

Investment in overseas property is increasing in popularity. The British are notable investors and according to recent estimates somewhere between 1.25 million and 2 million people own property abroad. According to an article published by the UK's Times newspaper some 100,000 Brits have bought in Dubai already. Buying property in any foreign country can be a little daunting. Practices and procedures differ from our own home markets and Dubai is no different.

Dubai has an exciting, rapidly growing and ever changing real estate market. Investors from around the globe have been attracted by the prospect of purchasing in some of the most ambitious and ground breaking projects that the world has ever seen. The first decision for anyone considering purchasing a property in Dubai is what to buy. In other markets the decision is perhaps not as complicated as this can be in Dubai and this is due to the fact that there is simply so much choice. People approach this stage of the buying process differently, whilst some choose to scour the magazines and newspapers for a property that stands out, others spend hours on the internet looking through the wide variety of websites promoting the different projects. What is evident is that an increasing number of people are turning to real estate agents to advise them on their purchase. "We understand that prospective purchasers don't just want to be sold to, they want a professional agent to understand their personal needs and circumstances in order to make an educated decision as to the best suited property." Says Mark Leale, Marketing Director for Dubai Luxury Homes.

To narrow down your search for a suitable property you must first examine why you are buying, the option that is suitable for a pure investor may not be the answer for someone looking for a home, for example. Buying a property is a large financial commitment and the process of choosing how to proceed should be fairly similar to how a financial adviser would operate. Taking time at the beginning to properly explore and understand your requirements can ensure that you are happy with your purchase and minimize the chance of an expensive mistake.

For most of us affordability will be one of the key factors when deciding on what you purchase. Whilst you may want a Signature Villa on Palm Jumeirah or apartment in Le Reve, these properties are out of reach of a large percentage of buyers. What should be remembered when looking at your budget is that finance may not be as readily available as you may be accustomed. Not all properties have mortgages available against them and not all banks will consider offering finance to non-resident investors. If you are considering a local mortgage then a good real estate agent will take time to explain which properties may be available to you and may also recommend that you speak with a local mortgage advisor. Overseas investors will usually find that the maximum loan to value that would be granted is 70% of the original property price. A large percentage of investors do look at alternative means of raising capital for their Dubai property purchase, the most common being the use of accumulated savings or refinancing existing domestic mortgages. Another important parameter within your buying strategy is the term of the investment. Presumably resale is of significance and you must discuss the potential of the area in which you are buying with your real estate agent.

Throughout your buying process you will come across different terminology used when discussing your purchase. Many of these terms are in relation to whether you buy a property off-plan or on the resale market. As in any new market many overseas investors do buy off-plan, which is where you are buying a property at drawing stage before the physical building is actually completed. This may be a purchase direct from the developer or more commonly through a real estate agent who will give you independent advice. As the market matures and more properties are handed over this gives rise to an increasing number of properties on the resale or secondary market. A resale property may not actually be finished but for some reason, normally capital gain, is being sold by the original purchaser. In Dubai developers often allow you to resell a property throughout the construction phase. The price difference that may be payable between the original price and sale price is referred to as the 'premium'.

Unlike many other markets around the world it is not necessary to employ the services of a lawyer and there is currently no need for conveyance. Whilst some clients do prefer to seek legal advice on their purchase and contracts, most proceed without. For an off-plan purchase you would typically sign a straight forward reservation form and submit this to the developer through your agent to reserve the property. A full purchase contract will then follow at some stage throughout the construction period. In the case of a resale property, draft purchase agreements are usually drawn up by real estate agents with the assistance of their own lawyers, these are then signed by the buyer and seller. The sale is not complete until the transfer documents are signed at the developers' office. This is the process of transferring the name on the contract to the new owner. The developer will charge a small fee for their administration.

A recent survey by low-cost airline Easy Jet revealed that 30% of people buying abroad found bureaucracy and red tape to be the most annoying part of the purchasing process and a further 8% named financial and legal difficulties as the worst. Dealing with a property purchase at a distance should not be overly stressful but much of this is down to your relationship with the real estate agent. Buying a property in a foreign country is often as much an education process as anything else, keeping you informed and advising you accordingly is essential. Very often it is about much more than the purchase, there are other considerations that play a part in buying a property, whether it is the best way in which to transfer money to Dubai, financing, furnishing or renting the property. Whilst it may seem a little clichéd it is the overall buying experience that is essential no matter what level your investment.