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Chapter



30.09.2022 || FRIDAY

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RERA DASHBOARD

VOLUME - 2

KNOWLEDGE PARTNER
Mamta Binani & Associates

Dear Members,

Greetings!!!

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

Be it any business, Honesty, Transparency, Good Governance, and proper compliance with applicable laws, rules and regulations is very important to sustain in this competitive business world.

If the above principles are not at the core of businesses, history reveals that the businesses start falling, leaving apart the lingering grave legal consequences.

The basic need of any human being is Food, Clothes, and Shelter. To have a shelter, the common man invests his hard-earned money in Real estate companies to build and have his own home. Having his own home is the dream of every common man and he is above all very much sentimentally attached to that. It becomes all the more the duty of the realty companies to construct and hand over the units as per the construction and sale agreements.

After RERA implementation, there is a considerable augmentation of the inflow of Foreign Direct Investment in the Real estate sector. The Builders associations are also organizing various Property exhibitions for the development of the Realty sector.

Now the valuers of land and building who are registered with the Insolvency and Bankruptcy Board of India is recognized and given importance by the RERA. In a recent order passed by The Maharashtra Real Estate Regulatory Authority (MahaRERA) orders have been to appoint valuers registered with the Insolvency and Bankruptcy Board of India to carry out site visits of delayed real estate projects, carry out inspections and submit their reports to RERA.

This Newsletter covers various orders passed by RERA, the Flow of Foreign Direct Investment in the Realty Sector, etc.

Wishing you all a Very Happy Navratri Festival.

Thank you

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RERA Sends Builder To 15-Day Civil Custody Over False Promises

The Adjudicating Officer of RERA in Gandhinagar imposed a 15 days sentence in civil custody to two partners of a construction firm for willful disobedience of its order issued two and half years ago. Officials of RERA will take them into custody by issuing a detention warrant through the police on Monday. This is the second instance in which RERA issued an order against a builder. The first one was even confirmed by the Gujarat High Court.



P R Patel, AO of the authority, issued the order on September 8 in light of the fact that the builder hasn't installed a lift and a submersible pump motor in the tube well in a residential apartment in Jamnagar defying its order issued on February 7, 2020. The builder had also been assured to obtain BU permission but did nothing towards that end. At that time, the builder had assured that the lift and motor will be installed within 15 days.

However, RERA found that even after passing more than two and half years they did not comply with its order of February 2020 even though they have been given time based on the undertakings they gave.

It ordered both the promoters to be taken in civil custody and issued a detention warrant.

The authority had issued the order in response to a complaint filed by home buyer Jitendra Bhalra, who had bought flat no. 501 in Swarup Heights project in Jamnagar. However, when the order was not complied with, the buyer moved an execution petition against Pratap Gorania and Arvind Katarmal, partners of Shree Ram Construction which had built the project.

During the hearing, Gorania and Katarmal had submitted on October 6, 2021 that the building project could not be completed due to financial problems. They gave an undertaking that they would provide all amenities, including lift, submersible pump in one month. They also assured that they would obtain BU permission from Jamnagar Municipal Corporation (JMC) as soon as possible.

RERA office now has a civil prison

The RERA authority in Gandhinagar has earmarked a space in its office for a civil prison. A special cell has been created with attached toilets to take custody of defaulters who are ordered to be taken in civil custody. The cell has iron bars like a prison and has all the facilities given to prisoners as per the statute. Earlier, RERA did not have an arrangement to keep prisoners, but this was created a month after the authority imposed civil prison to another builder some time ago, for the first time in its history.

Bengaluru: Register Sobha City by Sept 19, RERA-K orders Sobha Limited

BENGALURU: With Fire Department filing an FIR with the Bharati Nagar police station for going ahead with the project without clearance from them, RERA-K has recently ordered Sobha Limited to register the project of Sobha City in Hegde Nagar under it before September 19.

RERA has also ordered that the promoter applies for water supply with the BWSSB. The order was delivered in connection with a complaint filed by Sobha City Bengaluru Buyers Association. “Immediately register all the blocks of Sobha City under Section 4 of the Real Estate (Regulation and Development) Act, 2016, except Block 4,” the order stated.

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TNIE

Buyers had approached RERA alleging numerous anomalies. Ameya Usgaonkar, a petitioner, told TNIE, “The project has partial occupancy for the 1,500 houses which is illegal. We do not have a Cauvery water connection despite paying for it. The houses are mostly occupied at the owners’ risk. The Fire Department NOC is yet to be obtained, and the department has filed an FIR.”

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The impact of FDI on real estate

The government has made great strides in the liberalisation of FDI in real estate over the past sixteen years, and the time has come to take this a step further.

Real estate in India is the second largest employment producer, estimated to contribute to 13 per cent of the country's GDP, and the third largest sector in FDI flow. It is poised to exceed Rs 65,000 crore by 2024 and 2025. The real estate market is constantly evolving with innovative solutions spanning residential, commercial, and retail projects in the main metros and across the country, even in tier 2 cities. According to a report by IBEF, Bengaluru is expected to be the most favoured property investment destination for NRIs, followed by Ahmedabad, Pune, Chennai, Goa, Delhi and Dehradun.

Moving towards corporatization

FDI in real estate would be a boon for all parties. The Securities and Exchange Board of India (SEBI) has given its approval for the Real Estate Investment Trust (REIT) platform, which will allow all kinds of investors to invest in the Indian real estate market. It would create an opportunity worth Rs. 1.25 trillion (US\$ 19.65 billion) in the coming years. An increase in the FDI cap will attract cheaper finance and more funds from overseas, ensuring projects are completed in time. Furthermore, it will strengthen the Indian rupee and keep inflation in check. This in turn means that labour will get the benefit of higher wages and other benefits thanks to MNC firms.

Access to affordable and better-quality housing Middle- and lower-middle-class citizens will be able to purchase their dream homes. The residential sector is expected to grow significantly, with the Central government aiming to build 20 million affordable houses in urban areas across the country by 2022, under the ambitious Pradhan Mantri Awas Yojana (PMAY) scheme of the Union Ministry of Housing and Urban Affairs. An additional 25 million units of affordable housing are required by 2030 to meet the growth in the country's urban population.



Liberalization of FDI

The government has made great strides in the liberalization of FDI in real estate over the past sixteen years, and the time has come to take this a step further. Regulatory coherence paired with consistent efforts to make the sector more favorable towards investment will elevate the real estate market in India, and open up boundless opportunities. In the following two years, it's anticipated that Indian real estate will draw a sizeable amount of FDI, with a US\$ 8 billion capital influx by FY22.

Odisha notifies amended real estate regulation rules

BHUBANESWAR: Complying with the assurance made to Orissa High Court, the State government on Monday notified the Odisha Real Estate (Regulation and Development) Amendment Rules 2022. The new rules have been notified by the Housing and Urban Development department after suitable modifications to the existing Odisha Real Estate (Regulation and Development) Rules 2017.

Officials said the gazette notification of the amended rules intends to ensure smooth implementation of the RERA Act for the government and also to make its compliance easier for all stakeholders including promoters and buyers.

The State government in the last week of August had assured the High Court to bring the amended ORERA Rules without four weeks.

In the absence of any local law, the promoter will hand over the necessary documents and plans including common areas to the association of allottees or the competent authority, as the case may be, within 30 days after obtaining the occupancy certificate. Besides, a number of other modifications have been made in the rules to streamline the agreement for sale of houses and make the rules compliant with the Real Estate (Regulation and Development) Act, 2016.



TNIE

RERA activists who welcomed the amended rules said attempts have been made to bring clarity on the transfer of common areas to the association and give due importance to the occupancy certificate. They, however, suggested that the power to resolve disputes in the agreement should be brought before the RERA Authority and not adjudicating authority as mentioned in the rules.

As per the amendments, the promoter will have to abide by the time schedule for completing the project as disclosed at the time of registration with the authority. Any imposition or increase of development charges after the expiry of the deadline of a project will not be charged from the allottees.

The State government in the last week of August had assured the High Court to bring the amended ORERA Rules without four weeks. The notification of the amended rules assumes significance in view of the ban the court had imposed on the registration of sale deeds relating to apartments and flats without conforming to provisions of the RERA Act.

Besides, the allottees will also have the right to visit the site to assess the extent of development of the project and his/her apartment or plot. The amendment rules also clarify that the promoter will hand over the common areas of the project to the association of allottees after duly obtaining the occupancy certificate from the competent authority as provided in the Act.

CREDAI Pune Metro To Organize Its 21st Mega Property Exhibition Between September 16th and 18th

Pune, 12th September 2022: CREDAI Pune Metro is organizing its Mega Property Exhibition between September 16th and 18th. This is the 21st edition of the exhibition which will take place at the Agricultural College Ground near Range Hills. Potential home buyers will get a chance to see over 1000 projects of 60 RERA registered well-known real estate developers during the exhibition.



A customer centric-activity, returns after a gap of three years. This is the first in person exhibition post the COVID-19 pandemic. The exhibition will be inaugurated by PMC Commissioner Vikram Kumar, IAS on September 16 at 12 noon, in presence of CREDAI National Chairman Satish Magar and Vice President Shantilal Kataria beside CREDAI Maharashtra President Sunil Furde.

Apart from the leading real estate developers, 13 financial institutions including leading Banks are also participating in the expo, which also includes banking partners of the exhibition like ICICI, HDFC Home Finance, Bank of Maharashtra and Bank of Baroda. In addition there will be presence of other associations namely the Builders Association of India (BAI), Indian Green Building Council (IGBC) and Pune Construction Engineering and Research Foundation(PCERF).

Around 10,000 potential home buyers have already completed their online registration while the organizers are expecting footfall of 15,000 during this exhibition. For online registration there is a gift of umbrella on their physical visit to the exhibition. Secondly, every day, the organizers will conduct a lucky draw at 7:00 PM, using mobile numbers of registered customers and the winner will be presented with EV Ather two wheeler.

Spread across 5,675 square meters area, the exhibition will feature real estate projects of Pune, Pimpri-Chinchwad and Pune Metropolitan region and they range from affordable to luxury segments, catering to a wide spectrum of home buyers.

“In our exhibition, the home buyer will have a spectrum of choices Flat, Shops, Offices location Baner-Balewadi, Kharadi-Wagholi, Ambegaon-Nanded City, Hadapsar-Undri to select the house suiting his budget. It will also provide the home buyers an opportunity to meet the developer and their marketing team,” says JP Shroff, the convener of the exhibition committee.

The IGBC Pune chapter in association with CREDAI Pune will be presenting the Sustainable Stall Award, in an effort to promote sustainability during the exhibition, to which entry is free, Special workshops, Valet parking, kids zone, specially curated food court with live musical entertainment by “Unplugged” will make the exhibition more exciting for the families coming to visit.

MahaRERA valuers to visit delayed real estate project sites

The Maharashtra Real Estate Regulatory Authority (MahaRERA) is set to appoint valuers certified by the income-tax department or the Insolvency and Bankruptcy Board of India to carry out site visits of delayed real estate projects, said an official from the authority. The official added that the valuers would carry out inspections suo motu or based on complaints received.

“Home buyers largely come to MahaRERA complaining about the progress of real estate projects. Now, all these complaints will be investigated by the valuers,” the official said, adding that the reports of these valuers will be accepted, as they are professionally certified by the Union government.

According to MahaRERA, these certified valuation officers would carry out inspections at Mumbai Metropolitan Region, Pune, Nashik, Nagpur and Amravati. For other cities and districts, certified engineers having prior experience with government authorities like the PWD and MHADA, among others, would act as valuers.

He added, “As there are chances that these projects would be completed early, such projects will be issued showcase notices at first. Developers will be asked why action under Section 7 of RERA Act should not be initiated.” Section 7 of the RERA Act has a provision to appoint a new developer or hand over the incomplete project to an association of allottees.



The MahaRERA expects that these inspections would begin after two months, as tenders have to be floated for empanelment of valuation firms. Moreover, it would also have to issue showcase notices to the 4,389 delayed projects as on August 28.

“The first showcase notice will be issued to those projects where 60 per cent of the work is complete but the project has missed its deadline by one year as on July 2022,” said the official.

“Then projects that are 30-60 per cent complete will be issued notices, followed by those that are 0-30 per cent complete. Also, notices will be sent to those developers against whom a large number of complaints have been received from home buyers,” the official said. As on August 28, 4,389 real estate projects, worth Rs 78,000 crore, have been delayed across the state, with the fate of 12,873 home buyers hanging in balance.

MC Explains | The difference between RERA-registered, 'approved' and compliant projects

The Maharashtra Real Estate Regulatory Authority (MahaRERA) plans to take action against developers who misrepresent facts in their sales and marketing campaigns by claiming that their projects are RERA approved even though they may not be compliant with the norms.

There are instances of developers registering their projects with the regulator but failing to submit documents that are mandatorily required to be filed quarterly.

MahaRERA said while such projects may be registered with the regulator and are marketed as such, they may not actually be RERA-compliant and action can be taken against such developers for misrepresentation, a senior MahaRERA official said, asking not to be identified.

What does RERA Act say?

According to Section 11 of the RERA Act, 2016, the promoter (developer) is required to set up a web page on the RERA website and enter all details of the proposed project in the fields provided for public viewing.

The developers are also expected to file quarterly updates on the number and types of apartments or plots booked, the number of garages booked, the approvals received, the approvals pending along with the status of the project, and other information and documents specified by the authority.

Nothing like 'RERA approved'

Advocate Nilesh Gala, who practices with MahaRERA, said there is nothing like a RERA-approved project.

“There is no concept of a RERA-approved project and actually, it is a RERA-registered project,” Gala said.

He said campaigns by some developers suggest that RERA has “approved” their projects so there is no impediment but that is a myth. Most developers do not comply with circulars and RERA guidelines but no action has been taken, Gala said.

What is MahaRERA looking at?

According to a senior MahaRERA official, some developers put out advertisements that suggest their projects are RERA-approved on the basis of registering them with the regulator.

However, on checking the MahaRERA website, the officials find that while the developer has registered with the RERA, the mandatory quarterly details have not been updated for one or two years, and in some cases, even longer.



“This is a misrepresentation of the facts, considering the developer is not RERA compliant for not uploading the project status that is mandatory,” the official said. “We are going to start taking action against developers of such projects by issuing them notices and seeking clarifications on why action should not be taken. This must not continue and developers are expected to not misrepresent their projects by using the name of RERA.”