

OFF-PLAN DUE DILIGENCE GUIDE

Off-Plan Buying Guide

A practical guide to project verification, escrow, payment plans, SPA terms, developer risk, handover and exit planning before buying a property that is still under development.

Verify

Project registration and developer details before payment.

Escrow

Confirm the regulated project escrow account.

Read

SPA, assignment, default and handover terms before relying on sales promises.

Off-plan is a contract today for a property delivered later.

That difference changes the due-diligence process. You are evaluating not only the unit and location, but also the developer, project registration, escrow structure, payment milestones and the contract that governs delivery.

Why buyers choose off-plan

Access to new inventory, staged payment schedules, launch selection and potential exposure to price movement before completion.

What changes versus ready

No completed unit to fully inspect, no immediate rental income, and more dependence on construction progress, developer execution and contract terms.

What escrow helps with

Regulated project escrow is designed to keep buyer payments tied to the development rather than the developer's general funds, subject to the applicable regulatory framework.

What escrow does not do

It does not guarantee capital appreciation, rental income, an exact handover date or a profitable resale. Those remain investment and project risks.

The payment plan can make a project easier to buy. It cannot make a weak project strong.

DEVELOPER

PROJECT REGISTRATION

ESCROW

SPA

MILESTONES

HANDOVER

ASSIGNMENT

EXIT

Verify the project through the correct emirate system.

Abu Dhabi and Dubai both regulate off-plan development, but the official systems and registration steps are not identical. Use the regulator for the emirate where the property is located.

Abu Dhabi

ADREC states that buyers can use the DARI platform to find a registered project's escrow account number and completion information. Abu Dhabi regulations require off-plan purchase amounts to be deposited into the project escrow account.

Dubai

Dubai Land Department states that developers selling off-plan must operate a project escrow account. DLD also provides a project-status enquiry and registers off-plan sales in the provisional/initial register.

- ☐ Project exists on the relevant official platform.
- ☐ Escrow account details match the project.
- ☐ Sale/initial registration process is understood.
- ☐ Developer is the licensed/registered party for the project.
- ☐ Construction/completion data is checked where available.
- ☐ Broker/advertising credentials are verified where required.

Payment safety: never substitute a salesperson's message for official escrow verification. Confirm the beneficiary, account and project details through reliable channels before transferring money.

Verify first. Reserve second.

Score the execution risk, not just the brand recognition.

A large developer may reduce some concerns, but every project should still be assessed on its own land, approvals, construction, pricing and contract.

LENS	QUESTIONS TO ASK	EVIDENCE
Delivery history	What has the developer completed, and how close were prior handovers to promised timelines?	Completed communities, regulator data, owner experience
Project status	Is the project registered and what is the verified construction status?	Official project platform
Contract quality	Are delay, variation, handover, default and cancellation clauses clear?	SPA / legal review
Unit value	Is the premium for floor, view or layout defensible?	Unit matrix + comparable pricing
Supply	How many competing units may hand over around the same time?	Community/project pipeline
Exit depth	Who is likely to buy or rent this unit at handover?	Demand evidence + resale/lease comps

Red flag

"Guaranteed ROI" without a clear contractual mechanism, counterparty, duration and conditions should not be treated as a forecast.

Green flag

Clear official registration, verifiable escrow, transparent unit/pricing data and a contract that matches the commercial promises being made.

Read the payment plan as a cash-flow commitment.

A lower initial payment can improve liquidity, but later instalments can create pressure if they overlap with other obligations or if resale is restricted until a certain threshold is paid.

Illustrative structure: 10% + 40% + 50%

Example only: 10% at reservation/contract, 40% during construction and 50% at/around handover. Actual plans vary widely and may include post-handover instalments.

Ask for the exact dates

Do not model only percentages. Put every due date and amount on a calendar, including registration and other charges.

Understand milestone logic

Some instalments are date-based, some construction-based and some linked to administrative milestones.

Check assignment conditions

A project may require a minimum amount paid, developer approval, fees or other conditions before an off-plan resale/assignment.

Model handover cash

Final instalment, snagging, furnishing, service charges, finance and leasing setup can all arrive in the same period.

A payment plan is part of the investment return because it determines when your capital is committed and how much liquidity you retain.

The SPA matters more than the sales chat.

Sales conversations are useful for context, but the signed contract governs your legal and financial obligations. Obtain independent legal advice where appropriate.

Delivery

- Target completion / handover date
- Grace periods
- Delay remedies
- Definition of practical completion

Payments & default

- Instalment schedule
- Late-payment consequences
- Default / termination process
- Refund / compensation mechanics where applicable

Property specification

- Area measurement
- Permitted design/specification changes
- Parking / storage
- Fixtures, finishes and inclusions

Exit / assignment

- Whether assignment is permitted
- Minimum paid threshold
- Developer NOC / fee
- Buyer eligibility and timing

Contract discipline: if a feature, view, furniture package, rental programme or payment concession is important to your decision, ask where it is documented and what happens if it changes.

If the commercial promise is not reflected in the contract or an enforceable document, do not model the investment as if it is guaranteed.

A fast go / pause / walk-away review before reservation.

Score each item 0-2: 0 = unresolved, 1 = acceptable with caveat, 2 = strong / verified. A low score is not automatically a “no”, but it tells you where more work is required.

CHECK	0	1	2
Project officially verified	☐	☐	☐
Escrow independently verified	☐	☐	☐
Developer delivery evidence	☐	☐	☐
SPA terms understood	☐	☐	☐
Payment schedule fits liquidity	☐	☐	☐
Unit premium is justified	☐	☐	☐
Comparable pricing checked	☐	☐	☐
Handover supply risk assessed	☐	☐	☐
Rent assumption evidence exists	☐	☐	☐
Service-charge assumption exists	☐	☐	☐
Assignment / resale terms checked	☐	☐	☐
Plan B works if exit is delayed	☐	☐	☐

20-24

Strong diligence score; still review price and contract.

14-19

Resolve the weaker items before commitment.

0-13

Pause. Too many assumptions remain unverified.

PROJECT-SPECIFIC GUIDANCE

Compare the project before you commit to the payment plan.

Send the project name, unit, price and payment schedule. A useful off-plan review should test the developer, project verification, unit premium, contract terms, expected handover economics and realistic exit options together.

What we can compare with you

- Verify the correct regulatory project and escrow touchpoints.
- Compare payment plans by cash timing, not only headline percentages.
- Review the investment case against ready and competing off-plan supply.
- Build a handover and exit plan before reservation.

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OFFICIAL REFERENCES USED FOR THIS GUIDE

ADREC FAQs: escrow, DARI, project status • ADREC real-estate regulations • Dubai Land Department escrow FAQs • Dubai Land Department project status

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