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Who owns offshore real estate? Evidence from Dubai

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DUBAI Uncovered

Leaked data –
> 800,000 properties.

E24 coordinates
25 int. newsrooms.

Dubai: part of CRS –
real estate excluded

Property registers
not public.

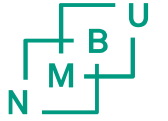


#DubaiUncovered – Research

- Leaked data on full Dubai property market handed over to Center for Advanced Defense Studies (C4ADS), Wahsington DC.
- Shared with int. group of researchers, headed by Skatteforsk at NMBU – do not know the source.
- Researchers imputed property values and attributed country background, analyzed trends and aggregate patterns.
- Journalists investigate cases and utilize aggregate estimates from researchers.
- Coordinated launch on May 3rd, 2022



The validity and coverage of the data has been thoroughly investigated



- I. **C4ADS:** The organization has over several years worked extensively on mapping and analyzing the Dubai property market, with a focus on case studies identifying properties owned by sanctioned individuals.
- II. **Investigative journalists:** Have been corroborated and used as basis for stories on ownership of Dubai real estate in the New York Times and for the stories published under the tagline “Dubai Uncovered” (Consortium of more than 25 media outlets in 20 countries, including Le Monde, Süddeutsche Zeitung, De Tijd, OCCRP)
- III. **The research group:** We use the public information from Dubai Statistics Centre on the number of housing units and compare it to the number of housing units in our sample to further check the representativeness of our data.



Who owns properties in Dubai?

Country distribution is based on detailed information in the data

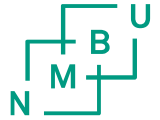
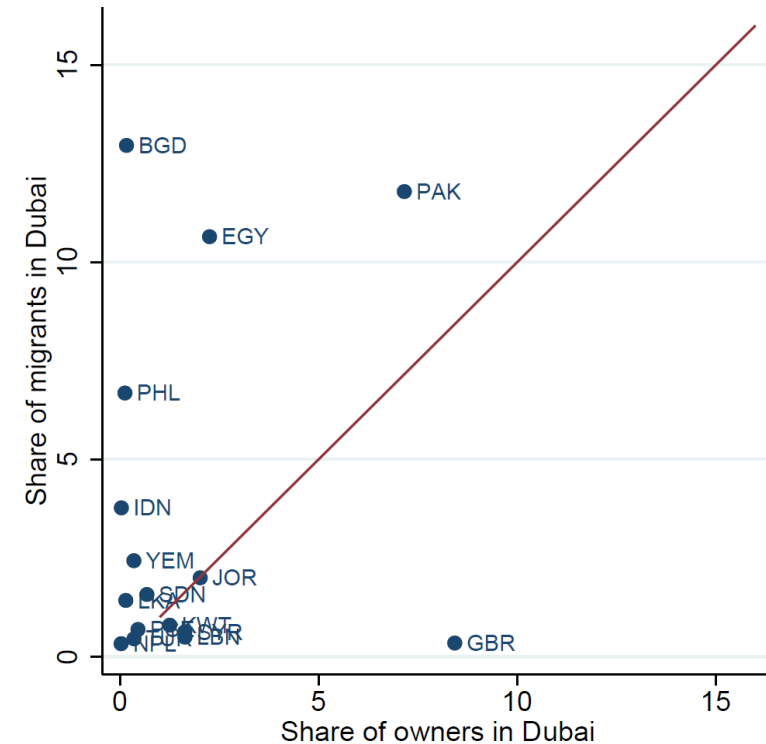


Figure 1: Owners seem to be non-residents

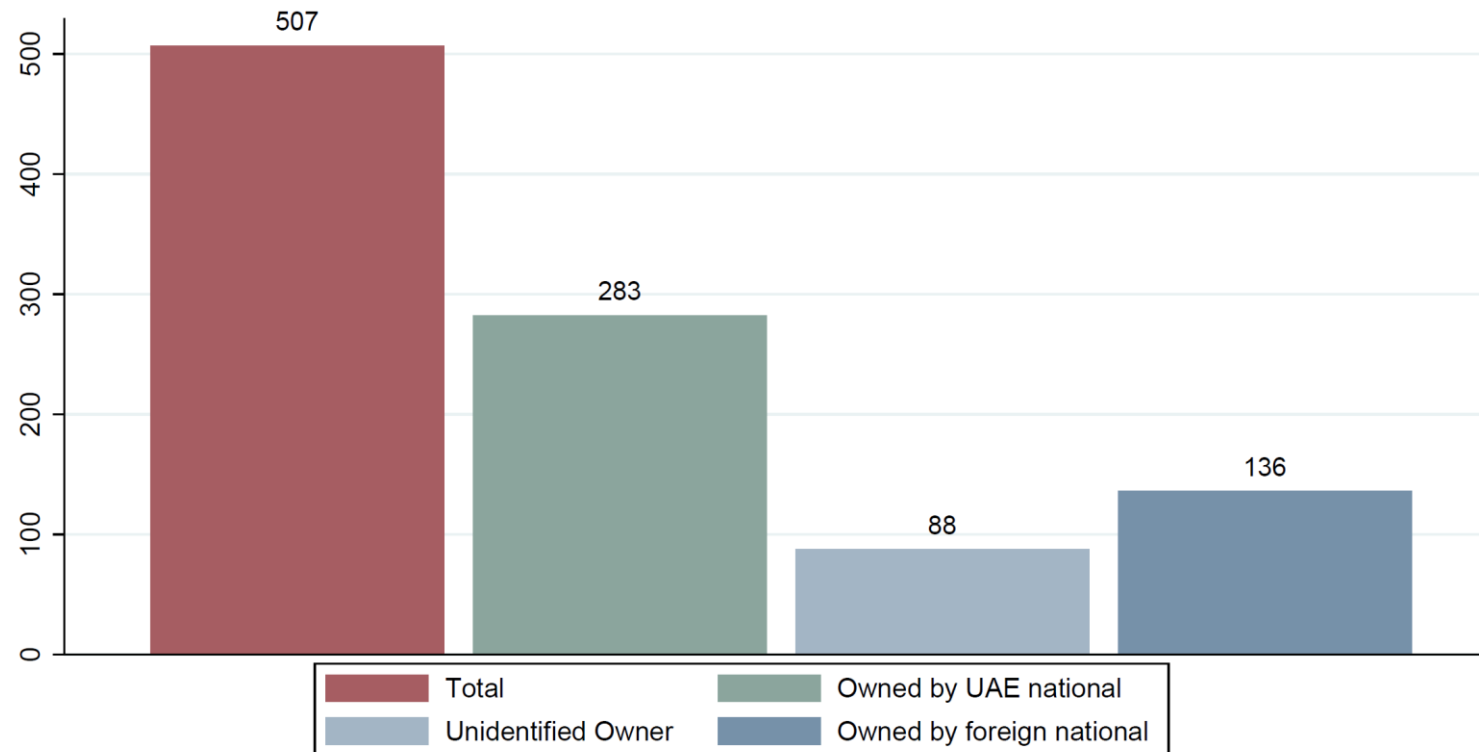
- There was a lot of direct nationality information in the data. But only for persons
- If nationality is missing, we impute from other information in the data: e.g. phone numbers and addresses
- If nationality is still missing, we impute from ICIJ data leaks
- If nationality is still missing, we impute manually for a sample of the largest owners, using public sources like prior leaks, public registries, etc.



Memo: India: 41 percent immigrants, 12 percent of foreign owners

Offshore real-estate in Dubai is large: 27% of total value

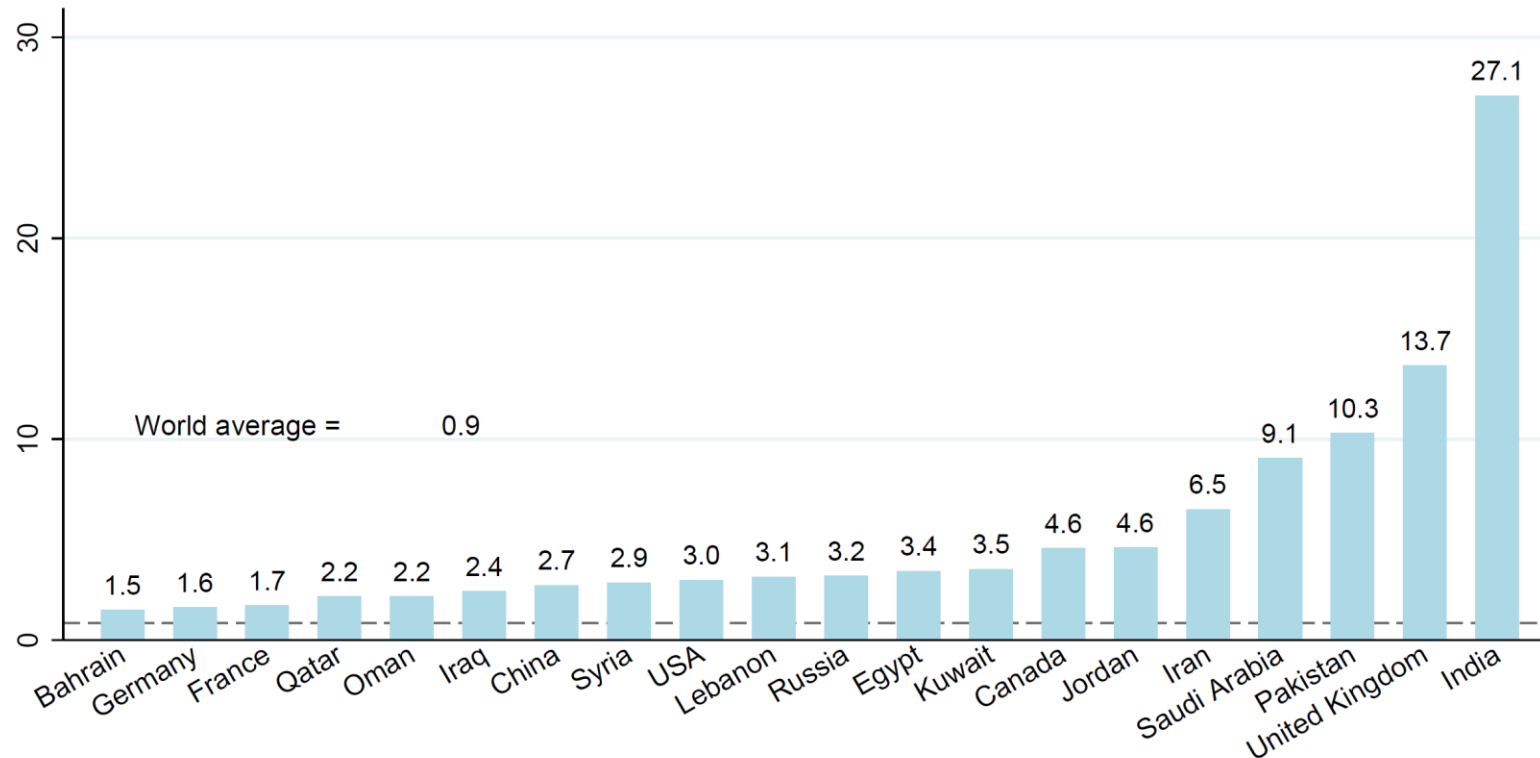
Figure 2: Value of Real Estate in Dubai in 2020 (USD Billion)



Notes: This figure shows the aggregate market value of Dubai real estate in 2020. It breaks down this aggregate into domestically-owned, foreign-owned, and uncertain owner’s nationality/residency. All values are USD billions.

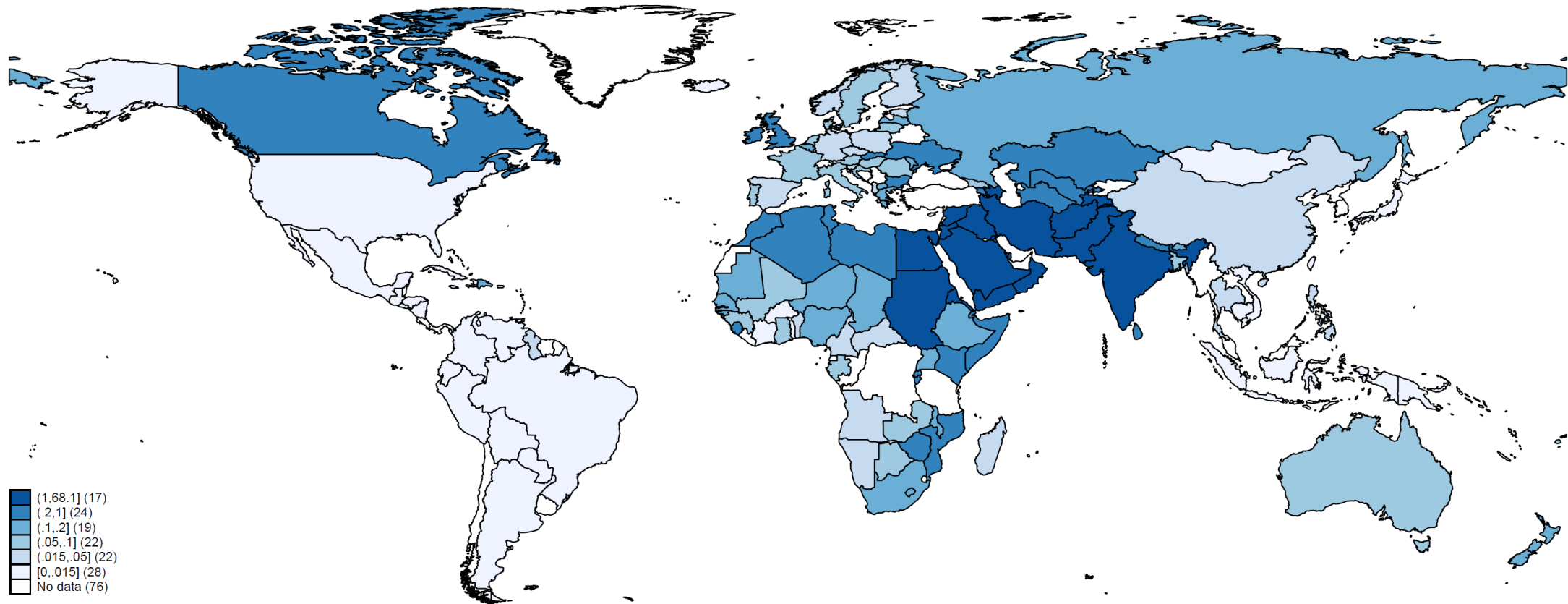
Geographic and historical ties matter

Figure 4: Real Estate Held in Dubai in 2020: Top 20 Countries



Notes: This figure shows statistics on the ownership of real estate in Dubai by the top 20 investing countries (other than the United Arab Emirates). Panel A) shows the value of Dubai real estate owned by these countries, in USD billions.

The map illustrates the gravity effect

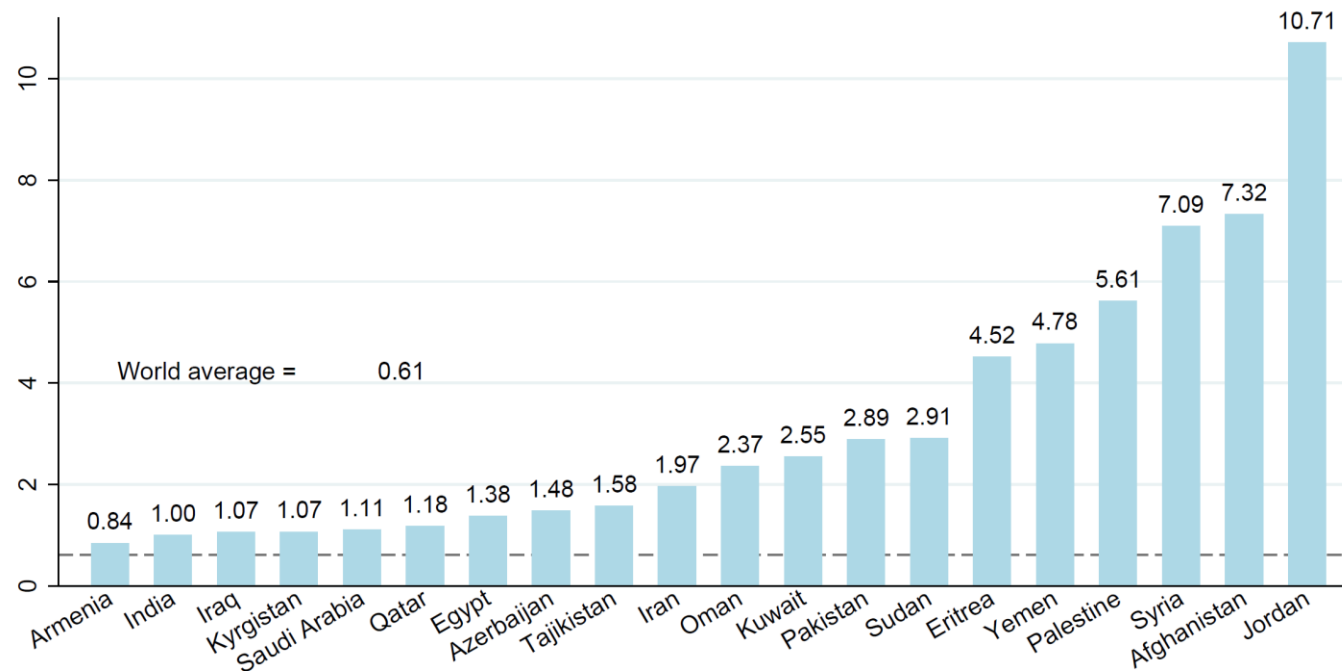


Notes: This map shows the value of properties held in Dubai by investing country, relative to the investing country's GDP. The range of values for each shade of blue is shown in the square brackets in the bottom left corner, with the number of observations in each bin in parenthesis.

Highest value/GDP ratio for neighboring and autocratic countries



Figure 5: Total Value (% of GDP)

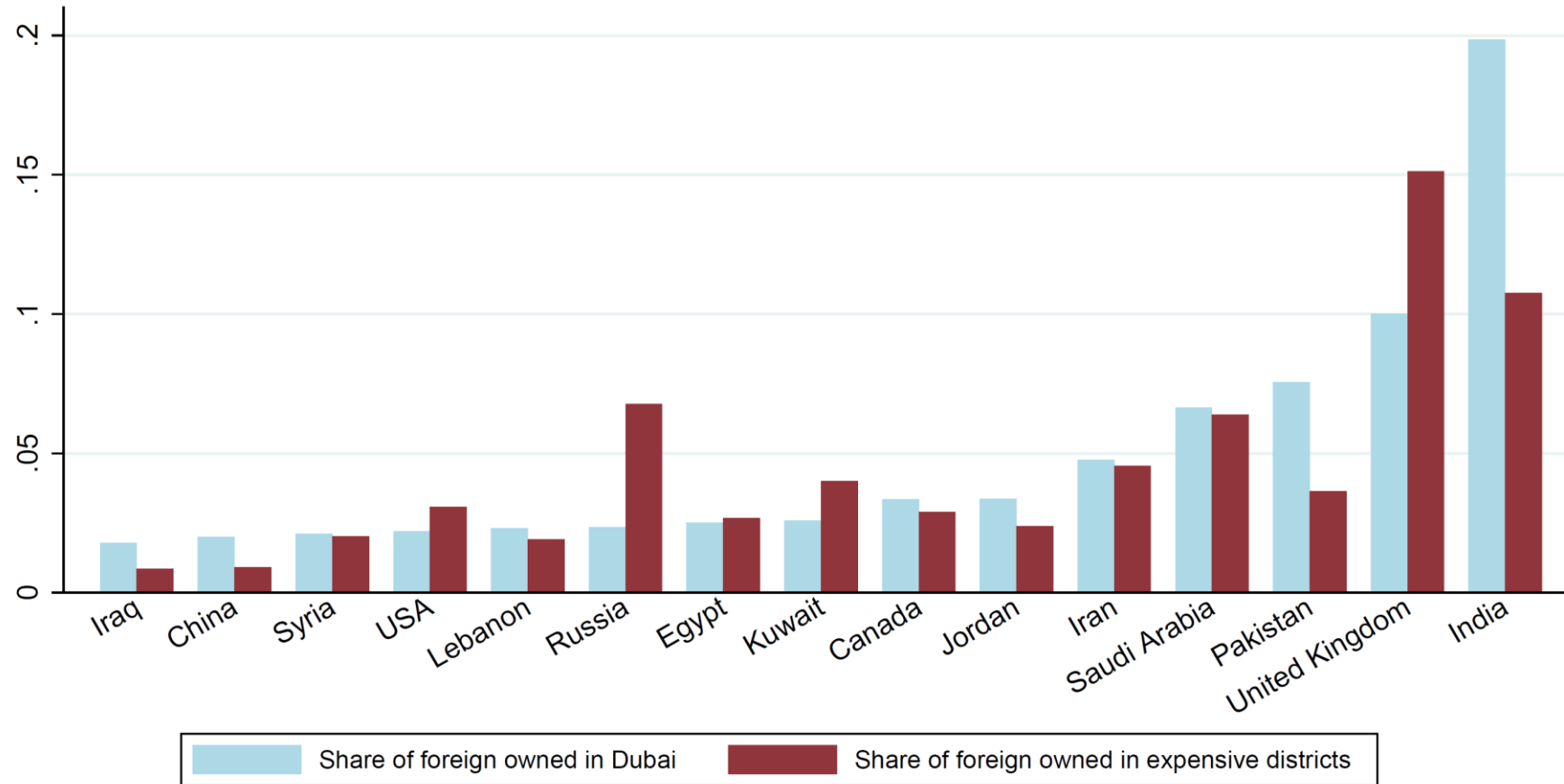


Notes: The value of properties owned in Dubai divided by GDP, for top 20 investing countries excl. tax havens and citizenship by investment countries. Countries with less than 5 unique owners of Dubai real estate are excluded from the figure. World average is the average for all non-UAE countries (with 5 or more unique owners of Dubai real estate), excl. tax havens and citizenship by investment countries.

Increased foreign share when zooming in on expensive areas



Figure 9: Real Estate Held in Dubai in 2020: Top 20 Countries (Affluent areas vs. All areas)





Are these assets hidden?

Norway: Probability of owning Dubai real estate rises with wealth

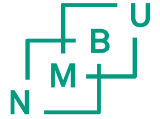
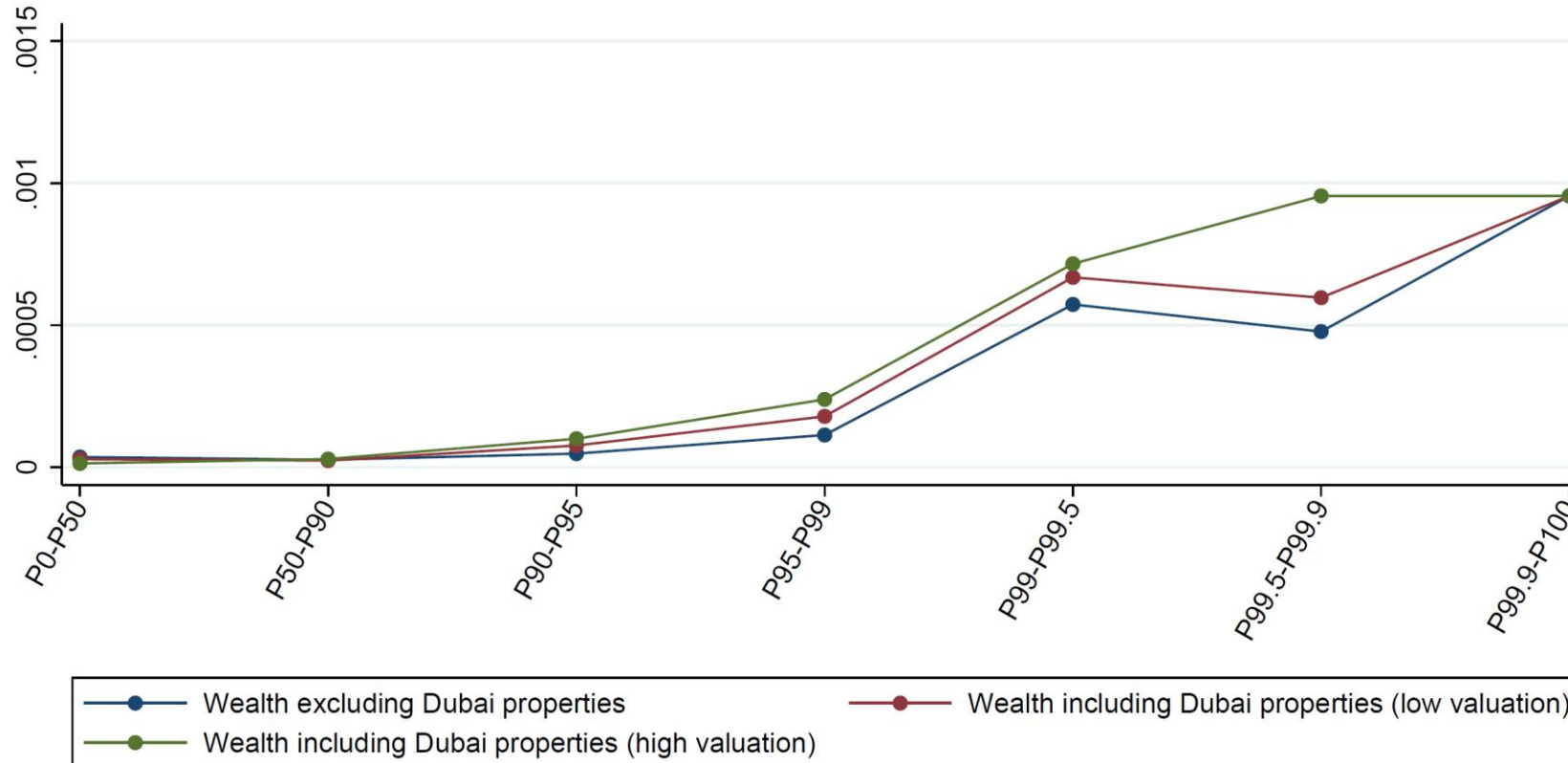


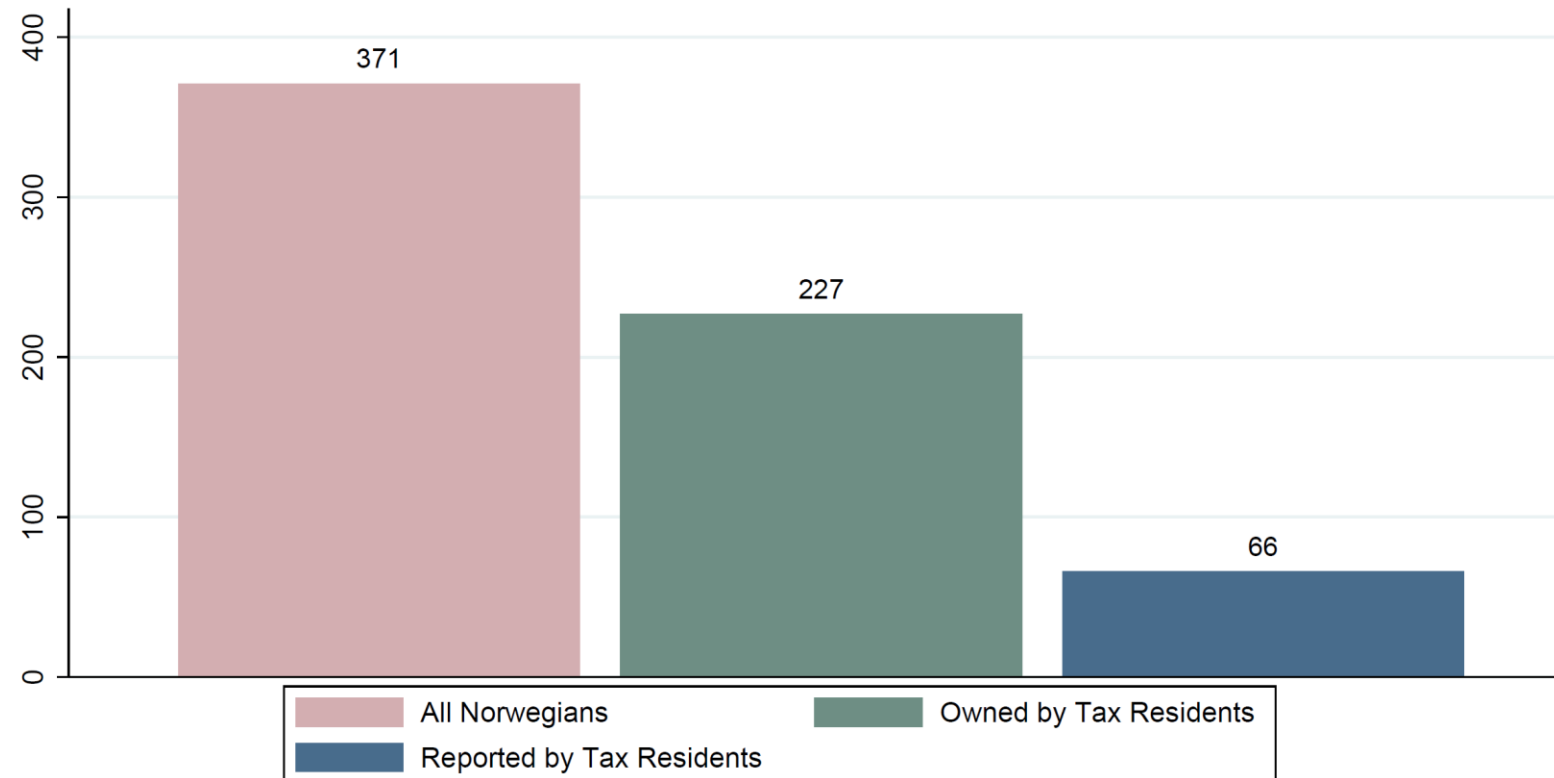
Figure 10: Ownership of Dubai Properties Across Wealth Groups



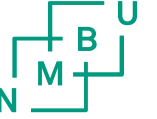
Notes: The sample of Norwegian Dubai property owners include the 172 owners of Dubai real estate who are identified as Norwegian tax residents.

70% of properties unreported (number of properties)

Figure 11: Reported vs. Total Dubai Real Estate of Norwegians



Notes: This figure compares United Arab Emirates real estate which is reported to the Norwegian tax authorities (no statistic is available for Dubai separately) and Dubai real estate owned by Norwegians in our data.



Key takeaways

- Offshore real estate is large.
- Our results illustrates a major shortcoming of CRS.
- Policy implication: Need to extend CRS to real estate.
- Not enough to know that assets are held in a tax haven, must also have the tools to repatriate if needed



Next steps – global estimates

Launch on **October 23 – 25** in Paris and Stavanger
– stay tuned for more info at
www.taxobservatory.eu and www.skatteforsk.no

Data Series 1	Data Series 2
Global effective tax rates on capital and labor income	Global profit shifting by multinational enterprises
Data Series 3	Data Series 4
Offshore financial wealth	Offshore real estate



**ATLAS OF THE
OFFSHORE WORLD**