

Home finance and home loans in UAE.

Along with the growth in the Real Estate market, Dubai has experienced simultaneous growth in its home finance sector in the past three years. According to a recent study by EFG-Hermes the current outstanding loans stands at Dh 11.5 billion. It is estimated by the Egyptian investment bank that the UAE housing finance sector will grow by Dh 14bn in 2007, Dh 18bn in the year 2008, the growth is estimated to be Dh18bn in 2009 as well and Dh 14bn and Dh 17bn in the years 2010 and 2011 respectively. These figures have been derived based on an expected population compound annual growth rate of about three percent.

The most dominant forces in the Emirates' home finance market are Amlak and Tamweel. They account for over 35 and 25 percentage of the industry respectively.

The Real Estate boom of the emirate has left the world spell bound, EFG-Hermes predicts that the total growth in the Real Estate should exceed the figure of Dh419bn in the years between 2008 and 2011. It has also been said that Dh 64bn will be funded through credit. The national bank of Dubai has tied up with Dubai properties for the sole purpose of finance apartments which are bought in tower 'H'. Tower 'H' is a primary tower for residential purposes at Business Bay in the project of the executive Towers. This tie up of the national bank of Dubai and Dubai properties, is more than welcome, as this tie up will ensure easy financing terms for the people who are aspiring to buy apartments in tower 'H'. These easy schemes will mean that people will be able to finance their dream homes with no obligations of interest repayment. In this case the loan is made available for 85 percent of the property price of a sum of 4 million AED, whichever is lower. This loan is provided for a period of 20 years.

Dubai's Islamic bank (DIB) and Al Islami home finance are also witnessing high demands from the retail customers.

They have recently launched solutions that aim to meet the requirements of retail customers. These customers include both the UAE nationals and expatriates who are keen on buying property in the UAE freehold property market.

In response to this high demand of the people, DIB has announced the launch of Mobile Mortgage Advisors. They are a team of mortgage sales expert who will be providing valuable consultancy at the customers door step.

Al Islami finance has launched finance solution products such as the "forward Ijarah" and "Ijarah". Through the "Advanced Eligibility Process" customers get a right to choose their finance limit without first having to choose the property.

The Dubai Islamic bank caters to the needs of a diverse customer profile. Also the al Islami home finance provides up to 90 percent finance and a maximum tenure of loan repayment of 25 years depending on the eligibility of their customers.

About the Author

William King is the director of [Dubai Property Rentals & Dubai Rents Properties](#), [Islamabad Property & Real Estate Properties](#), [Dubai Property & Dubai Real Estate Properties](#) and [Dubai Property Developments & UAE & Dubai Real Estate Projects](#). He has 18 years of experience in the marketing and trading industries and has been helping retailers and startups with their product sourcing, promotion, marketing and supply chain requirements.

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