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Investing in a home is a long-term commitment and so, it's critical to take into consideration one's financial health, familial responsibilities and future prospects. However, it's the monetary aspect that's most crucial to the decision-making process. Ashwinder R Singh, CEO - residential at a real estate company, agrees. "The first step is to begin saving early as it will cover major expenses that arise during the home-buying process like down payment, booking amounts and home financing, move-in, interior [work], registration and stamp duty fees. Next is loan eligibility versus affordability. For instance, you may qualify for a debt of 43 per cent of your gross income, but this could cause financial strain for a long duration. Therefore, keep your total housing cost not more than 30 to 35 per cent of your gross income—the lesser the better." He suggests improving one's credit score by paying bills on time, ensuring sufficient finances for loan repayment and selecting the right financing op-

Prepare for your home-buying journey

As a monumental step in one's life, buying a home can't be a rushed decision and requires due diligence, foresight and significant preparation. Here, experts recommend the various steps that one can undertake before embarking on their home-buying journey

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The decision to invest in a home cannot be made overnight and requires planning and financial stability



PLAN IN ADVANCE

tion. He adds, "Run a thorough background check on eligibility criteria, eligibility vs affordability, type of interest rate (floating or fixed), principal pay back options, etc. A tip is to consider soft loans for downpayment at virtually zero interest rate." Besides this, one also needs a steady flow of income to meet monthly personal and EMI expenses over a long term. For this, one can seek the help of a financial advisor.

Sharing his views on the other key criteria, Vikram Chari, CEO of a leading proptech firm, explains, "A buyer must also think of the future needs of his/her household and financial capabilities in the next five to ten years. For instance, if one is expecting their career and family to grow, it may make sense to buy a larger home."

Here's where savings come into play, as Singh says. "One's accumulated savings or corpus must be around 25 per cent of the home value to cover booking amounts, registration charges, interior expenses and another two per cent for moving-in charges, etc. The average Indian begins their professional journey in their early 20s, and the aforementioned savings can be achieved by the age of 30 by setting aside small amounts in the first two to three years of your career while saving at least 10 per cent of your income after three years. With a steady growth in income, you can save 25

per cent of the value."

Adding his views, Sahil Vora, founder of a Mumbai-based real estate platform, states, "Assess your credit score to estimate the quantum of financing that will be allotted. Combine this with other surplus capital to decide the overall budget for the property whilst also factoring in expected asset maintenance costs and renovation expenses. In terms of financial planning, the rule remains the same—there's no right time to start, so the earlier you begin the better."

So, plan and deliberate before embarking on your home-buying journey.