



## Can we have a robust, uniform RERA across the country please!

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It has been nearly three years now since RERA came into force across the country. The industry expected a uniform roll out of the realty regulator across states and UTs, with the modal regulations retained in every state. However, many states are yet to notify it, while other have done so, but by watering down the regulations.

There is good news and bad news about the roll out of the Real Estate Regulator Authority (RERA), under the ambit of the Real Estate (Regulation and Development) Act, 2016, across the country.

**The good news:** 23 states have notified their provisions of the act so far and are working to set up a robust machinery for its total success. Of the states that have notified their RERA rules, 19 have active online portals.

**Bad news:** Some states are yet to notify the act. Northeastern states like Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, and Arunachal Pradesh are yet to notify RERAs in their respective states, even though they assured that it would happen soon. Similarly, Kerala says it will now notify its RERA rules and regulations. Some states continue to operate manually and are yet to set up their RERA web portals.

The lag is becoming a challenge for the sector, experts say. Developers and stakeholders have been demanding uniform implementation of RERA across the states and UTs.

"The successful implementation of RERA across nearly 23 states and UTs raised the hopes of homebuyers who bestowed their faith in the law and came forward in bulk to raise complaints against defaulting developers over several lapses and breach of contract, including project delays.

"But, buyers have been left in the lurch in those states where RERAs are yet to be notified or implemented in letter and spirit. With no effective RERA rules to safeguard their interests, these buyers are understandably upset with their respective state authorities. For instance, with no RERA validation of projects in some states, buyers are confused about the very viability of the project, and are pulling away from the market," Anuj Puri, chairman of ANAROCK Property Consultants, said.

"Developers in such states are also confused — to launch projects or wait till the time that their state RERAs are enforced. They have withheld project launches," Puri says.

### **Dilution of rules**

In addition to the tardy notification of RERAs, regulations vary from one state to another with many states diluting the provisions of the central act.

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For example, West Bengal has notified its own real estate law under the West Bengal Housing Industry Regulatory Authority (WBHIRA). Uttar Pradesh has diluted the central act while notifying the rules. Industry bodies see this as a deterrent and have demanded swift action on this front. "The government must address this situation and set protocols for regions that are yet to implement the act in its true letter and spirit," Satish Magar, president of Credai National said.

"This delay in roll out of RERAs leaves the market where it was three years ago in those states. Homebuyers are wary of purchasing property as market still seems to be clouded by project delays and breach of contract with no redressal in sight, Praveen Jain, vice-chairman of Naredco, said."

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**Industry optimistic:** However, developers are hopeful! Organized players have reacted positively to the changed regulatory scenario in the country with project registrations under the RERAs up in the last two years, in those states which have a functioning RERA.

"The lag, of course, has affected homebuyers directly as their dreams of owning a house remain unfulfilled. However, developers have been proactive in registering under the RERA to win the confidence of homebuyers. Project deliveries have improved too and good days are ahead for both realtors and homebuyers," Ashish Sarin, CEO of AlphaCorp, says.

"With RERA raising buyers' confidence in the sector, markets saw robust recovery in sales in 2018. While sales went up by 42%, vis-à-vis sales in 2017, new launches grew by 53% during the period, reflecting optimism and commitment of builders," said Ramesh Nair, CEO and country head of JLL India, in a statement after the LS election results.

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