

SUNDAY, MAY 22, 2016



RERA a reality now

Finally, the Real Estate (Regulation and Development) Act, 2016 came into force on May 1, paving the way for the formation of Real Estate Regulatory Authority (RERA)



FAST FACT

THE REAL ESTATE ACT IS CONSIDERED AS A MUCH AWAITED WELCOME MOVE FOR HOMEBUYERS. DEVELOPERS ALSO TAKE IT AS A POSITIVE STEP IN DIRECTION TO MAKE THE SECTOR TRANSPARENT

The much-awaited Real Estate (Regulation and Development) Act, 2016 came into force on May 1. In developing countries like India government's focus on entrepreneurship, job creation, better education and creation of skill force ultimately will create demand for housing and, at the end of day, each and every citizen aspires for his or her own house. For the middle income group (where majority of people of country come under the ambit) owning a house takes many years of hard work, savings and dreams.

In current housing delivery mechanism where 95 per cent of the housing is provided by private developers, people are left out without any choice other than to buy from private developers as supply through housing boards is limited and many times not at desired location.

In a developer-oriented market,

earlier, there were no checks and balances and many times a buyer finds him or her on a losing side.

But now things have changed with the implementation of Real estate Act, 2016 and its provisions, margin for such practices has been narrowed down. This is considered as a much awaited welcome move for consumers or buyers. The prominent, organised and established developers are also taking it as a positive step in direction to make industry transparent and increase buyer's faith and sentiments to invest in real estate.

As per the Real Estate Act, 2016 within one year from date of coming into force of this act, Real Estate Regulatory Authority has to be established. If government deemed fit, it may be one or more authority within state or if it deemed fit, two or more states can establish one single authority.

The functions of an authority will be to facilitate the growth and promotion of healthy, transparent, efficient and competitive real estate sector for protection of interest of the allottees / buyers, creation of single-window clearance for time-bound project completion of project, creation of transparent and robust grievance redressal mechanism, to take measures to encourage construction of environmentally sustainable and affordable housing, promoting standardised and use of appropriate construction materials, fixtures, fittings and construction techniques; measures to encourage grading of projects on various parameters of development including grading of promoters; take necessary measures to facilitate amicable conciliation of dispute settlement forums set up by the consumer or promoter associations; measures to facilitate digitisation of

land records and system towards conclusive property titles with guarantee; to render advice to the appropriate government matters relating to development of real estate sector and any issue that authority may think necessary for the promotion of the real estate sector.

The specific functions of RERA are to register and regulate real estate projects, agents under this act. To publish and maintain a website's records, for public viewing of real estate projects for which registration is given, in case of defaulter, RERA has to maintain database on its website for public viewing along with name and photographs of promoter and reason therefore for access to general public. In case of any specific complaint, the authority has the same powers as are vested in civil court under the code of civil procedures, 1908. The authority has powers to issue interim orders, directions, recovery of interest and penalty or compensation and enforcement of orders on allottee/buyer, real estate agent and promoter/developer.

Overall, the provisions are such that they will make buyer, agent and more importantly a developer accountable for their promises, responsibilities and conduct. The effective implementation and management of RERA is a key to achieve the objective of the Act.

—Anushrav Bhatt
(The writer is a city-based housing planner and real estate analyst)