RICH MINDSET ACTIONS

8 hidden costs nobody tells you about living in the UAE

I Got Rich When I Understood These 8 Actions

Real numbers, real mistakes, and the money lessons that actually moved the needle — from someone who's lived it in Dubai for 17 years.

SWIPE THROUGH ALL 8 →

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01

Everything Has an Opportunity Cost

A friend's cash sat in the bank at 2–3% — while fixed income was paying close to 7.5%.

- A friend living in Dubai for 3 years had a good income but hadn't bought a home — his cash just sat in a bank account.
- That money was earning only 2–3%, while fixed income was getting close to 7.5% — conventional or Sharia-compliant.
- On a property like that, 25–30% is due upfront — roughly AED 250,000 that's gone, unable to be deployed anywhere else.
- That's the real lesson: every dirham you spend or lock away has a job elsewhere. Everything has an opportunity cost.

7.5% fixed income return vs. 2–3% sitting in the bank

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02

Know the True Cost of Ownership

On a mortgage, most of what you pay in the first 3–4 years is interest — not principal.

- I spent AED 10,000 on preventive maintenance for my car — worth AED 30–35,000, a little over 33% of its value.
- Still cheaper than upgrading: a new car brings its own financing, insurance, and the opportunity cost of that cash elsewhere.
- On a property, roughly 7% is your upfront expense alone — a sunk cost from day one.
- Flip after 3–4 years and you'll find most of what you paid was interest, not equity — ownership costs far more than the price tag.

AED 10,000 spent maintaining a car worth AED 30–35,000

03

If It Works, Don’t Upgrade It

My phone is 3 years old. My MacBook is 3 years old. Both still working fine.

- A 1TB hard drive I bought 3 years ago for AED 550 now costs AED 700 — most electronics depreciate, this didn’t, thanks to rising chip prices.
- I thought about upgrading my phone for more storage, but decided to wait — prices may even drop next year.
- I don’t understand people who upgrade their phone every year or two, unless their work actually demands it.
- If it’s working perfectly fine, in most cases, you simply don’t need to upgrade.

3 years same phone, same MacBook — still going strong

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04

Automate Before You Spend

In the Gulf, tax-free income means people just go with the flow — that's the biggest mistake.

- I track every expense in Google Sheets, automated with Claude, so I always know exactly where my money goes.
- As soon as income lands, it should flow straight into buckets — investments, savings, expenses — before you get the chance to spend it.
- Reinvest every dividend and rental income you don't need right away.
- 40% of the S&P 500's 30-year returns came from reinvested dividends alone — skip that, and you leave real money on the table.

40% of S&P 500 returns came from reinvested dividends

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05

Define Your Enough

I have this car, I'm okay with that. I have this phone, I'm okay with that.

- For the next 1, 2, 3 years, I know there's no problem — I don't even have to think about money.
- An empty mind is the house of the devil — idle time, scrolling TikTok or Instagram, is where overspending creeps in.
- I don't spend to feel rich — I care more about building substance than showing off a car, phone, or lifestyle.
- Once you actually know your enough, spend freely on what matters — there's no need to be stingy.

1–3 yrs of runway before money even crosses my mind

06

Take Wealth as Freedom

You shouldn't have to worry how expenses get covered 6 months after your job ends.

- Lose your job on an employment visa, and it can be cancelled within about 3 months — your independence is tied to your employer.
- A community member wanted freedom from being tied to his employer's visa — I told him: get a Golden Visa.
- With around AED 2 million, you can qualify for a Golden Visa — and effectively buy your independence.
- Wealth isn't about the flex — it's about buying your mobility and your freedom to walk away.

AED 2M roughly what it takes to qualify for a Golden Visa

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07

Build Your Emergency Fund First

Someone on a call wanted to put every dirham into a property down payment — with zero buffer left.

- At 15–20,000 dirhams a month in expenses, that's at least AED 120,000 needed just to cover 6 months.
- Don't treat property as your only investment — you need conviction in other options too, like stocks.
- Without an emergency fund, any job shake-up instantly becomes a financial crisis, not just a stressful moment.
- Aim for 6 months of basic expenses at minimum. 12 months is safer.

6–12 mo of basic expenses — your emergency fund target

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08

Increase the Friction

Split into 4, interest-free, feels like a win — until it becomes a cycle.

- Buy-now-pay-later apps give you early access to money you'd normally wait for — and charge fees for that convenience.
- It becomes addictive: needing next month's advance too, then getting stuck in a compounding debt cycle.
- UAE Central Bank now tracks this usage — it can impact your credit score, which matters if you ever want a mortgage.
- It's fine used deliberately for a planned purchase. The danger is making it a habit for everyday spending.

Credit Score UAE Central Bank now tracks BNPL usage against it

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Save This For Later

Which one hit home? Let me know in the comments.

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03 If It Works, Don’t Upgrade It
04 Automate Before You Spend
05 Define Your Enough
06 Take Wealth as Freedom
07 Build Your Emergency Fund First
08 Increase the Friction

Full breakdown on the channel — with the real numbers behind every point.

Follow for more on money & mindset for expats in the UAE.

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