

Ready-To-Move Vs. Under-Construction: Key Insights Summary

India's luxury real estate market (₹1Cr+) has reached an inflection point in early 2026. Luxury segment captures 62% of residential sales, up from 51% in 2024. In H1 2025 alone, 7,000 luxury units sold across top metros—representing 85% year-on-year growth.

This isn't speculative momentum—it reflects structural capital reallocation by sophisticated investors toward Indian real estate as a core wealth instrument.

Why Under-Construction Costs 18-25% Less

The entry price gap between ready-to-move and under-construction isn't arbitrary. It compensates for three overlapping cost structures:

1. Construction Risk Premium (8-12% discount)

Ready-to-move eliminates delivery uncertainty. Approximately 40% of under-construction projects in major cities experienced 6-18 month delays in 2024-2025. RERA protections (70% escrow, developer registration, standardized agreements) have reduced historical risks by 60-70% but haven't eliminated execution delays or quality discrepancies.

2. Capital Cost Arbitrage (5-8% discount)

Under-construction buyers effectively provide interest-free financing to developers for 2-5 years. In an 8-9% construction financing environment, this represents material opportunity cost. Ready buyers pay today's price for today's asset; UC buyers absorb inflation during construction.

3. Regulatory & Tax Friction (3-5% discount)

Under-construction properties incur 5% GST at purchase (reduced to 1% for properties below ₹45 lakhs). Ready-to-move properties incur zero GST. For NRI buyers, GST on UC properties adds ₹3-5 lakhs per ₹60-80 lakh property. Additionally, ready properties sold

after 2 years benefit from long-term capital gains treatment with indexation benefits (5-10% effective tax rate).

Practical Example (2025 Data):

- Gurgaon Sector 65, 3BHK Ready-to-Move: ₹3.5 Cr
- Same locality, Under-Construction: ₹2.8 Cr
- Entry advantage: ₹70 lakhs (20% discount)
- But GST on UC: +₹14 lakhs (5%)
- Net effective entry difference: ₹56 lakhs (16%)

The Dual Thesis: Preservation Vs. Multiplication

Ready-to-Move:

- ✓ Immediate rental income (2-4% yields across metros)
- ✓ Zero construction management required
- ✓ Tax-efficient after 2-year holding (long-term capital gains + indexation)
- ✓ Institutional credibility (easier to collateralize, value for family offices)
- ✓ Stable rental demand (expat populations, corporate transfers)
- ✓ Lower emotional volatility (no delivery updates, no delays)

Best for: HNI/UHNI investors seeking portfolio stability, immediate passive income, and asset hedging against currency depreciation.

Under-Construction:

- ✓ 15-25% entry price discount
- ✓ 20-40% appreciation by completion (wealth acceleration)
- ✓ Installment payment structure (cash flow flexibility for NRIs)
- ✓ Institutional escrow protections (RERA-compliant builders only)
- ✓ Captures infrastructure arbitrage (early entry to emerging corridors)
- ✓ Higher risk-adjusted returns (12-18% IRR over 3-5 years)

Best for: Global investors with 3-5 year horizons, active risk management capability, and access to professional due diligence.

Due Diligence Checklist: What Separates Winners From Traps

For Under-Construction Projects:

- Developer RERA registration + compliance history (check state RERA website)
- Prior project completions: minimum 3 successful projects, on-time delivery rate >80%
- Escrow verification: Confirm 70% of project funds held in regulated accounts
- Municipal approvals: Verify Environmental Clearance, Building Permits, Layout Approvals
- Micro-market rental demand: Interview rental agents; confirm occupancy >85% in competing properties
- Construction financing: Confirm developer has identified institutional lenders (reduces default risk)
- Payment schedule: Negotiate structure aligned with remittance patterns (for NRIs)

For Ready-to-Move Properties:

- Title clarity: Verify registry records, no legal disputes
- Rental history: Check 2-3 years of rental income records if purchasing tenant-occupied
- Municipal property tax: Confirm no arrears
- Building approvals: Verify 5-year completion to ensure all permissions finalized
- Society reputation: Speak to 5-10 current residents; check RWA financial health
- Micro-market trajectory: Confirm infrastructure development within 2km radius



The Timing Imperative: 2026 Market Window

Why Act Now:

1. Valuation Normalization: After 85% YoY growth in luxury segment, price discovery is stabilizing. Entry prices in 2026 are rational; they won't remain so for 18+ months.
2. Interest Rate Trajectory: If RBI maintains repo rate or increases rates further, construction financing costs rise, making UC projects riskier. Early entry locks in lower developer pricing.
3. Institutional Deployment: PE capital allocating to residential in 2026 will drive micro-market scarcity. First-mover advantage matters in emerging corridors.
4. Regulatory Stability: RERA frameworks are now mature and predictable. Regulatory uncertainty that plagued 2018-2022 has largely resolved.

The Bottom Line

Ready-to-Move = Wealth Preservation

Under-Construction = Wealth Multiplication

Neither is superior—only superior for your specific investment thesis, time horizon, and risk tolerance.

The data is unambiguous: luxury real estate is capturing institutional capital, NRI deployment is accelerating, and market structures have matured. The opportunity window is open. Investors who deploy with disciplined process now are positioning for 10-year wealth compounding.