Section 6 of the guide: Management fees and net yield in Dubai: how much of the rent is left after expenses

Example: how gross yield becomes net yield

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Important: the numbers in the example that were chosen to show the calculation are example assumptions. They are not market data, not a forecast and not a promise, and they do not describe a specific building. The rent in the example is based on the median of new contracts for one-bedroom apartments in JVC, from the guide to renting out an apartment, and the other number taken from an official source is the tenancy contract registration fee. To calculate your own property, replace each assumption with the real number.

Example assumptions: a ready apartment priced at AED 1,000,000, with an area of 700 square feet (about 65 m²), let long-term for AED 68,000 a year. Service charges of AED 18 per square foot. Cooling is included in the service charges or paid by the tenant. A management fee of 5% of the rent. One month a year when the apartment is empty.

Line	AED per year	Where the number comes from
Annual rent	68,000	The median of new contracts in JVC, from the guide to renting out an apartment
Gross yield (68,000 divided by 1,000,000)	**6.8%**	Calculation
Service charges (700 times 18)	12,600	Example assumption. Check in the Service Charge Index
Management fee (5% of 68,000)	3,400	Example assumption. According to the agreement with the company
Maintenance and repairs	3,000	Example assumption
Tenancy contract registration (Ejari)	178	Land Department, through Dubai REST (177.75)
Contents and liability insurance	500	Example assumption

Line	AED per year	Where the number comes from
An empty month (one month's rent)	5,667	Example assumption
Electricity and water in the empty month	300	Example assumption
Total expenses	**25,645**	Calculation
What is left (68,000 minus 25,645)	**42,355**	Calculation
Net yield (42,355 divided by 1,000,000)	**About 4.2%**	Calculation

What this shows: with these assumptions, about 38% of the rent goes on expenses, and the yield drops from 6.8% to about 4.2%. The service charges alone are almost a fifth of the rent. That is why checking the Service Charge Index is the first check.

With purchase costs: if you add to the price the purchase costs of a ready apartment bought through a broker, using the method in the costs guide (4% registration fee, registration and Title Deed fees, trustee office, a 2% agency commission plus VAT, and an electricity and water deposit), the total price comes to about AED 1,067,900. The net yield in the example then drops to about 4.0%.

> You can run the same calculation for your own apartment in the net yield calculator: enter the price, the rent and the expenses, and get the gross and net yield.

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.