

Huspy™

Homebuyer's guide

From finding a property to financing it, a complete guide to home buying in the UAE.



Hello, future homeowner

So, you're thinking of taking one of the biggest steps of your life. We have nothing but admiration for your decision.

Embarking on the home buying journey can be overwhelming, but you don't have to go through this alone. At Huspy we believe that everyone deserves the feeling a good home can offer, and we'll go above and beyond to make it happen.

You deserve honesty

"It depends" is not the most satisfying answer to any question, but in the case of buying a home, it's likely the answer to every question.

The type of home you buy depends on your requirements, and the type of mortgage you get depends on your residency, your employment, your credit score, and more.

This guide aims to remove some of the ambiguity around the home buying process for you, but know that working with a trusted expert will always make it easier.

You deserve support

Our team is with you every step of the way, and we can offer information and advice no matter where you are in your journey. Our years of knowledge and relationships with the banks in the UAE means our experts can get you mortgage deals you probably would not be aware of otherwise.

You remain in full control and will never be pressured into any option.

You deserve what's best for you

We don't take your needs lightly. We know you have specific requirements, and we aim to meet them. Whatever it takes.

Thank you for considering Huspy, we're so excited to go on this journey with you.

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* Before you begin your home buying journey

From financing and searching to viewings and contracts, there are a lot of steps involved in the home buying journey. But ultimately the first step in buying a home is feeling ready.

Prepare your finances

If you will need a mortgage, being mindful of other loans that you may have and having a strong credit score of above 700 is important.

In the case that your credit score is low, you can work towards improving your credit score by paying your bills on time, managing your debt and credit utilization.

Off-plan or ready properties?

There are generally two types of properties:

Off-plan (primary) properties

Property you buy directly from a developer before the property has been constructed. This type of property is not financed by a bank, but through a payment plan with the developer.

Ready-to-move (secondary) properties

Properties that are already constructed and ready to move into. Banks can finance up to 80% of this type of property through a mortgage plan.

Figure out your property preferences

Apartment or villa? Ensuite or separate bathroom? Need an office? Balcony or no balcony?

You might already have the dream property in mind, or you might only have narrowed down the location where you want to live, or you might have no idea! No matter where you are in your journey, our property consultants can help you find what you're looking for.

Prepare for the journey

The home buying timeline differs for each individual homebuyer. But important factors to think about include:

A mortgage pre-approval is only valid for up to 90 days, depending on the bank. But don't worry, even if you don't find a home in that timeframe you can reapply.

Buying off-plan means that the project is still under construction. The typical handover and move-in dates can range from six months to three years.

Home buying glossary

A few words and acronyms you'll come across along your home buying journey. Some may be familiar, some may be foreign, but rest assured that you can always refer back here when you need to.

Down payment

A down payment is an upfront fee you pay as a deposit for your property. It's a percentage of the property amount. This percentage depends on your residential and employment status.

DLD

Dubai Land Department is the regulatory authority for property ownership in Dubai.

EIBOR

The Emirates Interbank Offered Rate (EIBOR) is a benchmark interest rate calculated from the interest rates that major UAE banks offer to other banks.

Final Offer Letter (FOL)

Your final offer letter is completed post valuation and will state the amount the bank will lend you, tenor, rates, life insurance, property insurance, and all the relevant information about your transaction.

MOU

MOU, or Memorandum of Understanding, is an agreement signed between the buyer and seller during a property purchase. This is formalized in Form F.

Pre-approval

A mortgage pre-approval is a document from a lender stating the loan amount they are willing to give to a borrower. While it does not guarantee a mortgage loan, it is an essential first step to buying a home.

Valuation

A property valuation is completed by a third party in order to be neutral. The purpose is to guarantee to the bank that the property is worth the amount you are asking for, reducing the risk for the bank while also providing you with the market value of the property you are buying.

Oqood

The DLD property ownership document given to someone who owns a property that is not yet complete or handed over. Also known as pre-title deed.

The off-plan home buying journey

Maybe you prefer an off-plan project instead? The following is the typical off-plan home buying process.

Remember! A mortgage is only possible in the final milestone of an off-plan project. Instead, you pay regular installments during the construction period.



Start your search on Huspy.com

If you don't find an off-plan property you like on our website, **get in touch** and our team will find an off-plan project that matches your preferences.



Check your eligibility

- Ensure you have a **down payment** – this can range between 5–20% of the property value (depending on the developer) and one-time fees
- Ensure you have a **regular source of income** for monthly installments
- Start getting your documents in order



Find your ideal property

Your Huspy property consultant will accompany you to all viewings or appointments.



Secure your unit

You will reserve by **signing a Sales Purchase Agreement (SPA)** contract. Make sure to bring your passport copy.

Remember:

- You will be required to make an **initial deposit**, usually between 1–20% (depending on developer) during reservation
- Payment of the 4% DLD title registration fee and pre-title deed fee are expected within 30 days



Pay your installments

You will be required to make **recurring payment installments**, as determined in your signed contract. Re-selling is usually possible during the contract term.



Considering a mortgage loan?

You can start looking for a mortgage loan closer to the handover date, specifically in the last milestone period.



Time to make it yours!

Once the unit is ready and the final inspections have taken place, it's time for handover.

To finalize the handover, it is important that **all necessary payments have been completed** in order to receive your access cards and keys.

The mortgage home buying journey

It's called a journey for a reason. Get familiar with all the steps involved to prepare you for the ride ahead. The mortgage home buying process usually takes between 6-8 weeks to complete.



Check your eligibility

A quick call with our team will help determine whether you're eligible to buy a home, particularly to get a mortgage.

Things to keep in mind:

- Ensure you have a down payment and money for fees totalling about 22% of your ideal purchase price.
- Ensure you have a regular source of income
- Start getting your documents in order.



Start searching on Huspy.com

If you don't find a ready property you like on our website, our team will find an property will expand their search to find those that match your preferences.



Choose a bank offer

Based on your eligibility, you can choose from a curated list of bank offers (also known as mortgage products).



Document collection

Once you've chosen the bank and product you're going for, we will review your documents to ensure everything is correct.

If all your documents are in order, we'll send you the initial application form to sign electronically.

5 days



Submit for pre-approval

Complete and submit your Bank application for mortgage pre-approval.

The bank is essentially checking that all the information provided on the application form and documents is correct, and at this point may ask follow up questions to help the application.

4-5 days



Get pre-approved

Congratulations! You're pre-approved!

This is effectively your golden ticket to view a property and even go as far as putting in an offer.



Find your ideal property

If you don't find a ready property you like on our website, our team will expand thd search based on your preferences.

You need to choose a property before your pre-approval expires otherwise you'll need to resubmit your application.

The mortgage journey
continues on the next page

The mortgage journey continues here



Make an offer on a property

If the seller accepts your offer, their representative will draft an agreement that includes the conditions of sale, the terms of the deal and transfer date.



Sign the Memorandum of Understanding

Once both parties are happy with the conditions of sale, you will sign a Memorandum of Understanding (MOU).

By signing the MOU, you also pay a security deposit that should be equal to 10% of the purchase price. Backing out at this stage might be costly.

4-5 days



Get a property valuation

Your bank will schedule a property valuation report, conducted by a neutral third party, to guarantee that the property is worth the mortgage amount you are asking for.

If the bank's mortgage product has a valuation fee this will also need to be paid at this point. The valuation report usually then takes about 3 days to be back with the bank and assessed.

5 days



Sign the Final Offer Letter

Congrats! This is the official letter stating the terms of your mortgage loan.

You'll have a chance to review it before signing it in person at the bank.

5 days



Disbursement

This is the final step before getting the keys. The bank will prepare the cheques for the seller.

The seller and buyer must be present at the Registration office to register a sales transaction.

You can authorize your conveyancer to act of your behalf if you cannot attend in person.



Congratulations, homeowner!

Once you've the final payment has been made and the trustee officer hands the seller or their representative the cheques, the keys to your new home can be collected.

Good to know when choosing your mortgage

There are multiple ways to customize your mortgage, including your selection of the following:

Rate options

Fixed rates

A fixed-rate mortgage is where the interest rate you pay on the loan is 'fixed' at a lower rate for a set period. In Dubai, that's usually between one and five years.

Variable rates

A variable-rate mortgage does not have a fixed interest rate. Most variable mortgages have their interest rates linked to the Emirates Interbank Offered Rate (EIBOR), which is published by the UAE Central Bank and is based on the average interest rates UAE banks offer.

Financing options

Conventional financing

A standard loan from a bank to purchase a property that is repaid with interest.

Islamic financing

Financing for a property that complies with Sharia, or Islamic law.

Salary options

Salary transfer

In a salary transfer loan, it is mandatory to transfer your monthly income to an account with the chosen bank to be eligible to receive the mortgage loan.

Non-salary transfer

In a non-salary transfer loan, you can obtain a mortgage loan from the chosen bank without having to transfer your salary to an account with them monthly.

Documents you need to get a mortgage

The documents you need to provide to apply for a mortgage depend on your residency and employment status in the UAE.

Salaried

Self-employed

UAE Resident

- Residential address proof
 - Emirates ID
 - Passport copy
 - Residency visa
 - Salary certificate with date of joining, current position, company signature, and company stamp
 - 3 to 6 months of personal bank statements
- Trade license
 - Audited financial statements
 - MOA of the company
 - Share certificates (in the case of a Free Zone Company)
 - Last six months' company bank account statements
 - Last six months' personal bank account statements
 - Passport copy
 - Emirates ID copy

Non-resident

- Passport (all pages)
 - Local ID
 - Overseas residential address proof (e.g your latest utility bill)
 - Your salary certificate – must include your date of joining, current position, company signature, and company stamp. This letter must be printed on company-headed paper and issued within the last 30 days to be valid.
 - Personal bank account statements from the last six months
 - 6 months of payslips
- Passport (all pages)
 - Local ID
 - Overseas residential address proof (e.g your latest utility bill)
 - Document to confirm the date of your company's establishment
 - Share certificates
 - Document to check profit share
 - Overseas personal credit report
 - Company bank account statements from the last six months
 - Personal bank account statements from the last six months

UAE National

- Residential address proof
- Emirates ID
- Passport copy
- Salary certificate with date of joining, current position, company signature, and company stamp
- 3 to 6 months of personal bank statements
- Family book

Documents you need to buy or sell property

Buying or selling a home comes with a lot of paperwork. While we can't solve for copious amounts of documentation, we can at least let you know what you need to prepare for your property transfer.

Required

- ☐ **Form A**
Agency contract agreement/listing form
- ☐ **Form B**
Buyer's agent agreement
- ☐ **Form F (MOU) and addendum**
Contract of sale
- ☐ **Proof of address**
Applicable for both buyer and seller
- ☐ **KYC (Know Your Customer)**
Formal documentation which can verify the identity and address of a customer. Applicable for both buyer and seller.
- ☐ **Passport, EID and visa**
Applicable for both seller and buyer
- ☐ **Initial deposit**
- ☐ **Title Deed – Seller/s Name**
- ☐ **Amendment to Additional Conditions to Property Sale Contract Between Buyer and Seller**

If applicable

- ☐ **Power Of Attorney and Passport copy**
Applicable for both buyer and seller
- ☐ **Agent to Agent agreement**
(RERA card, Trade License and RERA Certificate)
- ☐ **Company documents**
Applicable for both buyer and seller
(including Trade Licence and MOA, in either English or Arabic)



Fees you will need to pay

Buying a home comes with various fees payable at different stages in the home buying journey. To set expectations, we've broken down the fees to set expectations throughout the process.



During the Mortgage pre-approval stage

Huspy fee

Nada. Except if you're self-employed.

Pre-approval fee for non-residents

Some banks may charge a fee, usually up to AED 1,500



During the final approval stage

Security deposit / down payment

Off-plan

You will be required to make an initial deposit, usually between **1 –20%** (depending on developer) during reservation

Ready-to-move properties

By signing the MOU, both parties have agreed to the sales terms. The security deposit should be **equal to 10%** of the purchase price. Backing out at this stage might be costly.

Property valuation fee

This ranges from AED 2,000 to AED 4,000 inclusive of VAT, depending on the bank.

It is normally paid to the bank by personal cheque at the time of submitting the property papers (after receiving pre approval).

Bank processing fee

Normally banks charge a fee to provide a mortgage. This is usually up to 1% of the mortgage amount + 5% VAT.

Additional Huspy fee applicable for self-employed cases



During the property transfer stage

DLD Mortgage registration fee

0.25% of the loan amount + AED 290.

Payable to Dubai Land Department by managers cheque.
Note, some banks apply this fee on a higher loan figure.

DLD fee

4% of the purchase price

Payable by managers cheque to Dubai Land Department.

DLD admin fee

AED 580 for apartments, villas and offices

AED 430 for land

AED 40 for off-plan

Payable by managers cheque to Dubai Land Department.

Registration trustee fee

Property value below AED 500,000: AED 2,000 + 5% VAT

Property value above AED 500,000: AED 4,000 + 5% VAT

Off-plan property: up to AED 5,250

Real estate agency fee

Usually from 0% up to 4% of property value + 5% VAT

This is negotiable and will depend on the Form F/MOU that you sign with the real estate agent.

Insurance

Property insurance is mandatory and organized by the bank. This is usually 0.04% to 0.06% of property valuation, charged annually in advance.

Life insurance is mandatory and costs vary by bank & health of the applicant. Your consultant will advise you of these fees.

Conveyancing fee

AED 7,500

Additional Huspy fee applicable for self-employed cases

A guide to property transfers

Here begins the home stretch of the home buying journey. We've got a detailed breakdown of how the property transfer process works.

1 Agreements and deposits

Sign agreements and the deposit is received.

2 Documents submitted

All documents for both buyer and seller are submitted to the conveyancer.

3 Due diligence of documents

All documents are reviewed and the next stage of the property transfer process begins.

4 Payment of services

The seller pays service fees to the building management for clearance certificate.

5 Developer's NOC meeting

Conveyancer arranges NOC (No Objection Certificate) with buyer and seller.

6 Reviewing all payments

All payments are reviewed and the conveyancer makes sure all manager's cheque are in place for transfer.

7 Confirmation of transfer date

All parties agree to property transfer date.

8 Transfer date

All parties attend transfer appointment with all original documents and payments.

9 Transfer complete

Buyer and seller sign transfer contract. Buyer receives title deed and seller receives full payment.

10 New homeowner!

Property is now owned by buyer and utilities can be connected with copy of title deed.



Get started with **Huspy**TM



Check your mortgage
borrowing power



Find a property on
huspy.com



Speak with an expert:
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