



# RETURN AND RISK ON INVESTMENTS IN RESIDENTIAL REAL ESTATE IN KOLKATA

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**Abstract:** Investors always want to invest their surplus fund/savings in such profitable schemes which have low risks attached to it and have potential to fetch high returns in the future. Investment in Real estate is one alternative among many investments available in the market. Like any other assets, investment in real estate has also its own risk and returns. So, the problem lies whether an investor should invest in real estate or not to generate high returns in future. The main objective of this study is to identify the Return and risk involved in investments in residential real estate in Kolkata and to find out the best suitable place for investment. To get primary data for the analysis, discussions were done with Builders/contractors/brokers and investors in real estates. Also, housing sites like Magic bricks, Makaan, 99 acres, housing.com are reviewed as a part of the study. The conclusion drawn from the study is that as the ownership of the land where in the multi storeyed flat is built is shared among all the flat owners, so, if there is appreciation in the value of the land over which flat is built, the overall value of the flat also appreciates. The rising cost of building materials is also adding an increase in the value of flats. Returns in the form of capital appreciation and rental income in investing in residential real estate in Kolkata seems to be very high as the investment is comparably less than other metro cities, but return on investment seems to be high due to emerging opportunities. But, the amount of rent and rate of capital appreciation depends solely upon the locations. Locations which are close to corporate, markets, hospitals, schools, colleges and IT hub are more in demand. New Town seems to be the best location in Kolkata for the purpose of investment in property as the place is considered to be an IT hub of Kolkata. As the rates of new town are soaring high day by day, one who can't afford the purchase of flats in these areas can plan to purchase in nearby areas like kestopur/hatiara/saduli/Jagatpur/Gaurangnagar/Rajarhat which are underdeveloped or developing areas which can fetch high capital appreciation in nearby future.

**Keywords:** Risk and return, real estate, investments, portfolio diversification, residential properties in Kolkata

## Introduction

Investors always want to invest their surplus fund/savings in such profitable schemes which have low risks attached to it and have potential to fetch high returns in the future. Investment in Real estate is one alternative among many investments schemes available in the market. Real estate means land including any constructed structure commonly known as building. It can be in the form of vacant land or land meant for agricultural purpose including Residential building which includes private homes, standalone apartment flats, residential societies/housing complex, duplexes or Commercial building which is used for business purposes like restaurants, hotels, cinema halls, malls, hospitals, offices and parking facilities etc. or Industrial building like factories which is used for production purpose. A residential society/housing complex is a combination of various apartments with numerous amenities like swimming pool, gym, community hall etc; an apartment is a standalone building with combination of numerous flats in it and flat is a self-contained residential unit that is part of a standalone building with many other self-contained housing units. In flats, the owner just does not purchase the structure alone but also, a part of the land upon which the flat is built. This is termed as the owner's Undivided Share in the Land or USL. Therefore, the ownership of the land where in the flat is built is shared among all the flat owners. Investment in real estate means investing surplus funds/savings in land or residential/commercial properties with a motive of earning returns instead of its end use. Investments cost includes the cost price

of the property including brokerage fees, parking cost, amenities cost, GST, interest cost and registration charges/stamp duty. Return on investment (ROI) calculates how much profit is being earned on sale of an asset along with rent earned during the lifetime of the asset as a percentage of the cost of investment. Risk means losing the value of money which was actually invested in the property.

While, Carpet area is the area inside the outer walls of an apartment that can be covered with carpet, but it excludes the open terrace, verandah, balconies and inner wall thickness whereas Built-up area is Carpet area along with inner and outer wall area and all balcony, common space and corridor.

Kolkata city is a large metropolitan city covering around 1887 sqkm with a total population of 14.7 million and has remained the main economic hub of eastern and north-eastern India. It ranks third after Mumbai and Delhi as per GDP. The city has a diversified economic base from mining, cement, steel, pharmaceuticals, IT/ITeS, electronic, heavy engineering, minerals, manufacturing, BFSI, wagon, defense, food processing, textiles and jute. The city is home to many large industries whose Head office is situated here such as Bandhan Bank, Birla Corporation, the Ordnance Factories Board of the Ministry of Defense, ITC Limited, Coal India Limited, Garden Reach Shipbuilders & Engineers Ltd, National Insurance Company, Allahabad Bank, The Tea Board of India, UCO Bank, the United Bank of India, Exide Industries, the RPG Group and Bata India. Currently, it is emerging as the principal business centre not only for eastern part of India but also for foreign countries like Bangladesh, Myanmar, Nepal, Bhutan establishing strong trade relationship with the rest of India, South East Asian countries of Malaysia, Thailand and Singapore and the western China.

### Statement of Problem

The general principle says that higher the risk, higher is the return. There are many investments available in the market like risk free securities such as fixed deposits, PPF, Bonds and risky securities like Shares, Mutual funds etc. which gives return according to the risk attached to them. Like any other assets, investment in real estate has also its own risk and returns. So, the problem lies whether an investor should invest in real estate or not to generate high returns in future.

### Research objectives

The research is carried out with two objectives:-

1. The main objective of this study is to identify the Return and risk involved in investments in residential real estate in Kolkata.
2. The study is conducted mainly on residential properties available in various locations of Kolkata with an objective to find out the best suitable place for investment.

### Literature review

Rajeev Kamineni, Graeme Newell, performed a study on ‘The Significance and Performance of Real Estate Markets in India.’ They reviewed the real estate markets in India and assessed properties of two largest cities of India i.e. New Delhi and Mumbai. They collected data for the eight year period from 1998-2005 for their study. They concluded that real estate markets were found to under-perform the stock market in India over 1998-2005 with most markets improving their performance in more recent years. Also, Mumbai residential, New Delhi retail and office were the best performed real estate sectors. According to their research, regular development in economic growth, deregulation of Indian capital markets and less restrictive guidelines for foreign direct investments in real estate in India have seen significant improvements in real estate investment environment in India. The expected development of REIT’s in India in the next few years shall improve the real estate investment opportunities available in India.

Tomáš Krulický, Jakub Horák, performed a study on “Real estate as an investment asset”. The purpose of their study was to calculate the rate of return on investment in the selected real estate and the payback period of such investment and whether to include real estate in the investment portfolio. The research mainly focuses on perceiving real estate property as an investment asset that generates a certain amount of revenue to its owner, assuming expected risk and the expected level of liquidity. As per their calculation, the payback period of the investment is 27.9 years from only rental income. The annual income from this property was determined as the open market rent income, taking into account the estimated operating costs and the time when there was loss of rent. The return on selected investment property was 3.58% and 5.58% considering inflation into factor.

Shaleen Singhal, Graeme Newell & Thi Kim Nguyen, performed a study on “The significance and performance of infrastructure in India.” They collected data over 2002–2009 for their study and assessed the performance of infrastructure in India. They concluded that Indian infrastructure has delivered strong risk adjusted returns compared with the other infrastructure sectors in the Asia Pacific area and globally, as well as compared with Indian stocks and global stocks.

## Methods of Analysis

The study is conducted mainly on residential properties available in various parts of Kolkata.

## Data Collection Method

In order to meet the objectives of the study, the data has been collected from -

Primary Data

Secondary Data

### Primary Data

To get primary data for the analysis, discussions were done with Builders/contractors/brokers and investors in real estates.

### Secondary Data

For getting secondary data different sources were used, which are-

- Websites
- Magazines and journals
- Many housing sites like Magic bricks, Makaan, 99 acres, housing.com are reviewed as a part of the study

## Data analysis and results

As per the study made by collecting the primary data and secondary data, the following factors need to be considered while investing in real estate in Kolkata:-

1. **Return-:** It means how much profit or cash is being generated during the life and from the sale of an asset. But, it should be noted that the repair and maintenance cost and municipality tax is an expenditure which is to be borne by the property owner every year which need to be deducted from profits.

The two major returns from real estate are

- **Capital appreciation-:** It means increase in the value of assets which should be more than its purchase price so that the investor can make money after selling the asset.
- **Rent-:** It is the monthly income which is generated when the residential property is let out.

Study shows that the capital appreciation of vacant land is more than the residential property but the rental income is nil in case of vacant land Also, rental income of commercial property is more as compared with residential property. Residential properties located nearby corporate hubs/IT hubs or educational institutes or hospitals have the potential of generating more returns either in the form of capital appreciation or rent. Also, the chances of getting rental income in smaller properties are higher than big bungalows/duplexes. It's also easy to sell smaller flats than big bungalows/duplexes. So, smaller the property is, more is the chance of generating high returns with high liquidity.

2. **Risk/cons-:** It means losing the value of money which was actually invested in the property.
  - **Depreciation-:** The risk of depreciation in the value of property is very less in case of real estate compared to other physical assets unless and until some natural calamities occurs. Land is a non depreciating asset and in case of buildings the depreciation is compensated by the appreciation of land on which it is constructed.
  - **Liquidity Risk-:** It means how fast you can sell your assets and convert it into cash. Real estate is considered to be highly illiquid assets and they are less liquid than gold/FD/Bonds etc. It may happen that in case of emergency, buyers may negotiate and appropriate amount is not realized. Its liquidity depends upon its location and size. Small size flats with prime location are highly liquid assets.
  - **Risk of non availability of tenants-:** There is also possibility of non availability of tenants which may happen in poor locations and may lead to rent loss.

- **Risk of unauthorized capture** -: The risk of unauthorized capture by local goons in vacant land is more as compared to flats which may result in unnecessary tensions, litigation costs etc. There may be possibility of unauthorized capture of flat by the tenants after expiry of lease agreement or poor maintenance of premises by the tenants.
  - **Maintenance cost**:- One has to pay annual maintenance cost and municipality tax of the residential apartment, once he/she becomes the owner of the property along with repair cost.
  - **Risk of delay in possession**:- There are chances of delay in handover of projects by the builders which would increase borrowing costs in the form of interests, if property is taken on loan. This would increase the purchase cost of asset.
  - **Huge investment**:- Investment in residential properties is a big decision as it requires heavy investment unlike in shares/FD/gold where people can invest even small amount.
  - **Complex paperwork and hidden costs involved**:- Property registration requires complex paperwork and processes and many cost like brokerage fees, amenities cost, GST, interest cost and registration charges/stamp duty are involved in it.
  - **Delay in loan approval**:- Financial institutions conduct strict audit of the real estate residential project as well as the builder, income and loan repayment capacity of investors before providing Loans. If one is purchasing the property taking bank loans, one has to ensure that proper documentation is available along with down payment money and security; otherwise it would create unnecessary delay in loan sanction.
- 3. Tax benefits in case of housing loan**:- The loan taken for acquisition of residential property also gives deductions on Income tax both in the form of interest and principal amount repayment. One can claim tax exemption up to Rs two lakhs per year on interest on home loans under Section 24(b) of the Income Tax Act, if the residential property is self occupied while in case of let out residential property, there is no maximum limit for claim. The investor can also avail exemption under Section 80C for the repayment of principal amount. Also, municipal tax paid by the owner on residential property is allowed as deduction while computing Income from House property under Income Tax Act. There is capital gain tax involved on the sale of real estate but one can take benefit of indexation, if the asset is hold for more than 24 months. Also, if the sale proceed is invested in any other residential flat, one can get exemption on the amount invested u/s 54 of Income Tax act.

Returns in the form of capital appreciation and rental income in investing in real estate in Kolkata seems to be very high because of the following reasons:-

- 1) Kolkata is the third most populous metropolitan area in India after Mumbai and Delhi and also, it has the third largest GDP in the country.

## ***Kolkata is the 3rd richest city in the country***

Top 10 cities by GDP

1. Mumbai- GDP: \$310 bn
2. New Delhi- GDP \$294 bn
3. Kolkata- GDP \$150 bn
4. Bengaluru- GDP \$110 bn
5. Chennai- GDP \$79 bn
6. Hyderabad- GDP \$75 bn
7. Pune- GDP \$69 bn
8. Ahmedabad- GDP \$68 bn
9. Surat - \$59 bn
10. Vishakhapatnam - \$44 bn

***Kolkata's GDP is 150 billion dollars***



The investment is comparably less from other metro cities like Mumbai, Delhi but return on investment seems to be high due to emerging opportunities. NCR-Delhi and Mumbai have affordable homes which is located around 55-135 km away from the city centre while Kolkata provides comparable better proximity, with housing projects located at distances of around 15-20 km away from the city centre, thus, offering an affordable range of housing to all classes of people.

- 2) Also, it is the principal economic hub of eastern and north eastern India. It is home to many banking institutions and insurance companies having its Head office here like Allahabad Bank, UCO Bank, the United Bank of India, Bandhan Bank, National Insurance Company and many large industry houses like ITC Limited, Birla Corporation, The Tea Board of India, Coal India Limited, Garden Reach Shipbuilders & Engineers Ltd, Bata India, Exide Industries, RPG Group. The migration of humans from small towns to Kolkata for job search makes it an ideal location for investment.
- 3) The emerging IT hub in sector V, salt lake and New Town, multiple government projects like the proposed SEZ in New Town and private initiatives like Infosys IT Hub is leading to an increase in demand of residential flats due to the influx of migrant population. Also chance of letting out the property is very high at high rent due to great employment opportunities in these locations. Currently, Kolkata has been an area of choice for the large IT companies like TCS, Wipro, Infosys, Cognizant and many more.
- 4) Kolkata is also an education hub as it is a home to various renowned national educational and technical institutes like Amity University, IIM, Kolkata University, Techno India University, PUSA-Hotel Management, ICFAI, Jadavpur University, IIIT, ISI Kolkata, IIT etc. This increases the prospects of rental income from the students who used to migrate from small towns to big cities for higher education.
- 5) Infrastructure development projects like East-West Metro have added to the city's valuation as well.
- 6) Many migrants from Kolkata to foreign countries for money are interested for investment in properties in Kolkata which again is one of the prime reasons for the capital appreciation.
- 7) Kolkata is also considered as Power surplus state and has infrequent power cuts.
- 8) Kolkata has also low cost of living.
- 9) Easy availability of public transport system like metros, local train, buses, taxis, OLA, ships, rickshaws, auto rickshaws, trams etc.
- 10) Kolkata is also considered to be the safest city of India.
- 11) It's a multi lingual and multi cultural state and is considered to be the city of Joy with lots of entertainment facilities with recreational park, malls, cinema halls, PVR cinemas, heritage buildings.
- 12) The city has also many medical institutes, hospitals and diagnostic institutes such as Apollo, AMRI, Tata memorial cancer hospital, Shankar netralaya, Columbia Asia, Narayana Hridayala which again promotes medical tourism.
- 13) The city is continuously expanding. With improving infrastructure and connectivity, many top developers in Kolkata are coming with new projects. Many reputed builders like Magnolia, TATA, Godrej, Purti, Orchid group, Srijan, Realtech, Sapoorji, DLF have constructed/constructing properties in this location.
- 14) Properties in newly developed areas such as Rajarhat and Newtown have greater chances of price escalation because of enormous growth opportunities in these areas. Investors can book property with a token money and then pay the remaining amount till possession of the property. Within that period, the prices of the property increase and investors can sell the property off in higher rates, even before they have paid the entire sum of the property they have bought. This is yet another reason why investing in property is increasing in Kolkata.

While choosing any residential property in Kolkata, the following points should be taken into considerations:-

1. **Proximity of the property with the workplace:-** Kolkata is a metropolitan city which is crowded and densely populated and traffic congestion is a major problem like most other metropolitan cities. So, in order to avoid the wastage of time in travel from residence to office, it is recommended to choose the property where job prospects are very high which is possible when the location is a corporate hub and if the cost of property is too high in such places, one can also choose a location where metro connections are available.
2. **Proximity to schools/colleges:-** It's very important to choose a location which is having proximity to good schools/colleges.

3. **Proximity to hospitals/medical clinics-**: It's very important that your property should have proximity to hospitals/medical clinics for medical emergency.
4. **Proximity to grocery shops/malls/amusement parks-**: The property should be located in the place where daily essentials are available easily and amusement parks should also be available nearby for weekend fun.
5. **Proximity to Bus Stands/Metro/local conveyance-**: In case if the person does not have personal vehicle or wants to avoid time consumptions due to traffic congestion, it's also become important to chose the location which is having public means of transportation near to the locality. Connectivity is very important factor while selecting property.
6. **Peaceful environment-**: After all a house should have a peaceful environment both internal and external. So, the property should not be very close to any disturbances, communal riots etc.

As per the study made, the following areas are the prime/emerging location for investment in Kolkata:-

1. **New Town/ Rajarhat: An upcoming, modern twin city in East Kolkata-**: It is situated on the eastern side of Kolkata which is also known as a new central business district of Kolkata. It is one of the first planned satellite cities of West Bengal. It also constitutes the IT hub of the city with companies like Wipro, Tata Consultancy Services, Infosys, Genpact, Accenture and Capgemini. It has also some of the finest malls in its proximity like Axis Mall and City Centre 2 Mall as well as many recreational parks like Aquatica, Eco Park and schools and hospitals like Orchid, IIT, St. Xavier, Tata cancer hospital, Ohio Hospital etc. The hanging restaurant is another point of attraction in this area. Many Luxurious business hotels such as Pride, Novotel and Swissotel, have also started their operations in New Town, portraying its image as a commercial hub. The future of New Town, from an investment perspective, is promising. It is also witnessing a high in upcoming infrastructure projects like – flyover connectivity, improved road network, and the on-going Rajarhat Metro – all are contributing together to increase the investment value of the area significantly. Also, the Netaji Subash Chandra Bose international airport is just a 19-minute drive away from action area II, New Town. There are also many residential as well as commercial projects which are under different stages of completion. But, improved infrastructure in New Town is also making opportunities for nearby areas like Rajarhat and Kestopur. Also, it is to be developed as solar city where renewable solar energy will be converted into electric power. A solid waste management system is also proposed to be installed to covert the garbage into energy.
2. **Salt lake, East Kolkata-**: Salt Lake has some of the biggest IT and software companies Like IBM, Wipro etc. and colleges like Techno India, UEM, IIHM as well as hospitals like AMRI, Apolo, sushrut, Columbia Asia. It has also malls like city centre 1, Mani square and hotels like Novotel etc. It has recreational parks like Nicco Park, Central park etc. The metro rail services have also started in this area. A lot of employees look for rental homes in this area due to large IT employers and colleges in this area. It is a well planned area of Kolkata.
3. **Joka: An emerging real estate destination in South Kolkata-**: It is located on the South-west side of Kolkata. Metro rail route from Joka to Tollygunge which is under construction has increased the demand for residential properties in this area. Educational institutes like IIM Kolkata, Delhi Public School, Vivekananda Mission School, S Pailan World School, Kolkata Model School and Kendriya Vidyalaya has also added feather to the cap. It has also some of the best hospitals like ESI Hospital, BMRI Hospital and Humanity Hospital, Apollo. It has a very peaceful environment and is situated away from the hustle and bustle of the city. This area is getting transformed rapidly with the betterment of roads as well as the upcoming Joka - BBD Bag Metro link. It is expected that this Metro link, once completed will be a major factor of growth for this area.
4. **Narendrapur/ Garia, South Kolkata-**: This southern part of the city has some of the country's best educational institutions like the Lady Brabourne College, Indian Institute of Chemical Biology, Jadavpur University and the Indian Institute of Management. There are also a number of premier schools, hospitals, auditoriums and shopping malls in this area. It is well connected by road, rail, and the Metro network. The existing infrastructure is being added by proposed development plans such as the Bus Rapid Transit System (BRTS), extension of the EM Bypass, the Garia-Airport metro link, and many flyovers which is increasing demand in areas like Narendrapur, Garia, Kasba etc
5. **BT Road, North Kolkata-**: Areas on B.T. road like Dunlop, Sinthi more, Sodepur & Agarpara along with Madhyamgram, Dum Dum and its surrounding areas on Jessore Road provide good opportunities for investments due to its closeness to the airport, Rail, and Metro. The development of the six-lane B.T. Road, extension of the Metro rail from Dum Dum to Dakshineshwar and quick access to Rajarhat mega city are major factors for the growth of this area.

6. **Barasat, North Kolkata:-** Barasat is showing great appreciation in price due to its good connectivity with areas like salt lake, New town which is only a 30 minutes drive and it is also, only 20 minutes away from the Kolkata International Airport. Day by day properties in Kolkata is getting costlier. There is no project in Kolkata with the same price level as Barasat provides.
7. **Shalimar, Salkia; West Kolkata:-** Many good projects like Merlin, solaris, Shapoorji etc. are available in this location. They are industrial areas having Iron industries and a new railway station is under construction in Shalimar.

## HOUSING PRICE TRACKER

YoY change in Q2

City	Increase in prices (%)	Current price (in ₹ per sq ft)
Delhi-NCR	10	7,434
Ahmedabad	9	5,927
Hyderabad	8	9,218
Kolkata	8	6,362
Pune	5	7,681
Bengaluru	4	7,848
MMR	1	19,677
Chennai	1	7,129

Note: MMR: Mumbai Metropolitan Region; the prices are based on carpet area

**LIKELY CAUSES FOR PRICE HIKES:  
RISE IN RATES OF KEY BUILDING MATERIALS, LABOUR WAGES**

Source: **Business Standard**

As per the article published in Business standard on 16 Aug, 2022, Revival in housing demand and rise in construction cost have led to a capital appreciation of around 8% p.a. during June quarter 2022 in Kolkata and Rental income normally comes around 4-5% p.a. of investments with a maintenance cost around 1% p.a. in new town area. It is assumed that the appreciation in rental income every year is compensated with increase in maintenance cost in the future. So, the net Return on investments is around 12% p.a.

### Conclusions

The conclusion drawn from the study is that as the ownership of the land where in the multi storeyed flat is built is shared among all the flat owners, so, if there is appreciation in the value of the land over which flat is built, the overall value of the flat also appreciates. Since, flat is a depreciating asset and one has to incur lots of expenses in its repair and maintenance after the property gets aged, but, the land on which it is constructed is an appreciating asset which increases the overall value of flats. The rising cost of building materials and labour cost are also adding an increase in the value of flats. Appreciation of vacant lands are more high and rental income and capital appreciation of commercial buildings are high compared to the residential real estate's but then, they require huge investments compared to the residential real estates and risk of unauthorized access is pretty high in lands/commercial buildings which can increase unnecessary tensions, litigation costs etc. Returns in the form of capital appreciation and rental income in investing in residential real estate in Kolkata seems to be very high as the investment is comparably less than other metro cities like Mumbai, Delhi, Pune, Bangalore etc. but return on investment seems to be high due to

emerging opportunities. But, the amount of rent and rate of capital appreciation depends solely upon the locations i.e. the locations where demand remains always high than the supply of flats. Locations which are close to corporates, markets, hospitals, schools, colleges and IT hub are more in demand. So, the investments should be made in prime location and in smaller properties than big bungalows/duplexes as the chances of getting rental income is more in smaller properties. Investment should be in a good complex rather than in the standalone project as they provide extra amenities. New Town seems to be the best location in Kolkata for the purpose of investment in property as the place is considered to be an IT hub of Kolkata which is one of the major reason for the investment as this is the major factor for the appreciation in the value of the property with high liquidity due to the influx of migrant population. Also chance of letting out the property is very high at higher rent due to great employment opportunities in the location. Also, some reputed medical colleges, MBA institutes and hotel management colleges in the location add feathers in cap. There are also many malls, restaurants and amusement parks in the location. Many reputed builders like Magnolia, TATA, Godrej, Purti, Orchid group, Srijan, Realtech, Sapoorji, DLF have constructed/constructing properties in this location. There are many options of the property available in New town ranging from vacant land to commercial and residential properties in the form of Bungalows/duplexes/apartments/cooperative societies. The Rate of return on investments in any assets must be greater than the prevailing bank interest rate and inflation rate. The conclusion drawn from the Study is that the net Return on investments is around 12% p.a. which is pretty high compared to FD/Gold. But, this is less than shares/mutual funds. But as the share markets are volatile and subject to market risks, one can think of investment in residential real estate in Kolkata for portfolio diversification and stable returns. Also, physical assets provide a pride to their owners which one can touch, feel and see.

## Recommendations

Investors must first determine the budget at which he/she can afford to buy a flat after which he must compare the prices with the neighborhood places from different developers or through online portals, agents etc. to get the best deal. Before investing in residential real estate, the investors must research about the reputation of builders and about their projects which they have handed over in the past. The investor must ensure that the project is being RERA registered for the under construction projects. Here, if investor exercises the option of purchasing a resale flat from owner, then he is benefitted with not only the immediate possession but also he saves amenities cost and sometimes it is available at lower market rates also with some wooden works/furnitures. Also, Purchasing resale flats or new projects with completion certificate saves GST cost. It's always safe to purchase ready to move in flats, but, purchasing under-construction properties may help investors to get flats at lower than market rates. One must choose flats facing south/east direction as there are lots of exposure to sunlight and air. Also, investor should purchase flats which are vastu compliant. It is also recommended not to purchase flats in ground and top floor as they are less in demands. Also, there should be wide gaps for proper ventilation in at least two sides of the flats. Also, one must buy flats with less storey as the same would provide more share of land/USL. As the rates of new town are soaring high day by day, one who can't afford the purchase of flats in these areas can plan to purchase in nearby areas like kestopur/hatiara/saduli/Jagatpur/Gaurangnagar/Rajarhat which are underdeveloped or developing areas which can fetch high capital appreciation in nearby future. The new connecting cement bridge from Kestopur to Salt lake is also adding feather to the caps and contributing to the appreciation in value of Kestopur flats. It is also recommended that Govt. of West Bengal should lower the stamp duty charges which would lower the cost of property purchase for buyers significantly and will boost demand in Kolkata's real estate sector. Currently it is between 5-7% of transaction value in Kolkata. Also, the registration charge is 1% of transaction value.

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