

Ready homes: Buyers' favourite

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JADAV KAKOTI

@timesgroup.com

Ready-to-move-in homes have certain inherent benefits for which a buyer prefers to go for such homes. In the current pandemic situation, it is always better to go for a ready-to-move home as one can get relief from the double whammy of paying EMI for the under-construction house as well as the rent. Since there is no risk of project delays, one can be safe from the cost of overruns which happens if an under-construction project is delayed. Sumit Jain, principal partner, Square Yards, says, "The pandemic has preponed the dream of homeownership for most homebuyers, with ready-to-move-in homes witnessing maximum traction post-pandemic. People looking for a better lifestyle with health and wellness amenities, are investing in ready-to-move apartments to avoid the waiting time of an under-construction property which in most cases miss delivery deadlines. With a ready-to-move property, buyers are more sanguine about the quality of the property, type of amenities on offer and the future potential of the project. Besides, one can have a fair idea about the locality, transit points, shopping centres and nearby utilities."

This gives them a better perception of whether their investment is worth or not. While buying a ready-to-move property, one can get good tax benefits too including waiver on GST and service tax, which in the end can reduce the expenditure incurred. Also, one can generate instant rental income from a ready-to-move property if they don't want to use it as a residence.

Though there is a difference between the pricing of ready-to-move and under-construction homes, it is still better to go for the former due to the ease of selling it offers. Most developers do not allow transfer of apartments until the project is completed.

Pradeep Aggarwal, chairman, national council on real estate and housing, ASSOCHAM, says, "The market for under-construction homes will remain stable as long as there are several offers on the table. The issue is not RTMI vs un-



der-construction; it's how real estate developers want to avoid delays as some buyers prefer RTMI to avoid facing dilemma of delays; people readily pay extra amount to get hold of RTM as they do not want to fall into the trap of paying rent and EMIs at the same time. If a builder is credible then buyers always prefer buying in under-construction homes; for example, we get 100 per cent bookings after we launch our projects including the affordable housing segment where allotment is done through draw of lots".

Ravindra Sudhalkar, CEO at Reliance Home Finance, further says, "In the pre-pandemic era, the real estate sector had been going through a slew of changes. The repercussions of the NBFC crisis that continued in 2019 not only impacted builders, but also caused a trust

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deficit among buyers. The pandemic that ensued in 2020 could have been a blow for the real estate sector, one that may have been difficult to recover from. Instead, it led to an unexpected change that has in fact made the residential real estate segment, come back with a bang. Long period of lockdowns in 2020, the need for space and comfort, gave potential homebuyers

the boost they needed. Several options among ready-to-move (RTM) properties were in the spotlight, with builders sweetening deals with work from home (WFH) infrastructure such as free Wi-Fi and home office spaces. With interest rates at decadal lows, and limited stamp duty exemption, and RTM properties now at par with under construction properties, decision making for potential homebuyers became that much easier."

Another factor that fuelled this trend was changing buyer preferences. With the onslaught of Covid-19 that highlighted the need for safe living conditions on one hand and flexible work conditions, buyers no longer looked at proximity to workplace as one of the many criteria for purchase.

Manoj Gaur, vice president, North, CREDAI National, concludes, "Whether you want to move into the house right away or make a long-term investment is a significant factor in your buying decision. The RTMIs are preferred by end-users who wish to migrate quickly and then consider the investment element later. They have gradually demonstrated the propensity of "what you see is what you get. Following Covid-19, RTMI housing demand has remained constant, with no significant spikes in demand."



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