# Post-handover payment plans in Dubai: how they work, and what to check in the contract before you sign

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With a post-handover plan, you get the apartment before you have finished paying for it, and you keep paying the developer in instalments, usually over a few years. The developer finances the balance instead of a bank. It is convenient, but the terms vary a lot between developers. So the most important thing is what the contract says: when you get the title deed, what happens if you pay late, and whether you can sell before you have finished paying.

**In short**

- With this kind of plan, you get the apartment before you finish paying, and keep paying the developer in instalments.
- According to some sources, payments after handover go directly to the developer and not into the escrow account. So ask the developer in writing where you pay, and check them and the contract before you sign.
- From the day you get the keys, you also pay service charges, electricity and water.

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## 01 What a post-handover payment plan is

In many off-plan projects, you pay part of the price during construction and the whole balance on the day you get the keys (see the off-plan guide). With a post-handover plan, part of the balance is deferred until after you receive the apartment and paid directly to the developer in fixed instalments. During that time you can usually already live in the apartment or rent it out, unless the contract restricts it.

## 02 An example from a project I work with

At The Views on Al Marjan Island, according to the developer, you pay half the price by the time you get the keys, and the other half in 12 instalments, one every three months, over three years.

| Stage | Payment |
|---|---|
| On booking | 10% |
| Within 45 days of booking | 10% |
| One year after booking | 10% |
| Two years after booking | 10% |
| On handover (expected Q4 2029, per the developer) | 10% |
| After handover | 12 instalments of about 4.17%, one every three months |

For an apartment priced at AED 1.3 million, you pay AED 650,000 by handover, and then about AED 54,200 every three months. The Views is in Ras Al Khaimah, not Dubai, so it falls under different authorities (see the guide on the differences between Dubai, Abu Dhabi and Ras Al Khaimah). The full details are on the project page.

## 03 Why it appeals, and what the convenience costs

- **Less money by handover:** you do not need to have the whole balance ready on the day you get the keys, and you do not need a mortgage to pay it.
- **You can rent it out while you pay:** the rent can cover part of the instalments. Work this out in advance using the net rent, not the gross rent (see the net yield calculator).
- **The price:** there is usually no interest on the instalments, but a long post-handover plan sometimes comes with a higher price. So compare the full price with similar projects, not just the size of the instalment.

## 04 What to check in the contract before you sign

1. **When you get the title deed:** you usually get the keys before the title deed. When the developer finances the balance, the deed usually transfers only after you finish paying, and until then the apartment is not yet registered in your name. Get it in writing exactly when the deed will be transferred to you.
2. **What happens if you pay late:** check the contract for penalties, how long you have to make up a missed payment, and when the developer is allowed to cancel the deal. The contract is what counts.
3. **Selling before the last payment:** the conditions for selling before you finish paying are set in the contract and vary between developers. Check them if you might want to sell early (see the guide on selling an off-plan property).
4. **Where the money goes:** until handover, you pay into the project's escrow account, which is supervised by the authority of the emirate where the project is located. According to some sources, payments after handover go directly to the developer under the contract, and the escrow protection no longer applies to them. I found no official source for this, so ask the developer in writing where exactly the payments after handover are paid, and whether they are covered by an escrow account. In any case, vet the developer carefully before you sign (see the guide on checking a developer), and keep every transfer confirmation.
5. **Paying off the balance early:** ask whether you can pay off the balance early, for example with a mortgage, and whether there is a discount or a fee for doing so.
6. **Running costs start on the day you get the keys:** from that day you pay service charges, electricity and water, even if you have not finished paying for the apartment (see the costs guide).

If you stop paying after you get the keys, Dubai Law No. 19 of 2017 applies: the developer must first give a 30-day notice through the Land Department, and the amount it may keep depends on construction progress (see the guide to buying off-plan). As I read the provision, it is not limited to the construction stage, but still ask a lawyer before you stop paying. The Views is in Ras Al Khaimah, where different rules apply.

## 05 What if you need a mortgage?

If the project you chose does not offer this kind of plan, a mortgage at handover is the usual way to pay the balance (see the guide on getting a mortgage to pay at handover).

## Frequently asked questions

### What is a post-handover payment plan?

A plan in which you get the apartment before you finish paying for it, and keep paying the developer directly in instalments, usually over a few years.

### Do I get the title deed before I finish paying?

Usually not. When the developer finances the balance, the deed transfers to you only after the last payment. If a bank pays the developer the balance at handover, the deed can transfer sooner, and the bank registers a mortgage on the apartment. Check this in the contract.

### Can I rent out the apartment while I am still paying?

Usually yes, because you already have the keys. Make sure the contract does not restrict it.

### Is there interest on the instalments?

Usually not, but an apartment with a long post-handover plan can cost more. So compare the full price.

### Sources

- Definition, direct payment to the developer, usually no interest, and higher prices on long plans: Truhauz, Katalystor.
- The title deed transfers after the last payment when the developer finances, and sooner when a bank pays off the balance: Katalystor, Truhauz.
- According to one source, escrow protection ends at handover, and later payments are a private arrangement with the developer: Katalystor. Another source recommends asking the developer where the payments after handover are paid: Truhauz. No official source was found.
- Restrictions on selling before the last payment, and the terms for late payment and cancellation, are set in the contract: Katalystor, Pearlshire, Truhauz, Dubai Legal Portal, Resolution No. 6 of 2010, Article 15.
- The Views payment plan: per the developer, as shown on the project page on this site.

### Considering a project with a post-handover plan?

Tell me your budget, whether you are buying in cash or with a mortgage, and when you plan to buy.

**Send a WhatsApp message →**

This is general information. The sources are broker and developer websites, not the Land Department, so the binding terms are the ones in your contract.