

HOME BUYING **GUIDE**

INDIA'S FIRST E-BOOK
ON HOW TO BUY A HOUSE



EVERYTHING YOU NEED TO KNOW TO MAKE THAT BIG PURCHASE EASIER

Acquiring a home—sweet home or rather building one has always been on top of the list of ambitions for every Indian. The beginning of the 21st century has witnessed significant growth in this trend with an increased supply of disposable income in the hands of young Indians. The proliferation of the information technology business had added further impetus and cities and towns are growing vertically and horizontally to cater to the demand for new homes.

Let's give you a complete **home-buying guide** right away!

WHAT TO BUY?

You'd be thinking what type of a property should I invest in? Well, for that the first thing required is market research. Take out a book and a pen, open the laptop and start researching about the locality and the market you're planning to buy your home in. It is also beneficial if you get to talk to some property consultants and read as much as you can about the market condition currently, average prices of the properties, schemes and offers if any.

Then comes the main step- whether to buy an apartment, a villa, or a plot? Well, apartments are the most supplied properties in India. If you're buying a property for end use, apartments are great. If you need freedom in terms of construction, plots are a great option for you. If you need privacy or an independent lifestyle, then maybe a villa is the best option for you.



FIGURE OUT YOUR BUDGET

Before buying a home, you must first know how much exactly you can afford. It is of no practical use if you aim for a superb amount yet earn an average salary. Therefore, being realistic and patient is the key.

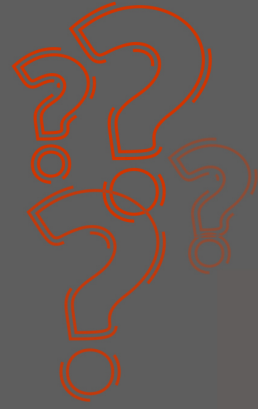
If you want to opt for a home loan, you must carefully consider the down payment you would have to pay before committing to shelling out an exorbitant sum of money every month.

Typically, banks can cover up to 80% of the loan amount, with the remaining 20% borne by the borrower, along with miscellaneous expenses such as stamp duty, and so on.

Therefore, do not expect the loan amount to cover everything

WHEN IS THE

BEST STAGE TO BUY?



If you have the required finances, ready-to-move-in is the ideal option for a home buyer. For an investor, a ready-to-move-in property is feasible for business as he can buy and put it up for lease without any waiting period. Whereas, a house under construction eases the financial burden wherein you can finance your property through bank loans and pay less cash up-front.

Depending on the chosen budget, one can decide the type of property. If you are an end-user, the size of your family, along with the budget can be a determining factor while choosing the type of house you need.

There is a wide range to choose from today as the market abounds in various housing formats – from 1, 2, 3 and 4BHK apartments, to studios, villas and row houses, to builder floors and independent houses. Multi-storey projects and townships with all amenities in one project – clubhouse, swimming pool, meditation centre, health clubs, departmental stores, schools, cinemas, sports facilities, banquet/party halls are what most end-users are looking at today.



WHICH SPECIFIC HOME FEATURES DO YOU WANT?

While it's good to retain some flexibility in this list, you're making perhaps the biggest purchase of your life, and you deserve to have that purchase fit both your needs and wants as closely as possible. Your list should include basic desires, like size and neighborhood, all the way down to smaller details like bathroom layout and a kitchen fitted with durable appliances. Scanning real estate websites can help you get a sense of the pricing and availability of properties offering the features that are most important to you.

CHOOSING THE RIGHT LOCATION

Location is the main aspect while buying any property. You ask why? Because the location of your next potential home determines how convenient you would find life to be later on.

If the property is an investment, you should choose a well-connected area, easily accessible with all modern amenities available. You must also correctly analyze the real estate forecasts to dig out profit from the deal.

If you are looking to buy a home for personal use, you must be mindful of your own needs. If you are a parent, a good school nearby is a must. Fast access to well-equipped medical facilities is necessary if you have aged parents. Connectivity is also crucial, so you must have easy access to transport facilities.



LOOK FOR THE BEST HOME LOAN RATES

There is a wide range to choose from today as the market abounds in various housing formats – from 1, 2, 3 and 4BHK apartments, to studios, villas and row houses, to builder floors and independent houses. Multi-storey projects and townships with all amenities in one project – clubhouse, swimming pool, meditation centre, health clubs, departmental stores, schools, cinemas, sports facilities, banquet/party halls are what most end-users are looking at today.

You must remember not to always go with the lender offering the lowest rates and check whether the rate of interest offered is fixed or floating. Fixed rates are interest rates that stay constant and never change, while floating rates vary as time passes, making the final amount payable much more than what you hoped for.



HOUSE INSPECTION

A thorough house inspection serves as a significant source of security and confidence to potential house owners.

Before knowing how to buy a house, you must know how to differentiate a house with solid foundations and sound infrastructure from an outwardly magnificent yet structurally weak one.

To that end, house inspections before buying also allow you to check whether all conditions are suitable to your taste. If you find any irregularities or discrepancies, you are saved from finding it out after you had purchased the property, had you chosen not to go through with a thorough house examination.



MANAGING FINANCE

Your EMI should not be more than 30-40 percent of your take-home salary. If the property markets in your city are very expensive and you cannot afford the property that you want to stay in, invest in whatever is affordable even in the periphery.

Most banks allow you to exit one loan and take another. So, you can sell off the smaller-priced property in a peripheral location and use that as seed money to buy where you would like to stay. Else, you will always be behind the market in terms of finance.

For calculating the monthly home loan installment, consider your monthly family income – now and expected in the future. Family income includes your as well as your parent's or spouse's income. Secondly, your family's current expenses, including all other loans you are servicing, are very important to be considered. Do not spend more than 50 percent of the total income on EMI.





CLOSE THE DEAL

If you're able to work out a deal with the seller—or better yet, if the inspection didn't reveal any significant problems—then you should be ready to close. Closing basically involves signing a ton of paperwork in a very short time period, while praying that nothing falls through at the last minute.

CONGRATULATIONS, NEW HOMEOWNER!

NOW WHAT?

You've signed the papers and paid the movers, and the new place is starting to feel like home. Game over, right? Not quite. Homeownership costs extend beyond down payments and monthly mortgage payments. Let's now go over some final tips to make life as a new homeowner more fun and secure.

KEEP SAVING

With homeownership comes major unexpected expenses, such as replacing the roof or getting a new water heater. Start an emergency fund for your home so that you won't be caught off guard when these costs inevitably arise.



PERFORM REGULAR MAINTENANCE

With the large amount of money that you're putting into your home, you'll want to make sure to take excellent care of it. Regular maintenance can decrease your repair costs by allowing problems to be fixed when they are small and manageable.

IGNORE THE HOUSING MARKET

It doesn't matter what your home is worth at any given moment except the moment when you sell it. Being able to choose when you sell your home, rather than being forced to sell it due to job relocation or financial distress, will be the biggest determinant of whether you will see a solid profit from your investment

WHO WILL GUIDE YOU THROUGH THE HOMEBUYING PROCESS?

A real estate consultant will help you locate homes that meet your needs and are in your price range, then meet with you to view those homes. Once you've chosen a home to buy, these professionals can assist you in negotiating the entire purchase process, including making an offer, getting a loan, and completing paperwork. A good real estate agent's expertise can protect you from any pitfalls that you might encounter during the process.

