

Real Estate Tips



PROPERTY ADVICE



Tips for Buying a Property in India

Being the seventh largest country in the world, India is not short of land area. But however buying a property in India is not as easy as it seems. The real estate market in India in the recent times has been going up and down too frequently. Low demand and exorbitant prices are the main reasons for a poor demand.

Whether you are a first time [property buyer](#), buying a second home or an expert real estate investor, buying a home, it can be a great experience. Every property buyer knows that they have to set a particular budget range and stick to the price range so that you can know how much you can afford for the property or home. Today, real estate in India is growing at a phenomenal pace with options to buy, sell, and rent properties in India. Boom in Indian Real Estate is being observed in the real estate of not only domestic property but also commercial properties. For many people, owning a home brings a sense of pride and freedom. Buying a home may be the first step you take towards building long-term wealth.

Things to know before buying a house

If you are a first-time property buyer, this article will give you a checklist of things that you should verify before buying. For a second home buyer or real estate investor, this article will be a guide for property buying or investing in real estate. Following are some important things to know before buying a house to minimize your risk.

- **Builder's reputation:** While looking for a flat or apartment for yourself, you may come across a lot of luring and too good to be true offers and schemes from builders. Many builders promise too much but deliver nothing. A builder's reputation should be assessed first before going for his project. Radio advertisements are no indicator of a builder's reputation. Go online and research about the builder. Read user reviews, testimonials posted online. Make an enquiry about his completed projects, only then invest.
- **Budget:** You need to know how much money you will have each month to meet your expenses. Remember that your first property will seldom be your final property, so search after your present property getting needs first, and let the long term take care of itself. You should guarantee that the property you are getting will satisfy your present needs and be within your budget. As a property buyer, understanding your family's present major needs will help you make the right decision.

- **Location:** Take a good look at the location and the locality. It is better to try a place adjacent to the prime location of your city so that the price is not that high. Location will also have a large impact on the resale value of your home. Choose wisely and your home may be your best investment.
- **Rental rates in the area:** If you are planning about investing in a rental property, homes in high-rent or highly populated areas are ideal. Knowing the rental rate in the area helps you to choose the right property and location.
- **Good Resale Value:** Resale value is an important thing to consider before you plan to invest or buy a property. Property buyers never consider resale value when they buy. They make the mistake of focusing solely on a prime locality or the budget of the property. If you choose the wrong property or location, it is possible that your future sales price will always be less than the other homes around it.
- **Prefer a Home Loan:** It sure can be a safe guard for you. Always remember that if you apply for a home loan from a nationalized or even a private bank, the bank becomes the owner of your property, and it is transferred into your name only after you clear the bank loan. Since, the bank's money is at risk, they will make sure that the property you are going to buy is a safe investment. The bank will carefully scan all legal documents pertaining to the property including the registry, title/lease deed etc.
- **Which payment plan to choose:** This is one of the most important areas where you could go wrong. In a bid to squeeze the maximum amount of money from you, builders offer huge discounts if you are ready to pay a 50 to 70% initial amount for the flat. But this is a trap. What if the builder refuses to give you possession on the promised date? You have already paid him most of the amount. Choose a construction linked payment plan and pay in easy installments.
- **Stamp Duty & Registration Fee:** This is an important expense or tax, much like the sales tax and income tax that are collected by the Government. When planning your budget for property buying and deciding to buy a property, you need to know the rate and charges applicable in your city. If you want to know the market value of your property and the stamp duty amount on

it, you can [contact us](#) to locate your valuation zone and sub-zone. Find out the stamp duty amount applicable to you as per the market value.

- **Additional Costs:** Even if this isn't your first home buying experience, you will want to [get help from a team of professionals](#). Fees or service charge by real estate agents, lenders or mortgage brokers, home inspector, land surveyor, lawyer or notary etc. should be considered. Find out how much is the maintenance charge. Will car parking be provided and do you have to pay extra for it. If your previous owner did not have a vehicle, speak to the secretary of the society and ask for a parking lot.
- **Connectivity:** Connectivity plays a vital role in boosting your property's resale price or attracting tenants. Ensure that the property is located in an ideal location with good connectivity. Investing in property that can be easily reached to and from destinations like the airport, railway station, bus stops etc. are ideal and recommended.
- **Neighborhood Amenities:** When searching for a new home, there are the usual considerations of location, price, and layout. Neighborhood amenities is one of the important things you should consider before investing in a property. While making the list of amenities, include the proximity to schools, hospitals, banks, shopping centers, restaurants, entertainment facilities and parks.
- **Traffic in Peak Time:** Some areas or localities of a city are infamous for traffic jams and working professionals or tenants try to avoid such locations. Drive by the property at peak traffic times to get a feel of the neighborhood at different times of the day and week. Check what is the amount of passing traffic, will it be noisy at peak hours etc.
- **Property insurance:** Property insurance safeguards your financial future if certain damages occur to your property. The cost is relatively low and provides coverage in case of problems with the property title, certain damages or any legal issue. There are many different home insurance policies to choose from, with varying levels of protection. When taking a decision to protect your major assets, it is important to have a resource you can trust, to guide you along the way. Choosing the right house insurance protects your property and makes the process of buying easy.

- **Tax Planning:** Tax planning, a legitimate exercise and should not be confused with tax avoidance or tax evasion. Tax benefits can be claimed on both the principal and interest components of the home loan as per the Income Tax Act. You can also purchase property in joint names. Joint home loan is an option that might prove fruitful for married couples. Know about your home loan and tax benefit available on it.
- **Water supply and sewage systems:** If you are buying property, you need to consider your water supply, particularly in areas, towns etc. where excessive development has taken place. The affect on the local water supply and the additional sewage and waste disposal problems has, in many areas, been deplorable and will most likely, in the near future escalate the cost of providing quality drinking water. Before investing on property, ensure that your property will get quality drinking water throughout the year and that the civic body provides good sewage systems.
- **Legal Advice:** Be it construction, purchase, sale or lease of property, legal advice is mandatory. Since property prices are ever increasing, real estate investment is a very profitable form of investment. Just buying and selling is not enough in real estate investment, you have to be clear about the laws that govern the area of the property. Before buying the property you must take legal advice and prepare an agreement. When you go to buy your own home, you allow your emotions to influence your buying decision. For many people, owning a home brings a sense of pride and freedom. Remember that your first property will seldom be your final property, so search after your present property getting needs first, and let the long term take care of itself. Whatever you do, understand that buying investment property is an entirely different experience than buying your primary residence. Resale Value is an important factor to consider before you plan to invest or buy a property. Before planning to buy a property, understand the laws pertaining to property buying and engage with a team of professionals you need to make the process of buying a home simple and easy.

For help on Legal advices, Tax planning and property evaluation, please [contact PropertyAdvices.com](http://PropertyAdvices.com)