

Detailed Study and Analysis of RERA Act

Aditya V Kadam¹, Rushikesh R Jangam², Rushikesh R Pawar³, Ashwini A Sagavekar⁴,

Prof. G. D. Parulekar⁵, Prof. S. S. Patil⁶

^{1,2,3,4}Students, Dept. Civil Engineering, Gharda Institute of Technology, Lavel, India

^{5,6} Professor, Dept. Civil Engineering, Gharda Institute of Technology, Lavel, India, 415708.

Abstract : Housing sector is one of the top contributors to country's GDP and employment creation. Surprisingly, in spite of being such an important part of the economy, the real estate sector has remained by and large unregulated. The Real Estate sector is, to a limited extent, controlled and regulated at the local government's level with every state government having its own set of rules and regulations for real estate development. Taking benefit of country's abysmal judicial system, the developers have been taking property buyers for a ride, and putting real estate sector on the bottom of customer protection and satisfaction pyramid. With the things getting bad to worse, it has let to big hue and cry, making urgent need for a unified regulatory legal framework to protect customers' interest.

Key Words: Rera Act, Buyers, Agents, Builder, Real Estate, Flats.

1. INTRODUCTION

The Real estate (Regulation and Development) Act, 2016 is an act of the parliament of India. 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 or building, as the case may be, or sale of real estate project, in an efficient and transparent manner and to protect the interest of consumer in the real estate sector and to establish an adjudicating mechanism for speedy dispute release.

The real estate bill was passed by Rajya Sabha on 10th March, 2016 and the Lok Sabha on 15th March, 2016. The bill as passed by the Honourable President on 25th March, 2016. The act was published by honorable President was published in the Official gazette on 26th March 2016 for public information. According to RERA, each state and union territory will have its own regulator and set of rules to govern the functioning of regulator. Centre has drafted the rules for Union territories including the national capital. While many states are still behind on schedule for notification of RERA rules, many have notified rules and a regulator will start functioning. Some of states which are notified till 31st July 2017 are Maharashtra, Andhra Pradesh, Bihar, Chattisgarh, Gujarat, Hariyana, Karnataka, Kerala, Madhya Pradesh, Odisha, Punjab, Rajasthan, Tamilnadu, Uttar Pradesh, Uttarakhand.

Delays in projects are the biggest issue faced by buyers. The reasons are many and impact is huge. Since last 10

years, many projects have seen delay up to 7 years. Projects launched after the turn of this decade have faced delays as well. The reasons include diversion of funds to other projects, changes in regulation by authorities, the environment ministry, national green tribunal etc and bodies like those who involved in infrastructure and governing transport. In many places, land acquisition becomes an issue. Errant builders often sell projects to investors without the approval of plans, bad quality of construction, project stuck in litigation etc. RERA seeks to address issue like delays, price, quality of construction, and other changes.

The promoter of a real estate development firm has to maintain a separate escrow account to each of these projects. A minimum 70% of the money from investor and buyers will have to be deposited. This money can only be used for construction of projects and cost of borne towards land. RERA requires the builders to submit the original approved plans for their on going projects and alteration that they made later. They also have to furnish details of revenue collected from allottees, how the funds are utilized, the timeline for construction, completion and delivery that will need to be certified by an engineer/Architect/Practicing Chartered Accountant.

It will be responsibility of each state regulator to register the real estate project and real estate agent operating in their state under RERA. The Details of all the registered projects will be put on the Website of public access. Developers cant invite, advertise, sell, offer, market or book any plot, apartment, house, building, investment in project, without first registering it with the regulator authority. Further, more, after registration, all the advertisements inviting investment will have bear the RERA registration number.

1.1 WORK:- We have studied on "Bharat Ka Rajpatra the Gazette of India." This gazette is related to buyers and seller of Real Estate. In this gazette we have to know that the work of sellers keeps pending .so because of this pending work, it effects to buyers. So this law is for buyers protection. In project we have made survey of builder and contractors. From this we have check that any contractor or builder had register in RERA. After we have arrange the meetings and also find there views about that this RERA Act is convenient for them or not . And also know that from this act they had to face loss or not and know the that is there any effect they had on property market.

In project we have made survey of buyer. We have collected the list buyers who recently purchase apartment or flat from builder. After we have arrange the meeting and find there views about RERA Act .We check that they are facing any type of problems or not. And also we know that they had any difficulties when they buy any apartment from buyer.

After we meet lawyers and discuss about law and take the information about that law. And then, we meet CA and by doing rate analysis we come know that is there any difference in pervious rate and recent rate. And we also take the information about RERA Act.

2. LITERATURE REVIEW:

Indian Express(Dec 26th,2012)

Indian real estate sector has been facing a slump since 2012. This is due to factors like : Low rental yield ,Unclear taxes and arbitration. However, the property prices have not stabilized accordingly (The Indian Express, 2017). As a result demand for property has decreased further. This reduced demand is causing a slowdown in recovery of investment for builders. Due to this reasons detailed study of this act is done by us.

Dr. Reena Vasishtha- additional secretary. To The Govt. Of India (26th March 2016)- The Gazette Of India Extraordinary

3. INTERVIEW QUESTIONS FOR BUYER :

- 1.When did you buy the house before or after the RERA act?
- 2.What kind of problems did you faced while buying the house?
- 3.While buying the house did you took the bank loan and if yes than what was the conditions?
- 4.What type of document are required while taking loan?
- 5.How much % does the bank gives loan on house?
- 6.After the commencement of RERA act are you in profit or lose?
- 7.After the RERA act what type of problem did you faced?
- 8.What is your personal opinion about the RERA act?
- 9.Did you faced any problem while buying/selling second handed flat?
- 10.During the construction period what type of difference did you found before and after the RERA act?

11.During the registration of RERA what type of documents are required?

12.How much was the registration fee?

13.Did the contractor provided information about the RERA act?

14.Did your flat was hand over to you on the given date?

15.Did you give the cash amount to the contractor?

16.How much sq. feet is your area of flat?

17.What was the rate per sq. feet area?

4. INTERVIEW QUESTION FOR CONTRACTOR :

- 1.Give any information about the RERA act?
- 2.What is the effect of this act on construction?
- 3.By this act you are in benefit or loss?
- 4.According to you this act proceeds continuously or not? Why?
- 5.Is you required to change anything in this act? What are they?
- 6.Is there any act before the RERA act? Give the information about the previous acts?
- 7.What are the conditions and process before the RERA act in your business?
- 8.You are facing any problem before this act on construction site?
- 9.You are completed any project under the RERA act?
- 10.You have any problems during RERA registration?
- 11.What is the difference between completion certificate & occupancy certificate?

5. CONCLUSIONS

5.1 Advantages:

- This act is beneficial for the builders with a high budget.
- It is also beneficial for the middle class people.
- Due to this act builders are mandatorily bound to include the technical and professional people.
- All the possible ways of corruption are totally altered.

- Corruption between the agents and the builders could be stopped to a greater extent.
- The Stamp duty in form of taxes could be recovered.
- This process is highly transparent.

5.2 Disadvantages:

- The timelines of approvals by regulatory authorities have not been defined. Any delay in approvals from regulatory authorities could impact buyers as well.
- The Bill may lead to slightly higher prices of properties due to the reduced competition.
- New project launches might be limited as developers may not be able to launch without obtaining approvals, which could take two to three years.

7. FUTURE SCOPE:

- Few sections of this act should be revised in future considering customer's as well as builder's or developer's convenience.

8. REFERENCES

- [1] Dr. Reena Vasishta- additional secretary. To The Govt. Of India (26th March 2016)- The Gazette Of India Extraordinary PART-II.

<http://indianexpress.com/article/what-is/what-is-rera-and-how-will-it-help-home-buyers-4635705/> - 18TH August 2017