

Confused?

with investment decisions where to buy with prices shooting new heights every quarter.

Well, I'm here to clear all your confusion and doubts.

Do not buy/book property in a developed locality as the opportunity cost of that particular property would have already reached its max-high.

Property costing you more than equal to 50 Lacs, will take a long time to reach 15 Lacs of margin as it already came from the price bucket of 35 Lacs to 50 Lacs which is the appreciated value.

Instead, one should buy/book a property in a developing locality within the price bracket of 30 Lacs which will, in turn, be valued at 50 Lacs after 3 years time frame.

Property costing you 30 Lacs will require a max of 3 Lacs of OCR and in under construction maximum, EMI 3000 to 4000 needs to be borne by the customer.

With full EMI of 15000 - 16000 on a possession whereon possession, the property price will be a minimum of 45 Lacs against the EMI of 15000 - 16000. So, the opportunity cost was a mere 3 Lacs own contribution with a maximum EMI of 1.5 Lacs for under construction was paid in 3 years.

So, 4.5 Lacs invested for 3 years with returns of 15 Lacs on 30 Lacs capitals, with own funds of 3 Lacs is an opportunity cost whereas 1.5 Lacs are Market fund (Bank).

At the time of possession, the rental value of 7000 will support an EMI of 16000 if u don't plan to shift.

As full EMI doesn't start from day one, one can do savings of 3 years and park that savings in a loan account in principle so that EMI can be reduced from 16000 to 12000 with savings of 3 years.

Real-time analysis by
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