

ALLOTTEE AWARENESS SERIES II

Understanding & Calculation of Carpet Area, Built up Area, Super Built up Area & Loading

REAL ESTATE TERMINOLOGY

(CARPET AREA, BUILT UP AREA/ PLINTH AREA AND SUPER BUILT UP AREA ETC.)

Illustration



Some Tricks Played by Developers to Charge More

Let us consider that a developer is selling a flat with a super built up area of 1500 sqft at a price of Rs. 5000 per sqft.

Trick 1 – Loading factor play

On inquiry, the marketing staff may tell that they are offering the highest carpet area ratio and are only using a loading factor of 25%. He will show the carpet area calculation as follows:

Carpet Area = $1500 * (100-25)\%$ = 1125 sqft, which is a wrong method to calculate carpet area.

Right method for carpet area calculation

Remember that loading factor is supposed to be loaded (added) and not subtracted.

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Right formula is, Carpet area * 1.25 = Saleable Area

That means Carpet Area = Saleable area / 1.25 = 1500 sqft / 1.25 = 1200 sqft.

This means, you should have ideally got 1200 sqft with 25% loading.

On the contrary, if the actual carpet area is 1125 sqft (can be calculated from the layout in brochure), the super built up area will work out to be $1125 * 1.25 = 1406.25$ for which one should be paying, whereas the builder charges for 1500 sqft. i.e. for 93.75 sqft. extra.

Therefore, the yardstick to compare projects should be effective carpet area per sqft. rate and not super built up area rate.

Trick 2 – Common Area play

Many developers will include even open areas like roof terrace, play areas, garden etc. in the super built up area calculation. One won't even realise that and may end up paying for actual loading factor of 50% or even higher though on paper it will be shown that the loading factor is just 25%.

Pitfalls with Pvt Developers.

Generally, one will be enticed by a very attractive **basic per sqft price (BSP)** which a developer might be offering. However, one will realise many traps once the property is booked and when the cost of property keeps going up. Once, one pays the booking amount, there would be hardly any exit options or one will be charged heavy cancellation charges. So, it is in one's interest to ask as many questions as you can before first booking amount cheque is handed over.

One must note that a bigger saleable area does not mean bigger carpet area. Also, the method used by builder to calculate the super built-up area can leave a big hole in the pocket, where one pays for facilities one does not care for or use and ends up with a much lower carpet area, the actual area one uses.

Be Aware!, if a project does not have many amenities, the ratio of the carpet area to the super built-up area will be higher. That is, the difference between the carpet area, which is exclusively owned, and the super built-up area, which includes proportionate area of common facilities, will be small

Find out the ratio of the carpet area to the super built-up area: higher the ratio, the better for the buyer. That is, most of the money is going into paying for the area one actually uses.