

Dubai RENT VS BUY

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QUICK COMPARISON TABLE

FACTOR	BUYING	RENTING
Upfront costs	High (20% deposit + fees)	Low (5% deposit + agency fees)
Monthly payments	Mortgage + service charges	Rent (fixed for lease terms)
Ownership	You build equity + long-term assets	No ownership, no equity
Flexibility	Low - harder to relocate	High - easy to move or upgrade
Stability	High - mortgage rate can be fixed	Variable - landlord may raise rent yearly
Wealth building	Capital appreciation + rental income potential	None - rent is a sunk cost
Exit costs	Transfer fees + mortgage fees + mortgage discharge	Minimal (notice period, possible penalties)

HIDDEN COSTS TO WATCH OUT FOR

BUYING

- DLD Fees (4% of purchase price)
- Mortgage Arrangement Fees (~1%)
- Property Valuation Fees
- Annual Service Charges (AED 10–30 per sqft)
- Mortgage Life Insurance (mandatory)

RENTING

- Agency Commission (5% of annual rent)
- Security Deposit (5–10%)
- Ejari Registration (AED 195)
- Cheque Bounce Fees or Post-dated Cheque Requirements
- Annual Rent Increases (subject to RERA calculator)

QUESTIONS TO ASK YOURSELF

- > How long do I plan to live in Dubai?
- > Can I afford the upfront costs of buying?
- > Do I want flexibility or long-term stability?
- > Is this a lifestyle decision or an investment one?
- > What would I do if I needed to leave Dubai quickly?

**“IF YOU’RE STAYING LESS THAN 3 YEARS, RENT.
IF YOU’RE STAYING 5+ YEARS AND CAN AFFORD THE UPFRONT PAYMENT, SERIOUSLY CONSIDER BUYING.”**

Ralph Orena