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MAMTA BINANI & ASSOCIATES

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Dear Members

Greetings!

We are happy to share with you this 15th Newsletter on RERA.

According to section 3 of RERA Act, the Promoters are required to register their projects with Authority after which they have to advertise or market or book or sell or offer for sale or invite persons to purchase in any manner any plot, apartment or building, commercial plots, units etc. as the case may be, in any real estate project or part of their projects. If the Promoters start marketing or advertising the projects without registration then it tantamount to violation of the Act and the promoters are liable to punishment as prescribed under section 59 of the Act.

In a recent case, the Uttar Pradesh RERA has issued a notice to a developer for allegedly starting promotion and marketing for sale of units in a project in Noida without registering it with the authority, in a direct violation of Rules. The UP Real Estate Regulatory Authority (UP RERA) also warned that if the unregistered project is not discontinued, its promoter can be imprisoned, and cautioned other developers to follow the RERA Act strictly.

Delhi-RERA Chairman Mr. Anand Kumar while addressing a conference organised by Industry body PHDCCI said that, there is a need to increase awareness about the realty law RERA for the growth of the real estate sector and also asked builders to adopt technologies to cut construction costs. He also pointed out that most of the builders and property brokers are scared of Real Estate (Regulation and Development) Act, popularly known as RERA, and hence this may also be one of the reason to avoid complying with the provisions of this legislation and he further said that, RERA Act is not only a regulation but it is a legislation for the betterment of an organised society which has competing demands and issues and the law is towards enhancement of transparency and for active development of real estate sector. He went on to say that the regulators under the Act are facilitators.

This newsletter consists of various orders passed by the Court and State RERA authorities and recent developments taking place in the realty sector.

Thank You

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UP RERA sends notice to M3M India for publicising project in violation of law

NOIDA: The Uttar Pradesh RERA on Saturday said it has issued a notice to developer M3M India for allegedly starting promotion and marketing for sale of units in a project in Noida without registering it with the authority in a direct violation of rules.

The UP Real Estate Regulatory Authority (UP RERA) also warned that if the unregistered project is not discontinued, its promoter can be imprisoned, and cautioned other developers to follow the RERA Act strictly, according to an official statement.

However, the Gurugram-based developer told PTI that the (promotional) campaign which is being projected in Noida, is "purely an extension of M3M's corporate campaign" to bring awareness and sensitise people about the presence of M3M in the city.



UP RERA has issued notice to NOIDEA project of M3M India Pvt Ltd in Gautam Buddha Nagar after getting information about violation of RERA Act.

"UP RERA has found that M3M India Pvt Ltd has not completed the process of RERA registration of its project NOIDEA and started promotion and marketing for sale of the units, which is a direct violation of Section 3 of RERA Act," UP RERA Secretary Rajesh Kumar Tyagi said in the statement. "Under Section 59 of the Act, the promoter is liable to pay a penalty of up to 10 per cent of the project cost and/or a jail term of up to three years," Tyagi said.

UP RERA said it has found that M3M India did not register the project with RERA and started public Rect. It also found that there was evidence of the promoter continuously trying to take his project to the general public through various mediums".

The RERA Act has been enacted to protect the interests of homebuyers and to develop the real estate sector, the RERA secretary said.

"Any arbitrariness committed by builders prior to the enactment of the RERA Act in the real estate sector in Uttar Pradesh will now be dealt with strict actions. If any other promoters of the state are also found involved in such violations, there will be no delay in the actions," Tyagi added.

The UP RERA has instructed promoters of M3M India to "strictly comply with Section 3/59, which bars a promoter from publicity of any housing project without first getting it registered with the state's RERA.

When contacted, M3M India said the particular campaign mentioned by the UP RERA is not publicity of the project NOIDEA.

"We would like to clarify that the campaign which is being projected in Noida, Uttar Pradesh, is purely an extension of M3M's corporate campaign to bring awareness and sensitise people about the presence of M3M in the city. We have at no point publicised the project, M3M India told PTI in a statement.

"M3M is a law-abiding developer and operates on the principles of corporate governance and ethics, adhering to all the guidelines and policies issued by the state government. M3M India has committed a large investment in Uttar Pradesh, mostly Noida, and will also ensure jobs to thousands of people in the area," the developer added.

Ensure compliance, Maha RERA chief tells property developers as projects put on notice

Maharashtra RERA chairman Ajoy Mehta has urged real estate developers to buckle up on the compliance front or face the prospect of regulatory oversight, days after the regulatory body issued notices to 16,000 projects for failing to update key compliance information such as sales, fund utilisation and completion status.

The notices were sent after 'show cause' notices were first issued in January. Defaulting developers could stand to be fined 5 to 10 percent of their total project cost, in keeping with RERA laws.



The real estate regulatory body chief was addressing developers' concerns over the pace — or the lack of it — of RERA registrations in the state, especially concerning projects in Mumbai.

In January-June 2022, 3622 projects were registered with the regulator. This number dropped to 2,815 between July and December.

Sources at the regulator have indicated that the drop is on account of increased scrutiny on the part of Maha RERA while registering projects. Mehta confirmed that the scrutiny was here to stay, and that the onus was on developers to do their homework as far as projects are concerned.

"Please educate yourself about your projects," said Mehta, "If you don't know your own project, and don't know what is happening on the ground, who else do we expect to know? A developer recently wanted to know what RERA Form 5 is. It's important that you know these things."

Developers to be educated on RERA compliance

Earlier, newly elected CREDAI MCHI president, Dominic Rommel said the trade body hoped to resolve compliance issues in two months. He confirmed that a majority of the projects, including his, that received notices, were redevelopment projects in Mumbai.

"Because it's a redevelopment, I have a reversal tax to be paid and that means I'm still paying for unsold inventory," he said, "If this had been private land that I owned, I wouldn't have paid after receiving my occupation certificate because there are no services.

He added: "Even in Mumbai, we got the OCs, but we didn't upload our Form 4 — give us 45 days; that number (defaulting projects) will come down from 16,000 to about 1,000."

CREDAI has said it will embark on a process of educating its members over maintaining better compliance parameters as far as real estate projects are concerned.

"Sixty percent of the average Indian family's wealth creation happens in real estate, and that's why we keep telling our developers to get compliant," said Boman Rustom Irani, newly elected CREDAI National president, "Compliance is something that people don't understand initially and that's why there's resistance. We are going to continue educating."

"Please ensure you are keeping your compliances in place," a visibly candid Mehta told developers at the CII Real Estate confluence in Mumbai.

"Compliance is not another hurdle, they can't be given out just because you must give them out," he added, "They help you monitor your own project and help the buyer know what's happening. That reduces litigation and brings you to a point where you have a happy customer at the end of the day."

Need to increase awareness about RERA law, adopt new tech in realty sector: Delhi-RERA Chairman

Delhi-RERA Chairman Anand Kumar on Thursday asserted the need to increase awareness about the realty law RERA for the growth of the real estate sector and also asked builders to adopt technologies to cut construction costs.

Addressing a conference organised by industry body PHDCCI, Kumar emphasised that all stakeholders -- government authorities, builders, property agents and consumers -- need to work together for faster growth of the real estate sector.

The Delhi-RERA Chairman pointed out that most of the builders and property brokers are scared of Real Estate (Regulation and Development) Act, popularly known as RERA, and try to avoid complying with the provisions of this legislation.

"RERA Act is not only regulation but it is for enhancing transparency and it is for active development of real estate sector," Kumar said, adding that the regulators under the Act are facilitators. He rued a lack of awareness about this Act among all stakeholders and there is a need to create awareness.



Kumar exhorted builders to adopt new technologies. "Adoption of technology is important. We have to reduce the cost. Unless we make flats at an affordable price, we cannot achieve Housing For All," he noted.

Talking about the Delhi property market, Kumar said there are huge land parcels available in the national capital and those should be used for the development of projects. "Unless we facilitate the development of the land we have, there will be unauthorised development," he said.

D Thara, additional secretary in the Ministry of Housing and Urban Affairs, noted that the real estate sector is the biggest employer for both skilled and unskilled workers. She, however, said a large part of the industry is still unorganised, especially at the sub-contractors level.

The additional secretary asked big builders to mentor small real estate developers. She also spoke about the need to have a research centre where builders can go and learn about what materials to use. The additional secretary stressed the need for water conservation in the real estate sector.

12 developers fined for ads without Maharashtra-RERA registration

PUNE: The Maharashtra Real Estate Regulatory Authority (MahaRERA) has levied a fine of Rs5.8 lakh on 12 developers in the state for advertising projects in newspapers without the mandatory registration numbers.

Of them, two developers are from Pune, five from Nashik, four from Aurangabad and one from Mumbai.

Notices were issued to 54 projects last month. In the first phase, the fine was levied on 12 projects, said a MahaRERA official. These projects had registration numbers, but the developers had not published the same in the advertisements.

The fine was levied depending on the size of advertisements in newspapers. One developer was fined Rs1.5 lakh, 7 developers were fined Rs 50,000 each, while 3 developers were fined Rs25,000 each. One was also fined Rs10,000 for not printing the MahaRERA registration number in the advertisement properly.



The authority will also monitor social media advertisements and initiate notices if the registration numbers are not displayed properly, the official said.

Three of these developers requested for a change in the date of hearing due to some unavoidable reasons and their request was accepted by the authority. They would be given a hearing later.

The developers have to pay a penalty within 15 days from the time of the issue of notice. Those who do not pay will be charged an extra Rs1,000 per day for the delay. After the lapse of 15 days, developers will not be able to avail the services of MahaRERA till they pay the fine.

Under the RERA Act, the advertisement issued by the developer should mention the registration number clearly. According to the Immovable Property Act, any project (including flats) of more than 500 square meters or 8 flats needs to be registered with MahaRERA.

UP RERA takes stern action against defaulter developers, to auction properties of Wave Mega City Center builder

Noida: Miffed by the evasive attitude of Noida builders, the Uttar Pradesh Real Estate Regulatory Authority (UP RERA) has announced the auction of the properties of defaulter builders. Under this, the district administration will auction as many as 111 attached flats and shops of the Wave Mega City Center builder.

The administration has attached these properties of the builder for not giving the Recovery Certificate (RC) money of the UP RERA. In the first phase, 38 flats and shops are likely to be auctioned on May 29. According to reports, the auction will be conducted like a normal auction and it will not be e-auctioned. The builder allegedly owes Rs 123.55 crore towards RC of UP RERA.



Defaulters' properties to be auctioned

At the same time, the administration is also preparing to auction the properties of many other builders. Deputy District Magistrate Dadri Alok Gupta said that last month the district administration had started a campaign to recover Rs 503 crore of RC of UP RERA from 101 builders.

The district administration further said that it has started a major action against Wave Mega City Center Private Limited. The builder in Dadri tehsil owes Rs 123.55 crore towards RC of UP RERA. The builder is not depositing the money even after repeated notices. To recover the RC money, the administration has attached 111 properties of the builder.

Money to be returned to buyers

Now the administration has decided to auction the attached property. It informed that 38 properties would be auctioned in the first phase. The value of these 38 properties is around Rs 40 crore. If the auction is successful, the administration will get a huge amount. From that amount the money of the buyers will be returned, the administration said. The remaining 73 properties of the builder are being evaluated by the sub-registrar. Those properties will also be auctioned after the valuation is done, it added.

It further informed that the attached properties of many other builders would also be auctioned. Those properties are also being appraised and after the evaluation, the date of the auction will be announced in the next week, the district administration added.



K-RERA revamped website to give buyers accurate information on real-estate projects

The Kerala Real Estate Regulatory Authority (K-RERA) on Wednesday launched its revamped website for providing prospective buyers accurate information on real-estate projects in Kerala.

The revamped website, <https://rera.kerala.gov.in>, inaugurated by Minister for Local Self-Governments M.B. Rajesh, is GIS-enabled and features a 'property exploration tool' which allows prospective buyers to quickly locate apartments, villas and commercial spaces in any district, K-RERA said.

"The website benefits both prospective buyers and promoters of real-estate projects. It provides prospective buyers with accurate information and help them avoid getting cheated. For the builders, it opens up a commercial opportunity as the website encourages transparency, accountability and credibility," Mr. Rajesh said.

From mandatory documents

The website contains data gleaned from the documents that property developers are mandatorily required to submit for registration of projects. They include building plans, building permits, registration certificates, approvals, sanctions and completion and occupancy certificates and title deeds.



According to K-RERA, it allows buyers to track the physical and financial progress of the projects. It also offers information on the background and track record of the property developer and litigation. K-RERA collaborated with Xocortx Advanced Systems, registered with the Kerala Startup Mission, to develop the website.

The Real Estate (Regulation and Development) Act, 2016, passed by Parliament requires State regulators to operationalise a web-based online system for filing applications for registration of projects. After starting operations, K-RERA had launched an online portal in 2021, and now it has been modified it with added features.

K-RERA chairman P.H. Kurian, members Preetha Menon and M. P. Mathews, secretary Sheeba Rani, IT division head Rahul Chandran, and the Gulati Institute of Finance and Taxation director K. J. Joseph were present.

Jharkhand RERA blacklists firms, 3 partners for violation of norms

The Jharkhand Real Estate Regulatory Authority (RERA) on Friday said it has blacklisted a real estate firm and its three partners, debarring them to undertake any projects for violation of norms and non-registration of projects. A total of 18 complaints have been received against the firm and its three partners.

"In a first such move in Jharkhand, we have blacklisted M/s Reblon Impex and its three partners - Dharmendra Kumar Dheeraj, Rajesh Kumar and Shashikant Singh for failure to get registration done with Jharkhand RERA despite court order in this regard 3.5 years back and violation of various norms," Jharkhand RERA Chairman, Ranjeet Kumar Choudhary told PTI.

Member, Jharkhand RERA, Birendra Prasad said the authority was committed to ensure justice to buyers and was forced to take the step of blacklisting the firm as a last resort.

"A total of 18 complaints have been registered against M/s Reblon impex and its three ... out of which orders have been passed on 17. In the first case which was disposed of in December 2019 a fine of Rs 5 lakh was imposed on the firm for failing to do RERA registration in two weeks...Similarly after repeated violations, they were served notice by the court as to why no action should be initiated to blacklist them...Failure to comply to all these resulted in blacklisting of the firm and partners," Choudhary said.

Section 3 of RERA Act makes it mandatory for promoters to register their ongoing or new real estate project (residential, commercial, plotted development/layout, villa or mixed development) with more than 8 units or 500 square metres of land with RERA

Choudhary and Prasad said the Authority has till date received 382 complaints from home buyers of which 189 have been disposed of while 193 are pending.

They said the Authority had received 1,736 applications, both in off line and online modes, in the state for projects registration of which 1,144 were registered while 525 were rejected for not fulfilling norms.

Without Registration no promoter shall advertise, market, book, sell or offer for sale, or invite persons to purchase in any manner any plot, apartment or building, as the case may be, they said.

The officials said in order to protect the interests of home buyers, so far orders have been issued to file certificate cases in 17 execution cases and letters have been sent to concerned Deputy Commissioners for recovery of the amount.

Choudhary said efforts are also made to settle the dispute between buyer and builder through reconciliation and so far 17 cases have been disposed through conciliation talks at the Mediation Centre.

He said to protect the interest of buyers so far registry has been done in favour of four flat owners as per the order from Jharkhand RERA court as the builder was not registering despite full payment.

In one case the Jharkhand RERA court ordered for payment of Rs 29,000 per month by a builder in Dhanbad to a complainant as possession certificate was not given resulting in loss to the party, he said.

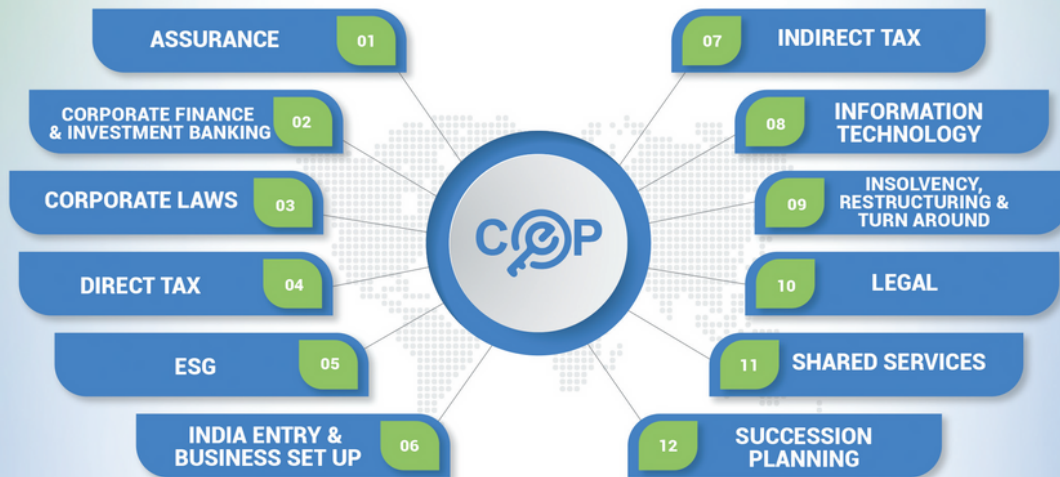




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