



How RERA changes property development and sales scenario

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With The Real Estate (Regulation & Development) Act, 2016 (RERA) coming into effect, various benefits/information are available to buyers.

However, a buyer needs to know how RERA changes the property development and sales scenario as well as what has changed post implementation of RERA. The buyer should be aware of how RERA can assist him in his decision to purchase a property.

After RERA has come into force, the buyer of under construction and new project can do various checks about the project as well as developer before taking a decision to buy any property in such project. A brief list of checks that a buyer can conduct is enumerated below:

RERA REGISTERED AND COMPLIANT

The buyer must verify if the project in which he wants to buy a under construction property, is registered under RERA and invest only in those project which are RERA registered. The developers are required to compulsorily register their under construction and new projects, except those exempted, with State Real Estate Regulatory Authority. If the project is registered under RERA, most of the information related to project will be available online.

TRACK RECORD OF THE DEVELOPER

The developer's track record may be checked to verify if the developer has completed projects and delivered possession on time. All the information regarding the registered project, developer and projects previously developed by that developer including present and past litigation, once uploaded on RERA website, can be verified from the respective State Real Estate Authority's website. Some of the states have still not made their RERA website operational, including Haryana.

ADVERTISEMENT/ BROCHURES

The buyer should look for details of RERA registration in the advertisement/brochures of the project. No developer can adver-



■ A buyer should deal with a real estate agent who is registered under RERA

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tise, market, book, sell or invite to purchase in any manner any plot, apartment or building, in any project in planning/notified area, without registering the project. RERA makes it mandatory for all the developers to provide the registration details of the project in the advertisements, brochures etc. The developer has a liability to compensate the buyer in case the proposed development of project, does not conform to specifications / information provided in advertisement and/or if there is any kind of misrepresentation by the developer regarding the project.

REVIEW ONLINE RECORD OF PROJECT OR DEVELOPER ON STATE RERA WEBSITE

On the webpage of the registered project, the developer is required to upload all the project related information including title documents, building plans, approvals, proposed completion date, quarterly up-to-date the list of number and types of apartments or plots, booked; status of the project, draft of agreement to sell etc.

The buyer should review and verify that the title of the project land is clear and marketable; building sanction layout plans, environmental clearances and other approvals in respect of the project, their validity period as well as current status of the project, as uploaded on state RERA website. In case the developer is not the landowner, the

documents by which the developer gets rights and entitlement to develop, sell and collect money, from the landowner needs to be verified. Further if the project land is a leasehold land, the tenure of master lease, payment of lease rent and dues etc. in respect of such project land needs to be checked by the buyer. The most important thing that a buyer should be aware of is the commencement date and proposed completion date for the project or phase of project, as given by the developer.

REVIEW THE BUILDER-BUYER AGREEMENT

Each state under their respective state RERA Rules have provided draft of prescribed Agreement to Sell applicable to all. Now it is convenient for a buyer to check if the draft Agreement to Sell provided by the developer is in lines with the draft of Agreement to Sell prescribed under the state RERA Rules. The developer cannot incorporate one-sided provisions unfavourable to the buyer, if they are contradictory to prescribed draft Agreement to Sell or provisions of RERA and/or state RERA Rules.

REVIEW INCLUSIONS AND EXCLUSIONS IN PROPERTY PRICE

The developer is mandated to disclose the carpet area of the unit which the buyer is buying and the price of property with break-up of all components of the total price including but not limited to cost of apartment, balcony

or verandah areas, open terrace areas, proportionate cost of common areas, preferential location charges, taxes, maintenance charges etc.

This makes it easier for the buyer to check and avoid any confusions regarding the inclusions and exclusions in the purchase price with respect to the property and make a cost benefit analysis based on the effective usable area.

REGISTERED RERA AGENT

A buyer should deal with a real estate agent who is registered under RERA. RERA also makes it mandatory for the real estate agents to register under the State Real Estate Regulatory Authority.

By enacting RERA, a legal regime has been set up, to protect the rights and interests of the buyers. In order to achieve RERA's objective, the buyer has to carefully weigh and take a decision based on various factors as discussed here, before buying the property. At present, not all the states have made their RERA website operational. Buyers in such states may not get benefits of checking information online for the time being, but as soon as website of such states become operational, they will also get the benefit of online information.

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