

**PURVA**  
*Whitehall*

## 3 & 4 BHK Ultra Premium Homes

on Sarjapur Main Road, Bangalore

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### Market Trends

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#### Joint investment in property

The Times of India

The residential real estate sector has opportunities in owning property in the face of the economic slowdown. With job insecurity rising, the risk involved in buying property is higher and though there are a segment of those who want to purchase property as a long-term investment, they are opting for newer solutions to owning a piece of real estate. Several friends and family members are going in for joint ownership of residential property by pooling in their money and buying land jointly. Some are even constructing their homes close together on the land they have bought jointly.

Bangalore is one of the cities which has witnessed this trend of two or more persons coming together to buy a plot of land jointly and sharing the cost of construction of their houses. The neighbourhoods of Indiranagar, Koramangala, and the suburbs of Kanakapura Road have embraced this concept.

##### How joint investment works

"It is a possible scheme," says Farook Mahmood, Managing Director, Silverline Realty, and cites a case study of how four close friends purchased a plot of land in Indiranagar and constructed a multi-storeyed apartment complex of four units. "All four of them opened a partnership firm and invested equal amounts of money in the plot of land. They employed the services of one contractor who built the homes with equal area for each apartment. Each apartment owner shared the construction expenses equally to avoid misunderstanding. The apartments are registered in their individual names with their wives as nominees. The amenities and common areas are shared equally among them and the caretaker and security guard are paid from a common corpus of maintenance funds," he explains.

While three of the friends continue to live here, one of them has rented out his apartment. But the maintenance fee of this apartment is paid directly by the owner so as not to inconvenience the others.

##### Cost of construction

This model is a cost-effective option. While in this case the residents shared the cost of construction of the apartments equally among them, it can be done separately too. Architect Vasudevan Kadalayil points out, "the choice of purchase and the willingness to live next to each other is a very personal one based on mutual understanding". He gives an example of how two childhood friends pooled in and purchased a plot measuring 4,000 sqft. "They had already decided to build separate houses next to each other with a common compound wall and entrance gates without a wall in between. They asked me to design the houses in a way that would bring down the cost of construction. However, they paid separately for their homes."

##### Maintenance

Having maximum common amenities was the solution to saving on area. "By having a common swimming pool instead of two separate ones, and one common garden with both living rooms opening out into them, we brought down the cost tremendously," Vasudevan points out. It is also feasible to share the cost of maintenance and security too.

##### Right to sell or rent

If any of the house-owners want to sell off their property, they can do so under the 'undivided proportionate share of land' rights. "In the first case, if the homeowners decide to sell off the entire apartment complex they can do so together and under the undivided proportionate share of land rights they are eligible to get one-fourth of their share of the profits," explains Qasim Tanga, Director, AQ & Z Consultants. "However, in case only one of them wants to sell his apartment, he can do so at any price he wants without consulting the others, and the rights of the undivided proportionate share of land will be transferred to the new owner. In case only three of them want to break down the apartment complex and the fourth one disagrees, they will have to buy him out," adds Tanga.

##### Joint ownership options

Anybody can go in for a joint investment and ownership of property. For example, if an elderly couple, and their married daughter and her husband buy a plot of land jointly, they could enter into a joint ownership agreement and become co-owners. They could then jointly construct two separate houses with one common compound wall, or, construct one large two-storey house on the same plot. The ground floor could be occupied and owned by the elders while the young couple could live in and own the top floor after entering into an agreement for joint ownership, or as co-owners.

For the elderly couple, this option also ensures security and emotional bonding with their grandchildren when senior citizens living by themselves are proving to be unsafe. For the young couple, it is having a strong family support system closer home.

Source: The Times of India