

# Investing in UAE property - what you need to know

Dubai's thriving economic growth, favourable tax environment, variety of property options and resilient real-estate market have attracted South African investors seeking international property investments for some time.



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The city's stable economy, low tax base, low crime paired with its strategic location (served by two hub airports in Dubai and Abu Dhabi) attracts expats and provides a solid foundation for property investment.

Dubai's property market is known for its modern infrastructure, high-quality construction standards, and innovative architectural designs, further enhancing its appeal to investors.

According to Antonie Goosen, principal and founder of Meridian Realty, it is not only Dubai, but some other cities in the United Arab Emirates (UAE), such as Ras Al Khaimah, that continue to emerge as popular destinations for property investment, attracting investors from around the globe, including South African exchange control and tax residents.

“The vibrant economy in the UAE, enticing lifestyle, attractive visa options, and the favourable property returns have made it an appealing option for South Africans looking to diversify their investment portfolios and increase their hard currency cash inflows while exploring international opportunities.

“The UAE offers a multitude of opportunities to South Africans and other expat investors as it is not only a central business

hub, but it is also experiencing a property boom off the back of business opportunities and the desirable lifestyle it offers. However, many people are not sure about the ins and outs of the property market in the UAE,” says Goosen.

According to Mathys Briers-Louw, lawyer and foreign-exchange and fiduciary specialist at twenty2@taxforum.co.za, UAE property investments allow an investor to apply for a two-, five- or 10-year golden visa, depending on the net value invested.

## Navigating investor visas in the UAE

Briers-Louw explains that investor visas may not always allow full employment in the UAE, but it allows the investor to reside in the UAE and for most part, the permission to be employed. “To be employed, investors must also attain an employment card, which is a relatively easy process,” he says.

Investors must be aware of the exchange-control regulations governing money movement in and out of South Africa. By being fully cognisant of the applicable rules and regulations, investors can secure the best rates when transferring funds internationally as well as ensure that they comply with the applicable tax regulations.

“Before investing, it is imperative that investors understand and accept rules that apply to Sharia Law,” says Briers-Louw. He highlights that the latest labour- and visa reforms have made the UAE an increasingly attractive destination for investors. “For example, persons who are not legally married are now allowed to cohabitate,” he says.



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Goosen adds that, “South African rules and regulations as well as those applicable in UAE all have an influence on property investment and must be complied with.” He says, it is a lot to consider, but can result in legally sound and profitable investment in the end.

Briers-Louw notes, “From a tax perspective, Dubai’s tax-friendly policies can optimise the returns on investment for South African investors. The new corporate or business tax introduced as of 1 June 2023, specifically excludes profits from the provision of either short- or long-term rental market”.

## Dubai's investment appeal and risks

On the whole, Dubai offers attractive investment opportunities and that is why it is such a popular work destination for working expats from around the globe. However, like any investment, it carries its share of risks.

Goosen maintains that market fluctuations, economic changes, and geopolitical factors can impact property values and rental yields. Therefore, conducting comprehensive market research, assessing risk factors, and consulting with experts is crucial before making any investment decisions.

Goosen says Meridian Realty is at the forefront of the dynamic Dubai property market with a comprehensive portfolio of properties starting from AED 1.6m, offering a wide variety of residential spaces catering to a wide range of investment tastes.

“Dubai’s property market presents an exciting opportunity for South African investors seeking international real-estate investments.

“Prospective investors can choose to appoint an informed and experienced team to manage their fund transfers, tax compliance, and their future property management to reduce risk. This is to ensure that compliance and due diligence is

followed and the maximum return on investment is achieved,” says Goosen.

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