

RESEARCH BRIEF • 17 OCTOBER 2026

Dubai Has No Income Tax, But Your Dubai Property Is Not Tax Free

A Black Privé analysis published on 16 October 2026 argues that Dubai is low-tax, not tax-free, for European buyers who remain tax resident at home. UK, German and Spanish residents are still taxed at home on what a Dubai ...

HIGH

INVESTOR IMPACT

8.4

SIGNIFICANCE SCORE

16 October 2026

EVENT DATE

7/10

SOURCE RELIABILITY

OI

EXECUTIVE SUMMARY

Dubai Has No Income Tax, But Your Dubai Property Is Not Tax Free

Dubai charges no personal income tax, no capital gains tax and no annual property tax. That describes Dubai's side of the bill, not yours. According to Black Privé's analysis, published on 16 October 2026, European buyers who stay resident at home are taxed there on what a Dubai home earns. The report is a press release from a luxury property marketplace, so treat it as a framing of the issue, not tax advice. Its core point holds up for anyone thinking about capital preservation: the tax outcome depends on where you are tax resident, not where the asset sits. A UAE residence visa does not by itself end tax residence in the UK, Germany or Spain. Settle that question before you buy, not after.

- Dubai charges no personal income tax, no capital gains tax and no annual property tax, but that is only Dubai's side of the bill.
- UK residents pay UK tax on foreign income and gains, so Dubai rent and Dubai sale profits go on a UK tax return.
- Germany has had no tax treaty with the UAE since 31 December 2008, and a profit on a sale within 10 years of buying counts as a taxable private sale under German income tax law.
- Spanish residents are taxed on worldwide income, and a Dubai home also counts towards Spain's wealth tax.
- Holding a UAE residence visa does not by itself end tax residence in the UK, Germany or Spain, so residency should be settled before purchase.
- Dubai's own costs fall at purchase: a 4% Dubai Land Department transfer fee, plus 5% VAT on agency, trustee and legal fees around the deal.

02

THE EVENT

What happened, and why it matters

WHAT HAPPENED

On 16 October 2026, luxury property marketplace Black Privé published an analysis titled "Dubai Is Not Tax-Free for European Buyers". It was distributed as a press release and carried by The National Law Review. The central claim is that Dubai levies no income tax on a home, but UK, German and Spanish residents are taxed on it at home. Alexander Thornbury, lead property analyst at Black Privé, put it this way: "Dubai is low-tax, not tax-free, and the bill that surprises Europeans arrives from home." The analysis sets out the position country by country. Germany is described as the sharpest case. The tax treaty between Germany and the UAE ended on 31 December 2008 and has not been replaced. A German resident is taxed in Germany on Dubai rent, and a profit on a sale within 10 years of buying counts as a taxable private sale under German income tax law. UK residents pay UK tax on foreign income and gains. The UK and the UAE signed a tax treaty in 2016, but with no tax on the Dubai side there is little to credit against the UK bill. Spanish residents are taxed in Spain on worldwide income, and a Dubai home also counts towards Spain's wealth tax. On the Dubai side, the report notes that costs fall on the purchase rather than on holding. The Dubai Land Department (DLD) charges a 4% transfer fee, paid in full by the buyer by convention. 5% VAT applies to the agency, trustee and legal fees around a deal, though not to the home itself. A home owned personally and let on an ordinary lease falls outside the UAE's corporate tax. A home let short-term under a holiday-home permit, or owned through a company, can fall within its 9% rate. Property worth AED 2 million or more qualifies its owner for a 10-year renewable residence permit through the DLD's golden visa service. The report adds that its information is general and not tax advice.

WHY IT MATTERS

Zero personal income tax in the UAE is the core of many overseas pitches. Here's the thing: it is true, and it is also incomplete. If you assume the property itself is tax free, the bill arrives later from your home tax authority, usually when you can least adjust for it. For capital preservation, this matters more than any yield headline. A net return is only as reliable as the tax assumptions behind it. If you model a Dubai rental at its gross figure and your home country then taxes it, the real number is lower than the one you underwrote. Two things are true at once. Dubai's regime is genuinely light. And light in Dubai does not mean light for you. The report also separates two questions that are easy to blur: residence in the UAE and tax residence at home. Each European country applies its own test. A residence visa answers the first question. It does not by itself answer the second.

WHO IT AFFECTS

If you live in the UK, Germany or Spain, or you remain tax resident in any European country while owning in Dubai, this applies to you directly. The report names those three countries specifically, so I would not extend its specifics to other jurisdictions without checking. If you are planning to relocate to the UAE, the question is when and whether your home tax residence actually ends. That is a separate test from getting a visa. If you plan to hold through a company or let short-term under a holiday-home permit, the report flags that the UAE's 9% corporate tax rate can come into play, so the structure you choose changes the Dubai side as well. If you are buying at AED 2 million or more with the golden visa in mind, the visa is a residence permit. It is not a tax ruling.

03

INVESTOR READ

Implications, risks and opportunities

HISTORICAL CONTEXT

The German point has a long history. The report states that the tax treaty between Germany and the UAE ended on 31 December 2008 and has not been replaced, which is why Germany is described as the sharpest case. The UK and the UAE signed a tax treaty in 2016. The report's observation is that, with no tax on the Dubai side, there is little to credit against the UK bill. A treaty does not create relief where no foreign tax was paid. The wider market backdrop shows why this matters now. Dubai Land Department data shows 11,431 sales transactions worth AED 29.7bn in September 2026, with off-plan accounting for 65.4% of sales by count. With that much overseas attention on the market, the tax assumptions behind each purchase carry real weight. The 3-month EIBOR stood at 4.3% in October 2026, according to the Central Bank of the UAE, which is a reminder that financing costs are another input to the net return, alongside tax.

IMPLICATIONS

First, underwrite on a net basis for your own tax position. Dubai's zero income tax is one input. Your home country's treatment of rental income and sale gains is the other, and the second one is where the surprise usually sits. Second, settle tax residence before you commit, not after. The report's own advice from Alexander Thornbury is that buyers should settle that question before they buy. I agree with the sequence, whatever you think of the source. Third, budget the Dubai costs that do exist. The 4% DLD transfer fee and the 5% VAT on agency, trustee and legal fees land at purchase. They are known, so they should sit in the model from day one. Fourth, think about the holding period. For German residents, the report says a sale within 10 years of buying counts as a taxable private sale under German income tax law, which changes the exit maths. Timing of a sale is a tax decision, not just a market decision. Fifth, take advice from a qualified tax adviser in your home country. The report itself is general and not tax advice, and so is this article.

RISKS

Be straight with you about the limits of this source first. It is a press release from a luxury property marketplace, and the specifics have not been independently verified here. Treat it as a prompt to check your own position, not as the final word on any country's rules. The bear case for the Dubai investment story is real. If your home country taxes rental income and gains, the headline advantage of zero tax in Dubai shrinks for you personally. With no tax paid in Dubai, the report says there is little to credit against a UK bill under the 2016 UK and UAE treaty, so you cannot rely on a foreign tax credit to soften the result. Germany is the harshest example in the report. With no treaty in place since 31 December 2008, a German resident faces German tax on Dubai rent, and a sale within 10 years of buying is treated as a taxable private sale. Spain adds a wealth tax angle, since a Dubai home counts towards it. Residency risk is the quiet one. A UAE residence visa does not by itself end tax residence at home. If you assume it does and it does not, you carry an unplanned liability. Structure risk also exists. Short-term lets under a holiday-home permit, or ownership through a company, can bring the 9% corporate tax rate into play on the UAE side. Finally, tax rules change. Anything you rely on today should be rechecked at the point of purchase and again before you sell.

OPPORTUNITIES

The honest upside here is clarity. If you know your tax position before you buy, you can price the asset properly and avoid paying for a surprise later. Dubai's cost structure is front loaded and transparent. The 4% DLD transfer fee and 5% VAT on professional fees are known quantities at purchase, and there is no annual property tax, per the report. That makes the holding cost side simpler to model than in many markets. For buyers whose tax residence genuinely moves to the UAE, the picture is different, since the report's concern is specifically about those who remain resident at home. That is a decision about your life, not a property trick, and it needs proper advice. The AED 2 million threshold for a 10-year renewable residence permit through the DLD golden visa service gives a route to UAE residence, which is the first step in that conversation, though not the whole answer. The broader opportunity is a better buying process. Buyers who sort out residency and home-country treatment first protect the investment case, and that is the kind of discipline that supports generational wealth, not just a single deal.

WHAT TO WATCH

Watch for the full detail behind the analysis. Specifics beyond the press release are worth checking against your own country's tax authority guidance. Watch how advisers and lawyers in the UK, Germany and Spain respond, and whether any of the positions in the report are clarified or challenged. Watch for any change to treaty arrangements between the UAE and European countries, given the report's emphasis on the German gap since 31 December 2008 and the limited credit available under the 2016 UK treaty. Watch how developers and agents describe tax in their marketing. If a pitch says "tax free" without separating Dubai's side from yours, ask the follow up question. And keep an eye on the Dubai side: the corporate tax treatment of short-term lets and company ownership, where the report says the 9% rate can apply.

04

THE BOTTOM LINE

What this means for Dubai investors

THE MEANING

If you are weighing up a Dubai purchase from Europe, the practical message is simple. Dubai's regime is light, but your home tax authority did not get the memo. Before you commit, work out whether you will remain tax resident at home, and what that means for rent and for a future sale. Build the model net of your own tax, include the 4% DLD transfer fee and 5% VAT on professional fees, and treat the golden visa as a residence permit, not a tax ruling. Done properly, this does not weaken the case for Dubai. It strengthens it, because you are buying on assumptions that will hold up when the bill arrives.

“ Here's the thing. I'd rather you hear this from me before you buy than from your accountant after. "Tax free" is the line that gets people into the conversation, and it's half true. Dubai doesn't tax your rent or your gain. Your home country might. When I'm talking to someone weighing up Dubai from the UK or Europe, the tax residence question comes up early, because it changes what the investment actually returns to you. A visa and a tax residence are not the same thing, right? You can hold one and still be tax resident at home. I'm not a tax adviser, and nothing here is tax advice. What I'll say is that the best purchases I see are the ones where the buyer has already spoken to a tax professional in their home country and knows what they're modelling. That's not me talking Dubai down. That's capital preservation. If the numbers only work when you ignore your own tax bill, they don't work. If you want the checklist I use

before anyone commits, comment or DM me VET.

BRADLEY JAMES, DUBAI REAL ESTATE INVESTMENT ADVISOR

SOURCES AND VERIFICATION

Black Privé, "Dubai Is Not Tax-Free for European Buyers, Black Privé Finds", press release distributed via EIN Presswire and published by The National Law Review, 16 October 2026

(natlawreview.com/press-releases/dubai-not-tax-free-european-buyers-black-prive-finds).

Dubai Land Department, September 2026 sales data (sales transaction value, sales transactions, off-plan share by count). Central Bank of the UAE, 3-month EIBOR, October 2026. This article is general information and not tax advice.

Begin the conversation.

Every allocation starts with a candid, numbers-first discussion shaped around your mandate, risk profile and timeline.

Bradley James

ASSOCIATE DIRECTOR & SENIOR INVESTMENT ADVISOR

Bradley James is an Associate Director and Senior Investment Advisor based in Dubai, specialising in Dubai real estate, off-plan investment, strategic wealth allocation, portfolio diversification, and relocation and residency planning. He advises private investors and family offices on entering the Dubai market with the same rigour he applies to his own capital.

SPECIALISMS

- Dubai Real Estate
- Off-Plan Investment
- Strategic Wealth Allocation
- Portfolio Diversification
- Relocation & Residency Planning



WHATSAPP

+971 50 119 5649

INSTAGRAM

@braddjames

WEB

bradleyjames.website

LOCATION

Dubai, U.A.E.

SOURCES

Black Privé, "Dubai Is Not Tax-Free for European Buyers, Black Privé Finds", press release distributed via EIN Presswire and published by The National Law Review, 16 October 2026 (



SCAN TO MESSAGE