

the lawyer's name, address, and other details, on the certificate—in case you wish to get in touch with him later.

**LAND CEILING** Under the Urban Land Ceiling Act (ULCA) of 1976, nobody can own more than 500 square metres of land in any metropolitan city. For permission to build on land of more than 500 square metres, an exemption certificate is needed. The land ceiling act is on the verge of being scrapped. But until then, you should check if the permission is attached to the agreement. Exemption is subject to some clauses, which you should clarify with the builder.

**SPECIFICS** The agreement should specify the carpet area—the actual area within the walls of your house. Add to that the area of the inside walls (measured from outside) and you get the built-up area. This is important to calculate the saleable or super built-up area, which you pay for. It is about 30 per cent more than the carpet area. Super built-up area is the built-up area plus the total outside area of the building—including lobby, staircase, outside corridors, lift, and so on—divided by the number of flats in proportion to their size. Some builders also include the terrace and paved approach to the building.

**PRICE** The price should include all external and internal amenities. It is explicitly stated in the agreement, and normally does not include refundable deposits for things like electricity meters or water charges. Also, it does not include stamp duty and registration charges, substantial in some states. Check the standard out-goings laid down by the government and the society to be formed.

**AMENITIES** The agreement should state the amenities being offered by the builders, especially internal ones, such as the kind of entrance door (normally of a better quality than the other doors in the house), flooring, electrical wiring and fixtures, plumbing, bathroom and kitchen fittings, and the kind of windows. External amenities should include the building entrance, garden, kind of lift, passages, staircases and the finish of the building. If a builder's brochure says that marble tiles are included in the price of the flat, it should be explicitly stated in the agreement. Otherwise there is no way to force the builder to put in those amenities. If the agreement doesn't include these details, you may end up paying extra for basic things like a door or tiles.

**PLAN** The plan of the building and the flat you are buying should be attached to the agreement. It should spell out areas room-wise, with dimensions of internal passages, balconies and the number of win-



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dows. It should be the plan that the builder has got approved by the local municipal corporation. How to tell whether the plan copy you get is genuine? Look for the municipal stamp and number.

**REGISTRATION** In all states, it is statutory to register the agreement with the sub-registrar of assurances. The central government has empowered states to charge and collect the registration fee, which differs from state to state. In Maharashtra, for instance, the fee is 1 per cent of the market value of the property or Rs 20,000, whichever is less.

**STAMP DUTY** A stamp duty has to be paid every time a flat is transferred, even if it's within a family or inherited or a gift. It varies from 3 to 15 per cent depending on the state. Before signing an agreement, find out the stamp duty payable so that you can keep the money ready. It must be paid within four months of signing the agreement.

Scared you enough? Now for an easier way out. One way of making sure that the

documents are in order is to approach a housing finance company with the draft agreement for sale and a copy of the builder's 230-A certificate (income tax clearance). This indicates that the builder's income tax returns are up-to-date.

You don't have to take a housing loan from the company for this. HDFC charges about Rs 500 for the job, while LIC Housing Finance examines your papers free. Normally, if you are buying a flat in a project cleared by a reputed housing finance company, all the documents, are examined in detail anyway by the lawyers and architects of the company.

**CARELESSNESS** Yours, that is. Whenever you plan to buy property, ensure that you read a draft of the agreement before signing it or making a payment. That is your responsibility. If you find that it is vague on any of these points, seek a clarification, preferably in writing. Ideally, talk to a lawyer before buying anything. It's far better to pay a few thousand rupees in legal fees than to lose lakhs because you didn't check things out in the beginning.

And don't say we didn't warn you.

■ Romiel Samuel, CEO, Millenium Realtors



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