

Last week  
East and West Delhi

## RENTAL AND CAPITAL VALUES

Next week  
Noida and Gurgaon

This week: **FARIDABAD AND GHAZIABAD**

Area	Type (BHK)	Rental (in ₹/sq ft)	Capital (in ₹/sq ft)
<b>FARIDABAD: Luxury</b>			
Charmwood Village	2-4	17-23	9000-10000
Sector 10-20	2-3	12-16	7000-10000
Sector 11	2-4	12-16	7000-10000
Sector 21	2-4	8-10	6000-8000
Sector 31	2-4	8-13	7000-9000
Sector 46	2-4	9-13	5000-7000
Sector 64	2-4	13-24	4000-6000

Area	Type (BHK)	Rental (in ₹/sq ft)	Capital (in ₹/sq ft)
<b>FARIDABAD: Mid-segment</b>			
Ashok Enclave	2-3	9-11	4000-5500
Aravali	2-3	7-10	3000-4000
Badkal Lake	2-3	7-10	4000-7000
Green Fields	2-3	8-10	3000-5000
Indraprastha Colony	2-3	7-10	4000-6000
Mathura Road	2-3	9-17	6000-7000
NIT	2-3	6-10	6000-8000
Sainik Colony	2-3	6-9	5000-6000
Sector 1-4	2-3	5-6	7000-8000
Sector 5	2-3	5-8	7000-8000
Sector 8	2-3	5-8	7000-8000
Sector 11	2-3	6-11	8000-10000
Sector 15	2-3	7-9	7000-10000
Sector 20	2-3	8-11	8000-10000
Sector 30-39	2-3	8-13	7000-9000
Sector 40-45	2-3	9-12	5000-7000
Sector 48	2-3	9-12	5000-7000
Sector 49	2-3	9-13	6000-7000
Sector 50-55	2-3	8-13	2000-4000
Sector 56	2-3	6-8	2000-4000
Sector 63-64	2-3	7-9	3000-4000
Sector 65	2-3	7-9	3000-4000
Sector 68	2-3	8-10	3000-5000
Sector 75	2-3	6-9	1000-3000
Sector 76	2-3	7-9	1500-3000
Sector 81	2-3	7-9	2000-3000

Area	Type (BHK)	Rental (in ₹/sq ft)	Capital (in ₹/sq ft)
<b>FARIDABAD: Budget</b>			
Ballabhgarh	2-3	5-8	2000-7000
Badarpur border	2-3	11-16	3000-7000
BPTP	2-3	6-11	2000-3000
Budena Road	2-3	5-7	1000-3000
Duaba Colony	2-3	6-7	2000-3000
Ghosipur	2-3	5-7	1800-2500
Indraprastha Colony	2-3	6-9	2500-4500
Jalvayu Vihar	2-3	8-9	3000-3900
Jawahar Colony	2-3	6-8	2000-5000
Kabulpur	2-3	5-7	500-1500
Kheri Road	2-3	5-8	2000-3000
Neharpar	2-3	4-8	2000-3000
Nehru Nagar	2-3	7-11	1800-2800
Palwal	2-3	5-7	1000-3000

Area	Type (BHK)	Rental (in ₹/sq ft)	Capital (in ₹/sq ft)
<b>GHAZIABAD: Luxury</b>			
Ramprastha	2-3	11-12	6000-9000
Surya Nagar	2-3	8-9	7000-9000
Shastri Nagar	2-3	1-8	4000-6000
Indirapuram	2-3	12-20	3000-5000

Area	Type (BHK)	Rental (in ₹/sq ft)	Capital (in ₹/sq ft)
<b>GHAZIABAD: Mid-segment</b>			
Abhay Khand	2-3	10-12	3000-5000
Aditya	2-3	11-12	3000-6000
Amarpali	2-3	9-14	3000-5000
Chandar Nahar	2-3	8-9	6000-8000
Chiranjeev Vihar	2-3	5-8	3000-4000
Gyan Khand	2-3	11-13	3000-5000
Kaushambi	2-3	11-14	5000-7000
Krishna Apra	2-3	12-17	5000-6000
Nehru Nagar	2-3	7-9	4000-6000
Niti Khand	2-3	16-32	3000-5000
Parsvnath	2-3	6-8	4000-5000
Pratap Vihar	2-3	8-14	3000-4000
Shipra Sun City	2-3	14-19	4000-6000
Supertech	2-3	12-15	3000-5000
Vaishali	2-3	10-14	3000-5000
Vasundhara	2-3	9-11	3000-5000
Vijay Nagar	2-3	10-14	2000-5000

Area	Type (BHK)	Rental (in ₹/sq ft)	Capital (in ₹/sq ft)
<b>GHAZIABAD: Budget</b>			
Ankur Vihar	2-3	5-7	2000-3000
Ansal Avantika	2-3	6-7	3000-4000
Bhajan Pura	2-3	5-7	1700-2100
Bhopura	2-3	10-12	2000-3500
Brij Vihar	2-3	7-10	3000-6000
Bulandshehar Road	2-3	6-7	1500-2600
Crossings Republic	2-3	5-7	2000-3000
Delhi-Meerut road	2-3	6-9	1000-3200
Delhi-Hapur Road	2-3	7-8	1000-3000
Gawal Pahari	2-3	6-7	2000-2500
Ghantaghar	2-3	5-6	3000-4000
Govindpuram	2-3	5-9	2000-4000
GT Road	2-3	7-9	2000-3000
Hitech City	2-3	7-8	1000-3000
Indraprastha	2-3	10-12	2000-4000
Jaipuria	2-3	5-13	3000-5000
Kavi Nagar	2-3	9-11	6000-7000
Lal Kuan	2-3	7-10	1000-2000
Loni	2-3	6-8	1500-3000
Mohan Nagar	2-3	8-12	3000-4000
NH-24 highway	2-3	5-8	2000-3000
NH-58 highway	2-3	5-9	2000-3000
Nitishree	2-3	5-6	2000-2700
Raj Nagar	2-3	6-8	3000-5000
Rajendar Nagar	2-3	7-9	3000-5000
Ram Park	2-3	6-7	1500-1800
Sahibabad	2-3	7-10	3000-4000

### Pick of the week



PROJECT: Raheja Oma

Where: Between NH-8 and NH-71B in Sector 2A, Dharuhera

What: Signature residences

USP: Raheja Oma comes with options of high-rise (40 storeys) Akasha Residences and low-rise independent floors, Sansara Residences. These are designed by Meinhardt, Singapore, designers of Dubai Mall, Marina Bay Sand and Financial Centre

Cost: The range is between ₹67 lakh and ₹1.84 crore

Ongoing projects:

Some of the ongoing projects include Raheja Revanta, Raheja Aranya, Raheja Vedaanta and Raheja Atharva

### Broker byte



Dwarka is perhaps the safest suburb for investing in property within Delhi. Being a planned city, it is congestion-free, has open spaces, wide roads and self-sufficient markets. It is also located close to the international airport

Surendra Singh, director, Reliance Properties

### Purchase guidelines

## WHO GETS TO PAY THE STAMP DUTY?

The liability to pay stamp duty rests with the homebuyer unless there is an agreement to the contrary

### SALE PROCESS AND NOMENCLATURE USED

What is the typical period for deal closure?

It is three months

Who pays the brokerage fee and what is the typical amount?

Both tenants and landlords pay brokerage fees in most Indian cities. Typical brokerage fees range from 1%-2% of gross sale value plus applicable service tax.

What is the process involved in purchase of a freehold, ready-to-move-in property?

Purchasing an independent house is a multi-stage process which involves:

- Property shortlisting
- Due diligence
- Agreement to sell
- Sale deed
- Property registration

What is the process involved in purchase of an under

construction property?

- Property shortlisting
- Due diligence
- Agreement to sell
- Transfer of property in builder records
- Registration of the property

### FLOOR SPACE

What measurement standards are used?

Three different bases are used to measure residential floor space. Carpet area is the total area of the premises measured from the internal walls.

Built-up area is the total area of the premises measured from the external perimeter wall surface and incorporating an allocation of common areas on the same floor excluding lift core and fire stairs (this is usually 20-25% larger than carpet areas).

### STAMP DUTY

What is stamp duty and who is

liable to pay it, the buyer or the seller?

Stamp duty is a tax, similar to sales tax and income tax collected by the government, which must be paid in full and on time. A stamp duty paid instrument/document is considered a proper and legal instrument/document. The liability for payment of stamp duty is that of the buyer unless there is an agreement to the contrary. Section 30 of Bombay Stamp Act, 1958, states the liability for payment of stamp duty.

Source: Cushman & Wakefield, transaction guidelines. Information provided here is for general understanding only and may vary and/or alter as per the special circumstances of each case including change in jurisdictions. You are strongly advised to consult your legal counsels before finalising your transaction documents

# Earnest protection

An agreement to sell should lay down rules governing the payment and forfeiture of earnest money in the interests of both buyers and sellers

Sunil Tyagi

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## htestates LEGAL REMEDIES

In many transactions of sale of immovable property, parties execute an agreement to sell (ATS) as a precursor to the sale deed. Unlike a sale deed, execution of an ATS does not pass title of ownership in favour of the buyer. In an ATS, parties set out terms such as advance sale price, total sale price, manner and timelines of payment and time period within which the sale deed is to be executed. Terms pertaining to obligations to be performed by the parties before the sale can take place are also laid out. A necessary and important clause is the contingency of buyer committing a default or breach of terms (of the ATS) mainly pertaining to payment and timelines. In this respect, parties usually provide that if the buyer defaults or breaches terms of the ATS, the transaction stands cancelled and earnest money deposited by the buyer is forfeited by the seller. Parties usually also lay down a converse situation that if the seller fails to per-

form or breaches the ATS, the buyer shall be entitled to receive twice the earnest money.

Earnest money is basically the deposit paid by a buyer at the time of entering into a contract for purchase of property, showing the buyer's faith in the transaction. Earnest money essentially represents a guarantee that the buyer will fulfil the obligations laid down in the contract. Thus, giving earnest money serves two key purposes - first, it acts as part-payment of the purchase money and second, it acts as security for the performance of the contract. An important question regarding earnest money recently came up before the Hon'ble Supreme Court in the matter of Satish Batra v Sudhir Rawal (October 2012).

In this case, the main question was whether a seller was entitled to forfeit the earnest money whereby the

sale of an immovable property fell through due to the buyer's fault. Often, what is called as only part-payment/advance money may actually be earnest money and what is termed as earnest money may only be advance money. In this regard, the Hon'ble Supreme Court observed that in order to determine whether the amount paid by a buyer can be treated as earnest money and is liable to be forfeited by the seller, the mere description of words used in the agreement are not sufficient. Rather, courts would take into account the nature of the sum paid, the terms of the contract, intention of the parties and surrounding circumstances relevant to each case.

The Hon'ble Supreme Court held that in order to justify forfeiture of earnest money, the terms of the contract should be clear and explicit. Part payment of purchase price (ie earnest money) cannot be forfeited by the seller unless the amount has been given as a guarantee for the due performance of the contract. In other words, if the payment



is made merely as advance/part payment of the total sale price, then the seller is not entitled to forfeit such part payment made by the buyer. However, if the payment is made as a guarantee for performance of the contract, the seller is entitled to forfeit earnest money in

the event of a default by the buyer, if nothing contrary has been agreed by the parties in the contract. This judgment has important implications for both buyers and sellers in transactions of sale of immovable property. To protect their rights and interests, the terms of payment

and forfeiture of earnest money should be clearly set out in the ATS.

The author is a senior partner, ZEUS Law Associates, a corporate commercial law firm. One of its areas of specialisation is real estate transactional/litigation work

## htestates CHEQUE BOOK

I own a 1BHK residential property in Andheri where I currently live. My other property, which is a 2BHK at Bandra, has been given on leave and licence. I also have a third property which is a commercial office. If I sell this commercial property can I buy a residential house and give it on leave and licence? Shall I have to pay income tax? What are the tax implications?

-M A Shaikh

In case you have held this third commercial property for 36 months or more, any capital gains arising on its sale shall be treated as long-term capital gain.

Since you are already holding two residential properties, you can not take the benefit of exemption under Section 54 F of the Income Tax Act. However, you can avail the benefit

under Section 54 EC by investing capital gains in bonds of either Rural Electrification Corporation of National Highway Authority (NHAD) within six months from the date of sale of the commercial property. However, if you do not want to invest in bonds then you will have to pay tax @ 20% on the indexed capital gains.

Since there is no restriction to the number of houses that one can own, you can invest in the third house if you are left with enough money after paying of your taxes or investing in capital gain bonds under Section 54 EC. So you can give this

third residential property on leave and license basis.

Can a son purchase a flat from his father/mother/wife or vice versa for an amount five times higher than the market price?

-Rajat Khanna

First, the buyer will need to enter into an agreement with the seller that entitles him to purchase the property. Second, the buyer will have to pay stamp-duty and registration charges on such document based on agreement value which will be five times higher than the market value.

If the buyer is looking for a home loan, then the buyer

will need to get a home loan sanctioned from the bank based on his financial papers. The value of the sale transaction between the two parties shall be subject to special scrutiny. This is because the lender may not be comfortable giving the loan, as the transaction in question will be between close relatives. Such transactions are likely to be conceived as sham transactions to raise money. The borrower will have to take the banker into confidence about the transaction. To that extent the choices will be limited. Also since in this case the transaction is

entered at five times the market value, you will not be able to get the loan on the basis of the agreement value.

I have a personal loan with one of the banks. Can that be clubbed with a home loan as I can pay only one EMI at a time?

-Ranjit T Sarin

No, because the products in question are different. You can ask your home lender to give you a top-up loan on the security of the house and can prepay your personal loan with it.

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## htestates LAW BOOK

Sunil Tyagi

I am planning to purchase the ground floor of a two-storeyed building. The building is jointly owned by four persons. While three owners are willing to sell the ground floor, one co-owner is reluctant. How should I proceed?

-M Shukla

As shares of each owner in the property is currently unidentifiable and cannot be distinguished from individual shares of other co-owners, the portion purported to be sold by the three owners cannot be sold by them alone. You may purchase the portion of this property only if all co-owners are willing to sign the sale deed in your favour. Alternatively, if the co-owners agree to effect a partition of the property and the share of all owners is clearly identified, you may purchase the ground floor from the owner of the ground floor.

The ownership details of one of the owners of the property is not clear in the title documents. However, he insists he holds a good title as his name is also entered in the records of MCD. Should I go ahead with the purchase?

-TK Bhasin

Though mutation of property records in one's favour helps in updation of property records for

the purpose of payment of property tax, mutation does not amount to recognition of one's title of ownership in the property. The exact nature of the title of the seller will have to be ascertained by a thorough inspection of chain of title documents of the property.

My father has decided to gift a vacant plot of land in my favour and has also handed over possession of this plot to me. Is it necessary to execute any documents?

-Rohit Grover

An oral gift of immovable property or mere delivery of possession of the property, in the absence of a valid written instrument, does not confer any title of ownership by the donor in favour of the recipient. Hence, the transaction in question shall not constitute a valid gift of immovable property and shall not take effect until and unless a gift deed is executed by your father in your favour. The gift deed should also be duly stamped and registered.

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