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Dear Members,

Greetings!!!

We are very happy to share with you this Ninth Newsletter on RERA.

RERA Act consists of Model Buyer Agreement which is to be executed between the Builder and Homebuyer. An agreement for sale is usually signed after a buyer of a property pays a sum to amount to the builder. It confirms that the buyer has bought a particular property on a certain agreement with the builder. In recent days there were certain instances where the non-negotiable clause in the model buyer agreement is modified by the Builders and included the clauses which are favorable to them.

These violations are brought to the notice of the Maharashtra RERA. Now the Maharashtra Real Estate Regulatory Authority (MahaRERA) has come up with non-negotiable clauses in the model agreement for sale. Under this, developers cannot modify the information which is necessary to be put into the agreement document. This will enable transparency.

Nowadays RERA authorities are taking strict decisions against insensitive promoters for the protection of the interests of home buyers. The Authority is fully committed to protecting the interests of home buyers and, for this; the Authority is taking all possible steps to regulate the real estate sector of the state according to the RERA Act.

Recently the Uttarpradesh RERA has (RERA), has imposed a penalty of Rs1.77 crore on 13 real estate promoters because some of the promoters have indulged in non-compliance with its orders despite the Authority granting them sufficient time for the same.

The UP RERA Authority further directed the promoters to submit the compliance report of its orders within 15 days and deposit the amount of penalty within 30 days; otherwise, the amount of penalty shall be recovered as arrears of land revenue. The RERA Authority had decided to impose an appropriate penalty against the promoter to ensure compliance with its orders and protect the interests of the home buyers.

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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Real estate sector on the fast lane: A course correction that went right

That India's real estate sector would make such a spectacular comeback in the aftermath of adversity as gargantuan as the coronavirus pandemic was an idea not many could entertain.

To be fair to the naysayers, they did base their rather pessimistic outlook toward the sector on its previous performance.

Despite the policy support and excess of incentives, the sector continued to reel under the impact of a multi-year slowdown that started sometime in 2015 and continued to get more aggravated with the systematic launch of demonetization, the RERA, and the GST regime.

Combined efforts of all stakeholders failed to yield the desired results as home sales continued to be dismal amid swelling unsold inventory, previous data showed.

While the lockdown period of 2020 made matters worse in the short term, the pandemic changed the buyer mindset on a fundamental level. This change of approach has been evidenced in buyers putting their faith in immovable assets when compared to other asset classes. Due to this factor, the sector is seen making continuous progress despite the many challenges that it still faces.



PropTiger's Real Insight Residential-July-September 2022 shows new supply in the July-September period was on a par with the 2015 levels for the second consecutive quarter. Due to strong demand, sales have continued to show robust growth with 49% YoY growth in the quarter that ended September 30.

Robust demand is also reflected in the fact that from 44 months in July and September period of 2021 to 32 months in the same period this year, there has been a significant decline in the inventory overhang -- the estimated period builders in a particular market are likely to take to sell off their unsold stock at the current sales velocity.

While robust demand has helped developers reduce their unsold stock, price growth across markets has also turned real estate investments profitable for investors and landowners, data show.

The new-found resilience of the sector is also reflected in the fact that this growth happened despite home loan interest rates going up (In batches, the RBI has increased the repo rate to 5.9% from the 4% earlier; consequently home loan interest rates have moved to over 8% annual interest as against sub-7% interest seen during the pandemic period in India) and some of the government-backed subsidies ending in mid-2022.

Credit must also be given to the developer community which despite the tremendous price pressure continued to support demand by coming up with innovative sales offers. More importantly, they pulled their socks up on the promise delivery front--- promise delivered late is akin to breaking it altogether. Unfortunately, developers have learned it the hard way.

Nonetheless, those lessons are coming quite handy as we march towards a new year of growth and promise.

As the country's second-largest employment-generating sector takes on these new challenges, continued policy support and incentives would go a long way in keeping the growth momentum going.

Haryana RERA Imposes Rs2.50 Crore Penalty on Brahma City for Selling Plots without Registration

The Haryana Real Estate Regulatory Authority (HRERA), Gurugram, has imposed a penalty of Rs2.50 crore on Brahma City Private Limited, a real estate promoter, for violating the provisions of the real estate (regulation and development) Act of 2016.

"The authority imposed a penalty of Rs 2.50 crore on the promoter for not applying for registration of its ongoing project within time allowed and allowing sale of plots in violation of the RERA provisions," said the RERA orders.

While examining the documents during a hearing in November, the authority observed that the promoter sold as many as 219 plots without getting the project registered with the RERA.



The RERA order also includes a warning to the promoter not to violate the provisions of the RERA Act, directing the promoter to deposit the penalty within one month.

"The promoter is directed to deposit the penalty within one month from the date of issuance of this notice. In case, the promoter fails to deposit the penalty as imposed by the authority, it will be recovered as arrears of land revenue and further proceedings will be initiated against the promoter under Section 63 of the RERA Act, 2016," said the order.

The promoter was developing a project of a plotted residential township in Gurugram's sector 61 to sector 65.

"On consideration of the circumstances, the evidence and other records and submissions made by the promoter during hearings the authority is satisfied that the promoter has violated Section 3 (1) of the RERA Act 2016," read the order.

The authority observed that the promoter sold the plots without registration of the project in violation of Section 3 of the RERA Act 2016 for which penal proceedings were initiated by the authority.



The authority also observed that the promoter made the conveyance deeds of the plots in the unregistered areas of the project on different dates.

MahaRERA comes up with non-negotiable clauses in model agreement for sale

The Maharashtra Real Estate Regulatory Authority (MahaRERA) has come up with non-negotiable clauses in model agreement for sale. Under this, developers cannot modify the information which is necessary to be put into the agreement document. This will enable transparency.

An agreement for sale is usually signed after a buyer of a property pays a sum of amount to the builder. It confirms that the buyer has bought a particular property on certain agreement with the builder.

According to one of the conciliators of MahaRERA, the non-negotiable clauses have been introduced by the regulatory after it found that many of the builders were found modifying standard clauses defeating the very objective for which the model agreement of sale rule was implemented.

On Tuesday, MahaRERA issued a notification making it clear that builders cannot modify certain clauses such as not mentioning or reducing the defect liability period which remain in force for five years from the date of handing over possession of property. Similarly, time period for execution of conveyance deed with the association of allottees (buyers) which is as per RERA Act should be within three months of issuance of occupancy certificate.



Furthermore, the formation of an association of allottees and most importantly, builders who have wrongly expanded the definition of “force majeure” which is applicable in case of flood, war, fire, cyclone, and other calamities. However, builders have put a force majeure definition for being unable to begin actual work as per the sanctioned plan due to some stay or injunction orders among others so as to prevent compensation payment to aggrieved buyers in case of a delay of possession of the flat, for instance, the conciliator explained.

In August this year, MahaRERA made it mandatory to upload a proforma of the agreement for sale by builders at the time of registration of projects. Wherein it also underlined that any modification done in the model agreement for sale has to be highlighted with a valid reason and explanation and get approved by the regulatory authority first.

The measures were taken to encourage one-state agreement for sale adoption. MahaRERA wants the majority of the builders to follow the standard draft to prevent discrepancies.

As per MahaRERA, the model agreement draft was brought in following a common grievance being raised by the complainants (buyers) that many of the things committed by the builders were only verbal only and not mentioned in the agreement for sale, making their complaint weaker. Therefore, a standard format was introduced to control the complaints. Meaning, the builder has to put necessary details like when the possession of the flat will be given, cost of flat, defect liability period among others.

MahaRERA officials said, “The non-negotiable clauses in agreement for sale will fulfill the objective of maintaining transparency and remove discrepancies if any. These clauses provide security to buyers and keep their part strong in case they approach the authority at a time of delayed possession or any other related issues with the builder.”

Agreement for sale is also used as an important document for holding the case when a complaint between parties (builder and buyer) is filed with MahaRERA.

Meanwhile, MahaRERA, in order to expedite registration of real estate projects, has now decided to nominate two people from self-regulatory organisations (SROs) of real estate associations like CREDAI MCHI, NAREDCO among others.

The MahaRERA has a total 39,452 projects registered with it of which 25 per cent are completed. Whereas, the authority has received a total 19,620 complaints of which 33 per cent are in process of hearing as of today.

UP RERA imposes Rs 1.77-crore penalty on 13 promoters



The Uttar Pradesh Real Estate Regulation Authority (RERA), has imposed a penalty of Rs 1.77 crore on 13 real estate promoters. The regulatory authority took the decision at a meeting held in Greater Noida .

The Authority, in its 111th meeting held under the chairmanship of Rajive Kumar on Monday, noted with displeasure that some of the promoters have indulged in non-compliance of its orders despite the Authority granting them sufficient time for the same.

Kumar said that the Authority is continuously taking strict decisions against the insensitive promoters for protection of the interests of the home buyers. The Authority is fully committed to protect the interests of home buyers and, for this, the Authority is taking all possible steps to regulate the real estate sector of the state according to the RERA Act, he said in a statement.

Kumar said the action against the guilty promoters is an important step towards compelling them to comply with the orders of the Authority. Taking the above facts in to account, the Authority decided to impose appropriate penalty against the promoters to ensure compliance of its orders and protect the interests of the home buyers.

The Authority, using its powers under section 38/63 of the RERA Act which empowers it to penalise the non-compliant promoters with up to 5% of the cost of the project, decided to impose penalty against the promoters.

The Authority further directed the promoters to submit the compliance report of its orders within 15 days and deposit the amount of penalty within 30 days, otherwise the amount of penalty shall be recovered as arrears of land revenue.

Penalty have been imposed on Gardenia India Ltd., Elegant Infracon Pvt. Ltd., Rudra Buildwell Projects Pvt. Ltd., Unibera Developers Pvt. Ltd., K V Developers Pvt. Ltd., Three C Green Developers Pvt. Ltd., Suncity Hi-Tech Infrastructures Pvt. Ltd., Antriksh Engineers Pvt. Ltd. (Antriksh), Antriksh Realtex Pvt. Ltd., Anil Gupta, Idea Builders Pvt. Ltd., Gardenia Developers AIMS Pvt. Ltd. and Logix Infrastructure Pvt. Ltd.



RERA orders Gurugram promoter to pay delayed possession charges to 51 allottees

Gurugram, Dec 19 (IANS): The Haryana Real Estate Regulatory Authority (RERA) has asked Pareena Laxmi Infrastructure Private Ltd to pay delayed possession charges (DPC) to its allottees of its Gurugram housing society at the prescribed interest rate well within the time specified.

The court's order will bring relief to as many as 51 allottees of Pareena Laxmi affordable group housing society located at Sector 99, Gurugram.

The developer failed to deliver possession of units to allottees within the time specified in the builder-buyer agreement (BBA) and thereby, it has defaulted its commitment and is liable to pay delayed possession charges to allottee cum bonafide complainants as per the provisions of the RERA Act, 2016, the RERA said.



"The authority hereby passes this order and issues the following directions under Section 37 of the Act to ensure compliance with obligations cast upon the promoter. The respondent promoter is directed to pay interest at the prescribed rate for every month of a delay from the due date of possession till the date of the offer of possession to the complainant as per Section 19(10) of the Act.

"The arrears of such interest accrued during the delayed period shall be paid by the promoter to the allottees within 90 days from the date of this order as per Rule 16(2) of the rules," it said in the order.

It also has directed the complainants to pay outstanding dues, if any, after adjustment of interest for the delayed period.

The order said the respondent shall not charge anything from the complainant(s) which is not part of the builder-buyer agreement save and except in the manner as prescribed in this order.

The 51 allottees of Pareena Laxmi had approached the RERA demanding delayed possession charges since the builder failed to deliver the units in a specified period of four years from the execution of the builder-buyer agreement signed in 2016.

Deciding the matter, the RERA court said: "This order shall dispose of all the 51 complaints filed before this authority under Section 31 of the Real Estate (Regulation and Development) Act, 2016 for violation of Section 11 (4) (a) of the Act wherein it is inter alia prescribed that the promoter shall be responsible for all its obligations, responsibilities and functions to the allottee as per the agreement for sale executed between the parties."

RERA imposes penalty of Rs 25 lakh each on five builders

Gurugram, Dec 22 (SocialNews.XYZ) The real estate regulatory authority (RERA), Gurugram, has imposed a penalty of Rs 25 lakh each on five builders for failing to complete the projects within their respective declared timelines which violates the provisions of the RERA Act 2016.

The authority has imposed a penalty of Rs 25 lakh on Identity Buildtech Private Limited for not completing Ansal Highland Park project at Sector 103 within the declared timeline of June 2022 and moved a fresh application with the authority seeking time till May 2024, now, to complete the project.

Similarly, a penalty of Rs 25 lakh has been imposed on the promoter of BPTP Limited for not completing Park Terra project at Sector 37-D, which had to be completed by April 2022.

Promoter of Advance India Projects Limited has also been imposed with a penalty of Rs 25 lakh for failing to complete the construction of Zen Residences -a 1group housing project at Sector 70-A.



Meanwhile, a penalty of Rs 25 lakh has been imposed on promoter KLJ Realtech Private Limited for a similar violation of Section 4 (2) (I)(C) for not completing the construction of its commercial project KLJ Square at Sector 83 within the declared timeline of June 2021.

While allowing the RERA registration to remain in force for promoter Spaze Towers Private Limited for its project Ishan Singh Commercial at Sector 78 till December 2025, the authority has imposed a penalty of Rs 25 lakh on the promoter. The project was to be completed by 2020 end by the promoter but it failed.



Under the Section 4(2)(I)(C) of the Real Estate (Regulation and Development) Act of 2016, a builder/promoter has to move an application with the authority to seek RERA registration and file an undertaking declaring a timeline to complete the project.

Floor-wise registry banned: Punjab RERA told to cancel licences of defaulting promoters

RERA has also been asked not to register properties that have been sold as individual dwelling units, though the permission procured by the promoter was to sell multi-storeyed property as one unit

After banning registration of individual floors in multi-storey residential buildings built with permission for a single house, the Punjab local bodies department has asked the state's Real Estate Regulatory Authority (RERA) to identify the defaulting promoters and cancel their licences.



A communication issued by the department's senior town planner said it had come to the notice of the government that certain promoters and developers after obtaining a license to develop a colony under the Punjab Apartment and Property Regulation Act or getting approval for a town planning scheme under the Punjab Municipal Act, 1911, or Punjab Municipal Corporation Act, 1976, or obtaining a regularisation certificate under the provisions of the policy of 2018 regarding regularisation of unauthorized colonies get individual residential building plans sanctioned for either stilt plus three or ground floor plus two as per the municipal building bylaws, but sell them on the floor-to-floor basis as independent floors.

“Separate norms have been prescribed in the municipal bylaws for developing independent floors as per which the independent floors are to be considered as per group housing norms and even charges such as external development charges, change of land use fee or processing fee are to be levied as applicable to group housing projects,” the letter added.

In a separate communication, the department has also asked the property registration authority not to register the properties that have been sold as individual dwelling units, though the permission procured by the promoter was to sell the multi-storeyed property as one unit.



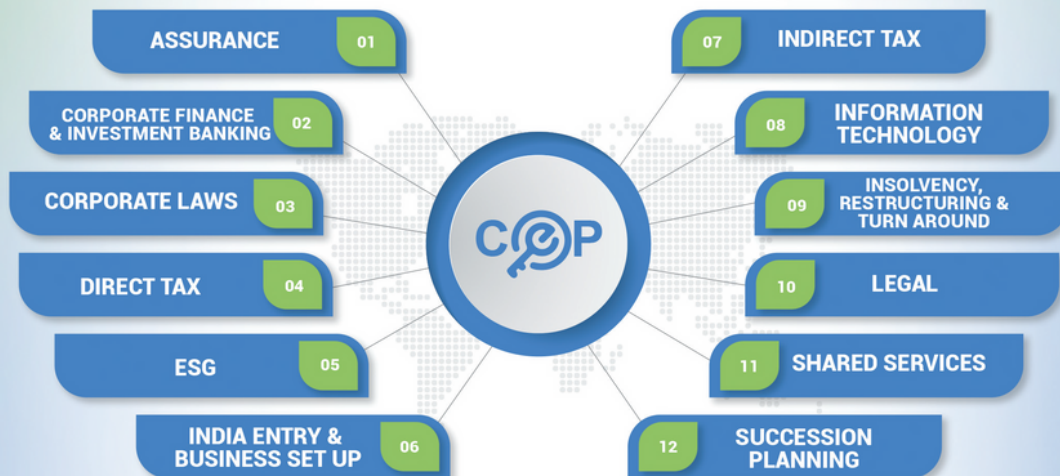
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