Section 3 of the guide: Management fees and net yield in Dubai: how much of the rent is left after expenses

Service charge debt blocks selling and letting

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Without clearing the debt, you cannot sell, and according to reports it is also hard to let. Under the law, an apartment cannot be sold while there is service charge debt on it, and the management company has a lien on the apartment because of the debt. According to reports in Gulf News and The National from 2020, an owner with this kind of debt will also not get approval to register or renew a tenancy contract. Registering a sale with the Land Department requires an electronic no objection certificate (NOC) from the developer through Dubai REST, and a developer does not issue it when there is service charge debt. If the debt is not cleared, the management company can claim it at the Rental Disputes Center, and at the end of the process the apartment can be sold to cover the debt.

What this means for you:

- **When you buy a resale apartment:** ask the seller for an up-to-date service charge statement, and check that the whole debt is cleared before the NOC, not only the debt for the current year.
- **When you rent it out:** if the tenant committed to paying and did not pay, the debt is still registered against you.

The full guide on the site: u810properties.com/en-guide-netyield

Want to know how much is really left?

Send me the property you are looking at, and we will calculate the net yield together from its own numbers.

Send a WhatsApp message →

This information is general and correct as of the update date. It is not investment or tax advice. The numbers in the example are assumptions for the calculation, not market data, a forecast or a promise of any yield.