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# Popular marketing strategy scheme by Mumbai developers

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## Mumbai

Developers are doing everything to help the customer and in turn, help themselves. One of the practical marketing strategies, adopted by many Mumbai developers, is the 20:80 scheme, where the buyer pays 20% upfront and 80% at the time of possession.

For instance, Nahar Amrut Shakti, Chandivali (Andheri East) in their premium Yevonne towers are encouraging buyers to pay 20% of the base price of the flat, at the time of booking and the balance at the time of possession which comes after three years. Say if the two bedroom apartment of size 1465 sq ft costs 2 Cr plus, the buyer is expected to pay 20% of the base price of flat plus stamp duty



and registration charges summing to approx Rs 52 lacs as the booking amount.

Likewise, there are many others who have launched this scheme such as Lodha, Hubtown and Raheja in their Vista project at Chandivali, Andheri east and Wadhwa group in their Kandivali (W) project near Mahavir Nagar, amongst others.

“One of the key apprehensions of buyers is delay in project handover and consequent additional finance cost borne by the customer,” says Shobhit Agarwal, MD, Protiviti Consulting Pvt Ltd. “In the 20:80 scheme buyers are typically required to pay a small amount upfront and the balance is financed through a bank. The customer enjoys no EMI interest payouts for a period of 18-24 months (per the scheme specifics) which is borne by the developer.

This deferece of interest, while construction is continuing, should be able to mostly satisfy their apprehension and help developers increase sale.” The scheme benefits all customers – Investors get an interest free period which brings down cost of investment, buyers who are buying the property for occupation, do not have to bear the double burden of interest and rentals (of existing occupation) for that period.

Hubtown has launched 20:80 in their residential projects namely Hubtown Sunmist at Andheri (E), Hubtown Hillcrest at JVL R. The company has tied up with ICICI Bank to offer loans to customers in this special scheme. “It’s a win-win proposition for all,” says Hubtown MD, Vyomesh Shah, “While the buyers get a breathing period and don’t have to bear the burden of an EMI, over and above their monthly rental till the time of possession, the developer gets structured funds for project execution at the desired pace and the bank is happy about getting business too.”