



Knowing the right questions to ask and engaging an expert for advice, can help buyers make a sound investment, irrespective of whether one is buying a home to live in or for investment purposes. This is all the more relevant in the present market conditions, where the cost of capital and loans is high and not expected to decrease in the near future, thereby affecting the affordability and availability of homes.

Sachin Sandhir, managing director (South Asia) of the Royal Institution of Chartered Surveyors (RICS), says that 'it is absolutely essential for home buyers to protect their interests.' The decision to buy any property requires a long-term financial commitment, he points out. The urgency to move into a home will largely depend on one's disposable income and the decision to invest either in an under-construction or resale property. However, before making a financial commitment, it is always wise for the buyer to consider the associated risks that are involved in buying property and evaluate the same.

According to a company spokesperson of Kalpataru Ltd, "A common emotional mistake that is noticed in home buyers is the reluctance to check the background of the developer and past projects delivered by him. We would suggest that a buyer should ascertain the reputation of the developer and past projects delivered by him before entering into any transaction with them."

Anshul Jain, CEO of DTZ India, cautions that 'one of the biggest mistakes a buyer can make, is purchasing a house that he immediately likes, even if the total cost exceeds his budget.' Another mistake involves making an inaccurate assessment of the total outlay. This may happen when buyers fail to realise that service tax, VAT, stamp duty and registration charges are not covered by the home loan provider. Developers

also tend to pass on other charges including legal fees, which are not covered by the home loan. All these expenses could put a strain on the buyers' finances. "Getting lured by a project and overlooking the disadvantages of its location is another common mistake. The inconvenience of travelling long distances everyday to work, may outweigh the benefits of having additional comforts at home, in the long run. Another potential mistake is to allow marketing gimmicks of the developer, such as gold coins, cars, cash discounts and holiday packages to influence one's purchase decision," says Jain.

Some buyers may also be tempted by the model apartment at the project site. These sample flats usually have lavish interiors, specifically designed to attract buyers. In all likelihood, a buyer may not spend anywhere close to what the developer spends on the model flat and hence, his apartment may not appear as great as the model flat.

Mayur Shah, managing director of the Marathon Group, maintains that 'the most common and alarming mistake that buyers make is buying a property on blind faith, without due diligence.' Regardless of who recommends a property, or even the credible reputation of a real estate developer, it is vital to conduct thorough research about the property in which one intends to invest, he insists. "The buyer must ascertain whether the property meets his/her requirements and evaluate whether it offers value-for-money, in addition to assessing its connectivity, capital appreciation potential, etc.," advises Shah. Consumers sometimes tend to make decisions based only on the brochure provided by developer. Home seekers should first request the developer for the building and apartment's floor plan and closely inspect the sample flat, before deciding to invest.

According to Percy Chowdhry,

director, Rustomjee, "Every consumer has specific set of requirements and hence there will be a different influencing parameters while scouring for a place. The first and most important thing is to do an in-depth research or study on each of the developers and projects, financing options, the preference in amenities, etc. One should also do a thorough background check on the past projects delivered by the developer and whether

they were delivered on time. Real estate agents with websites and blogs make it possible to obtain the correct information about a project and developer."

While it may be advantageous to purchase a home that is close to hospitals, educational institutes, railway stations, shopping centres, etc., it is sensible not to opt for a house that is too close to these facilities to avoid the inconvenience of crowd, hawkers, traffic and ille-

gally parked vehicles.

"Regardless of age and design, buyers should check the structural condition of the property, electrical wiring, plumbing, insulation and alterations that may have been made to the original floor plan, and if the same have been approved by the local development authority. It is also advisable to consider the immediate and future maintenance requirements of the house," concludes Sandhir.

Emotional mistakes of home buyers

When it comes to purchasing a house, there are several common mistakes that prospective buyers need to guard against, cautions **Ravi Sinha**



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