

PRACTICAL PROPERTY GUIDE

# Abu Dhabi Investment Guide

A practical framework for evaluating location, developer, ownership structure, income potential, costs and exit options before you commit capital.

**AED 117B**

Total Abu Dhabi real estate transactions in H1 2026, according to ADREC.

**AED 13.8B**

Foreign direct investment in H1 2026.

**50**

Investment zones across Abu Dhabi after eight new zones were approved in H1 2026.

# Start with the investment thesis, not the brochure.

The strongest property decisions begin with a clear objective. Decide what the asset must do for you, then judge every project against that objective.

1

## Income first

Prioritise realistic rent, occupancy, service charges, maintenance and tenant demand. A headline gross yield is only the first filter.

2

## Growth first

Focus on supply, infrastructure, community maturity, developer positioning and the likely depth of the resale market at your intended exit date.

3

## Hybrid return

Blend income and capital appreciation. This usually rewards balanced assets rather than the most aggressive promise on either metric.

4

## Lifestyle + capital

For end users and second-home buyers, utility matters too: connectivity, schools, beaches, culture, amenities and long-term liveability.

A good project can still be a poor investment if the entry price, payment schedule or exit timing does not fit your objective.

01

Define hold period

02

Set target cash flow

03

Stress-test the exit

# Why Abu Dhabi deserves a serious allocation review.

Abu Dhabi combines a regulated market, expanding international participation and a growing set of investment zones. Recent transaction data is strong, but the decision still needs to be project specific.

**AED 86.1B**

Sales transactions in H1 2026.

**116**

Nationalities represented among non-resident investors in H1 2026.

**AED 75B**

Investment attracted by Abu Dhabi investment zones in H1 2026.

## Investment zones matter

ADREC states that Abu Dhabi investment zones are open to ownership by investors of all nationalities. Confirm the specific title, project and zone before paying a reservation amount.

## Transparency is improving

ADREC provides official market data, rental indicators, project information and regulated services. Use regulator data as a baseline, then compare it with unit-level evidence.

## Four area archetypes to compare

| AREA ARCHETYPE            | EXAMPLES TO INVESTIGATE                   | WHAT TO TEST                                                                  |
|---------------------------|-------------------------------------------|-------------------------------------------------------------------------------|
| Prime lifestyle / culture | Saadiyat and comparable premium districts | Entry price, scarcity, rental depth, end-user demand, holding costs           |
| Leisure / entertainment   | Yas and destination-led communities       | Tourism pull, family demand, upcoming supply, short/long-term rental strategy |
| Urban / established       | Al Reem and central apartment markets     | Unit competition, service charges, tenant pool, resale liquidity              |
| Waterfront / connected    | Al Raha and similar communities           | Accessibility, community maturity, view premiums, unit differentiation        |

# Before you transfer a reservation payment, verify the asset.

Treat due diligence as a sequence of evidence checks. The goal is not to eliminate risk; it is to understand exactly which risks you are accepting and whether the price compensates you for them.

- |                                                                                                      |                                                                                                                   |
|------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| ○ <b>Ownership eligibility:</b> confirm the zone, title type and purchaser eligibility.              | ○ <b>Project registration:</b> verify the development through the relevant official platform.                     |
| ○ <b>Escrow:</b> confirm that off-plan payments go to the regulated project escrow account.          | ○ <b>Developer:</b> review delivery history, completed communities and after-sales record.                        |
| ○ <b>SPA:</b> read payment default, delay, handover, assignment, cancellation and variation clauses. | ○ <b>Unit specifics:</b> layout, net sellable area, floor, orientation, view, parking and any premium charged.    |
| ○ <b>Service charges:</b> understand current/estimated charges and what is included.                 | ○ <b>Comparable evidence:</b> compare relevant rents and transactions, not only asking prices.                    |
| ○ <b>Supply pipeline:</b> identify competing units likely to complete around your exit window.       | ○ <b>Exit mechanics:</b> check assignment conditions, fees and buyer eligibility before assuming an early resale. |

**Investor warning:** escrow reduces misuse-of-funds risk, but it does not guarantee construction timing, resale profit, rental demand or developer performance. Keep contract review and project verification separate from return projections.

Evidence before emotion: verify the project, then evaluate the price, then evaluate the return.

# Model the return with conservative assumptions.

Start with the property price, then add acquisition costs and recurring costs. Use a realistic vacancy allowance and avoid treating future appreciation as guaranteed.

$$\text{Gross yield} = \text{Annual rent} \div \text{Purchase price}$$

Useful as a quick filter. It ignores service charges, maintenance, vacancy, management, financing and acquisition costs.

| ILLUSTRATIVE EXAMPLE               | AMOUNT        | INVESTOR NOTE                                            |
|------------------------------------|---------------|----------------------------------------------------------|
| Purchase price                     | AED 1,800,000 | Use the actual contracted price plus any premium.        |
| Annual rent assumption             | AED 120,000   | Base it on comparable achieved rents where possible.     |
| Gross yield                        | 6.7%          | $120,000 \div 1,800,000$ .                               |
| Service charges                    | AED 16,000    | Illustrative only; verify the building/community figure. |
| Management + vacancy + maintenance | AED 16,000    | Use your own realistic assumptions.                      |
| Illustrative net operating income  | AED 88,000    | Before financing and tax considerations.                 |
| Illustrative net operating yield   | 4.9%          | $88,000 \div 1,800,000$ .                                |

## Stress test 1: rent -10%

Would the asset still meet your minimum return after a softer leasing market?

## Stress test 2: costs +15%

Can you absorb higher service, maintenance or furnishing costs without changing the thesis?

## Stress test 3: exit delayed

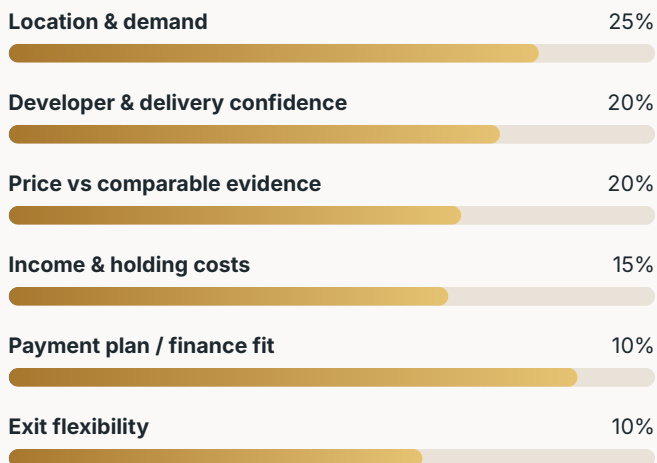
If you must hold one or two years longer, does the cash flow remain acceptable?

## Stress test 4: no appreciation

If the sale price is flat, does the income alone justify the investment?

# Compare opportunities on the same scorecard.

A disciplined shortlist avoids the common mistake of comparing one project on yield, another on payment plan and a third on lifestyle. Score every option using the same lenses.



## TSK 6-lens decision framework

Use the percentages as a starting point, not a universal formula. An income investor may give rent and costs more weight. A five-year growth investor may emphasise entry price, future supply and exit depth.

**Rule:** never allow an attractive payment plan to compensate for weak fundamentals.

| QUESTION                        | PROJECT A | PROJECT B | PROJECT C |
|---------------------------------|-----------|-----------|-----------|
| Price vs nearest comparable     | —         | —         | —         |
| Expected net yield range        | —         | —         | —         |
| Handover / hold horizon         | —         | —         | —         |
| Expected annual service charges | —         | —         | —         |
| Assignment / resale conditions  | —         | —         | —         |

# The 20-minute pre-reservation review.

Before you sign or transfer funds, confirm that every essential answer is written down. If the answer is unknown, mark it unknown rather than assuming the best case.

## Market

- Who is the likely tenant or future buyer?
- What competing supply may complete nearby?
- What evidence supports the rent assumption?
- What is the intended hold period?

## Property

- Why this unit, floor, layout and orientation?
- Are view and size premiums justified?
- What are the service-charge expectations?
- What is included at handover?

## Transaction

- Project registration checked?
- Escrow details checked for off-plan?
- SPA reviewed?
- All fees and payment deadlines documented?

## Exit

- Can the unit be assigned before completion?
- What fees or developer approvals apply?
- What if the exit takes 12-24 months longer?
- What is Plan B if capital values are flat?

The objective is not to find a “perfect” property. It is to know why the property fits your plan and what could make the plan fail.

**Ready to shortlist?** Ask for a side-by-side comparison of 2-4 opportunities using the same price, rent, cost, developer and exit assumptions.

PROJECT-SPECIFIC GUIDANCE

# Turn the guide into a project-specific shortlist.

Tell us your budget, preferred hold period, income target and whether you are buying for investment, lifestyle or both. We can help structure a focused comparison instead of sending an endless list of projects.

## What we can compare with you

- Compare entry price and payment plans on a like-for-like basis.
- Estimate rent, recurring costs and a conservative return range.
- Check the regulatory and project-verification steps that apply.
- Build an exit plan before you reserve.

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## OFFICIAL REFERENCES USED FOR THIS GUIDE

ADREC H1 2026 transaction report • ADREC FAQs: escrow & project verification • ADREC rules & regulations • ADREC market data

Educational material only. Property rules, fees, financing criteria, market values, service charges and project terms can change. Verify the current position with the relevant regulator, developer, lender and qualified legal/tax advisers before committing funds. TSK Real Estates does not guarantee investment returns.