

Survey Report of Purchasing a Branded Flat v/s a Non-Branded Flat: Return of Investments Analysis

Subject: Detailed Survey of Purchasing a Branded Flat from a Grade – A Developer with a Total Capital Investment of Rs 40 Lakhs in the Year 2011 verses Purchasing of an Unbranded Flat with the same capital Investments of Rs 40 Lakhs

Part 1: Analysis of the Flat Purchased from Grade – A Developer

- Detailed Analysis of Actual Facts and figures and the the Total Return of Investment of Purchasing a Flat worth Rs 40 Lakhs in the year 2011 and the Total Return of Investments
- We helped a client to Purchase a Flat of 2 BHK with a Built-Up area of 1087 sqft with a Grade – A Developer in Electronics City, Bangalore, This Flat was part of the Gated Community complex with all the Amenities like swimming pool, Club House, Gym, Children play area, Foot ball Ground, Tennis Court, and other Lifestyle Amenities
- To Stay and Enjoy this is an Amazing Housing community, but our client wanted this not for Personal stay but to earn Rental Revenue out of this and dispose it later

Premium Apartment 2 BHK - 1087 sqft - 1 Flat
Purchased Year: 2011
Purchased Rate: 40 Lakhs - 1 Flat
Monthly Rent in 2011: Rs 10,000/ Month
Annual Rent in 2011: Rs 1.2 Lakhs
Monthly Rent in 2012: Rs 12000 / Month
Annual Rent in 2012: Rs: 1.44 Lakhs
Monthly Rent in 2013: 13000/ Month
Annual Rent in 2013: Rs 1.56 Lakhs
Monthly Rent in 2014: 15000/ Month
Annual Rent in 2014: Rs 1.8 Lakhs
Monthly Rent in 2015: 15000/ Month
Annual Rent in 2015: Rs 1.8 Lakhs
And for the Next 7 Years from 2016 to now I have taken an average of Rs 18000/ Month due to increase in maintenance charges and other things so Rent Collected in these 7 years is 18000x12x7: 15.12 Lakhs

So The Rental Revenue Generated from the Year January – 2011 to December 2023 is Rs 23 Lakhs

And at Present the selling Value of the Flat is 85 Lakhs

Hence, for the Principal Investment of Rs 40 Lakhs in 2011 the Client got Rs 23 Lakhs (Rental Revenue) + 45 Lakhs (Extra Profit upon selling): **68 Lakhs Revenue** (Net Profit before Taxes in Total)

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Part 2: Analysis of the Flat Purchased from Non-Branded Developer

- Detailed Analysis of Actual Facts and figures and the the Total Return of Investment of Purchasing a property worth Rs 40 Lakhs in the year 2011 and the Total Return of Investments
- We Helped a client to Purchase 2 Flats of 2 BHK each in a Stand alone Building in Kanaka nagar, off RT Nagar post, this is a Standalone building with only basic facilities like Power back up, Elevator, 24 hours water facility and no luxury amenities
- The Total Built area of the Flat is close to 1000 sqft and it was billed at 20 Lakhs
- Since the NRI Client had an investment of 40 lakhs we were able to Purchase 2 Flats at 40 lakhs
- And again, this is an investment and we had purchased a Ready for possession apartments in both the cases

Unbranded Apartments - 2 Flats
Purchased Year: 2011
Purchased Rate: 40 Lakhs - 2 Flats
Monthly Rent in 2011: Rs 8000/ Month - for 2 Flats it was Rs 16000/ Month
Annual Rent in 2011 - 1.92 Lakhs
Monthly Rent in 2012: Rs 9000 / Month - for 2 Flats it was 18000/ Month
Annual Rent in 2012: 2.16 Lakhs
Monthly Rent in 2013: 10000/ Month - for 2 Flats it was 20,000/ Month
Annual Rent in 2013: 2.4 Lakhs
Monthly Rent in 2014: 12000/ Month - for 2 Flats it was 24000/ Month
Annual rent in 2014: 2.88 Lakhs
Monthly Rent in 2015: 12000/ Month - for 2 Flats it was 24000/ Month
Annual rent in 2015: 2.88 Lakhs
And for the Next 7 Years from 2016 to now I have taken an average of Rs 15000/ Month due to increase in maintenance charges and other things so Rent Collected in this 7 years is $15000 \times 12 \times 7 \times 2$: 25.2 Lakhs

So, The Rental Revenue Generated from the Year January – 2011 to December 2023 is Rs 37.44 Lakhs

And at Present the selling Value of each Flat is 45 Lakhs: 2 flats are 90 Lakhs

Hence, for the Principal Investment of Rs 40 Lakhs in 2011 the Client got Rs 37.44 Lakhs (Rental Revenue) + 50 Lakhs (Extra Profit upon selling): **87.44 Lakhs Revenue** (Net Profit before Taxes in Total)

And the Total Summary of the above 2 Properties are

Branded Flat: Rs 40 lakhs	2 Unbranded Flats: Rs 40 lakhs
Purchased Year: 2011	Purchased Year: 2011
Total Rent: 2011 - 2023: 23 Lakhs	Total Rent: 2011 - 2023: 37.44 Lakhs
Selling Price in Jan - 2024: 85 Lakhs	Selling Price in Jan 2024: 90 lakhs
Net profit: 23 Lakhs + 45 lakhs : 68 Lakhs	Net profit: 37.44 Lakhs + 50 Lakhs: 87.44 Lakhs