



Buyer's Guide – Akshara Group
Real Estate FAQs

When buying a new home, you shall be faced with a sea of questions. Following are some of the most commonly asked questions.

Q1. How to differentiate among Carpet Area, Built-Up Area and Super Built-Up Area?

Carpet Area: It is the area of an apartment that is available for use and does not include the area of the walls. Basically; it is the floor area that a carpet can cover.

Built-Up Area: This area of the apartment is inclusive of the area covered by the walls.

Super Built-Up Area: This area takes into account the built-up areas e.g. the lobby, lifts, stairs etc. This term, thus, pertains to multi-dwelling units, e.g. complexes.

Q2. How is Lease Agreement different from Leave and License agreement?

A Lease, defined under Section 105 of The Transfer of Property Act, 1882, is a transfer of the right to enjoy the concerned property for a pre-defined time period or in perpetuity. The lessor (owner of the property) gives the lessee (the one leasing the property) such consideration periodically, usually at the beginning or end of a lease agreement.

License is defined in Section 52 of the Indian Easements Act, 1882. License does not allow any interest in the premises on the licensee's part. It merely gives the licensee the right to use and occupy the premises for a limited duration.

A lease deed needs to be stamped and registered. The amount payable towards the lease deed's stamp duty is more than that payable towards the Leave and License's. For a period exceeding three years, the stamp duty is same for both agreements.

Q3.What does it mean to enter into a lease agreement?

Among the various implications of entering into a lease agreement there are the stamp duty, the lease agreement which has to be registered and so on.

Q4. Is it necessary to seek permission from the Reserve Bank of India (RBI) for acquisition of immovable property in the case of a foreign citizen of non-Indian origin?

Yes. If the property is purchased for residential use and the consideration is paid by way of foreign exchange, then RBI may grant permission to a foreign citizen of non-Indian origin/foreign companies.

Q5. Is it necessary to register a property? Why? What is the purpose of registration?

In order to make a permanent public record of the property transaction, registration of the property is required. Moreover, title or interest can be acquired only if the deed is registered.

Q6. If a group of tenants of an old building want to form a society without the concerned landlord's permission, whom do they approach?

They need to approach the Registrar of Co-Operative Societies and file the various relevant documents.

Q7. If a tenant is not protected by the Rent Act, what is the procedure to ask him to vacate and what is the notice period that is required to be given?

The tenant is sent a notice, failing which a court case may be filed. It usually takes 10 to 20 years to reach a verdict.

Q8. How is the market rent determined?

The market rent can be found out by approaching individuals such as brokers, registration authority, etc. There is no prescribed norm for determining the market rent rate.

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