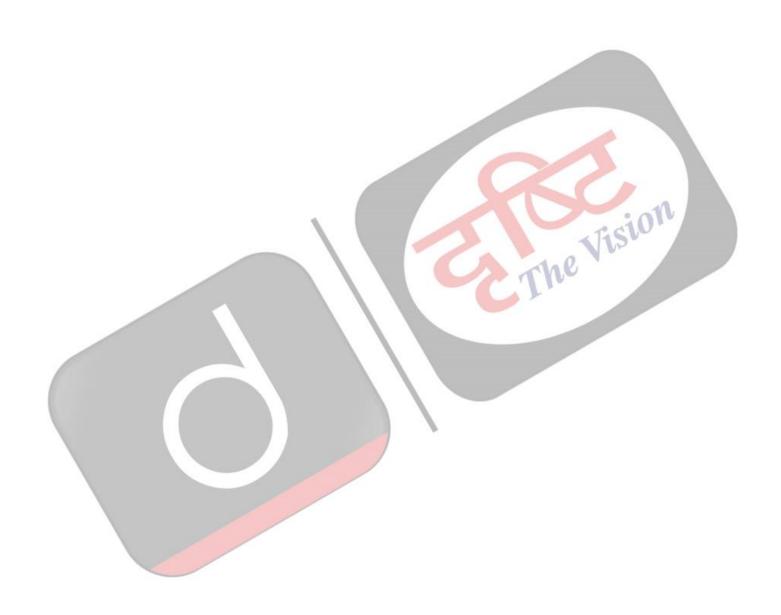


Real Estate (Regulation and Development) Act



RERA: Spirit, concerns and way ahead

The Real Estate (Regulation and Development), 2016 Act, also known as RERA, came into effect from 01/05/2017

Only 13 states, including 7 Union Territories (Andaman & Nicobar Islands, Chandigarh, Dadra & Nagar Haveli, Daman & Diu, Delhi, Lakshadweep Islands and Puducherry), have notified rules

THE CONCERNS

The Real Estate Regulatory
Authority, which will implement
the rules and regulations of the
Act, has not been constituted in
most cases; so, a developer who
has to get his project approved
still does not know whom to
approach

The term 'promoter' also includes public authorities, such as development authorities and housing boards. So far, there is no indication that these public authorities have come up with a new compliance framework under this law

While the law permits setting up of 2 or more authorities in a state for better geographical coverage and speedy disposal of cases, it would appear that Uttar Pradesh has elected to constitute only 1 such authority

LAST QUARTER LAUNCHES

Once the law comes into effect, developers can no longer solicit investors or purchasers without approval of the authority. This may explain why the last quarter saw a rush of new launches

THE EXEMPTIONS

UP has set forth certain exemptions to the applicability of the law to on-going projects, some of which are legally questionable, such as the use of a 'partial completion certificate'

under the UP Apartment Ownership Act, 2013

This is what could be called a 'dilution' of the spirit of the law, something that other states may also be trying to do for protecting the interests of developers

COMPILATION OF PROJECT LIST

It is possible to have existing local building control authorities, such as municipal bodies, development authorities, town planning departments, gram, zila panchayats or block development offices, compile a list of on-going projects

WHAT CAN STATES DO NOW?

Appoint a competent official as the real estate regulator, preferably someone who has more than arm's length distance from any promoter

Issue executive orders to empower the local authorities – such as those according approval to building plans – to act as a repository and conduit for new applications

Develop a standard operating process for appraisal and disposal of cases

Educate developers on achieving compliance with the law. One way of doing this could be to set up a help desk for developers, which may comprise of a 'clinic' to evaluate proposals under development and to advise developers on what could go wrong.



PDF Refernece URL: https://www.drishtiias.com/printpdf/real-estate-regulation-and-development-act

