

Know Your Benefits As a Buyer Under RERA

By Sunil Tyagi, Senior Partner & Co-founder, ZEUS Law | The Property Show on NDTV | May 2, 2017



As Real Estate (Regulation & Development) Act, 2016 comes into effect; here is how the home buyers can benefit. The act not only makes the sector transparent but also gives certain advantages to the buyer. Sunil Tyagi, Senior Partner & Co-founder of ZEUS Law culls out a few important points from the act for the home buyer to understand:

- ≡ Information about carpet area: Buyer will get to know the carpet area of the apartment/flat now.
- ≡ No sale without registration: Promoter not to sell apartment / plot / building without the registration of the Project with the Authority.
- ≡ Proper permissions and approvals: Registration will ensure that all permissions & approvals are in place before launch of the Project.
- ≡ Information about other projects of Promoter: Promoter is required to provide its background details and history of all the past and ongoing projects and legal cases, which would be available on the website of the Authority.

- ≡ Drafts of buyer documents available for review: Promoter is required to submit the Performa of buyer documents before registration of the Project.
- ≡ No one sided ATS: Draft format of ATS has been prescribed under the rules and therefore it is not anymore a one sided agreement.
- ≡ No Diversion of funds by Promoter: Separate bank account to be opened for every Project by the Promoter, and 70% of the amount received against that Project has to be deposited in that account, which can be utilized only for such Project.
- ≡ Expeditious Recovery: In case the Promoter does not pay compensation or refund, the Authority has the power to collect it as arrears on land revenue.
- ≡ Restriction on collection of advance payment: Promoter is not allowed to take payment of more than 10 % of the cost of the apartment without entering into an ATS and duly registering it.
- ≡ Consent from the buyers required: Promoter cannot change (i) sanctioned building / layout plans, (ii) specifications and / or (iii) assign its rights / liabilities in the Project, without obtaining consent of 2/3rd of the buyers in the Project.
- ≡ Defect Liability Period: Promoter is liable for any structural defect or any other defect in workmanship, quality, or provision of services in the Project for a period of 5 years.
- ≡ Similar Rate of Interest: Buyer would be entitled to same rate of interest as is charged by the Promoter.
- ≡ Periodic Information: Buyer can access, from the website of Authority, quarterly updates regarding the Project.