

Buying Guide

Search

- Define your goals (what kind of property you need, Determining your budget, kind of property-residential, commercial)
- Start looking at homes (most buyers nowadays go online, but it is also necessary to have a look at home in person as the property online can be different in terms of layout, design and other aspects, you need to be sure of your must-haves, select an ideal location, shortlist the properties that appeal to you, pick out the one that suits you in every best possible way).

Assistance

- Finding a buyer's agent (who will guide you in searching for property, financing, negotiation, and transaction processes, also, look into their records, experience and local market knowledge- check for his credibility, all agreements to be written in writing, do not pay money upfront as it could be a loss to you if you do not buy or sell with this agent).
- Negotiating with the seller and deciding upon a mutual agreement (make an offer to the seller, many counter-offers will crop up too until you reach a mutual agreement).
- Having a pre-approved loan (this will help you figure out what is your budget and what you can buy).

Funds / Finance

- Loan assistance/ finances

STEP 1– APPLPYING FOR A HOUSEHOLD LOAN

- Existence proof
- Location proof
- Maturity proof
- Business detail
- Bank statement
- Proof of income

STEP 2– PAYMENT OF LOAN PROCESSING FEES

- Most of the banks charge between 0.50% and 1.0%of the loan amount as the processing fees.

STEP 3– APPLICATION'S REVIEW AND VERIFICATION

- In the third step the bank will evaluate your case and decide the amount you are eligible for, and then the bank will proceed to verify all the facts and credentials you provide in your bank for your loan application

STEP4 – HOME LOAN OFFER LETTER

As the stage the bank proceeds to draft an offer letter with the following detail:

- Sanctioned amount
- Rate of interest applicable

- Fixed of floating rate of interest
- Loan tenure
- Mode of payment
- In how many installments the bank will disburse the loan
- EMI amount
- Special scheme
- Term and condition associated with loan

You need to submit a signed acceptance copy to bank if the contents of the offer letter are acceptable to you.

Essentials

- Legalities (historical review of the paper of the property to ensure that there is no claim against the title of the property, smooth transactions to be ensured, the settlement includes closing costs, legal fees, transfer taxes and other adjustments)
- Tax implications

You cannot avoid tax on short-term capital gains.

Long-term capital gains from selling a house get tax exemption if they are invested in buying or building a new house.

Selling Guide

Hiring Assistance

- Agent's assistance/ hire professional help (consider multiple realtors and then pick out the one who appears more realistic to you)

Duties of the agents-

- Provide a genuine market price
- Advise you best method for selling house
- help you in developing the effective marketing plan
- Implement the marketing plan
- Brings the property before as many potential buyers as possible
- Helps you in completing all the legal requirements
- Provide you assistance in negotiating terms
- Ensures the smooth settlement of the agreement
- Determining the sale price
- Seller's property disclosure (be ready for the questions a buyer may ask such as how old is the building, how old is the roof etc.)
- Update fixtures and prepare your house for sale
- Click the pictures of your house (update it on online portals and reviews to be written for online ads)

Agreement of Sale

- It is an important agreement in the case of buying and selling of properties. (it contains the important terms if a buyer is interested, he will make a legal document which includes all the required details such as sale price, settlement date, allotment of closing dates. Negotiations are made on both the side, if both the parties agree to it, finalize the agreement, if not, wait for a better one to come) if the party agrees he also deposits token money.

Legalities

DOCUMENTS YOU REQUIRE TO CHECK BEFORE BUYING A NEW PROPERTY

1. Letter of allotment

Sale deed

This document act as a proof of sale and also provide assistance of transfer of the ownership of property from the seller to the buyer. It is required to be registered on mandatory basis. This indicates the ownership of the property. In this chain no document should be missed. Clear documents and title help to achieve a good command in market.

2. Mother deed

This document is also called parent document, because this document traces the origin/antecedent ownership of the property from the beginning and it helps in the further sale of the property. In case the mother deed is not available, certified copies should be obtained from the registering authorities.

3. Sanctioned plan

It is another relevant document. It is a copy of approved plans of building and occupation by the competent authority

4. Society documents

To transfer the property permission has to be taken from the competent authority – signifying your ownership. Original receipt of payments made by previous and present builder has to be made available.

Encumbrance certificate

Sale agreement

after the documentation is done, the parties can then enter into an agreement to sell and confirm the terms and conditions.

It defines in a clear-cut manner, the terms and conditions under which the seller is intending to sell the property and the terms and conditions under which the buyer is intending to purchase it.

Tax Implications

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How to avoid tax

Smooth Transfer

- Clearing the title report means all the unpaid property taxes, mortgages against the property, other restrictions should be cleared before passing on the property.

- Both the buyer's and seller's lawyers and banks will work out the details to ensure both parties meet all the legal and financial requirements.
- Smooth transfer of ownership of property to the buyer. On the planned day, you will relinquish the keys and legal rights to the property in exchange for payment from the buyer or their bank.

Also, if you want a new house, be ready.

COMISSION

- Who pays the commission?
While selling the house the owner is required to pay commission to his/her agent as well as to the buyer's agent.
- Negotiating commission
If the agent is playing the role from both the sides as a buyer's agent as well as the seller's agent (dual agency), then he might lower the charges.
- Do you still need to pay if you do not sell your house?
You do not need to pay the commission if the time period of the agreement with your agent expires and your agent doesn't sell your house.
Only exceptions are if you back out of the sale after the deal accepted you are liable to pay commission to both the agents or If your agent found the buyer.
- Conclusion
It is the responsibility of the owner to read all the contracts carefully and finding an agent who is paid on providing satisfactory services. To obtain trustworthy services follow erealto.com.