Section 6 of the guide: Buying off-plan in Dubai: what you pay on day one, and what can happen to the price after you sign

For buyers from Israel: how this compares with an investment home in Israel

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Israelis who already own a home in Israel sometimes weigh where to buy the next one. On the two points above, the difference between Israel and Dubai is clear.

Topic	An additional home in Israel	A home in Dubai
Tax or fee on the day you buy	8% up to ILS 6,055,070, and 10% on the part above that	4% of the sale value, plus fixed fees
Cost per 1 million of price	ILS 80,000	AED 40,000
The price after you sign, on a new apartment	Up to 40% of the price is linked to the building-cost index	The contract price is not index-linked
When the price does change	When the index rises	When the final area differs from the area in the contract

The tax in Israel: someone who already owns a home and buys another pays purchase tax from the first shekel: 8% on the part of the price up to ILS 6,055,070, and 10% on the part above it. On an ILS 2.5 million apartment the tax is ILS 200,000.

Two things to know:

- The comparison holds for someone who already owns a home in Israel. Someone buying their only apartment in Israel pays no purchase tax up to ILS 1,978,745.
- The 8% and 10% rates were set by a temporary provision that ran until the end of 2026. Because the Knesset was dissolved, it stays in force for purchases until 10.2.2027, under section 38 of Basic Law: The Knesset. If the next government does not extend it, the rate on an additional apartment will drop, according to reports, to 5% to 6%.

The price after signing in Israel: on a new apartment bought from a builder, the builder may link up to 40% of the price to the building-cost index. This is an index that Israel's Central Bureau of Statistics publishes every month, and it measures the cost of building materials and labour in

residential construction. The rule applies to contracts signed from 7 July 2022. The index rose 3.5% between July 2025 and July 2026. On an ILS 2.5 million apartment, the linked part is up to ILS 1 million, and a 3.5% rise on it is up to ILS 35,000 a year. This is an example of the calculation. The actual amount depends on the payment schedule in the contract and on the index over that period.

Where the buyer in Israel is better protected: Israel's Sale (Apartments) Law sets compensation for the buyer when the builder is late in handing over the home, and the builder cannot remove it in the contract. In Dubai the law does not set a fixed compensation amount; it is set in the contract. In serious cases, such as a long delay, you can go to court.

If you are an Israeli resident buying in Dubai, you need to report the property in Israel as well. I cover that in the guide to tax on a Dubai property.

The full guide on the site: u810properties.com/en-guide-purchase-fee-and-price

Thinking about an investment apartment in Dubai?

Tell me your budget, whether you are buying in cash or with finance, and when you want to buy.

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This information is general and correct as of the update date. It is not legal or tax advice, and it does not replace reviewing your contract with a local lawyer.