



Types of Residence Permits available to Real Estate Owners in the Emirate of Dubai

The acquisition of real estate in the Emirate of Dubai does not automatically provide an owner with a residence permit for the United Arab Emirates ("UAE"). Instead, he has to seek the issuance of his residence permit separately. Below, we would like to inform you about the various options currently available to property owners:

1. Residence Visa

A residence visa is generally valid for a period of either two or three years and enables its holder to reside in the UAE continuously during that time without having to leave the country.

As a prerequisite for his residence visa application as a property owner, the applicant must be in possession of an apartment or villa worth at least AED 1 million, which has to be documented by the certificate of title, the so-called Title Deed. Furthermore, the premises must not be tenanted. In case the property is financed, at least half of the purchase price must have been paid already.

The application for a residence visa as a real estate owner has to be processed through the Dubai Land Department ("DLD"). The DLD instigates the procedure on behalf of the applicant at the General Directorate of Residency and Foreigners Affairs ("Immigration") and makes all essential decisions regarding the rejection or approval of the visa application.

The advantage of a residence visa for a property owner is that he gains certain privileges which ease everyday life in the UAE. For example, he is able to open post boxes and bank accounts with a line of credit, to register vehicles and telephone connections with post-paid invoicing as well as to apply for a local driving license. Furthermore, it is possible to sponsor family members for their own residence visas. The latter is especially relevant in such instances in which the children of the applicant shall attend local schools since they are not permitted to do so without a residence visa.

On the downside, the application of a residence visa is rather time-consuming and confusing for a real estate owner due to the sheer volume and structure of the process. Hence, extensive preparations are required in order to collate all relevant documents and obtain the approvals from the involved authorities. Besides, a local health insurance may have to be taken out in the future. Contrary to the other types of available residence permits, the applicant must also successfully complete a medical test.

Furthermore, it cannot be guaranteed that the applicant receives the approval of the DLD and subsequently his residence visa even upon payment of all due fees which currently accrue to approximately AED 11,000. The reason for this is that the DLD grants a residence visa at its own discretion

and most likely only issues visas in such cases in which the applicant would have been eligible to be awarded a residence permit in another way, for example, by taking up employment in the UAE. It stands to reason that factors such as the home country of the applicant affect the decision of the DLD.

2. Multiple Entry Visa

A multiple entry visa authorizes its bearer to enter the UAE multiple times within a period of 180 days and to stay during these periods as long as he likes. Alternatively, he can reside in the UAE without exiting the country for the overall duration of the visa. At the end of the 180 days, it is possible to renew a multiple entry visa without leaving the UAE for this purpose.

Identical to the requirements for residence visas, the title deed has to account for a minimum property value of AED 1 million and the premises must not be tenanted. In contrast to the conditions applicable to residence visas, however, the title deed has to additionally prove that the property is entirely unencumbered when applying for a multiple entry visa. The applicant himself runs the application procedure at the Immigration.

The holder of a multiple entry visa is eligible to sponsor immediate family members for a similar visa. Nevertheless, the applicant does not receive any of the privileges granted to the holder of a residence visa.

Compared to a residence visa, the benefit of a multiple entry visa is that just a reasonable number of application documents are required and that the process can regularly be finalized within a short period of time. Furthermore, the applicant does not need to undergo a medical examination. The multiple entry visa might prove to be unprofitable since it does not bestow the comprehensive privileges of a residence visa upon its holder.

3. Visit Visa

For those property owners who stay in the UAE for short periods only, the visit visa upon arrival might suffice. Such visit visa is issued to citizens of certain nationalities when entering the UAE without prior application and grants its holder a temporary right of residence in the UAE as a tourist.

The visit visa is valid for 30 days from the date of first entry and can be renewed once for additional 30 days against a fee without leaving the country. More importantly, it is possible to re-apply for a visit visa by exiting and immediately re-entering



the UAE (so-called Visa Run) as often as needed. For all intents and purposes, the holder of a visit visa can reside in the UAE almost indefinitely. Especially owners not in possession of a residence visa but intending to use their property as a holiday home or for retirement purposes benefit from this mechanism.

Special attention should be paid to the fact that since mid-2015 the aforementioned procedure no longer applies to citizens of the member states of the Schengen Agreement. Due to altered entry requirements, a visit visa will in fact still be issued automatically upon arrival. However, it entitles citizens of Schengen member states to a stay of merely 90 days within an overall period of 180 days. It is of no significance whether the visit occurs continuously or in several segments. In any case, a total stay of 90 days within the 180-day time frame cannot be extended. A Visa Run is, therefore, no longer an option. Instead, the persons concerned have to await the expiry of the 180-day period before being able to enter the UAE again for the next available interval of 90 days.

Real estate owners from a Schengen member state intending to use their property for an extended period of time should consequently try to acquire either a multiple entry visa or a residence visa if they do not want to risk being subjected to penalties due to overstaying their visit visa or being denied access at the border when trying to re-enter the country before the expiry of the 180-day period.

4. Conclusion

The question as to which residence permit available to real estate owners is the preferable alternative largely depends on the circumstances of each individual case.

The residence visa grants its holders the possibility of a prolonged stay in the UAE and, compared to a multiple entry visa or a visit visa, additional privileges. However, it is distinctly more difficult to apply for. Hence, a residence visa is most likely only an option for such applicants and their families who intend to relocate permanently to the UAE.

Property owners who wish to reside in the UAE on a temporary basis have the option of either applying for a multiple entry visa

or a visit visa depending on the intended length of their stay and nationality.

Do you have questions? - We would be glad to answer them!

From our office located in the heart of Dubai, our team of German attorneys has been advising small and medium-sized companies, corporations and individuals on the laws of the United Arab Emirates for more than a decade. Our areas of expertise include business set ups, corporate and commercial law, commercial agency law, employment law as well as tenancy and real estate law. We would be happy to attend to your questions as well. Contact us!