

# REVIEW PAPER ON STUDY OF MAHARERA ACT

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**Abstract-** India is developing country and basic needs of its people are food, shelter and clothing and Shelter that is housing sector which is very important and it contributes to economy of country. But in India this sector that is real estate sector is very unregulated. This sector was controlled by local government level and each states has its own rules and regulations because of which the real estate sector was on the bottom of customer protection and satisfaction. To protect customers interest Real Estate Act, 2016 was come in force from 1st may 2017. This act ensure Transparency & Efficiency in real estate sector in regards to sale of plot, apartment, building or real estate project, Protecting the interest of consumers in real estate sector; Establishing adjudicating mechanism for speedy dispute redressal and Establishing Appellate Tribunal to hear appeals from the decisions, directions or orders of the Real Estate Regulatory Authority. The study is carry out to find the impact of act on builders and customers.

## 1.1 INTRODUCTION

To address the various structured issue in the real estate sector, the Central Government enacted "The Real Estate (Regulation and Development) Act, 2016" which received the President's assent on 25th March 2016. The Act has been partly notified On 1st May 2016, as far it concerns to the establishment of Regulatory Authority, Central Advisory Council and Appellate Tribunal and administration. However, the operative part of the Act is yet to notified. In all probabilities this will come effective only after the States have put the administrative mechanism in place.

## 1.2 Objective of Act:

- Ensure sale of plot, apartment of building, as the case may be, or sale of real estate project, in an efficient and transparent manner
  - Ensure protect the interest of consumers in the real estate sector
  - 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 (RERA)
  - Regulates transactions between buyers and promoters of residential real estate projects
  - Establishes state level regulatory authorities called Real Estate Regulatory Authorities (RERAs)
- Residential real estate projects, with some exceptions, need to be registered with RERAs
  - Promoters cannot book or offer these projects for sale without registering them. Real estate agents dealing in these projects also need to register with RERAs
  - Registration, the promoter must upload details of the project on the website of the RERA. These include the site and layout plan, and schedule for completion of the real estate project
  - Amount collected from buyers for a project must be maintained in a separate bank account and must only be used for construction of that project. The state government can alter this amount
  - Right to Legal Representation on behalf of Client by Company Secretaries or chartered accountants or cost accountants or legal practitioners
  - Imposes stringent penalty on promoter, real estate agent and also prescribes imprisonment.

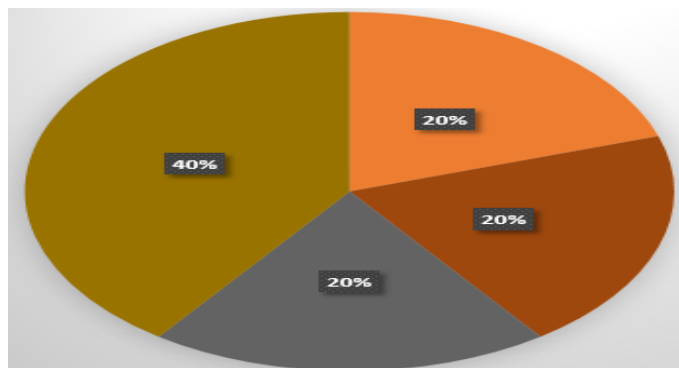
All real estate projects need to be registered with the **RERA** before the **Promoter advertise, market, book, sell or offer for sale, or invite persons** to purchase in any manner any real estate project, **or part of it**, in any planning area except if:

- The area of land proposed to be developed is < 500 Sq. m;
- The number of apartments proposed to be developed < 8;
- Promoter has received completion certificate for a real estate project prior to commencement of the Real Estate Act.
- The project is only for the purpose of renovation / repair / re-development which does not involve re-allotment and marketing, advertising, selling or new allotment of any apartments, plot or building in the real estate project.
- Each Phase is to be treated as standalone real estate project requiring fresh registration.

## 2. LITERATURE REVIEW

Ar. Madhavi Ashok Khandar et AL.[2] stated that Though the act is very new, it is accepted very easily by the seller and buyers. A very positive impact is expected in the future as the act becomes more intact. Amendments are still going on. It is very early to study the results of this act in terms of both the parties. Single window system plays an important role in

the success of the RERA Act. They recommend that Smaller sale projects should also be included as they are more prone to frauds. A clear understanding of area calculation is required upon which the price of the flat will be calculated. Customer should be aware of area and pricing calculation methods. No thought is given to it. Mixed replies from the customer survey depicts the confusion status about the act. There is very much expectation from single window system as it may save the efforts of the promoter in documentation process and thus saving project completion time. They Find from Customer survey that All are aware of the RERA act.67% claims to know about the provisions given in the Act about the customers benefits/rights. 50% confirmed that the project is RERA registered before enquiring it. Only 20% have used the RERA website to check Project information and builder's reputation.60% found RERA website good. Mixed reaction received about whether the Builder's information found correct on RERA website. (fig. II) Only 40% are aware of the process of complaint/ actions against the builder/promoter in case of fraud/complaints. 40% says that RERA giving equal rights to Buyer and seller.80% says that carpet area clarity helped them.60% are getting timely updates from their Builder. RERA yet to update its first quarterly project details. Only 40% have answered it and says that the loan process is smoother than before. 60% says area and pricing of the flat are clear.60% says that they are not aware that "Rera does not guarantee 100% trustworthy information about the promoter/ builders, but brings control over the information given."



Aditya V Kadam et AL[6] They had studied "Bharat Ka Rajpatra the Gazette of India." This gazette is related to buyers and seller of Real Estate. In this gazette they get 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 they have made survey of builder and contractors. From this they have check that any contractor or builder had register in RERA. After they 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 that is there any effect they had on property market. In project they have made survey of buyer. They have collected the list buyers who recently purchase apartment or flat from builder. After they have arrange the meeting and find there

views about RERA Act. They check that they are facing any type of problems or not. And also get know that they had any difficulties when they buy any apartment from buyer.

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

### 3. CONCLUSION

RERA is the best thing to have happened to homebuyers in recent years, and also to buyers of properties of various types. With such a law in place, buyers can invest in properties fully secured from many risks. They can be assured that in case of any dispute, they have a remedy in a minimal time span. RERA is for consumers and the authority will pay heed to cases as per the Act. If you are an aggrieved buyer, just approach the RERA authority and feel free to file your case. RERA is a huge step forward and lot of expectation will be there for the state RA to frame the rules according to the Act and not dilute them in builder's favour.

### 4. ACKNOWLEDGEMENT

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