



HER SQUARE FEET

UNDERSTANDING RISKS & REWARDS IN PROPERTY INVESTMENT

VISION
INDUSTRY
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BUSINESS
PROJECT
IDEA
ACT
FINANCE
SUCCESS
TARGET
JOBS
MANAGEMENT
DEVELOPMENT
INNOVATION
DATA
RISK

TIME
TARGET
QUALITY
DATA
CUSTOMER
INDUSTRY
TARGET
VISION
FUTURE
MOTIVATION
PLAN
CAREERS
PROMOTION
BRAND
SUCCESS
BUSINESS
IDEA
TARGET
CAREERS
JOBS
MANAGEMENT
PLAN
CREATIVITY
EDUCATION
STRATEGY
BRAND
JOBS
PLAN



INTRODUCTION

Investing in real estate can create life-changing wealth—but every reward comes with risk. Understanding both sides helps you take calculated decisions, protect your money, and maximize your ROI.

This section will help you:

- Identify common risks
- Understand how to mitigate them
- See how even risks can be opportunities when managed wisely

SECTION 1: COMMON RISKS IN REAL ESTATE

- **Market Fluctuation Risk:** Prices can rise or fall based on economic conditions, interest rates, and local demand.
- **Liquidity Risk:** Selling property quickly is often difficult. Ensure you can hold it long enough.
- **Construction & Delivery Risk:** Delays or quality issues can affect your timeline and returns.
- **Legal & Regulatory Risk:** Missing due diligence on titles, RERA compliance, or approvals can cause major losses.
- **Tenant & Rental Risk:** Vacancies or non-paying tenants can affect cash flow.

REWARDS OF SMART INVESTMENT

CAPITAL APPRECIATION

Well-chosen properties often grow 8–12% annually in high-growth areas.

RENTAL INCOME / CASH FLOW

Steady monthly income helps cover EMIs.

TAX BENEFITS

Interest on home loans and property-related deductions reduce your taxable income.

PORTFOLIO DIVERSIFICATION

Real estate hedges against volatility in other asset classes.

HOW TO EVALUATE & MITIGATE RISKS

✓ RESEARCH THE LOCATION & MARKET

- Compare areas for growth potential (e.g., Noida Sector 76 vs a distant underdeveloped area).
- Check price trends, connectivity, and demand.

✓ MAINTAIN A BUFFER CORPUS

Keep 2–3 months of EMIs to cover delays or vacancies.

✓ LEGAL & DOCUMENTATION CHECK

- Verify property titles, RERA registration, and builder approvals.
- Avoid properties with encumbrances or pending disputes.

✓ START SMALL OR DIVERSIFY

- Invest in smaller properties or co-investments before scaling.
- Example: 30-lakh plot + SIPs for future property.

✓ EMBRACE RISK AS A LEARNING TOOL

Example: Buying under-construction property in a fast-developing area may seem risky but could appreciate 20–25% in 3–4 years.

✓ UNDERSTAND CONSTRUCTION / DELIVERY RISK

- Check builder's past track record.
- Include buffer for EMIs or negotiate delayed-handover clauses.



QUICK RISK-REWARD MINDSET TIPS

Example Mindset:

"I know my property could face delays, rental gaps, or market shifts—but by planning, diversifying, and tracking, I turn risks into opportunities for growth."

1

RISK IS A GUIDE, NOT A WARNING:

It shows where preparation is needed.

2

BALANCE AMBITION WITH CAUTION:

High-growth areas are good but plan contingencies.

3

MITIGATION BUILDS CONFIDENCE:

Preparedness allows bolder, smarter investments.

EXERCISE SHEET - PROPERTY RISK & REWARD PLANNER

OBJECTIVE: EVALUATE A PROPERTY FOR BOTH POTENTIAL REWARD AND ASSOCIATED RISK TO MAKE A SMART INVESTMENT DECISION.

STEP 1: PROPERTY DETAILS

PROPERTY TYPE & LOCATION: _____

ESTIMATED PRICE: _____

EXPECTED RENTAL YIELD: _____

STEP 2: IDENTIFY RISKS (TICK ALL THAT APPLY & ADD NOTES)

- MARKET FLUCTUATION
- LIQUIDITY
- CONSTRUCTION / DELIVERY
- LEGAL / REGULATORY
- TENANT / RENTAL

STEP 3: RISK MITIGATION ACTIONS

- _____
- _____
- _____

STEP 4: REWARD POTENTIAL

- CAPITAL APPRECIATION: _____% OVER _____ YEARS
- RENTAL / CASH FLOW: ₹ _____ / MONTH
- TAX BENEFITS / OTHER PERKS: _____



EXERCISE SHEET - PROPERTY RISK & REWARD PLANNER

STEP 5: PERSONAL RISK ASSESSMENT & COMMITMENT

- RISK APPETITE: LOW / MEDIUM / HIGH

- COMMITMENT LINE:

“ _____

_____”

SAMPLE STATEMENTS THAT YOU CAN CHOOSE FROM

1. “I commit to researching thoroughly, tracking my investment, and mitigating risks before making my property decisions.”
2. “I will prioritize preparation over fear and treat every risk as an opportunity to learn and grow my real estate portfolio.”
3. “I commit to balancing ambition with caution, making informed choices, and planning for contingencies in all my property investments.”
4. “I will focus on long-term rewards, keep a risk buffer, and take smart, calculated steps toward building my property wealth.”
5. “I choose to act with clarity, confidence, and a plan, ensuring my investments are guided by strategy, not emotions.”

