

Client: Aksha Kamboj, Executive
Chairperson, Aspect Global Ventures Pvt Ltd.

Date: 13th September, 2025

Publication: The Times of India- Times
Property

Page No: 10

Can tenants fund your home loan?

With urban rents soaring and EMIs rising, a growing number of Indian homeowners are letting out space to lighten the load. The name of the game? House hacking

ROHAN.PATIL
@timesofindia.com

How do you like the idea of living in your dream home and having your housemates pay your EMI? Welcome to the intriguing world of house hacking, where your tenants can become your unofficial EMI buddies, and your extra room doubles as a revenue stream. While we may have oversimplified the concept, it is not totally unheard of. Indians are well aware of the paying guest concept, the younger generation has given it a slightly modern term. However, it is not always smooth sailing, and one should know the pros and cons to make an informed decision.



WHAT IS HOUSE HACKING?

"In house hacking, one buys a property, often a multi-unit house, takes up residency in one part, and rents the other part out to a tenant. This generated rental income, which can help pay all or some of the home loan EMI and other common expenses associated with owning a property. It is referred to as a 'hack' because it allows the owner to lower the cost of owning the property, even as it builds equity via capital appreciation," explains Rahul Phondge, chief operating officer, Anarock Group.

For instance, someone might purchase a duplex, live on one floor, and rent out the other. In Indian metro cities, this could also mean renting out extra rooms, a separate floor, or even creating a studio unit on the same property. This arrangement generally works for those who live alone, for e.g. a young professional who has moved to a big city and plans to plant his roots there. Since he/she would be living alone, they may consider taking in a roommate.

ADVANTAGES

► Easing EMI burden

The biggest advantage of house hacking is the ability to cover a part of your monthly home loan EMI. The rental income from house hacking can significantly ease the financial load. In metro cities, even a modest room can fetch handsome rent, especially if it's near a tech park, commercial zone, or education hubs.

► Lower living expenses

Your home starts paying for itself, freeing up money for other goals or investments. If not the EMI burden, this is also a good way to pay for other expenses like, "Utility bills and maintenance costs. This effectively reduces the cost of ownership," shares Phondge.

► Financial discipline

Many young Indians delay entering the real estate market due to high initial costs and the fear of long-term commitment. "House hacking offers a practical middle ground, allowing them to purchase a home while partially covering costs through rent, making property ownership

more accessible," opines Aksha Kamboj, executive chairperson, Aspect Global. The property not only generates income but also appreciates over time. This dual benefit of capital gains and rental earnings is a strong incentive for long-term wealth creation.

► Satisfying urban housing demand

"House hacking supports growing urban housing demand. In metro cities like Pune, Bengaluru, or Mumbai, there is constant demand for affordable rental spaces, especially from students and working professionals. House hackers can effectively tap into this steady market, ensuring consistent occupancy and income," mentions Kamboj.

DISADVANTAGES

► Privacy concerns

"Sharing your property with tenants can compromise privacy. In Indian homes, especially joint families, having tenants within the same premises may not always be culturally comfortable," shares Dhiren Tharwani, director, Tharwani Realty. Issues like delayed rent, property damage, or behavioural

concerns can arise, and legal eviction in India can be a lengthy process.

► Zoning and structural limitations

Many Indian localities are not zoned for multiple tenants or may have restrictions against converting residential areas into multiple rental units. "Unauthorised modifications can attract penalties," highlights Tharwani.

► Owner's concerns

House hacking isn't just about earning rental income; it also involves managing complaints, handling repairs, renewing lease agreements, and occasionally dealing with difficult tenants. This shift in role from a homeowner to a landlord can be overwhelming for those who are unprepared.

► Uneven rental demand

"In certain suburban areas or newly developing townships, rental demand can be seasonal or influenced by local job markets and academic calendars. This makes income unpredictable, and any prolonged vacancy can strain a homeowner relying



WHAT IS HOUSE HACKING?



Buy a property



Live in one part



Rent out the other

Use the rental income to help pay a part of the home loan EMI or cover other expenses

heavily on that rent to cover EMIs or maintenance costs," avers Kamboj.

► Legal aspect

House hacking must comply with property, society, and municipal regulations. Homeowners should first ensure their property title or loan agreement doesn't restrict having a paying guests.

