

Secure Your Investment: Legal and Financial Checklist for Buying Property in Mumbai



Investing in real estate in Mumbai, one of India's most dynamic property markets, can be both rewarding and challenging. To navigate this complex landscape successfully, it's essential to be aware of the legal considerations and maintain financial transparency throughout the purchasing process. This guide provides a comprehensive legal checklist and highlights key financial aspects to consider when buying property in Mumbai.

1. LEGAL CHECKLIST

a. Title Verification

- Clear Title Deed: Ensure the seller has a clear and marketable title to the property. A legal expert should verify the title documents for the past 30 years.
- Encumbrance Certificate (EC): Obtain an EC from the Sub-Registrar's office to confirm the property is free from legal dues or mortgages.

b. RERA Registration

- Project Registration: Verify that the property is registered with the Maharashtra Real Estate Regulatory Authority (MahaRERA). Visit the MahaRERA website to check the project's registration details.
- Builder Credibility: RERA registration ensures that the builder adheres to fair practices and provides timely project updates.

c. Approvals

- Building Plan Approval: Confirm that the building plans have been approved by the Municipal Corporation of Greater Mumbai (MCGM).
- Commencement Certificate (CC): Ensure the builder has a CC, indicating permission to start construction.
- No Objection Certificates (NOCs): Check for NOCs from relevant authorities, such as the Fire Department, Pollution Control Board, and Environment Ministry.
- OC Verification: An OC confirms that the building complies with local laws and is safe for occupancy. It's crucial for properties ready for possession.
- Building Completion Certificate: Indicates that construction is completed as per approved plans and regulations.

e. Sale Agreement

- Detailed Agreement: The sale agreement should include all terms and conditions, such as the agreement value, payment schedule, possession date, and penalty clauses.
- Carpet Area Clause: As per RERA, the agreement must specify the RERA carpet area, not just the built-up or super built-up area.

f. Stamp Duty and Registration

- Stamp Duty: In Mumbai, stamp duty is typically 6% of the property's market value. [Source: Department of Registration & Stamps, Maharashtra](#)
- Registration Fees: Usually, 1% of the property value or ₹30,000, whichever is lower.

h. Litigation Check

- Legal Due Diligence: Conduct a search to ensure there are no ongoing legal disputes or litigation involving the property.

2. FINANCIAL TRANSPARENCY

a. Total Cost Understanding

- Base Price vs. Total Cost: The base price often excludes additional charges. Clarify all costs, including:
 - i. Goods and Services Tax (GST)
 - ii. Maintenance Charges
 - iii. Parking and Club Membership Fees
 - iv. Development Charges
 - v. Water
 - vi. Electricity
 - vii. Society formation
 - viii. Share money
 - ix. Stamp duty & Registration
- Hidden Costs: Be wary of any hidden fees not disclosed initially.

b. Payment Schedule Transparency

- Construction-Linked Plan [CLP]: Payments are tied to construction milestones.
- Time-Linked Plan: Payments are made at fixed intervals.
- Down Payment Plan: A significant portion is paid upfront to book a space and the rest is accordingly calculated basis the above

Why Versova?

Versova offers a balance of serenity and accessibility. The upcoming infrastructure, combined with its proximity to educational institutions and hospitals, makes it a smart choice for long-term investments. As developers target this premium locality with new projects, prices are poised to rise in the coming years ([PropertyPistol](#))([Housing](#)). According to recent trends, the real estate market in Versova has seen consistent growth. Properties in premium locations are in high demand, especially with the area's proximity to employment hubs like SEEPZ, Andheri MIDC and NESCO IT Park ([NoBroker](#))([CommonFloor](#)). However, as demand rises, it is crucial for buyers to engage in transparent financial planning to avoid overspending or purchasing property at inflated prices.

Conclusion

Purchasing property in Versova offers significant long-term investment potential. By following this legal and financial checklist, buyers can ensure a smooth and secure transaction, maximizing the benefits of this premium Mumbai locality.