



Realtor RERA Carpet Area  
 Built-Up Area  
 Super Built-Up Area  
 Ready-to-Move (RTM)  
 Under-Construction Property  
 OC (Occupancy Certificate)  
 EC (Encumbrance Certificate)  
 FSI (Floor Space Index)  
 Leasehold Property

BHK  
 ROI (Return on Investment)  
 Joint Development Agreement (JDA)  
 Stamp Duty  
 Circle Rate  
 Capital Gain  
 LTV (Loan-to-Value Ratio)  
 PMAY (Pradhan Mantri Awas Yojana)

**Indian Estate Glossary**

## Indian Real Estate Glossary 2023 A to Z Definition and Explanation (PDF)

Here are useful and broadly used terms of **Indian Real Estate Glossary 2023**. We have covered all from A to Z structures so that you do not have to cluster in finding them. The following glossary has explanations and examples for understanding each easily.

**Note:** The name of the city in each is an example. The term will be common for all states and cities.

**RL Lemon City**  
 Hatod, Near Aurobindo Hospital  
 Ujjain Road, Indore  
**Possession**  
 Ready To Move

**Availability**  
 Residential Plot

**Price Sq/ft.**  
 Price On Call

[Know More About RL Lemon City](#)

## Indian Real Estate Glossary 2023 A to Z

### Acre:

In India, an acre is a commonly used unit for measuring land. It is equivalent to approximately 4048.32 square meters or 43560 square feet. Acreage is vital in rural and agricultural real estate transactions, where large parcels of land are often bought and sold.

**Example:** If you own 5 acres of agricultural land in Punjab, you have a substantial area for farming. This measurement is essential for determining the land's value and agricultural potential, especially in regions known for extensive farming.

### Allottee:

In the context of Indian real estate, an allottee is an individual or entity who has been allocated or allotted a specific property by a government authority or a real estate developer. This often happens in government housing schemes or private housing projects. The allottee becomes the rightful owner once the allocation process is completed, and they obtain legal ownership.

## Plot Sale

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[Flats For Rent In Indore: Overview On Price For 2BHK, 3BHK Flats](#)

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When a government body allows a plot of land in a housing scheme to a citizen, that person becomes the allottee of the land, and they can construct their house on it.

### **Agent (Real Estate Agent/Realtor/Broker):**

In India, a real estate agent or broker serves as a vital intermediary for property transactions. They facilitate buying, selling, or renting properties and assist in navigating complex legal and financial aspects of real estate. Agents in India, like realtors elsewhere, are compensated through commissions based on property sales.

If you're purchasing a flat in Mumbai, a local real estate agent can help you find suitable properties, negotiate with the seller, and guide you through the documentation process, ensuring a smooth transaction.

Very commonly **DALAAL**

### **Apartment:**

In Indian cities, apartments are a predominant type of property. An apartment is a unit within a multi-storied building, designed for various uses like residence, offices, or professional practices. It includes common areas and parking. This property type is trendy in urban centers due to space constraints.

In Bengaluru, a person who buys a 2 BHK (2 bedrooms, hall, and kitchen) apartment in a high-rise building in Whitefield is investing in urban living, which often includes amenities like a clubhouse and security services.

### **Appraisal:**

In India, real estate appraisal is essential to estimate the value of a property accurately. A certified appraiser evaluates the property's worth, considering factors like location, condition, and market trends. Lenders in India rely on these appraisals to assess a property's value when approving loans.

When applying for a home loan in Chennai, the bank will order an appraisal of the property you wish to buy. The appraiser will determine its market value, ensuring it matches the loan amount you're seeking.

### **Appreciation:**

Property appreciation is particularly important in Indian real estate. It represents the increase in a property's value over time, driven by factors like development, infrastructure, and market demand. In rapidly growing cities like Hyderabad, property values can be appreciated significantly in just a few years.

Example: If you invested in a plot of land in Gurugram a decade ago, you might have seen substantial appreciation due to the city's development and its proximity to Delhi.

### **Assessed Valuation:**

In India, assessed valuation is the value assigned to real property by local tax authorities for taxation purposes. Property taxes are calculated based on this assessed value, which is usually a percentage of the property's market value.

If you own a commercial property valued at ₹1 crore in Kolkata, and the municipal corporation assesses it at 80% of its value, you would be taxed based on an assessed valuation of ₹80 lakh. These taxes support local infrastructure and services in Indian cities.

### **Benami Ownership:**

Benami Ownership means one person's name is on the property papers, but someone else is the real owner. It's like a secret ownership. In India, this is illegal to prevent tax evasion and hidden wealth.

Mr. A buys a house in Delhi but registers it in Mr. B's name to hide the fact that he owns it. Mr. A is the real owner, but Mr. B is just on paper. This is against the law.

### **Beneficiary:**

A beneficiary is a person who gets money or benefits from a property or trust. It's like the one who receives gifts or profits.

In a trust set up for the benefit of a child, the child is the beneficiary. They will get the money or property when they are older.

### **Bhumidar:**

A Bhumidar is someone in India who can use the land for farming and related activities. They can't use it for factories or industries, except in specific industrial zones.

If you own land in Delhi and use it for farming or poultry, you are a Bhumidar. But you can't build a factory on it unless it's in a special industrial area.

### **Built-up Area:**

The built-up area is the total space inside a building, including the actual usable space and the walls around it.

If you buy an apartment in a building, the built-up area includes not just your rooms but also the walls and shared spaces like hallways.

### **Capital Transaction:**

A capital transaction is the buying or selling of property. It's when people exchange property for money. In India, this often involves land, houses, or commercial buildings.

When you purchase a house in Mumbai, you are involved in a capital transaction. You give money to the seller in exchange for the property.

### **Carpet Area:**



CARPET AREA

The carpet area is the usable space inside an apartment or office, minus the thickness of the walls. It's the area where you can put a carpet on the floor.

If you're looking at a flat in Pune, the carpet area is the space where you can place your furniture or a carpet, excluding the space occupied by walls.

### **CBD or Central Business District:**

The CBD is a busy commercial area located near the city center, often within a 2-3 km radius. It's where you find many big companies, large stores, and banks. Real estate prices here are typically higher than in other parts of the city.

Mumbai's Nariman Point is a well-known CBD where you'll find the headquarters of many major companies, banks, and premium commercial spaces.

### **Clear Title:**

A clear title means there are no disputes or legal problems regarding property ownership. It's when the ownership of a property is straightforward and free from issues.

When you buy a plot of land in Chennai, you want to ensure it has a clear title, meaning there are no legal disputes over who owns it.

### **Collateral:**

Collateral is something valuable, like a car or home, that you offer to a lender when taking a loan. It's security for the lender in case you can't repay the loan as agreed.

If you take a housing loan in Bangalore, your new home can be the collateral. If you don't pay back the loan, the bank might take your home.

### **Commencement Certificate:**

A commencement certificate is a document issued by local authorities, indicating that construction on a building can start. It's typically given after plans are approved and construction boundaries are marked.

Before building a residential complex in Hyderabad, the developer needs a commencement certificate to confirm that they can begin construction.

### **Commercial Property:**

A commercial property is a building or space used for business activities or trade. It's not for living but for conducting business.

Example: An office space in a Gurgaon business park or a storefront in a Mumbai market area is considered commercial property.

### **Common Areas:**

Common areas are shared spaces in a housing complex or condominium that all residents can use. They include things like swimming pools, parking lots, and shared corridors.

In a Pune apartment complex, the swimming pool and the parking area are common areas that all residents can access.

### **Comprehensive Development Plan (CDP):**

Explanation: A Comprehensive Development Plan is a master plan approved by local authorities to guide the growth and development of a city or region.

Surat Metro Plan 2023 outlines how the city should grow, including zones for residential, commercial, and industrial development.

### **Condominium:**

Explanation: A condominium is a real estate project where each owner has their own unit, a share of common areas, and possibly exclusive use of certain spaces. It's a bit like apartment ownership with additional shared responsibilities.

Example: In a Bengaluru condominium, each owner has a flat, shares the gym and swimming pool with others, and may have exclusive access to a rooftop garden.

### **Co-ownership:**

Explanation: Co-ownership occurs when multiple people own a property together. Each co-owner can use their part of the property without affecting the others.

If two friends buy a house in Jaipur together, they are co-owners. Each friend can make decisions about their share of the property.

### **Covenant:**

Explanation: A covenant is a promise or rule in a property agreement, like a mortgage or housing association rules. If someone breaks the rules, there can be legal consequences.

In a Pune housing society, there might be covenants about maintaining the common garden or the colour you can paint your house. If a homeowner doesn't follow these rules, there may be legal action.

### **Earnest Money Deposit or EMD:**

EMD is a small amount of money given as a token to show commitment to a property deal. It signifies that the parties are serious about the transaction.

When you agree to buy a flat in Pune, you might pay some EMD to the seller. It shows you're genuinely interested in buying the property.

**Effective Age:**

The effective age is an appraiser's estimate of a building's condition, which may be different from its actual age. It considers factors like maintenance and renovations.

A 20-year-old house in Kolkata may have an effective age of 10 years if it has been well-maintained and modernized.

**Encroachment:**

Encroachment occurs when a structure or improvement extends beyond the property's boundaries onto someone else's land. For instance, a neighbour's fence crosses your property line.

If your neighbour's house is built partly on your land in a housing complex, it's considered an encroachment.

**Encumbrance Certificate:**

An encumbrance certificate is a report that confirms a property is free from any financial liabilities like mortgages, leases, or legal restrictions. It assures that the property can be sold or transferred without issues.

Before buying a house in Mumbai, you'd request an encumbrance certificate to ensure there are no outstanding loans or legal claims on the property.

**Fair Market Value:**

The fair market value is the price a willing buyer and a willing seller would agree upon. It's determined by market forces and represents the property's worth.

When selling a property in Bengaluru, the fair market value is the price at which a buyer is ready to purchase and a seller is willing to sell, given the current real estate market conditions.

**Farmhouse:**

A farmhouse is a building linked to agricultural land. It can be used as a residence, storage, or for various agricultural purposes.

In rural areas of Karnataka, a farmhouse might serve as a dwelling for a farmer, a place to store equipment, or even a retreat for city dwellers looking for a rural getaway.

**Farm Property:**

Farm property refers to land and buildings used for agricultural purposes.

A vast piece of land in Punjab used for growing crops or raising livestock is considered farm property.

**Freehold Property:**

Freehold property is one where the owner has complete control and can freely transfer it to others without restrictions. It's not limited by lease or time constraints.

If you own a house in Hyderabad and have a freehold title, you can sell, gift, or will it to someone without any legal limitations.

### **FSI or Floor Space Index / FAR or Floor Area Ratio:**

FSI or FAR is the maximum construction allowed on a plot of land, depending on factors like plot size and road width. It varies from one location to another.

In Delhi, if you have a 400 sq. yard plot, you can build up to 40% of the area, divided between the front and back spaces. In a 1000 sq. yard plot, you can use 60% of the space for construction.

### **Heir:**

An heir is a person legally entitled to inherit an estate or property from a deceased person.

If a person in Maharashtra passes away without a will, their legal heirs, such as their spouse or children, inherit their property.

### **Hobli:**

A **Hobli** refers to an administrative jurisdiction within the revenue authority. It's a smaller area or division within a district or taluk in Karnataka, often used for land and revenue-related purposes.

In the district of Mysore, Karnataka, there are various **Hoblis**, each with its own administrative boundaries and officers responsible for revenue collection and land records.

### **Immovable Property:**

Immovable property includes land, buildings, and any rights associated with lands like access, light, or fisheries. It also encompasses things firmly attached to the land, not movable assets.

A house in Chennai, the land it's built on, and the right to access a nearby beach are all examples of immovable property.

### **Industrial Property:**

Explanation Industrial property is real estate used for manufacturing or industrial activities. Local authorities designate specific areas for industrial use.

A factory in an industrial zone in Gujarat is an example of industrial property, as it's used for manufacturing goods.

### **Investment Property:**

Investment property is real estate acquired with the intention of generating income, typically through renting or leasing, rather than for personal use.

Owning an apartment building in Noida and renting out its units to tenants makes it an investment property.

### **Joint Ownership Agreement:**

A joint ownership agreement is a legal document that outlines the rights, responsibilities, and financial obligations of co-owners of a property.

If two people in Mumbai purchase a house together, they might create a joint ownership agreement specifying how they will share costs, use the property, and handle any disputes.

### **Landlord/Owner:**

A landlord or owner is an individual with legal rights to a property. They can rent or lease the property to others.

Someone who owns a commercial space in Bangalore and rents it out to a business is a landlord or owner.

### **Lease:**

In a lease, a tenant pays a lump sum at the beginning of the lease period, usually for a longer term, without monthly payments.

If you lease a residential property in Kolkata for two years, you might pay the landlord a lump sum upfront and have no monthly rental payments during the lease term.

### **Lease Hold Property:**

Leasehold property is a property owned for a fixed period, and after that, it reverts to the original landlord. During the lease, the owner can rent, lease, or even sell the property.

In Mumbai, you might lease a commercial space for 10 years, during which you have the right to use it. After the leasehold period, the property goes back to the original landlord.

### **Loan-to-Value Ratio (LTV):**

LTV is the ratio of your loan amount to the appraised value of the property. It affects the terms of your loan. The lower the LTV, the better the loan terms.

If you want to buy a house in Delhi valued at ₹1 million and you take a loan of ₹800,000, your LTV is 80%.

### **Long-term Capital Asset:**

A long-term capital asset is a property held for at least 36 months before it's sold. Different tax rules apply to such assets.

If you've owned a piece of land in Rajasthan for over three years before selling it, it qualifies as a long-term capital asset for tax purposes.

### **Lock-in:**

A lock-in is an agreement specifying that a specific interest rate is guaranteed for a limited period. It usually comes with a deadline for closing the loan.

If you secure a mortgage for a property in Chennai, your lender might offer a lock-in period of 60 days, during which the interest rate won't change.



### **Maintenance Charges:**

Maintenance charges are fees paid by owners or occupants of a property for the upkeep of common areas and facilities within a development.

Residents in a Pune apartment complex may pay monthly maintenance charges to cover costs like security, landscaping, and maintenance of shared amenities.

### **Mortgage:**

A mortgage is a legal document pledging a property to the lender as security for a loan.

When you take a home loan to buy a property in Hyderabad, the property often serves as collateral, meaning it's mortgaged to the bank until you repay the loan.

### **Mutation:**

Mutation is the transfer of property ownership in official records to the new owner, confirming their legal title.

After purchasing a land plot in Chennai, you must apply for the mutation to have your name officially recorded as the owner in government records.

### **No Objection Certificate or NOC:**

An NOC is a certificate issued by local authorities, confirming that building plans conform to rules and guidelines, allowing construction to begin.

Before starting construction on a property in Pune, you need an NOC from the local authority to ensure your building plans are in compliance.

### **Occupancy Certificate or OC:**

An OC certifies that a property is fit for occupation, granted after all works meet sanctioned plans and regulatory requirements.

Before moving into a newly constructed apartment in Bangalore, you'd want to ensure the developer has obtained the OC, indicating the property is ready for occupancy.

### **Owner Financing:**

Owner financing occurs when the property seller provides some or all of the financing for the buyer to purchase the property.

If you buy a farmhouse in Karnataka, and the seller agrees to provide a loan to cover part of the purchase price, it's an example of owner financing.

### **Real Assets:**

Real assets are physical assets, such as real estate or property, owned by individuals or businesses.

Owning a shopping complex in Chennai is an example of holding real assets.

### **Realtor:**

A realtor is essentially a real estate agent or broker, often a member of a professional organization.

When looking to buy or sell a house in Mumbai, you might hire a realtor to help with the transaction.

### **Refinancing:**

Refinancing involves paying off an existing loan with the proceeds from a new loan secured by the same property.

If you have a home loan for your property in Delhi and decide to get a new loan with better terms, using your property as collateral, that's refinancing.

### **Registration:**

Registration is the legal process of officially documenting and recognizing a property transaction under state laws. It can apply to both rental and capital transactions, each with associated fees.

When buying a house in Kolkata, you'll need to register the property transaction with the local government, and a fee will be charged for this registration.

### **Residential Property:**

Residential property is real estate used for housing purposes. These areas are specifically designated for residential use by local authorities.

Your house or apartment in Chennai, used for living, is a residential property.

### **Security:**

In lending, security refers to collateral given to secure the loan, typically the property itself.

When you take a housing loan in Mumbai, the property you're purchasing serves as security, meaning it can be seized by the lender if you fail to repay the loan.

### **Super Built-up Area:**

The super built-up area includes the plinth area along with a share of common areas divided among all unit owners. Common areas can include corridors, balconies, and shared amenities.

In a Gurugram apartment complex, the super built-up area encompasses individual unit areas plus shared spaces like the lobby, garden, and swimming pool.

### **Tahsildar:**

The Tahsildar is a revenue authority or officer with the power to impose and collect revenue within a specific jurisdiction.

In Tamil Nadu, the Tahsildar is responsible for revenue collection and land records in designated regions.

### **Tenant:**

A tenant is a person who temporarily possesses a property based on specific terms and conditions set by the owner or landlord.

If you rent a flat in a Mumbai high-rise building, you are the tenant, and the property owner is the landlord.

### **Title:**

Title refers to the legal document proving one's right to possess a property.

When you buy a piece of land in Kerala, the title document is the legal proof that you own that land.

### **Title Search:**

A title search is an investigation into a property's ownership history, aiming to uncover any liens, unpaid claims, or restrictions, confirming the seller's legal right to transfer ownership.

Before purchasing a property in Noida, a title search will ensure that there are no hidden legal issues that might affect the sale.

### **Transaction:**

A transaction refers to any action that results in an exchange between parties, such as a property buyer and seller or a landlord and tenant.

The process of buying a villa in Goa involves multiple transactions, including the offer, acceptance, payment, and transfer of ownership.

### **Under-valuation:**

Undervaluation occurs when the declared value of a property is less than its actual fair market value. Registration fees for property transactions are often based on the property's declared value.

If the fair market value of a residential property in Hyderabad is ₹1 million, but it's declared as ₹800,000 during registration, it's an under-valuation.

### **Urban Land Ceiling and Regulation Act (ULCRA):**

The ULCRA was designed to prevent excessive landholding and urban congestion by limiting land ownership in urban areas. It aimed to promote efficient land use.

In Maharashtra, the ULCRA once restricted individuals from owning large plots of urban land to prevent land monopolies.

### **Zone:**

A zone is a designated area within a city or town with specific rules and regulations governing property development. These rules may dictate the type of property that can be constructed, building height, and land use.

In Bengaluru, different zones may allow for residential, commercial, or industrial property development, and the rules will vary accordingly.

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