



AGARWAL ESTATES[®]
TRUST Redefined

Knowledge Empowers You! Sales Process Flow



Happy Homes... Happy Families

One Stop, All Solutions - Real Estate Services

Founded by NRI/Techie (Ex-Cisco/TCS/HP/Dell/Atos Origin)

A Venture to Redefine TRUST with a unique concept of

All we need is Your Autograph![®]



ConsultantsReview 25 MOST PROMISING
REAL ESTATE
CONSULTANTS - 2016



The 10 Most Valuable
REAL ESTATE
Solutions Provider Companies



#9 CRM Sowbhagya, Near Spice Garden, #35/1B Varthur Main Road, Marathahalli, Bangalore-37
Phone: India: +91 81233 01122, USA: +1 (404)9234567, Email: service@agarwalestates.com

Knowledge Empowers You! (KEY)

KEY is a customer awareness program, based on the wisdom, facts, subject-matter expertise and knowledge that we have gained through innumerable transactions over the last 10 years. **Knowledge Empowers You (KEY) to make informed decisions** and leads you from confusion to clarity. KEY aims to equip you with all the information so that you are aware of exploitations, quality, price, etc.

Real Estate Buy/Sale Process Flow

When you plan to buy a home, it is generally a long and stressful exercise that involves many steps and procedural formalities. Success, these days, is cultivated by empowering others with your knowledge. We have highlighted the key processes here to help you progress through a home-buying transaction.

Finding a Home

The process of buying a home starts with hunting for the right one. At Agarwal Estates, when we inform that a house has come up for sale, we acquire all the information about the flat/house so that the buyer can choose as per his requirement. We study the flat specifications, state of furnishing, and the class of interiors before advertising. We identify the requirement of our clients through discussions. Moreover, we have a well-laid process that gives us a fair idea about the client's needs. The buyer should verify the title of the property before proceeding with the transaction.

Finding a Buyer

We can assist you in finding the right buyer in the shortest possible span since we show the property only to genuine customers when it matches the criteria they have set for finalizing a property. We check the paying capacity of the buyer beforehand to save time for all the parties involved.

Negotiation

We make our clients aware of the key aspects involved in the negotiation process. We facilitate negotiation between the buyer and the seller directly and in the most transparent way possible.



- **Closing Price:** The closing price is the amount agreed to be paid to the seller by the buyer. This price includes only the purchasing price of the property and excludes the registration fee, stamp duty, legal fee (for the sale deed and other agreements) and additional costs involved in other processes.

- **Duration of Closure:** Determining the duration of the closure is critical. The payment duration for the buyer and the handover date for the seller is determined during this phase. Sometimes, there is an agreement drawn wherein the seller agrees to pay rent for the stay beyond the handover date. These points need to be discussed in advance so that there are no misperceptions later. The buyer is expected to arrange the funds within 45 to 60 calendar days and also must register the sale deed in the stipulated time.
- **Payment Schedule or Mode of Payment:** Determining the payment terms and conditions is a key step in the sale process. Even though the closing price is agreed upon by the parties, the mode of payment must be communicated appropriately to the seller. Payment instalments, transaction mode, TDS applicable and related timelines are discussed in this step.
- **Penalty Amount:** In case of breach of contract, typically, one to five percent of the sale price of the property is fixed as a penalty which is agreed upon between the parties.
- **Token Advance:** Once the key aspects like the closing price, duration, payment terms and the penalty amount are discussed and understood, the buyer pays approximately 1% of the deal value (sale price) as the token advance in favour of the seller to ensure buyer's commitment to the transaction. Ideally, this token advance should be deposited into the seller's account only when the buyer has completed the legal verification of the property documents. However, for properties which have A-Khata and/or are legally approved projects by major leading banks, the token advance cheque is deposited once all the property documents are shared with the buyer. The token amount is non-refundable if the buyer cancels the deal for any reason. However, this token amount is refundable if there is any complication in the property documents, any significant property document is missing or there is a defect in the title documents of the property. Until this stage, the sale agreement is usually not signed.

Legal Verification (Seller provides required documents)

Once the sale price is agreed upon between the buyer and seller, the seller must provide the required documents for the **proof of ownership** which determines the title of ownership of the property. The historical/title documents (e.g. **Mother deed/Title deed**), **Building Plan, Occupancy Certificate (OC)**, etc. need to be provided. All these documents must be legally verified by a competent lawyer. Usually, lawyers do charge anywhere from five to fifteen thousand for verifying the property documents. This fee may differ in actuality.

Once all the documents are shared by the seller, the buyer should handover the token advance cheque to the seller/realtor. If the seller is based out of Bangalore the token advance cheque may be deposited only once the buyer is convinced with the property documents and receive necessary approvals from their legal team. **The timing of the encashment of the token advance will be based on the status of property documents and by mutual consent of the parties involved.**

Agarwal Estates recommends the seller to share the property documents in advance so that our in-house legal team can review the property papers and provide relevant feedback. This may prove helpful when the deal is finalized, and the legal verification gets completed in much lesser time. By reviewing the documents in advance, the seller does not have to follow up on any missing documents at a later stage.

Sale Agreement (Agreement to Sale/ATS)

Upon legally verifying the documents, the sale agreement is drawn. The sale agreement legally binds the buyer and the seller wherein both the parties formally agree on the negotiated payment structure, timelines and other important clauses such as specific performance in case of breach of contract. At the time of signing the sale agreement, generally, 10% to 20% of the agreed sale price is paid to the seller. A stamp duty of 0.1% of the sale price is payable on execution of the sale agreement. This fee is reduced from the stamp duty to be paid at the time of registration of the property.

Tax Deducted at Source (TDS) on sale of property

A crucial component during the sale transaction is ascertaining the status of the seller i.e. whether the seller qualifies as a Resident Indian or a Non-Resident Indian.

For Resident Indians applicable rate of TDS is 1% wherein the total transaction value exceeds Rs. 50 Lacs. Whereas, for NRI sellers, the applicable rate of TDS is minimum 20%. The responsibility to deduct TDS on property sale rests solely with the buyer.

Since the rate of tax a NRI has to pay is very high at 20%, in such situations, first paying TDS @ 20% and then claiming the refund after filing an IT Return, which may take months if not years, is definitely not a wise step.

Instead, NRI sellers can apply for a Lower or No TDS Deduction Certificate by applying Form 13 online from Income tax department. The rate of TDS in such certificates usually vary between 2 to 5 percent.

Purpose of TAN

Every buyer who intends to purchase a property from a NRI seller is required to obtain TAN. Nonetheless, a buyer who is buying from a 'Resident Indian' should not possess TAN and can only furnish the PAN details while deducting TDS on purchase of property.

Home Loan Process

If the **buyer needs to avail home loan** for a property purchase, we guide the client throughout the process and educate them about the technicalities involved in the home loan process.

- **Applying for a Loan:** The buyer needs to furnish (submit) the application form along with the supporting documents and the applicable processing fee to the bank. We help the applicants by providing a list of necessary documents, procedural formalities and relevant information



- **Comparison of Banks:** Our expertise in comparison of various facts about different banks has helped the buyers immensely. We inform the buyers about the fee, intricacies, benefits, drawbacks and risks involved in the process followed by different banks.

- **Processing & Govt Fee:** The banks charge between 0.1% and 0.5% of the loan

amount as processing fee, sale agreement fee, mortgage fee, etc. which is necessary to initiate the loan process.

Once the application process is complete, the bank will follow certain steps before approving the loan:

- **Evaluation & Verification:** The banks will evaluate and verify the authenticity of the documents provided by the buyer/applicant. The buyer may be required to personally meet the bank officials for further verification processes.
- **Repayment Capability:** Apart from the current financial status and identification of the applicant, the banks will assess the capacity of the buyer to repay the loan amount. The loan approval and sanctioned amount are highly dependent on the repayment capability of the applicant.

When the **loan application is approved**, the loan is sanctioned against the property after the following processes:

- **Legal Verification:** The legal verification process is undertaken to authenticate the legality of the documents, title and other aspects related to the property. The banks also verify the original documents to assess future disputes, if any. The seller has to show these documents to the bank before registration.
- **Property Evaluation:** Apart from verifying the applicant's KYCs, the banks also insist on inspecting the property over which the loan has been applied. They also evaluate the technicalities involved in the property by using multiple parameters to assess the value of the property.
- **Loan Sanction:** As soon as the legal and verification process is completed, the banks prepare legal agreements to be signed between the bank and the buyer. The agreement is drawn on requisite stamp paper, which the buyer

signs and submits along with post-dated cheques. Finally, the bank is ready for loan disbursement.

Approval of a home loan may take about 10 to 30 days.

Sale Deed

Preparing the sale deed is the most important step in the final stage of the process. An experienced writer/competent lawyer with knowledge of real-estate-related laws will draw the sale deed.

It is indispensable to understand here that the sale agreement (ATS) is not the actual sale but a contractual agreement to sell a property on particular terms and for a particular price. A sale deed is a document that transfers the ownership of the property to the buyer. The sale deed is then registered to record the actual transfer of ownership by the seller to the buyer and the buyer becomes the owner of the property in the government record as well.

Registration

The registration process is the final and the most important milestone in the real estate buying process. The buyer(s), the seller(s), along with two witnesses, must be present before the sub-registrar at the jurisdictional registrar's office. The buyer must also pay the registration fee. After signing the sale deed before the sub-registrar, the approved and registered sale deed will be given to the buyer(s). A certified sale deed will be issued within five working days after the registration.

NOTE: All these original documents will be taken by the bank until the loan is completely repaid.

Timeline for various activities:

Activities	Time taken (Working days)	Remarks
Legal Verification	5	Expert legal opinion
Sale Agreement	5	Terms and conditions
Home Loan	20	Lengthy and cumbersome process for the property on resale
Registration	5	Co-ordination with sub-registrar, lender bank, lawyer, buyer and seller is required
Buffer	10	Things take time (TTT)
Total	45	Total time (Typical case)

AGARWAL ESTATES has invested heavily in the process and has checklists for all major stages in the transaction by our domain experts. Moreover, we have the right partners and eco-system in place. With our efficient system and processes, we can close the sale within 30 working days.

Real estate made so easy. All we need is your autograph!®

Note: This document is prepared to share general guidelines about property on resale. The home loan process is easy when someone is buying the property from the builder directly. You can contact our sister concern Agarwal Loans for home loan queries.

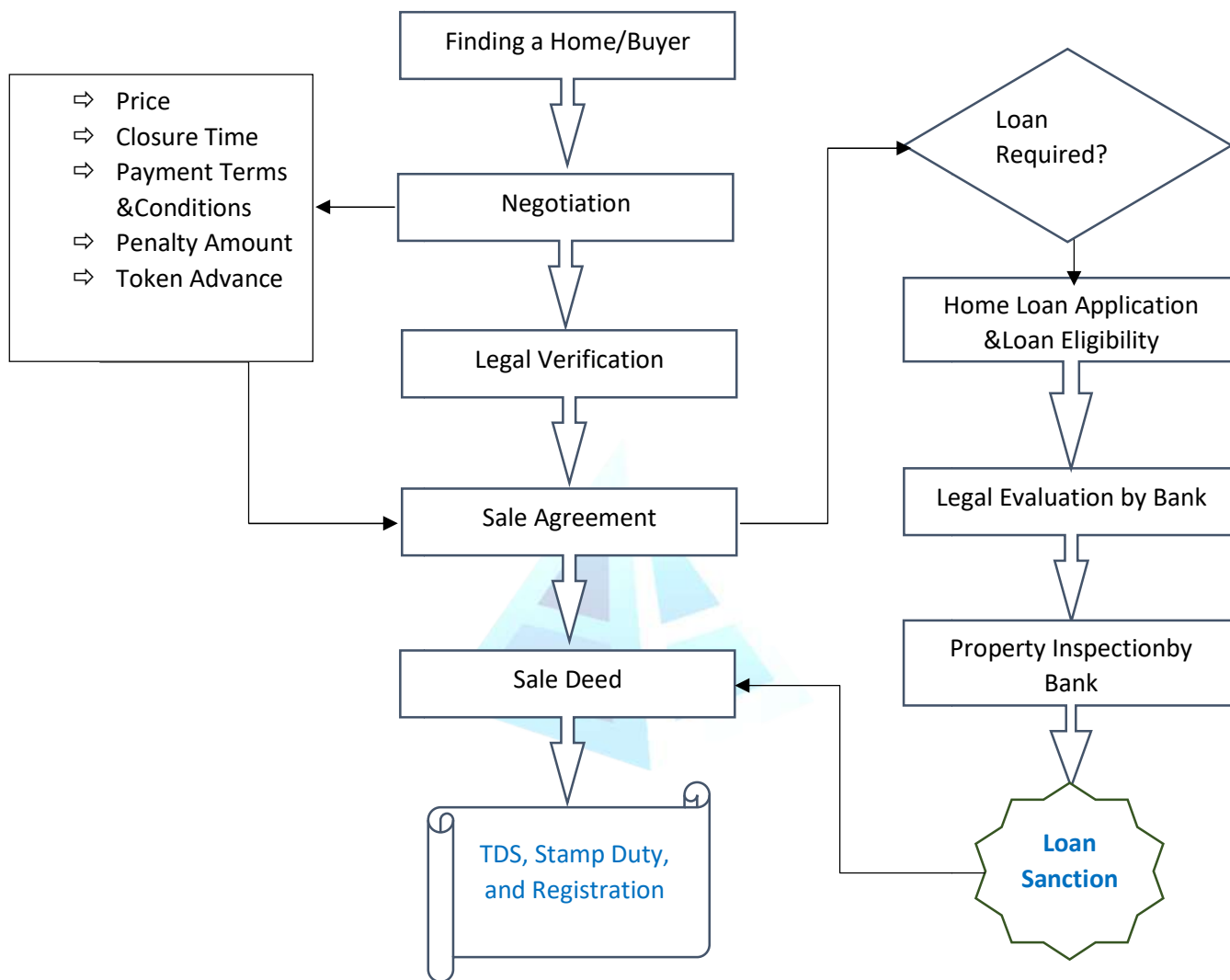
Make a Note: Kindly ensure that you receive a document titled as '**Important Points During Registration**' from our sales team to avoid **common mistakes** on the day of registration of the property.

The impact of these common mistakes is huge and NOT studying this document might take a lot of your time later since you might have to run for executing fresh documents like **rectification deeds, certain declarations**, etc. for the errors that happened on the day of registration. This adds up to extra cost, time, multiple follow up with lawyers/sub-registrar and energy.

For instance, say, you just overlooked the mistakes during the registration. WHAT IF the new buyer finds them out when you want to sell the property? Who will bear the consequences then? How would you even try to How would any sort of rectification take place then? To avoid these issues, we are here to help.

Sales Transaction Flow Chart:

Process Flow



Note: It is wise if a buyer can get the home loan pre-approved to the maximum amount. How it helps?

1. Determines amount of maximum loan eligibility and EMI per month
2. Better negotiation power as it's beneficial for the seller as well
3. Enjoy a faster deal closing period
4. Saves time to organise documents to apply for loan later.

Agarwal Estates' Unique Differentiator

Agarwal Estates – One Stop, All Solutions - Real estate services venture, utilizes the promoter's extensive experience in process implementation, service delivery and standard methodologies to suit the requirements of the real estate market in India. This has helped us in delivering high-quality services on time and has also enabled us to successfully launch the concept of: **All we need is your autograph!**®



TRANSPARENCY is the CORE VALUE of Agarwal Estates

Being a **transparent** organization, we empower our customers through our revolutionary concept and key initiative called **KEY (Knowledge Empowers You)**. We share all the information with customers to enable them to make informed decisions. We have been constantly getting acknowledged by our existing customers about the **Knowledge** we share with them.

Agarwal Estates provides end-to-end solutions:

- **Real estate advisory:** Overseas investments, buy-back options, flexible investment amount, etc.
- **Buy/sell/renting a property:** Understanding your needs and providing the right solutions
- **Property and tenant management:** Peace of mind and guaranteed rent
- **Home loans:** Free consultancy, awareness about hidden charges, maximum savings
- **Home décor & interiors:** Six weeks completion for a standard 3 BHK starting at Rs 3+ lakhs
- **Allied services:** Property tax, electric meter transfer, Vastu, etc.

ONE STOP, ALL SOLUTIONS - REAL ESTATE SERVICES



Agarwal Estates aspires to empower customers with the **right knowledge** to enable them to make the **right decisions** at the **right time**.



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India: +91 81233 01122, USA: +1 (404)923 4567, Email: service@agarwalestates.com

www.agarwalestates.com