

# 10 things you must not ignore while buying property from developers

Home buying is one of the most crucial decisions of your lifetime. There are many factors that need to be carefully considered prior to going ahead with the decision to buy your dream home. However, in the current context where the buyer is king, it often becomes next to impossible to choose between projects that are quite similar in terms of their basic parameters, like pricing, location, amenities and quality of construction.

By: **Sanjeev Sinha** | Published: February 28, 2017 10:34 AM

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Most buyers tend to book projects that come closest to meeting their customized requirements at the lowest price possible. While this may seem to be the right approach, buyers need to adopt a long-term perspective to property buying to accrue maximum benefits.

Here we are taking a look at the key things which you must consider before buying a home from developers:

**1. Select a reputed builder:** This is the most crucial aspect when you begin the search for your dream home. It is extremely important to only go ahead with reputed names in the business who can deliver projects as per your expectations. For, choosing an inexperienced developer can lead to multiple consequences such as amenities not as per agreement, rejection of loan by the bank due to bad reputation of developer, etc. This makes it crucial for you to scrutinize your builder carefully before you set your heart on a property.

“Check on the developer’s commitment quality and timely delivery of the projects. A background check on the past projects will give you an idea whether they have been able to deliver their projects within reasonable timeframe without compromising on quality. It will also give you a brief idea on the financial stability of the developer which is an important criterion to complete the project within the stipulated time-frame,” says Surendra Hiranandani, CMD, House of Hiranandani.

**2. Check approvals and licences:** Once you have selected the builder of your choice, you must ensure due diligence and look into all the approvals concerning to your project. Amongst them you must look into these things:  
Remember to get the original property deed (title, ownership details etc) thoroughly checked and verified by a lawyer.  
Confirm the said property is not under any litigation and is free from all encumbrances.  
Check all the mandatory statutory approvals if the said property is under construction.  
Ensure that the agreement of sale has all the terms and conditions as agreed to, duly mentioned clearly.  
Ensure you get a proper receipt for all your payments.  
Make sure the final sale agreement is duly registered with the Office of the Sub-Registrar, after paying the applicable government charges.  
Remember the buyer (you) is always indemnified against any loss arising from any defect in the property title.  
Make sure you secure possession of the original property title and a physical handover of the said property at the time of concluding the sale deed.  
Ensure the developer has no pending claim, right, interest in the property once deal is concluded.

**3. Growth of the location:** One should look at purchasing a home in an area which has the potential to grow in the coming years. The property prices in a pre-established area are not only high but also come to a standstill after a certain period of time as there is less scope of development around that area. “Improving infrastructure and sniffing its potential growth at an early stage can help you freeze a fair deal. If you plan to rent out the property, choosing a location with potential tenants becomes all the more imperative as it helps to avoid the future crisis of the property being empty for a long time. One should be completely sure that the area or the locality of the property is in demand for the house on rent,” says Hiranandani.

**4. Check the site plan:** The layout of the property highlighted in the brochure could be different from the reality. “As developers launch projects in stages, the buyer should check if there is any further development or new construction within the project. For instance, the green belt mentioned in the brochure can be developed into a new high rise building at a later stage. To avoid these misconceptions, the buyer should gain as much as information about the locality where he/she wants to invest in,” says Avnish Yadav, Deputy General Manager, Residential Services, Colliers International India.

**5. Construction quality:** The buyer should always ensure that the quality of building material is sound and secure before finalizing the buying decision. “Although it is a technical aspect, but frequent field visits to the project site and gaining insights from an experienced architect can help in checking the construction quality of the project,” says Yadav.

**6. Ease of public transport:** A piece of property close to transport hubs often commands a much higher value as there is greater scope of development in these areas. It is better to buy your home near such places as it will boost your return on investment. Also, ensure that the property is not close to industrial areas as pollutants released from the same would cause health hazards to the occupants.

**7. Finances:** It is very important for home buyers to know what’s coming their way. Walking into a bank and asking for a mortgage without doing prior research can be profitable for the bank and developer, but not for you. So it is always advised to look around for the best deal before freezing on with a particular bank. “It’s good to aspire to live in a large home, but not if it involves paying a huge chunk of your salary / income towards servicing your home loan EMIs. The EMI or rent component of your new property should never exceed 30% of your total income. Further, it is prudent to verify your monthly outgo in terms of the maintenance costs before signing the purchase agreement,” says Hiranandani.

**8. Understand the exact space:** The buyer should be aware of the difference between the super built up area and the carpet area. The super built up area in a piece of property would include the lobby, the stair case etc, while the carpet area, the area enclosed within walls, is the actual space you will get to live when you move in the property. So, it is important for the buyer to understand his requirement in terms of carpet area which will help him make a sound purchase.

**9. Find out the total cost:** Know the total cost of the property. If you go through brokers, they may just mention the basic cost and not other expenses such as parking, club house and preferential location charges etc. Ensure to ask for the complete total cost.

**10. Understand the payment plan:** There are numerous payment options offered by developers, like special down-payment plan, flexi-payment plan, construction-linked plan and possession-linked plan. “It is important for home buyers to understand the cost benefits of the plan being offered before choosing their option,” says Hiranandani.