



## 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.



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