

'Deed' it for mom

From lower registration costs to inheritance benefits, homes registered in a mother's name offer several advantages and are emerging as a smart investment strategy for families

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Flowers wilt, gifts gather dust, and brunches are forgotten. But a home in one's mother's name? That's a gift that appreciates in value and meaning. As millennials and Gen Z increasingly turn to real estate as a dependable investment, many are pairing sentiment with strategy by registering properties in their mother's name.

In India, several states offer lower stamp duty for properties registered in a woman's name, reducing upfront acquisition costs. Co-ownership and joint home loan applications can also help optimise tax deductions. Moreover, beyond immediate savings, such ownership structures can aid smoother wealth transfer and estate planning.

LOWER STAMP DUTY AND REGISTRATION

Stamp duty is a state levy which varies across the country. To promote women's participation in property ownership, several states offer concessional stamp duty rates for female buyers. Even a one per cent reduction could lead to saving Rs one lakh on a property transaction of Rs one crore. Moreover, "Eligibility under schemes like PMAY encourages or mandates female ownership, making registering a home in a mother's name both financially prudent and future-secure," informs Ravi Shankar Singh, managing director, residential transaction services, Colliers India.

FINANCIAL PERKS

Banks usually charge 0.05 to 0.10 per cent less on home loan interest rates for female homeowners. So, if a son wants to invest in real estate, he may benefit from registering the home in his mother's name. "However, such a deal is possible only if the woman appears to be both, a co-applicant and co-owner of the mortgage," informs Pramod Kathuria, founder and CEO, Easiloan.

Many families opt for joint ownership between mother and child. This can be particularly effective in improving home loan eligibility, as loan providers generally look at joint home



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loans to be more secure. "If both contribute towards the repayment of the home loan, it effectively doubles the tax benefits at the household level as well. However, it is essential to clearly define ownership shares in the property documents to avoid future disputes or tax complications," informs Milin Bakhai, partner, direct tax, NA Shah Associates LLP. If the mother falls within a lower tax bracket, routing rental income through her will reduce the overall tax burden of the family.

According to Bakhai, additional advantages include:

- A standard deduction of 30 per cent on rental income
- Full deduction of interest on a home loan if the property is purchased using a home loan
- Ability to offset losses up to Rs two lakh annually against other income

However, if the mother has little or no taxable income, she may not be able to fully utilise available deductions, reducing the intended tax advantage. It is also important to note that tax benefits are proportionate to ownership share and actual repayment contribution, making documentation critical from both, a legal and tax standpoint.

CONTROL AND SUCCESSION

That said, it is important to recognise that the mother, as the registered owner, enjoys absolute legal rights over the property, including the ability to sell, gift, or bequeath the asset, irrespective of who funded the purchase. "In the absence of proper structuring, such arrangements can give rise to inheritance disputes among legal heirs, particularly when expectations are not clearly documented. From a legal standpoint, the structure can work effectively as part of estate planning, provided it is sup-

ported by a clearly drafted Will in accordance with applicable succession laws," cautions Brijita Prakash, partner, JSA Advocates & Solicitors.

In the absence of a Will, the property may be inherited by all legal heirs, potentially leading to disputes. "To avoid such a scenario, the property must be transferred to the child by way of a bequest under a Will," informs Kavita Jolly, partner, Rajan Hiranandani and Associates. Estate planning tools such as Wills or gift deeds are thus recommended to ensure clarity of ownership and prevent inter-generational disputes. "From a tax perspective, a gift of immovable property from a mother to her child qualifies as a gift from a 'relative' and is therefore fully exempt from income tax under Section 56(2)(x) of the Income Tax Act, 1961. While such a structure, where the mother subsequently gifts the property back, is legally permissible, from a risk-mitigation standpoint, it is more prudent to provide for devolution through a Will or a private family trust rather than an immediate gift. A Will ensures that the mother retains full control, possession, and enjoyment of the property during her lifetime, while clearly recording her testamentary intent," informs Divi Dutta, partner, Khaitan and Co.

MARKET OFFERS

Real estate developers also capitalise on special days like Mother's Day and roll out offers and discounts to encourage women-led ownership. "There is a growing trend of curated offers for women homebuyers ranging from limited-period stamp duty waivers and preferential pricing to schemes that enhance affordability when properties are registered in a woman's name," concludes Shraddha Kedia-Agarwal, director, Transcon Developers.

MATRIARCHAL ASSETS THE STRATEGY OF MATERNAL PROPERTY OWNERSHIP

Registering property in a mother's name is an emerging real estate strategy that combines sentimental value with significant financial utility. This approach leverages state-level incentives, banking concessions, and tax laws to optimise family wealth and simplify future inheritance.



IMMEDIATE FINANCIAL INCENTIVES


**LOWER STAMP
DUTY COSTS**

1%
Several Indian states offer one per cent duty reductions for women, saving Rs one lakh per Rs one crore.


**REDUCED LOAN
INTEREST RATES**

**0.05% to
0.10% lower**
Banks typically offer 0.05% to 0.10% lower interest rates for female property owners.



**ENHANCED
LOAN
ELIGIBILITY**
Joint applications are viewed as more secure, increasing total loan potential.

READ THE FINE PRINT FIRST

From stamp duty waivers and preferential pricing to flexible payment plans, Mother's Day real estate offers are becoming increasingly sophisticated. But experts advise buyers to look beyond branding and calculate the actual savings. A limited-period discount may appear attractive, but the real advantage lies in lower acquisition costs.

TAX AND SUCCESSION STRATEGY

Tax brackets
Routing rental income through a mother in a lower tax bracket reduces overall liability.

Tax-exempt wealth transfer
Property gifted from a mother to a child is fully exempt from income tax.

Strategic estate Planning
A Will ensures seamless ownership transfer.