

Completed Versus New Homes

Industry experts and stakeholders present the advantages and disadvantages of purchasing a ready-to-move-in project or selecting an under-construction one.



TOP STOREY
Kausar Firdausi

In the home-buying journey, the question of choosing between a ready-to-move-in project and an under-construction one arises, each comes with its own set of benefits based on various factors. Industry experts and stakeholders present the advantages and disadvantages of purchasing a completed home versus one that is still under construction.

Advantages of ready-to-move-in homes

According to a recent real estate data, cities like Bangalore, Mumbai, and Delhi are witnessing a high preference for these homes due to their dynamic job markets and urban lifestyles. "The demand for ready-to-move homes in these cities has outpaced the supply, leading to increased competition and, subsequently, higher property prices," informs Lucy Roychoudhury, CEO, Runwal Bliss.

According to Shalin Raina, MD, residential services, Cushman & Wakefield, homebuyers today are increasingly inclined towards completed or ready-to-move-in projects over new or under-construction ones due to several compelling reasons. "Initially, these properties offer the convenience of immediate occupancy with zero waiting period, facilitating a seamless transition for homeowners. Moreover, the assurance that what you see is what you get eliminates any surprises

or uncertainties associated with the final outcome, offering peace of mind to buyers," says Raina.

Reshmi Panicker, executive director land services & residential, Knight Frank India is of the view that when buyers opt completed project, they can physically inspect the property and assess its quality, layout, and amenities before making a purchase decision, reducing the risk of buying into potential discrepancies or unsatisfactory outcomes. Another advantage, as Panicker states, is that buyers can avoid bearing



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SHALIN RAINA
MD, Residential Services,
Cushman & Wakefield

the burden of additional expenses often associated with under-construction properties, such as interim rent, loan interest, or unforeseen construction costs and levies like GST, which is applicable for under-construction projects.

Also, Santhosh Kumar, vice chairman, Anarock Group highlights, "For first-time homebuyers, they can avoid the risks that come with building delays and project cancellations, which means they can take possession right away. This also saves buyers money on rent or the stress of having to pay both rent and EMI!"

As per Rakesh Reddy, director, Aparna Constructions, another advantage of purchasing a ready-to-move-in home is the potential tax benefits it offers. "When financing the purchase of a completed property with a home loan, the buyer may qualify for tax advantages in the year of acquiring possession. Conversely, buyers of under-construction properties are unable to avail these tax benefits until they officially take possession of the property, resulting in a period of ineligibility for tax advantages. Additionally, it is anticipated that due to escalating raw material expenses, the overall expenses associated with under-construction projects could potentially rise by as much as 10%," elucidates Reddy.

D. Kishore Reddy, founder & CMD, MANA Projects Pvt. Ltd. enlightens that ready-to-move-in options also generally lead to faster loan approvals from lenders who view them as less risky investments.

Furthermore, Mrinaal Mittal, director, Unity Group opines that opting for

completed projects, buyers have the advantage of immediate rental income or capital appreciation, adding to the property's value proposition.

Benefits of under-construction options

According to Praveer Shrivastava, sr. VP, residential, Prestige Group, when buying an under-construction home, the customer has the advantage of paying over a period of time, while the apartment becomes ready for delivery. "He can work on his finances and decide when and how much home loan is needed. It also gives the customer time to gather funds for registration and interior work," asserts Shrivastava.

Seema Jobanputra, director, Ashar Group says that under-construction projects offer a lower entry point into the market. "There are possibilities that a currently under-construction project may offer updated amenities and other offers,"



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PRAVEER SHRIVASTAVA
Sr. VP, Residential, Prestige Group

avers Jobanputra

At the CCI Projects' Rivali Park' in Borivali, which is currently under construction, witnesses significant interest from prospective homebuyers. "Our buyers have the flexibility to personalise their homes, benefit from flexible payment options, and anticipate potential appreciation in property value," proclaims Khatau.

Furthermore, as Mohit Jajoo, CEO & executive director, Shubhashish Homes emphasises, that purchasers should expect larger returns on investment because property values tend to rise throughout the development process. "With rising regulatory requirements, purchasing an under-construction home assures compliance with rules such as RERA, giving them greater security and transparency," adds Jajoo.

But moving forward as majority of the projects of credible developers are completed and are already delivered, the confidence of homebuyers in under-construction or nearing completion projects of capable developers have gained momentum. "We are experiencing that interest of homebuyers is now again trending towards the under-construction projects or nearing completion projects but limited to the developers who have past records of delivery both in terms of quality and time along with good fiscal management," affirms Rattan Hawelia, founder & chairman, Hawelia Group.

In essence, in the current realty landscape, homebuyers are presented with compelling advantages in both ready-to-move-in projects as well as under-construction ones. "Whether opting for completed or under-construction projects, buyers should prioritise their individual preferences, timelines, and risk tolerance to make the most suitable investment decision for their future," suggests Aman Sharma, founder & MD, Aarize Group.



How is investment in luxury real estate flourishing within India's economy? Industry bigwigs answer...



G HARI BABU
National President,
NAREDCO

"This segment is not just about luxury; it is a significant contributor to our nation's economic well-being. This surge in investment translates to a boom in the construction sector. High-end developments require skilled labour, innovative materials, and cutting-edge design, creating a ripple effect that generates jobs and stimulates numerous allied industries."



DR. DHARMESH SHAH
CEO, Hero Realty

"Overseas investors are showing an increasing interest in investing in premium residential and commercial developments, which is contributing to the growth of India's luxury real estate sector. Excess liquidity generated from the stock market is being directed towards luxury properties, which have great potential for capital appreciation."



VINAY KEDIA
Director, Prescon Group

"The surge in investment from both high-net-worth individuals (HNIs) and non-resident Indians (NRIs) is driven by luxury real estate's status symbol appeal, its potential for value appreciation, and its role in diversifying investment portfolios. Government initiatives such as the RERA have boosted investor confidence by promoting transparency and accountability."



VIJAY JAIN
Managing Director,
Star Estate

"The luxury segment is experiencing significant growth, driven by increasing demand for premium properties. This trend is fuelled by factors such as a growing affluent class and evolving lifestyle preferences, coupled with a desire for exclusive amenities. This trend reflects India's fast-growing economy and also the maturing of the sector."

EXPERT TAKE

Naveen Yadav
Founder,
Navraj Group



Dwarka Expressway stands tall

The upcoming global city project, designed to redefine the skyline, enhances its appeal as a premier real estate hotspot in the National Capital Region.

Dwarka Expressway, the strategic artery connecting Delhi and Gurugram, is undergoing a remarkable metamorphosis. This micro-city poised for unprecedented growth is attracting discerning investors and homebuyers seeking a blend of visionary urban planning and exceptional living experiences.

Driven by the ambitious global city project and the potential for NCR's tallest buildings under revised FAR regulations, the Dwarka Expressway promises a paradigm shift in the region's landscape. We at Navraj

Group recognise this potential and have actively contributed to shaping the area into a premier investment destination.

We envision a flourishing community fostered by meticulously designed amenities, with high-speed links leveraging better connectivity. Dwarka Expressway offers seamless access to key business districts, airports, and leisure hubs, easing life of millennials with an aspiring lifestyle.

Gurugram stands on 28.9 per cent growth in 2023, far exceeding the national average, is a testament to the

region's potential. Dwarka Expressway sits at the heart of this trajectory, offering not just exceptional value but also a future-proof investment.

The upcoming global city project, envisioned as a 'Skyscraper City', further elevates its appeal. Encompassing residential, commercial, institutional, and recreational spaces, it creates a self-contained ecosystem ideal for both residents and multinational corporations.

The planned metro line adds another layer of convenience, while shop-cum-office (SCO) spaces cater to the growing demand from

small and medium enterprises. This comprehensive development plan fosters a vibrant micro-market with a robust infrastructure, including shopping centres, multi-speciality hospitals, and major infrastructure projects.

Offering a unique blend of urban sophistication and contemporary living, this micro-city beckons discerning homebuyers and investors seeking a glimpse of the future. Dwarka Expressway continues its ascent, it is poised to become a premier real estate hotspot in this part of the NCR.