

OCT. 15- NOV. 4, 2018

REGISTRATION FOR CHINA'S #1 TRADE FAIR IS NOW OPEN!

SIGN UP TODAY

7 mistakes first-time Dubai homebuyers should avoid

Finding a perfect property can be stressful if not planned properly. Here's what a new homebuyer should always keep in mind



Buying a home is a long-term dream for many of us. Fulfilling that dream is not easy unless you plan ahead, and with perfection. Sometimes, despite all the planning that goes into it, people end up making mistakes when it comes to execution. It's important to be aware of every little detail before you take the plunge. Here are some costly mistakes to avoid and helpful tips to remember.

Buying a home is a long-term dream for many of us. Fulfilling that dream is not easy unless you plan ahead, and with perfection. Sometimes, despite all the planning that goes into it, people end up making mistakes when it comes to execution. It's important to be aware of every little detail before you take the plunge. Here are some costly mistakes to avoid and helpful tips to remember.

1. Being unaware of different loan options

Most properties are purchased using mortgage loans and not cash. This is where uninformed and ignorant decisions are made often — mostly due to inadequate research. People just approach any bank recommended by a friend or a real estate agent — a potential financial hazard. Several banks provide various mortgage options. It is important to go through them carefully and select one that fits your needs.

2. Missing out on pre-approval details and credit score check

It is often harder to get a loan than finding the perfect property. Banks may not provide the total amount applied for, as they will also take your minimum monthly income and credit score into consideration. Life can be much easier if you get your mortgage sanctioned first, and then search for a property accordingly.

3. Compromising on the wrong areas

It is totally understandable that first-time buyers want their dream home to be as perfect as planned. However, it is important to get the essentials right. For example, it is probably unwise to let go of a property with great location and uninterrupted water supply with one that has better interior decor. Things like design issues can always be tackled at an appropriate time, and it probably wouldn't be right if the decisions are driven by impulse instead of logic.

4. Inadequate research on the locality and prices

According to a recent survey, first-time buyers pay more than what is worth for a house, whereas an experienced buyer will buy it for a lower price. This is obvious as some real estate agents may take advantage of a buyer's naiveté. First-time buyers should visit the locality, enquire about the price of the properties in the neighbourhood, check average prices per square of comparable properties in the area and negotiate accordingly.

5. Being ignorant of additional expenses

Buying a house doesn't just involve paying for the property, but there are many additional costs involved like the Dubai Land Department fee, valuation fee, property registration, real estate agency fee, mortgage registration fee and mortgage processing fee to name a few. All these may come up to as much as 25-30 per cent of the total payable amount. It is worth planning for these costs early enough.

6. Ending up with no savings

Not all of the additional fees and charges will be covered by the bank loan. Most banks will provide only 70-80 per cent of the property value. The 20-30 per cent down payment and fees involved should be borne by the buyer. If a purchase is not planned carefully, buyers could end up spending their savings — one cannot really back off from a deal at this point. After spending all their savings, a lot may end up without cash or other liquid assets — and this is an extremely risky place to be. It is necessary to have some buffer/emergency funds.

7. Underestimating the responsibilities

Once you have purchased your dream house, the hardship isn't over yet. As a new homeowner, a slew of new responsibilities will come barging in. For instance, it is now your responsibility to take care of additional expenses like repairs, water, monthly bills, property taxes, home insurance, home maintenance, etc. If it is a first home and the buyer is unprepared, the expenses can be quite overwhelming. It is wise to be prepared and make sure you can fit these into your monthly expenses effortlessly.

Purchasing a house is as stressful as it is exciting. Finding a perfect property can be even more formidable if not planned properly. So the only way to avoid this stress is by strategic planning and being financially prepared.

Nikhita Devi is a senior analyst at MyMoneySouq.com who writes about personal finance, mortgage and technology in the UAE. The views here are her own.

Check out [getthat.com/property](#) for hundreds of properties for rent and for sale in the UAE.



MORE FROM PROPERTY >

- Sharjah's Aljada project goes all 'smart' ★
- 47 Dubai projects completed in first 8 months ★
- A route to reviving stalled developments ★
- Schools in the community: developers learn the lessons ★
- Meraas launches homes at La Mer ★
- Overseas buyers see bargains in Dubai realty ★
- Northern Powerhouse cities for UAE realty investors ★
- Luxury property owners get back courage to sell ★

TAGS FROM THIS STORY

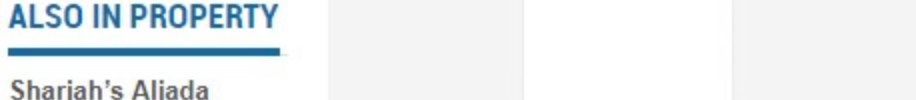
UNITED ARAB EMIRATES

FILED UNDER GulfNews > Business > Property

TAGS UNITED ARAB EMIRATES

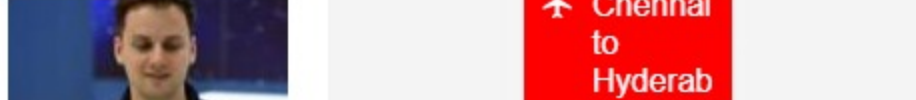
ALSO IN PROPERTY Sharjah's Aljada project goes all 'smart'

BUSINESS GALLERY



Cool mix of new products showcased at IFA 2018

BUSINESS VIDEOS



Dubai's first floating homes: 7 things to know

Building homes for Dubai's millennials

Follow Us [f](#) [t](#) [g+](#)

+ Madurai to Chennai

₹ 1,321

LEARN MORE

+ Chennai to Hyderabad

₹ 1,397

goibibo

PRIME PROPERTIES
Cityscape Global Special

Property Weekly
Now on GulfNews.com!

MOST POPULAR

VIEWED COMMENTED VIDEOS GALLERIES

01 47 Dubai projects completed in first 8 months

02 Sharjah's Aljada project goes all 'smart'

03 Meraas launches homes at La Mer

RECOMMENDED FOR YOU

'Wild Dubai' to premiere in UAE this October
PUBLISHED ON SEP 10, 2018

UAE's online shoppers cross borders for buys
PUBLISHED ON SEP 10, 2018

Abu Dhabi Police rescue girl in locked SUV
PUBLISHED ON SEP 10, 2018

MOST POPULAR ON GULF NEWS

Lift ban on WhatsApp calls: UAE businessman

UAE thieves pretend to be tourists, police warn

Name these 7 new Dubai Metro stations

Dh10 million to be awarded to UAE savers

Get Samsung Note 9 for as low as Dh145

Rahul Gandhi turns Shiv bhakt - takes on

UAE public holidays 2018

Man buys Dh10,000 worth of drugs for sex

Naomi Osaka wins in joyless US Open final

FEEDBACK

GET THE PAPER

OUR APPS

MOBILE FRIENDLY VERSION

OUR LOCATION

ADVANCED SEARCH

SITMAP

MY GULF NEWS

GulfNews.com is the most widely read newspaper, and online site in English in the Middle East. With a daily BPA audited paid circulation of over 93,068 as of June 2017, and an online audience of 5.3 million uniques every month, it is your go to source for information on the region. Sign up below to begin personalising your experience

[REGISTER NOW](#)

News	Business	Sport
Leisure	Guides	Opinion
Multimedia	In Focus	Life&Style
Culture	Your Say	GN Focus

Search Gulf News

FOLLOW US

[f](#) [t](#) [g+](#)

SIGN UP FOR NEWSLETTER

[SIGN UP](#)