

Dealing with External Agencies



Class: B.Sc. H.Sc. 4th Semester

Subject: Fundamentals of Housing

Teacher: Dr. Rupinder Kaur Ghumman

INTRODUCTION

- ✓ Property investments are highly capital intensive.
- ✓ Any mistakes made during the process of purchase or construction can cause a great deal of trouble to the buyer.
- ✓ Therefore, it is important for a buyer to be extra cautious while examining property and its related documents.
- ✓ Building a house involves certain legal operations for which you need to approach external agencies.
- ✓ Legal and quasi legal procedures can be divided into two categories-
 - a) Land/ plots
 - b) Construction of house

Legal Aspects of Buying Land

✓ Land can be of two types: *freehold* or *leasehold*.

The infographic is divided into two horizontal sections. The top section, titled 'FREEHOLD', features a light blue background with a white house, a person, and a 'FOR SALE' sign. A dashed green line outlines the entire property. The bottom section, titled 'LEASEHOLD', features a dark blue background with a multi-story building at night, a person on a balcony, and a 'FOR SALE' sign. A dashed yellow line outlines only the balcony unit.

FREEHOLD

- You own the property, the land it sits on and the space above it
- The most common form of ownership for houses
- Maintaining the building is entirely up to you
- No ground rent or service charges
- Lower conveyancing costs due to simpler ownership contract

LEASEHOLD

- You own the property, the freeholder/landlord owns the land and building
- Common form of ownership for apartments
- Maintaining the building is the responsibility of the landlord
- You pay ground rent, service charges and maintenance fees
- The lease is for a finite period of time and will detail the terms of ownership

- ✓ Land/ plot needs be registered with local authorities.
- ✓ While buying land, it is *important to verify the title of property or ownership of the plot* from sub-registrar's office.
- ✓ The sale deed of property contains this information-
 - ✓ Title in respect to property
 - ✓ Owner details
 - ✓ Title number
 - ✓ Registration number, date
 - ✓ Volume number etc.
- ✓ Sale deed is executed by writing it on stamp paper with stamp duty of 8%

✓If you are buying leasehold property, it is not possible to execute a sale deed.

✓Hence, in these cases, other documents- agreement to sell, power of attorney, special power of attorney, will, etc.

✓A better option is to pay lump sum to the govt. to convert leasehold land into freehold so that it can be registered.

SALE DEED

THIS DEED OF SALE made and executed at _____ on this _____ day of _____ month, _____ years by:

Sri. _____ aged about _____ years, S/o. _____ residing at _____ hereinafter called the SELLER.

IN FAVOUR OF

Sri. _____ aged about _____ years, S/o. _____ residing at _____ hereinafter called the PURCHASER.

The term SELLER and PURCHASER, unless repugnant to the context, shall mean and include their respective heirs, successors, executors, administrators, trustees, legal representatives and assigns WITNESSTH:

WHEREAS the SELLER herein is the sole and absolute owner of immovable property being Flat / Apartment No. _____ on the _____ Floor of the building known as “_____” situated at _____ and bearing Corporation No. _____, _____ Road, Division No. _____, with a super built-up area of _____ sq.ft. together with _____% share of undivided interest in the land equivalent to _____ sq.ft. along with common areas and facilities including car parking lot in the basement, which Flat / Apartment is morefully described in the schedule hereunder and hereinafter called the Schedule.

WHEREAS the SELLER of the Flat / Apartment, he having purchased the same from Sri. _____ in terms of Sale Deed dated _____ duly registered as Document No. _____ Book – I, Volume _____ at Pages _____ on date _____ at the Office of the Sub-Registrar, _____ since then the SELLER has been in possession and enjoyment of the Schedule Flat / Apartment on getting the bifurcated khata from the Corporation of the City of _____ duly transferred in his name bearing No. _____ vide Khata No. _____ dated _____ and on payment of taxes and levies thereon as sole and absolute owner thereof.

WHEREAS the SELLER herein being desirous of selling the Schedule Flat / Apartment, offered the same to the Purchaser and the Purchaser has agreed to purchase the Schedule Flat / Apartment in terms of an oral agreement for a total sale consideration of Rs. _____ (Rupees _____ only) and the

- ✓ Before buying land on a power of attorney special precautions must be taken-
- ✓ Check previous documents or original sale deed
- ✓ See the chain of titles
- ✓ Power of attorney is valid as long as the person you have bought the land from is alive.
- ✓ Hence, you must have a will of the person, that says the property will be yours to execute even after the person's death.

11 Important Documents For Property Buying



Legal Aspects Related to Construction


- ✓ Construction on-site can start only after approval of plans so that they confirm to local bye-laws.
- ✓ Every person has to apply for building permit.
- ✓ A temporary electricity & water connection is given.
- ✓ After construction, inspection is done by local authorities to check building is made according to approved drawing plan.
- ✓ Then a completion certificate is issued & you can rake permanent light & water connection.

Steps for getting a Building Permit

Apply for building permit in prescribed form



Proceed during construction to get temporary water & electricity connection



Completion certificate



Occupancy certificate or permanent water & light connection

Revocation of Building Permits

- ✓ The DDA may revoke any building permit issued under the provision of the bye-laws if:
 - ✓ There has been any false statement or representation of material facts
 - ✓ Building permit is in violation of the building bye-laws or master plan/ zonal regulations
 - ✓ The owner during construction has violated any of the provisions of the building bye-laws or sanctioned plan

Procedure for obtaining a Completion Certificate

- ✓ No person shall occupy or allow any other person to occupy building or part of building for any purpose until such building or part of building has been granted the occupancy certificate.
- ✓ Notice of Completion:
 - ✓ Every owner has to submit a notice of completion of work described in building permit through licensed architect/ engineer who has supervised the construction
 - ✓ These documents have to be accompanied by copy of following:
 - ✓ lease deed
 - ✓ sewer connection permission
 - ✓ clearance from electricity supply and chief fire officer

Procedure for processing of Issue of Occupancy Certificate

- ✓ The authority on receipt of the notice of completion certificate shall inspect the work
- ✓ And sanction or refuse an occupancy certificate within 60 days.
- ✓ After this period, the house shall be deemed approved for occupation.



thank you

