

to cost. However, the real estate sector is volatile and there are chances that a project could be delayed, cancelled or government regulations could change—all of which could affect homebuyers. Further, the process of obtaining loans for such properties can take longer and be more complicated. On the other hand, ready-to-move-in (RTMI) properties are generally free from all these issues.”

The cost of the property isn't the only determining factor to consider when purchasing a property. The quality and timelines matter too. Bhasker Jain, chief business officer of a reputed real estate group, says, “While under-construction properties are cost-effective and permit you to make payments at ease, they offer almost no guarantee that the project will be completed in the given timeline. In RTMI apartments, you are assured of a house with all the essentials without compromising on what you are paying for. Additionally, the buyer is allowed to inspect the house before buying it. I feel the main advantage that is guaranteed in this category is that you get instant availability with zero risk involved.”

■ MONEY MATTERS

The price of a property and its Return on Investment (RoI) are possibly the most vital factors when it comes to property investment, especially when one is deciding between a completed project and one that is yet to be completed. Jitendra Mehta, president of an apex body consisting of members from the real estate industry, while sharing his views on under-construction properties, reveals, “The entry level price points of such properties tend to be lower, so the RoI is obviously better as well. On the flipside, from an investment perspective, rental income will not start until the buyer receives possession of the property. So even though the payment of the property is staggered, the rental income also gets delayed until the project is ready.”

There's also the aspect of taxation that differs in both. He adds, “Pre-EMIs (i.e. EMI on quantum of loan disbursed during the under-construction phase) do not offer tax benefits to the investor. In the case of a completed project, the apartment can be given out on rent immediately and the savings on tax begin almost immediately, too, if a home loan has been availed of.”

■ SUITABILITY AND CLIENTELE

As each of these types of properties have specific features, their clientele varies too. Thakur explains, “For first-time buyers looking to occupy the property, we strongly recommend ready-to-move-in homes. For individuals living in rented apartments, paying rent and the EMI for an under-construction property can be difficult. Under-construction properties would be a better option for people who already own homes or are buying property for investment purposes.”

Misbah Kapadia, an interior designer, provides a different perspective, when she opines, “If you are shifting to a new city, it is always nicer to purchase and move into a building that is already inhabited by other residents. This helps one understand the ecosystem and the overall atmosphere of the city sooner. However, if one is a local and wants to upgrade their life and lifestyle, then perhaps moving into a fresh, new construction might be a more suitable option (budget permitting of course).”

Jain concludes, “First-time buyers are usually end-users, who need a place to live and therefore, prefer RTMI flats, as they generally do not plan to sell the property in the immediate future. They prioritise finished apartments where the possession is easy and quicker compared to under-construction projects. Additionally, an RTMI property allows the buyer to understand and review the quality of construction, infrastructure support, and the surrounding locality. Moreover, one can immediately leave one's rental home and move into an RTMI property. Buyers who need time to arrange for finances can opt for under-construction properties.”



PHOTOS: ISTOCK

Should you invest in a ready-to-move-in or under-construction flat?

Deciding whether to invest in a ready-to-move-in (RTMI) home or one that's still under construction can be tricky. Here, our experts shed light on both to help you make an informed decision this festive period

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Buying a home is a mammoth task, one that involves several factors that must be reviewed before signing on the dotted line. From budget to location, size and amenities being offered, various aspects influence one's choice and need to be assessed carefully based on one's requirements. From the pool of options available, a buy-

er can choose between a property that's still under construction or one that's completed. While both have their unique advantages and disadvantages, a buyer must consider his or her specific needs and circumstances before coming to a decision. Here's a look at the salient features of each.

■ DIFFERENTIATING FACTORS

The first and foremost, and obvi-

ous difference between the two is that you can take possession of one almost immediately, while the other, depending on the stage of construction, will require some amount of time before you can move in. BM Thakur, general manager (projects) of a leading real estate company, while explaining the features of both, states, “Investing in an under-construction property provides buyers advantages with respect