

First-Time Homebuyer's Glossary: Demystifying the Lingo



Buying a home? Feeling overwhelmed by Real Estate jargon? ESTO Group is here to help! Let's break down key terms and boost your home-buying confidence.

1. Commencement Certificate (CC)

The Commencement Certificate (CC) marks the official approval granted to a builder to commence construction. It ensures that all necessary permissions are in place before the building work begins.

2. Cost Sheet

A cost sheet is a detailed breakdown of all expenses associated with buying a property. It includes the apartment's cost components, payment schedule, stamp duty, registration fees and taxes.

3. Occupancy Certificate (OC)

An Occupancy Certificate (OC) certifies that a building is safe, habitable and constructed in compliance with approved plans and local regulations. It is essential for establishing the property's readiness for occupancy.

4. RERA (Real Estate Regulatory Authority)

RERA is a regulatory body established to protect the interests of homebuyers and promote transparency in real estate transactions. It aims to enhance accountability and efficiency in the industry.

5. RERA Carpet Area (RCA or CA)

The carpet area refers to the actual usable space inside a property, excluding the area covered by walls. It represents the space where you can place furniture and live comfortably.

6. EOI

EOI stands for Expression of Interest. It's a formal document submitted by a potential buyer to showcase their interest in a specific property. Unlike traditional offers, EOIs are non-binding, meaning buyers aren't locked into a purchase at this stage. Despite this, EOIs have witnessed a surge in popularity due to the additional offers or rewards they provide.

7. Pre-EMI

During the construction phase of a property, pre-EMI refers to the interest-only payments made by the buyer on the home loan. Regular EMIs, covering both principal and interest, commence after the property is completed.

8. Snagging

The snagging process, performed before the final handover, involves a meticulous and systematic inspection of a newly constructed property by the buyer. This inspection aims to identify and address any deviations from the agreed specifications, ensuring the property meets the highest quality and safety standards.

9. Fit-Out Possession

Fit-out possession allows buyers to commence basic interior work after taking possession of the property from the developer.

10. Preferred Location Cost (PLC)

The preferred location cost is an additional charge applied when purchasing a unit with specific location advantages, such as a scenic view or facing a major roadway or proximity to amenities.

11. Floor Rise

Floor rise cost refers to the additional charge per square foot as you move higher up in a multi-story building. It reflects the premium associated with higher floors.

12. Agreement Value (AV)

The agreement value serves as the official and documented record of the property's sale price, impacting financial aspects and legal documentation during the home buying process. Taxes and stamp duty are computed on the agreement value of your apartment.

Happy house hunting!