

Dubai property agency introduces rent payment with credit card

The agency is offering rent payment with credit cards for units in Dubai's Discovery Gardens, a method formerly uncommon on the Dubai property market.

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Dubai: The novel concept of rent payments through credit cards has made an entry into the Dubai property market.

Property agency Landmark has made the offer for units in Discovery Gardens, according to advertisements. A Landmark agent confirmed the offer to Gulf News yesterday.

According to the Landmark agent Eddy, credit card payments will be accepted only if the tenant chooses to pay the whole year's rent upfront. If the tenant wants to split the rent and pay on a half-yearly or even monthly basis, the usual practice of post-dated cheques will be followed.

"The landlord needs some security," Eddy explained.

All credit cards are accepted, but no discounts will be given. However, banking experts are sceptical about the offer.

First, the tenant needs a huge overdraft facility on the credit card, and even if the overdraft is repaid in monthly instalments from the tenant's salary, accumulating interest will make it an expensive exercise.

Second, not every bank might agree to book a full-year rent payment on a credit card because this form of payment indicates that a tenant could already be struggling with other payments and has a higher likelihood of defaulting.

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