## Decoding the tax formula - FINANCE - -

f you are looking to buy a property or have already invested in one, you will know that there are tax implications involved. Let's first examine the tax on property purchase and then elaborate

first écanise the tax es propor-ty porchase and then elborate yet porchase and then elborate exemptions and deductions. To beglin with, be acasision on To beglin with, be acasision on much simpler than it was before. With the noil out of CSI, all taxes previously applicable cortical ex-perience of the control of the control of the polying a proporty are broadly divided into two components— beging a proporty are broadly divided into two components— the estationy and legal costs to compose the the stationy and legal costs to former roughly comprises 80– 85% of the overall proporty SS, of the overall proporty SS, on the taxes same for So, are the taxes same for So, are the taxes same for SS, and the same same SS, are the taxes same for SS, and the same same SS, are the taxes same for SS, are the same same SS, are the same same SS, are the same same SS, are the same SS, are the same same SS, are the same SS, a

### Under-construction

homes
Statutory and legal costs for
under-construction properties
vary between 15-20%, depending on the State in question, and
broadly include stamp duty, registration and GST.

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ntly, the GST council is mullgood value proposition for home buyers, who not only as centry, the GST council is multing to reduce this rate with many anticipating it to be reduced to either 8% or 5%. Thus, check the prevailing rate at the time of pur-

chase.

TDS (tax deducted at source): TDS is charged at 1% for properties priced below \$50 lakh. It is deducted by the buyer

at the time of payment to the seller. Thereafter, the builder seller. Thereafter, the builder needs to pay this amount to the central government online or via any authorised bank within 7se-ven days from the end of the month in which such TDS is deducted.

Ready homes

good value proposition for home buyers, who not only get to see the property they are buyer to be the property they are buyer to be the property they are buyer to be the property than the property thas the property than the property than the property than the prop

#### Property tax

Ready homes

One of the major attractions
of ready-to-move-in properties
is that they are exempt from
GST, provided that the project
has been issued a completion
certificate. Buyers of such properties need to pay only the
stamp duty and registration
charges as taxes, which comprise 7-8% of the total property Another tax that a buyer needs to pay after moving into his or her new home is the annual property tax. The tax amount varies not only from state to state but also according to micro markets in a city.

In case there's an income generated his a property that the left. erated by a property, that too is liable to be taxed. However, if

Affordable housing

In a major push to the afforda

ble housing segment, the go-vernment has extended a GST benefit to its Credit Linked Sub-sidy Scheme (CLSS) for EWS, LIG, MIG-I and MIG-II buyers. Besides getting an interest subsi-dy, such buyers can also avail of a lower concessional GST rate of

a lower concessional GST rate of 8%. In fact, to boost sales in this segment, the government has urged developers to refrain from charging any GST from buyers in this critical segment because the effective 8% GST rate in afforda-ble housing can be adjusted against their imput credit, should they opt for this.

How to save more After understanding how tax-tion works in property pur-hase, we now move to tax de-

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claim.

Tax deductions on principal repayment: Under Section 80C, one can claim a deduction of \$1.5 lakh on repayment of the principal portion of the EMI

paid during the year.
However, the owner must not sell the property for at least 5 years after taking possession, or else the deduction claimed earlier will be added back to owner's taxable income in the year

effect the deduction claimed ear-er's tasable tensor in the year of sale.

An experimental proof for first and proof for the control of the first and hald toology to build a school of the hald toology to build a school of the BOES, first sime house buyers and the property was does not ex-ceed 50 labbs.

The proof of the property was con-trol of the proof of the pro-tomation of \$2 labbs. The principal amount under Section of \$2 labbs. The principal amount under Section \$0.00, provided they are the co-owners of the property pur-suant to the property pur-table property pur-perty pure-perty pur-perty pur-pe

### Saving tax on rent

 well:
 Maintenance charges: Maintenance charges: An easy way to save tax on remal income is to outright exclude maintenance charges from the rent received. One only needs to include the maintenance cost in the rental agreement.

Municipal taxxes: One can also claim municipality taxxes like property tax, sewerage tax, etc. from the rental income, provided these charges are paid by the owner and not by the tenant.

quite effectively. For instance, if the wife is not working, the ren-tal income can be divided in the proportion of ownership of the property and thus saw on taxes. This can also be beneficial in a scenario wherein both are work-ing but are in different tax slobs. • Basic deduction: One of the straightforward ways for whers to save more on a rent income for repair and mainte-nance of the property, irrespec-tive of the actual expenditure in curred during the year

Responsible building design practices, should promote its importance, says ANUPAMA MOHANRAM

# How sunshades work

■■EARTH RIGHT ■■



sun shade or 'trice-so-leil' (derived from the beil' (derived from the French word sun break-ers'), is an architectural feature of a building that reduces beat gain by delicing smight. A history of providing shading from the sun is found in the early Greek and Roman buildings in the form of portices and color-tic form of portices and color-ptical range root overhangs sup-ported by carreed brackets, pri-marily seen in traditional marily seen in traditional Rajasthan, Gujarat, Punjab and

#### Climate sensitive

Climate sensitive
However, today, looking at our
contemporary steel and glass archiecture which completely relies on air conditioning for heat
control, the concept of sunshades
seems to be losing ground. In our
arm and humid climate of
Chennai it would be unwise not
to factor in sunshades into the design of buildings, air conditioned
or not

sign of buildings, air conditioned or not!

It is time to re-evaluate climate sensitive design, look into the past and ensure we bring back this important building component to prevent heat figness, the reby reducing our energy needs. In a city like Chemai, sunshades also add in diffusing natural back direct light and reducing glare.

These are merical netwo sevoil.

ed in aesthetically pleasing ways into building designs. Options such as horizontal shading in-cluding awnings, vertical shading including fins or louvres and a combination of any of these can be used considering the orienta-tion of each façade.

#### Exploring materials

The nost common materials are because of somewhat is NGC. However, sheemed materials are because of somewhat is not somewhat in the control of the control o The most common material used for sunshades is RCC. Ho-

It is all about transforming spaces into multi-functional zones within the home, says RUTH DSOUZA PRABHU

# **Furniture that expands**

### ■■ DÉCOR ■■

spaces into multi-functional zones within the home. With the functional lines of a room getting hazier, the scope for transformative furniture has broadened. For example, furniture which can convert a living room to a dining room as well as kitchen island to a secondary dining set-up, says Gita Ramanan, Chief Design Officer, Design Gafé, Bengaluru. Another exam-ple would be a custom-

Derigiants Autoriet Cam-ple would be a custor-made piece in the guest be droom which morp is into a compact and well-designed compact and well-designed beginning to the compact of the besigners will feel you that modular furniture, cas-tomised to specific meeds and client Efectyles makes way for multiple functional-ities for a room. Arrit Agar-val, Founder and Principal Designer, Knock on Wood, New Delli and Chandigarti, elaborates on some of the possibilities.

possibilities:

Cabinets opening up to home offices: A unit opens up into a small but efficient working set-up that is designed to hold all that is important.

When retracted, it fits wall behind the wall, keeping the space clean. Compact dining buf-fets: These expand into small kitchenettes facili-



sists of a stan-dard sofa that

tating accommodation of an induction for live cooking and/or heating of food

a cosy bed.
Fold-into-wall dining table: While a small break-fast nook suffices on a daily basis, a dining table is an essential piece of furniture. A fold-into-the-wall dining table works towards this purpose when properties.

Expandable sofas: A product in demand for

specific requirements of a space. Speaking on the benefits of such transformative fur-niture, Tania Shelma Rogers, Seinor Associate Designer-PDDE, homela-necom says that the con-cept allows for flexible laving. "Besides that laving," besides that laving, "Besides that proper such pieces are versatile and ergonomi-cally designed and have cally designed and have cally designed and have page. pose. Such pieces are versatile and ergonomi-cally designed and have neat finishes. And equal-ly important, they are to decide why they need ex-

pandable furniture and what purpose is it going to serve, "advise Ramanan." is it going to be something serve, "advise Ramanan." is it going to be something that just adds asserbaic value to the space or does it also how a function? Next, you look at the feasibility and ease of usage. And then you decide how it complements the rest of the furniture in the space it's going in; she adds.

And to achieve that, Shah advises to choose expanda-advises to choose expanda-advises to choose expanda-

And to achieve that, Shah advises to choose expanda-ble furniture that suits ones needs and work in the given space. "For instance, if the space has good height, one can consider furniture which expands vertically— including a transforma-ble bunk bed, wall mounted modular

wall mounted modular shelving units, etc. Similar options wouldn't work too well from the space with lower height, where a fold-down bed and floor mounted expendable shelv. mounted expandable shelv-ing unit may be a better choice, instead," she elabo-

creative and stylish solutions to modern day living requirements. Besides these benefits, Shah adds that expandable furniture design also enables designers to explore more possibilities in materials, senerating interesting evolu-Rogers suggests that you always book for branded fur-inture that offers good value for money and a warranty. Multi-purpose furniture is all about making more optimal use of expandable fur-niture that combines wersatility and style. Today, irrespective of be-ing in a small studio or a spacious penthouse, the idea is to create spaces that are aesthetic as well as func-tional, transformative furniture then plays a huge role. possibilities in materiais, generating interesting explo-rations in form and material-ity, while tactfully conceal-ing the mechanical details. With so many choices now available, what does the customer need to keep in mind to make good aesthetic

ture then plays a huge role.

## ... rise of malls

### Prominent malls in

More than anything else, todain mails have become the control of t

DIF ORY Centre in Chandigarh. Down south, Lulu International Mall in Social - touted to be the largest mall in the country - 8 creately using technology based novelbes to experience. These include new-ups technologies like pre-princing, beacon rechnology and Automatic Number Plate Recognition (ANPR). It also uses technology to internat with its customers and leep them abrusast on the latest ac-

tivities within the mall.

Another case in point is the Phoenix Market City mall chain in Bangalore and Chennai — marquee developments in the retail real estate space in the retail real estate space that have established them-selves as lifestyle and enter-tainment destinations. These malk offer a very holistic and premium experience for re-tail, entertainment and mo-vies, and F&B.

tall, entertainment and movies, and FRM. Belenomental success of malls across the metros, size 2 cities like Thiruvananthapuram and Mangher have also enthraced the seeing the launch of Mall of Transancer early this year. The Western region of the country has do so riped seventhal and the seeing the launch of Mall of the Mall Story. The Municipal Marchael Mall Story. The Municipal Marchael Mall Story. The Municipal Marchael Mall Story and Mall Story and Story the Municipal Marchael Mall Story and Story and Story the Municipal Marchael Mall. Might Street Phoenix and Infinity Mall, among others.

Street Ploenix and Indinity Mall, among others.
Neighbouring Pune, with its more generous land availability, is also home to prominent malls like Protenix Market City. Amanora Town Centre and Seasons Mall with the latter two currently succeeding in the same catchment—a distinct ratify in the highly competitive retail environment).

Today, no mall can depend solely on shopping as its prime source of revenue-gen-eration and footfalls. Nor can they, strictly speaking, sur-vive just on the basis of being crowd-pullers. Malls need to Indian malls

are now striving to become prominent locations

transform into community, spaces to stay relevant to the spaces to stay relevant to the distribution of the spaces. Besides an ambient shopping, Indian consumers expect conflor tand enablement with Anniel Ambient and Stay of the spaces of t

mis, selying the initial angst about e-commerce killing In-dians' appetite for mall-based shopping, Indian malls have actually emerged stronger than ever by providing experiences that couch-based shopping simply cannot match.

match.

As of now, e-commerce and malls have learned to coexist in India by focusing on their own inherent strengths and advantages rather than on trying to kill each other off. The result is that shoppers are more spoided for choice than over before.

Of courses matters can

or before.

Of course, matters can hange quite quickly in the radly evolving world of organ-ed retail, and a lot depends on Government actions in terms of infrastructure (at the levels of transport, logistics and warehousing) and policy (in terms of making the Indian market a great place for dom-estic and global retailers to

So far, the current govern-ment has been pretty proac-tive on both these fronts – and for now, the Great Indian Mall Stoy's salve, kicking and firing on all cylinders. The writer is Chairman, Anarock Property Consultants

