

A pair of glasses with a dark frame is positioned over a real estate listing document. The document features a house icon and various text elements, including the word 'PROPERTY' and '2-BEDROOM'. The background is a warm, golden-brown color with a soft glow.

Real Estate Regulation Act

MARKET THAT IS BOUND TO WITNESS GREATER TRANSPARENCY
AND ACCOUNTABILITY FOR BUYERS IN 2017

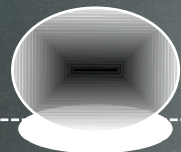
PREFACE



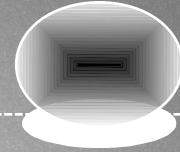
The Real Estate Act, introduced in 2013, has been passed by the Indian Parliament and received the President's assent on 25.03.2016.



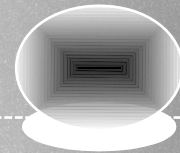
The Act intends to promote the interests of the consumers of both commercial and residential projects by bringing in transparency and safety in the market through a regulatory mechanism



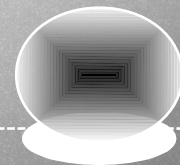
The Act is directed towards regulating the sector, which is considered to be second lowest in terms of consumer satisfaction



Act came into force on 1st May, 2016.

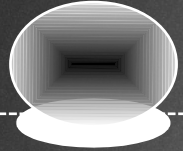


The Act seeks to address the lacunae in the real estate sector and harmonize the relationship between the developer and the consumer

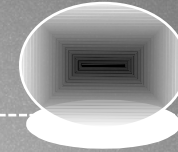


The Real Estate (Regulation and Development) Act 2016 (RERA) was set up to perform the same role for property transactions as SEBI does for security transactions in the capital markets

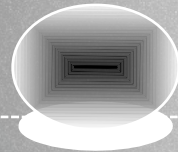
PREFACE



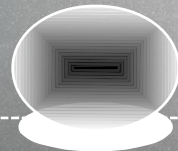
The Central Government has notified Sections 2, 20 – 39, 41- 58, 71-78, 81-92. The Central Government has also framed draft rules for Union Territories without Legislature.



Repeal Maharashtra Housing (Regulation & Development) Act, 2012



Act to be notified on 1st May 2017 and rules to be made thereunder in the state of Maharashtra



Act to have an overriding effect



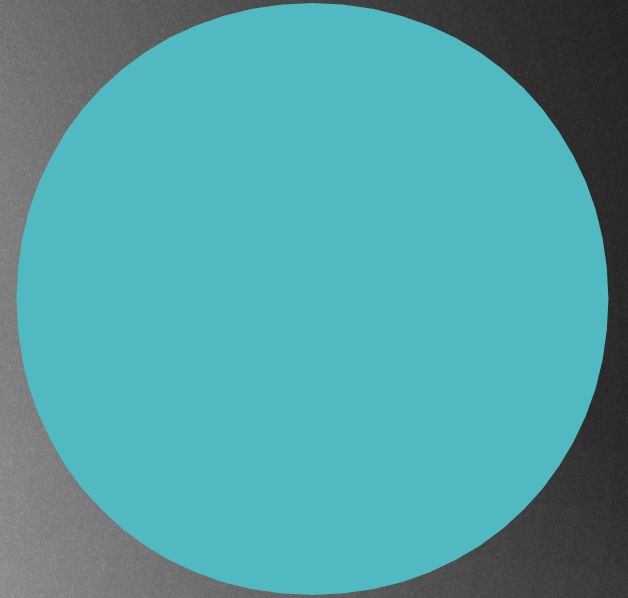
PREAMBLE

Real Estate (Regulation and Development) Act, 2016



An Act to establish the Real Estate Regulatory Authority for regulation and promotion of the real estate sector and to ensure sale of plot, apartment of building, as the case may be, or sale of real estate project, in an efficient and transparent manner and to protect the interest of consumers in the real estate sector and to establish an adjudicating mechanism for speedy dispute redressal and also to establish the Appellate Tribunal to hear appeals from the decisions, directions or orders of the Real Estate Regulatory Authority and the adjudicating officer and for matters connected therewith or incidental thereto

AIMS



A blue triangular shape with a white outline, containing the text 'RERA' in bold black letters.

R E R A

A red rectangular box with the word 'Projects' written vertically in white text.

Projects

A green rectangular box with the word 'Promoters' written vertically in white text.

Promoters

A blue rectangular box with the word 'Agents' written vertically in white text.

Agents

An orange rectangular box with the word 'Allottees' written vertically in white text.

Allottees

A light blue rectangular box with the words 'Apellate Tribunal' written vertically in white text.

**Apellate
Tribunal**

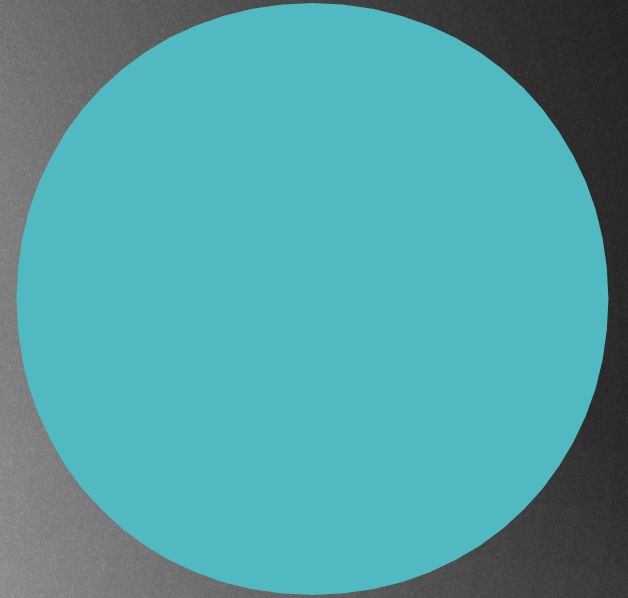
A wide blue horizontal banner with the word 'FOUNDATION' in bold black letters.

FOUNDATION

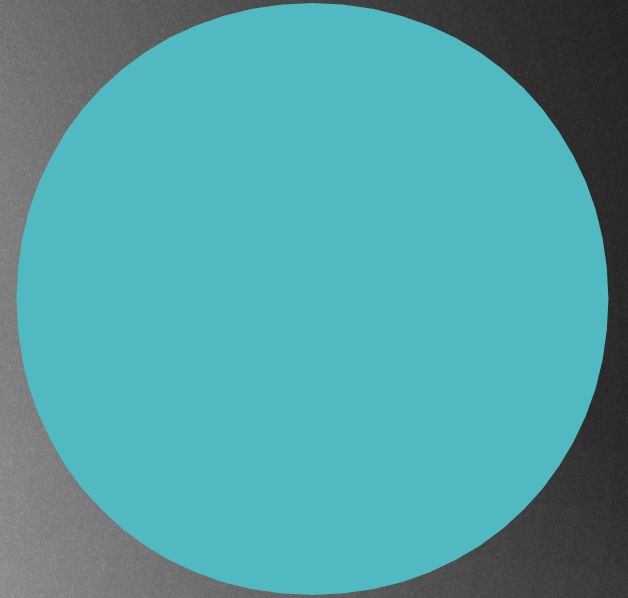
REAL ESTATE REGULATORY AUTHORITY

- Establishment and Composition of authority at state level within a period of 1 year from the commencement of the Act.
- Formulate rules within 6 month from enforcement of the Act.
- Act as nodal agency to co-ordinate efforts with state govt. as regards development of RE sector.

REAL ESTATE REGULATORY AUTHORITY



REAL ESTATE REGULATORY AUTHORITY



REAL ESTATE REGULATORY AUTHORITY

To rectify orders within a period of 2 years to rectify any mistake

To issue interim orders restraining any promoter, allottee and agent from carrying on such act during the pendency of proceedings

To conduct investigation and call for information on complaint or suo motu

and amend the order passed by it

To impose penalty or interest or compensation and enforcement of orders as the case may be

To issue directions from time to time to discharge its functions

Powers

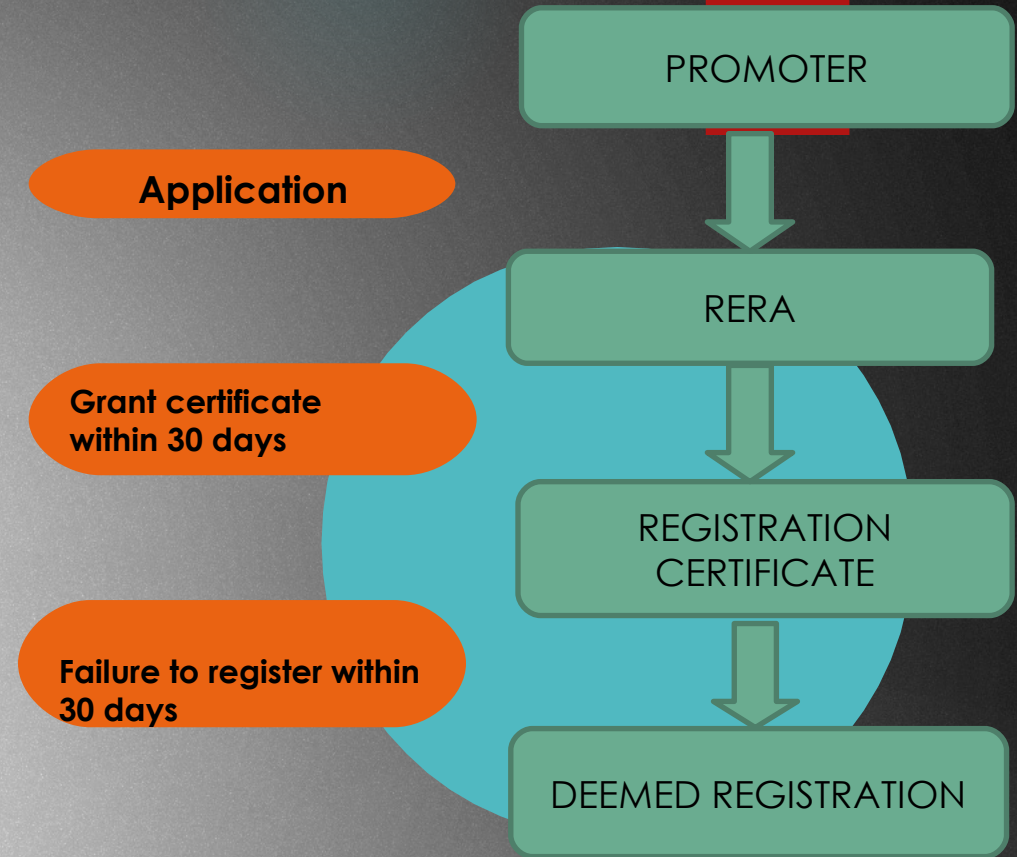
REAL ESTATE PROJECTS





ELIGIBILITY

EXEMPTION

APPLICATION [S.4]



- ❖ Form – Manner , time and fee as prescribed under the rules
- ❖ Register – Developer/Promoter to register within 3 months of commencement of the section and registration to be granted for a specified period i.e. time period within which the Developer expects to complete the project

- 
- 
- ✓ Brief details of the enterprise – name, registered address, type of enterprise.
 - ✓ Details of projects launched in the past 5 years, litigation, status of other projects and delays.
 - ✓ Copy of commencement certificate, sanction plan, layout plan, development plan to be executed etc.
 - ✓ Location details of project, clear demarcation of the land proposed to be developed.
 - ✓ Proforma of allotment letter, agreement for sale and conveyance deed proposed to be signed with the allottees.
 - ✓ Number, type and carpet area of apartment and area of garages/parking area
 - ✓ Details of RE agents, contractors, architect, structural engineer etc.
 - ✓ Declaration supported by an affidavit, signed by the promoter.

R E R A

DECLARATION BY DEVELOPER

Legal title to the land proposed to be developed and details

Land is free from encumbrances and details

Time period within which the project is proposed to be completed

70 percent of the amounts realized from the project shall be deposited in a separate account in a scheduled bank and that it would be utilized only for cost of construction and land cost.

DECLARATION BY DEVELOPER

RESTRICTION ON USAGE OF FUNDS

The developer shall withdraw the amount from the designated A/c in proportion to the % of completion of the project only after it is certified by an engineer, an architect and CA.

Within 6 months after the end of financial year the promoter needs to get his accounts audited mandatorily and the same needs to be certified by the Auditor.

RESTRICTION ON USAGE OF FUNDS

REGISTRATION

▶ GRANT

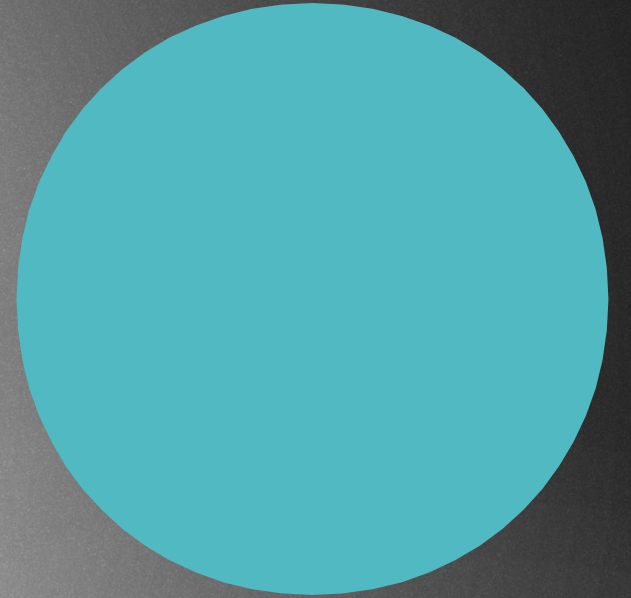
1. With in 30 days provide login ID and password to access the website; or.
2. Rejection of application.
3. Deemed acceptance.

▶ EXTENTION

1. Force Majeure.
2. Reasonable Cause.
3. Not exceeding the period of one year.

▶ REVOCATION

1. Complaint and Recommendation.
2. Written Notice.
3. Right to be heard.
4. Revocation.



PROMOTERS



INFORMATION ON WEBPAGE
OF RERA WEBSITE

Details of registration granted by RERA and quarterly updates on list of Numbers/types of apartments or plots booked, approvals granted, status of the project etc.

INFORMATION TO THE
ALLOTTEES

Sanctioned plan, layout plan, stage wise schedule of completion of the project including the provisions for civic infrastructure like water, sanitation and electricity.

GENERAL

- Responsible for all obligations, responsibilities and functions under the provisions of the Act or the rules and regulations
- Responsible for obtaining leasehold certificates, completion/occupancy certificate.
- Providing and maintaining essential services until take over of the maintenance by the association of allottees.
- Execute a registered conveyance deed of apartment, plot or building within 3 months from date of issue of occupancy certificate.
- After executing agreement for sale, not to mortgage or create a charge on the apartment, plot or building.
- Cancellation of allotment only in terms of agreement for sale.

VERACITY OF ADVERTISEMENT

Responsible for compensation for loss or damage caused due to incorrect /false statement made in prospectus or notice of advertisement or in relation to the model apartment, plot or building.

ADVANCE PAYMENT/ APPLICATION FEE

Prohibited from taking more than 10 percent of cost of apartment, plot or building as advance payment from allottees without first entering into written agreement for sale and registering the same.

ALTERATION

- Any structural alteration/addition to the sanctioned plan can now be made only with the previous written consent of at least 2/3rd of the allottees(other than the Developer)
- Minor additions or alterations permissible due to architectural and structural reasons.

TRANSFER/ ASSIGNMENT

- Transfer/Assignment of majority rights and liabilities in respect of RE projects to third party would now require written consent of 2/3rd allottees and RERA.
- No extension of time to the intending promoter in order to comply with all the pending obligations of the erstwhile promoter.

INSURANCE

Obtain insurance as may be notified by the appropriate Government, including in respect of the title of land and construction of RE projects. This insurance shall stand transferred to the benefit of the allottee or association at the time of agreement for sale. Thus implying beneficiary will be allottee.

INTEREST

Payment of interest to the allottees in cases of default (rate of interest for this purpose has been fixed at the same rate which the allottees would have to pay in the case of default)

POSSESSION

Any failure on the part of Developer to handover possession of the property in accordance with the agreement for sale would empower the allottees to withdraw from the project and demand refund of the amount paid along with interest. Allottee chooses not to withdraw Developer to pay monthly interest till possession.

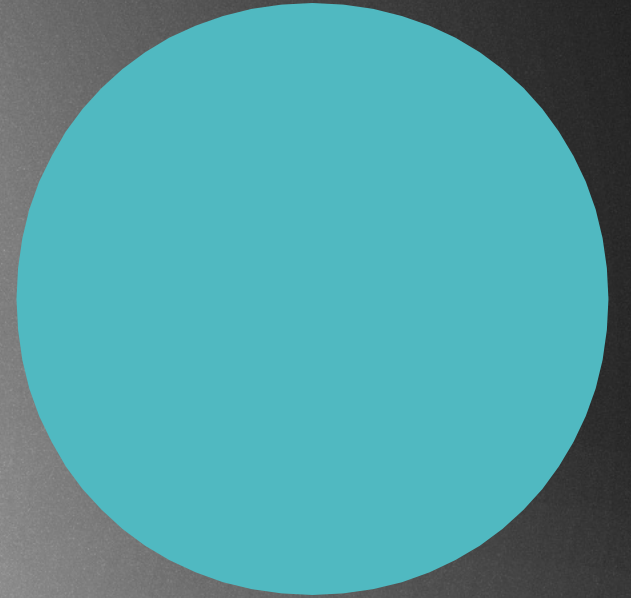
NO LIMITATION

Claim of compensation due to defective title of land etc. not subject to the law of limitation provided under any other law.

DEFECT LIABILITY

- Fixing structural defects or any other defect in workmanship, quality or provision of services or any other obligations of the promoter as per the agreement for sale for 5 years after handing over possession to the allottees without any further charges.
- Defects needs to be rectified within 30 days and failure to rectify such defects within 30 days entitles the allottees to compensation.

REAL ESTATE AGENTS



Unfair Trade Practice

Section 10 (c)

Practice of making any statement, whether orally or in writing or by visible representation

(A)

Permitting publication of any advertisement in newspaper or otherwise of services that are not intended to be offered.

(B)

Falsely represents that the services are of particular standard or grade

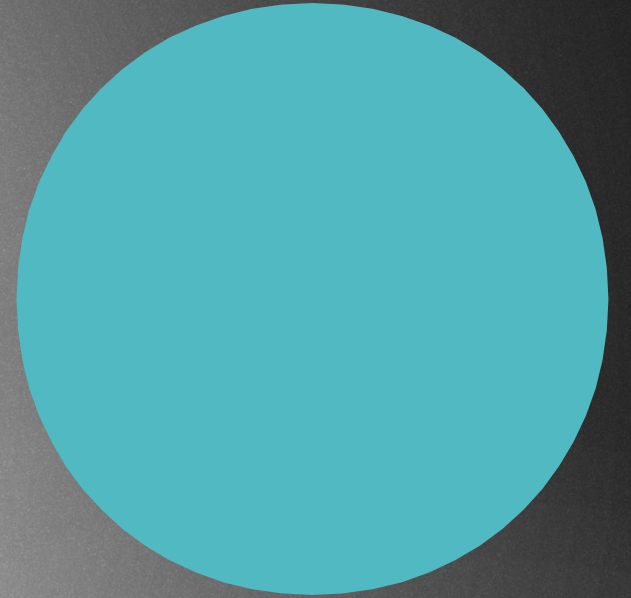
(i)

Represents that the promoter or himself has approval or affiliation which such promoter or himself does not have.

(ii)

Makes a false or misleading representation concerning the services.

(iii)



APPELLATE TRIBUNAL



High Court

Appellate
Tribunal

Courts

RERA

Adjudicating
Officer

Adjudicating officer to be appointed by RERA in consultation with the state

Section 12- Veracity of information in advertisement, notice, prospectus or model apartment.
Section 14- Adherence to sanctioned plans, layout Plans and project specifications by the promoter
Section 18 – Return of amount of compensation.
Section 19- Rights and Duties of Allottees.

- Any dispute resolution relating to matters on any violation or contravention of provisions is through the RERA.
- Civil courts – No jurisdiction to entertain any suit or proceedings on matters covered under the RE Act.
- In respect of matters pending before Consumer Courts, the Appellants have the option to withdraw such complaint and file an application before the Adjudicating Officer.
- Pre-deposit at RE Appellate Tribunal level: minimum 30 percent of penalty levied or entire amount towards interest/compensation. This condition only for Developers filing appeal.
- RE Appellate Tribunal be headed by sitting or retired judge of the High Court, with one judicial and one administrative/technical member.

For adjudicating the compensation to be paid by promoters.

PUNITIVE PROVISIONS



PROMOTERS

Nature of offence	Penalty	Prosecution
Advertise, market, sell or offer for sale or invitation to public to purchase the plot, apartment or building without registration with RERA.	Extending up to 10 % of the estimated cost of RE project.	In case of non-deposit of penalty or continued violation – imprisonment for a term extending up to 3 years or fine up to 10 % of the establishment cost of the RE project or both
Failure to make an application for registration of RE project or providing false information	Extending up to 5 percent of the estimated cost of the project	
Penalty to comply with the orders or directions issued by Authority, RERA.	Penalty for per day of default, which may cumulatively extend up to 5% of the estimated cost of the project.	
Failure to comply with the orders or decision of the Appellate Tribunal	Penalty for per day of default, which may cumulatively extend up to 5% of the estimated cost of the project.	Imprisonment for a term extending up to 3 years or fine or both.
Contravene any other provisions other than listed above (including failure to register the Agreement for Sale).	Extending up to 5 percent of the estimated cost of the project	

RE-AGENT

Nature of offence

Failure to obtain registration or fails to comply with his functions as prescribed

Failure to comply with the orders or directions issued by RERA.

Failure to comply with the orders or decisions of the Appellate Tribunal.

Penalty

Penalty of INR 10,000/- for every day during which default continuous cumulatively which may extend up to 5% of the cost of apartment, plot or building.

Penalty for per day of default which may cumulatively extend up to 5% of cost of project

Penalty for per day of default which may cumulatively extend up to 10% of the estimated cost of project.

Prosecution

Imprisonment for the term extending up to one year or fine or both.

ALLOTTEES

Nature of offence

Failure to comply with any order or decision of RERA or Appellate Tribunal

Penalty

Penalty for per day of default which may cumulatively extend up to 5% of cost of project

Prosecution

Imprisonment which may extend up to one year or fine.(Imprisonment is compoundable as per section 70)

IMPACTS ON CONSUMER

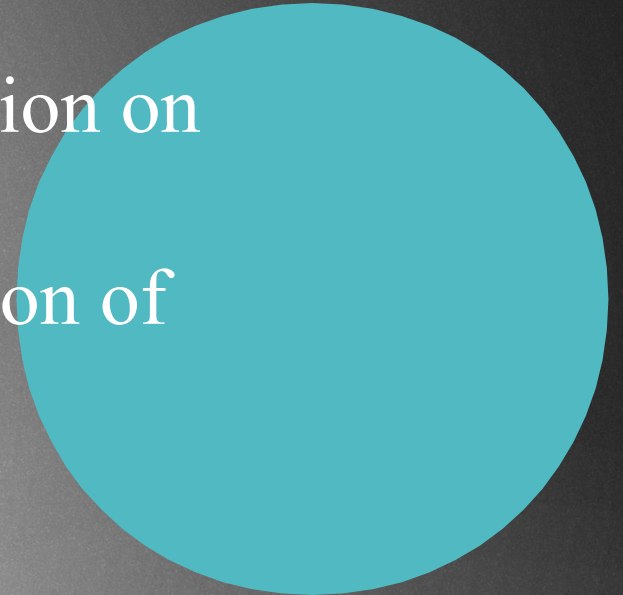
Stringent Penalties

Increase Affirmation on Timely completion of projects

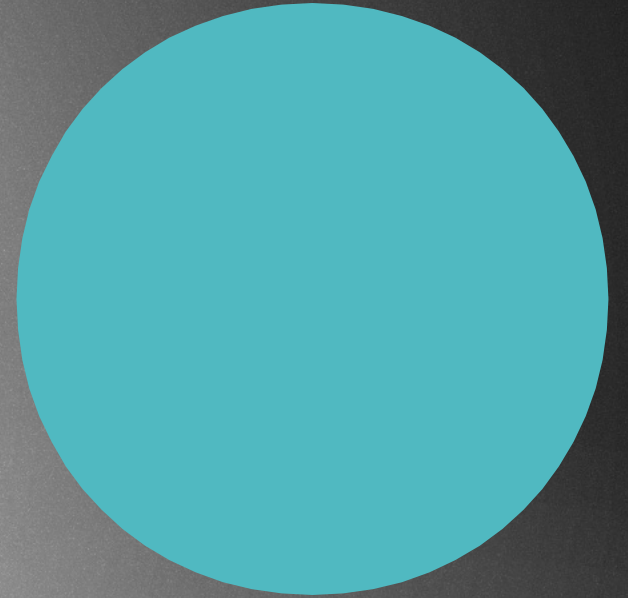
Restriction on usage of the project receivables

Faster redressal of disputes

Regulated Agents and Brokers



IMPACTS ON CONSUMER



IMPACTS ON DEVELOPER

DEMERITS

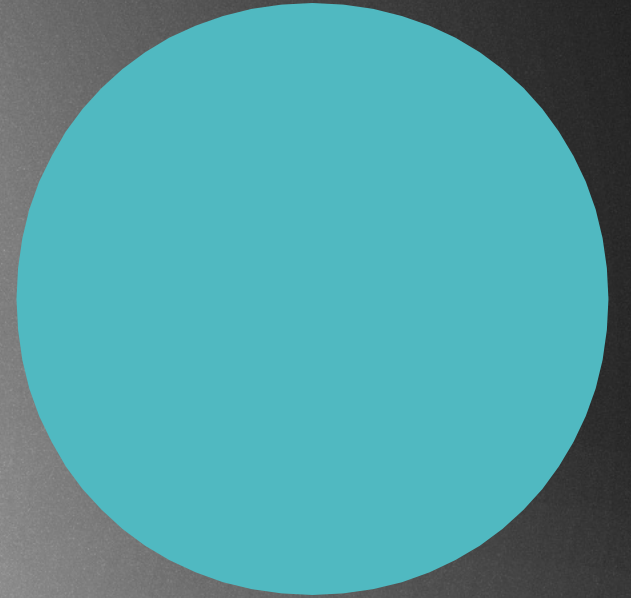


IMPACTS ON DEVELOPER

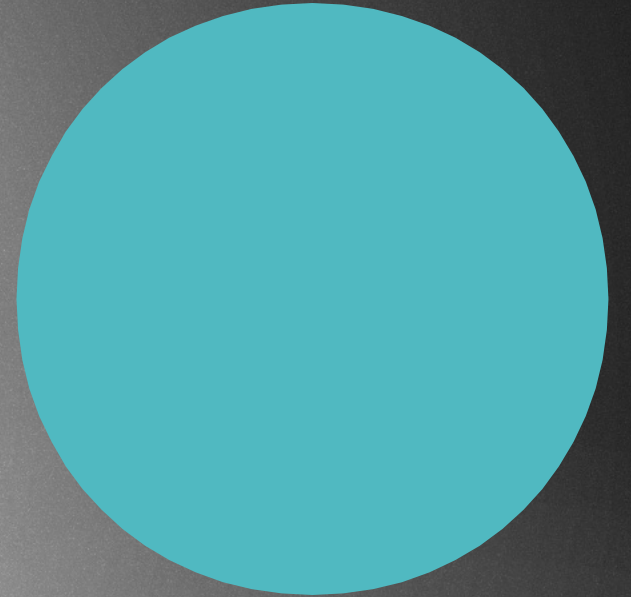


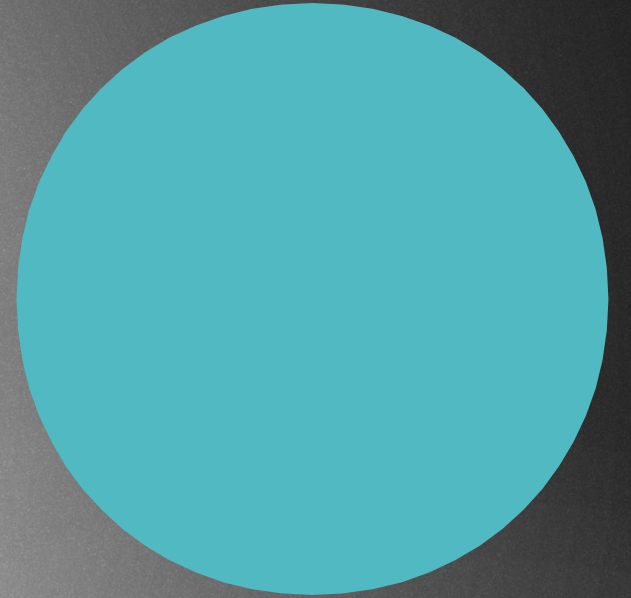
MERITS

IMPACTS ON BANKS/ FINANCIAL INSTIUTION



IMPACTS ON BANKS/ FINANCIAL INSTITUTION







THANK
YOU



PRESENTATION BY
MR. SADHAWA MISHRA & MS. SAMREEN PALOBA