Your currency against the dirham: what to know before you transfer money to Dubai

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The dirham has been pegged to the US dollar at a fixed rate of 3.6725 dirhams per dollar since 1997. So if you buy property in Dubai with euros, pounds or any currency other than the dollar, you are in practice exposed to your currency's exchange rate against the dollar. The price of the apartment in dirhams does not change, but the cost in your own currency changes with every move of the dollar. In a payment plan spread over several years, each payment is converted at the rate on the day it is paid. Here I explain what this means, which conversion options exist, and where to see the rate. This is general information, not a recommendation.

In short

- The dirham is pegged to the dollar at a fixed rate, so your exposure is to your own currency's rate against the dollar.
- In a payment plan, each payment is converted at the rate on the day it is transferred. This means the total cost in your currency is known only at the end.
- There are two main ways to convert: all at once, or separately for each payment. Each option has different implications, and the decision is yours to make with your bank or a financial adviser.

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01 Why the dirham is effectively a dollar

The Central Bank of the UAE keeps the dirham at a fixed rate against the US dollar: 3.6725 dirhams to one dollar, since November 1997. The International Monetary Fund defines this as a conventional peg to the dollar, and in its 2025 review wrote that the peg remains appropriate for the UAE economy.

What this means for you: your currency moves against the dirham almost exactly as it moves against the dollar. When the dollar strengthens against your currency, the apartment in Dubai costs you more. When the dollar weakens, it costs you less. The dirham itself does not "move" against the dollar.

02 An example with numbers

Consider an apartment priced at AED 1,000,000. At the fixed rate, this is about USD 272,300 (1,000,000 divided by 3.6725). To know what this costs in your currency, convert USD 272,300 at the exchange rate on the day of conversion.

In other words, for an apartment costing one million dirhams, every 1% move in your currency against the dollar changes what the property costs you by about 1%. This is the equivalent of roughly USD 2,700, up or down. This is just arithmetic to show the scale, and it does not assume any direction for your currency. For real numbers, check today's rate and the rate your bank actually gives you.

> To find out how much money you need to convert in total, including fees and commissions, first work out the amount in the buying costs calculator.

03 A payment plan: converting over several years

When buying off-plan, you pay in stages: part on signing, part during construction, and sometimes a large part on handover (see the guide to buying off-plan). Each payment is converted at the rate on the day you transfer it. In a payment plan spread over three or four years, you will have many conversions at different rates. In a plan where most of the amount is paid on handover, a large part of the cost in your currency will be set at the rate on handover day.

04 Available conversion options (information, not a recommendation)

Option	How it works	What to know
Convert everything at once	You convert the full amount, or most of it, at today's rate, and hold it in dollars or dirhams until you need to pay	The cost in your currency is known in advance. Your money is converted out of your currency now, even if the payments to the developer are several years away
Convert at each payment	You convert only the amount needed, on the day it is paid	Each payment is converted at a different rate. The total cost in your currency is known only at the end.

There is no single option that suits everyone. It depends on the payment dates, the amount, and where the money is today. The decision is made together with your bank or a licensed financial adviser. I am not an investment adviser and I do not recommend a conversion method.

05 Where to see the rate

- **A reference rate.** Some central banks publish a daily reference rate for their currency. For example, the European Central Bank publishes euro reference rates every working day, for information only. A reference rate shows where the market is, but it is not binding.
- **The rate your bank gives you is different.** Banks convert at their own rate, which includes a margin over the market rate. So compare the rate your bank offers with the reference rate for the same day, and ask about the fees for the transfer itself.

To prepare with your bank before a large transfer, see the guide to transferring money to Dubai. For all the costs of buying, see the costs guide.

06 If you pay in pounds

The dirham is pegged to the dollar and the pound is not, so the pound-to-dirham rate moves with the pound-to-dollar rate.

When your payment plan is fixed in dirhams, each instalment can cost you more or less in pounds, depending on the rate on the day you transfer.

07 What I check when I guide you

I go through the payment plan and the date of each payment with the investor, so they know in advance how many dollars they will need and when. This allows them to decide with their bank how to convert. I do not give investment advice, and I do not recommend a conversion method.

After the first consultation call, I can give you a quote. This depends on the sale process and the services you need.

In my own purchase in 2024, I converted money before each payment to the developer, rather than the full amount at once. That is what suited my situation at the time, and it is not a recommendation. The option that suits you depends on the dates, the amounts and where the money is. The decision is made with your bank.

Frequently asked questions

Can the dirham rate change?

Against the dollar, the dirham has been fixed at 3.6725 since 1997, and the Central Bank of the UAE maintains this rate. Against other currencies it changes, because they move against the dollar.

So what is the currency risk for a foreign buyer?

The risk lies in your currency's exchange rate against the dollar. If the dollar strengthens against your currency between signing and the payments, the apartment will cost you more. If it weakens, it will cost you less.

Is it better to convert everything now?

There is no single answer, and I do not recommend a conversion method. There are two main options: all at once, or separately for each payment. The decision is made together with your bank or a financial adviser.

Where can I check the exchange rate?

Some central banks publish a daily reference rate, for example the European Central Bank for the euro. The rate your bank actually gives you is different, so compare the two.

Sources

- 3.6725 dirhams per dollar since November 1997: The National, 22.11.2024, updated 28.08.2025; IMF, United Arab Emirates 2016 Article IV ("since November 1997"). The same figure appears in the "What is true and what is not" guide on this site (Gulf Business) (checked 13.10.2026).
- A conventional peg to the dollar at 3.6725, and the 2025 assessment that the peg is appropriate: IMF, 2018 Article IV, Informational Annex; IMF, 2025 Article IV (checked 13.10.2026).
- The Central Bank of the UAE maintains the peg: The National, 22.11.2024; Gulf News, Dollar peg here to stay (checked 13.10.2026).
- The example: my own calculation (1,000,000 divided by 3.6725, and 1% of the result) (checked 13.10.2026).
- The European Central Bank publishes euro reference rates every working day, for information only: European Central Bank, euro foreign exchange reference rates; Mondo Visione, on the ECB announcement of 07.12.2015 (checked 13.10.2026).

- The bank's rate includes a margin over the market rate: Halifax, receiving international payments (an example of a bank that explains its margin); UK Financial Ombudsman, decision of 28.11.2025 (checked 13.10.2026).
- Payment plans in stages: based on the guide to buying off-plan on this site and its sources (checked 13.10.2026).
- Converting before each payment to the developer: my own experience, 2024.

Planning your payments to Dubai?

Send me the payment plan, and we will go through the date of each payment together.

Send a WhatsApp message →

This information is general and correct as of the update date. It is not investment advice or a recommendation on how to convert.