

# Invest in a commercial property today

Festive season is considered an ideal time to buy properties, be it residential or commercial



JADAV KAKOTI  
@timesofindia.com

Investment in a commercial property gives lot of advantages as such a deal yields better ROI and other spin off benefits. The festive season often bring about an increase in the economic activity, thus making it a very good time to invest in commercial property.

Gaurav Mavi, co-founder, BOP Realty, says, "The festive season is usually a time of the year when spending is higher. Higher demand can therefore mean more footfalls and increased revenue generation on commercial properties, making them an attractive investment proposition, in turn. This can also contribute to long-term appreciation in value by calling for increased demand in commercial properties during the festive season. As long as the economy keeps on growing and consumer spending is still on the rise, these commercial properties will hold their value and appreciate over time once they have benefited from increased footfall."

**Positive Market Sentiment:** "The festive season creates a positive market sentiment; this will create an upbeat feeling about the economic conditions among the buyers. This may lead to more competition in the commercial market, which increases

the valuation of properties over time. Increased buyer confidence means demand is heightened and risk perception goes down. This increases demand by attracting more and more investors, who create some competition that steers the prices upwards. The stage is now set for long-term appreciation of commercial property values as this positive sentiment persists," maintains Mavi. Similarly, Vikas Bhasin, chairman and managing director Saya Group, says, "The temperature and fervour associated with the festive season in India are such that it is the ideal time for even deep-rooted investment decisions to be made."

**Increased Confidence of Buyers:** The festive season is usually associated with heightening the overall activities of the market, as buyers and investors develop more confidence. "This can be triggered by the belief that every new beginning in this period will turn out to be prosperous. To investors in commercial property, this increased market engagement provides the right atmosphere for buying or leasing, thus ensuring faster returns on investment," adds Bhasin.

**Special Financing Options:** During the festive season, banks, and financial institutions, tend to introduce attractive financing schemes. One may expect a reduction in interest rates, processing fees, etc., with

sufficient flexibility in the payment plans. Developers in association with these financial institutions introduce special packages that help high-value investments become more reachable. For a commercial property, this financial incentive does much to reduce acquisition cost and increases the return on investment.

Shivam Agarwal, VP – Strategic Growth, Sattva Group, further says, "The festive season is a time of celebration and generosity, but for savvy real estate investors, it's also an ideal moment to seize market opportunities. Investing in commercial real estate during this period offers a strategic path to building long-term wealth. With property values and rental income generally on the rise, commercial investments provide a reliable source of cash flow. The festive season is known for its special promotions, and the real estate market is no exception. Developers and sellers often introduce exclusive discounts and incentives to boost sales during this period."

This heightened consumer spending season creates a window of opportunity for investors to secure properties at lower prices. Beyond discounted rates, buyers and investors can also benefit from flexible payment plans and added perks like free furnishings or extended maintenance services. These incentives effectively reduce the overall cost of investment, making it a smart time to enter the market.



**Financial Planning:** The festive season aligns with the year-end, a crucial time for tax planning. Investing in commercial property during this period can offer substantial tax benefits, such as depreciation allowances, mortgage interest deductions, and other property-related expenses that can reduce tax liabilities. Moreover, making a purchase before the financial year's close allows investors to optimise their portfolios and enhance their financial planning. This strategic timing helps in realigning assets and maximising returns, making it a financially sound decision.

The festive season presents a unique opportunity for investors to

acquire commercial properties under favourable conditions. With attractive discounts, increased demand, and significant tax benefits, it is a time when strategic investments can yield long-term rewards.

Among the various commercial segments, co-working space is quite attractive for an investor. According to reports, co-working spaces are forecasted to present a USD nine billion market potential in India by 2028. Sparsh Khandelwal, founder and CEO of Stylework, elaborates, "The festive season in India spans from October to January and is celebrated across the country in various regions. From Diwali to Christmas to New Year, this time of the year is filled with fun and cheer. Alongside the festivities, it is also a time of increased economic activities as demand for products and services skyrockets."

**Exercise caution:** However, before investing in a commercial project. Harish Fabiani, chairman of IndiaLand Group, however, says, "Commercial real estate emerges as a lucrative investment avenue, especially as India makes notable developments in domestic business, infrastructure, and GDP growth. However, like other investment options, individuals should note a few things before parking money in a commercial option. While factors

**DID YOU KNOW?** The festive season presents a unique opportunity for investors to acquire commercial properties. With attractive discounts, it is a time when strategic investments can yield long-term rewards

like property location, amenities, and area square footage are the basics to check, individuals must expand their scope of research before investing in any new or upcoming commercial project. Firstly, they must familiarise themselves with the local regulations, environmental guidelines, and building codes to understand whether they could hamper the property's flow of development or operation."

It is also highly recommended to stay updated with local tax laws, government policies, or changes in depreciation schedules to ensure swift compliance and avoid unwarranted repercussions.

"Next, individuals must assess the involved risks with the property. To do this, it is suggested, to begin with fundamentals like checking whether all property documents are available and valid and if the developer has cleared the land dues," says Fabiani.

PIKS STOCK