the developer, project, and lender.

HOW LONG DOES MORTGAGE APPROVAL USUALLY TAKE?

Approval timelines vary according to the lender, applicant profile, and documentation provided. Buyers who prepare their documentation in advance generally experience a faster approval process.

CAN I REPAY MY MORTGAGE EARLY?

Yes. Most lenders allow early repayment, although early settlement charges may apply depending on the mortgage agreement.

CAN I REFINANCE MY MORTGAGE LATER?

Yes. Refinancing may allow borrowers to benefit from lower interest rates, reduce monthly repayments, release equity, or shorten the repayment period.

CAN RENTAL INCOME HELP ME QUALIFY?

Some lenders may consider rental income when assessing affordability, particularly for investment properties. Policies vary between banks.

SHOULD I GET MORTGAGE PRE-APPROVAL BEFORE CHOOSING A PROPERTY?

Yes. Mortgage pre-approval provides a clear budget, strengthens your negotiating position, and helps avoid delays during the purchasing process.

WHY WORK WITH ELITE MERIT?

Purchasing property is one of the most significant financial decisions you will make, and selecting the right financing solution is just as important as choosing the right property.

At Elite Merit, we work closely with trusted banking partners and experienced mortgage specialists to help our clients navigate every stage of the financing process.

Our team can assist you with:

- Understanding your borrowing capacity.
- Comparing financing options from multiple lenders.
- Obtaining mortgage pre-approval.
- Selecting investment properties that align with your financial objectives.
- Calculating acquisition costs and ongoing ownership expenses.
- Managing the purchase process from reservation through to title deed transfer.



Whether you are buying your first apartment, a luxury villa, or expanding your investment portfolio, our advisors provide independent guidance designed around your personal objectives.

CONCLUSION

Financing property in Dubai is a straightforward process when you understand the requirements, prepare the necessary documentation, and work with experienced professionals.

Mortgages can provide flexibility, preserve capital, and help investors grow their property portfolios while maintaining healthy cash flow. The key is selecting a financing solution that matches your long-term financial goals rather than simply choosing the lowest advertised interest rate.

Whether you are a resident purchasing your first home or an international investor entering Dubai's thriving real estate market, careful planning will help you make confident decisions and maximise the value of your investment.

READY TO FINANCE YOUR DUBAI PROPERTY?

If you are considering buying property in Dubai, the team at Elite Merit is ready to help.

From mortgage pre-approval and financial planning to identifying the right investment opportunities, we provide personalised guidance throughout every step of your property journey.

Contact Elite Merit today to arrange a consultation and discover how we can help you secure the right property and financing solution for your goals.



Ready to list your property?
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