

HISTORY OF URBAN INDIA & REAL ESTATE SECTOR WILL ALWAYS BE REMEMBERED IN TWO PHASES - 'PRE RERA' & 'POST RERA': HARDEEP S PURI

Relevant for: Developmental Issues | Topic: Government policies & interventions for development in various Sectors and issues arising out of their design & implementation incl. Housing

Shri Hardeep S Puri, MoS, I/C, Housing and Urban Affairs has stated that the history of urban India and the real estate sector will always be remembered in two phases - 'Pre RERA' and 'Post RERA'. He added that consumer protection is an article of faith for the Government and that consumers provide the fulcrum of any industry-the protection of whose interests is central to its growth and development. "RERA has infused governance in a sector hitherto unregulated and added that along with demonetization and the Goods and Services Tax laws, it has, to a large extent, cleansed the real estate sector of black money".

Explaining the RERA provisions, the Minister said that RERA has transformational provisions, conscientiously addressing those which have been a constant bane for the real estate sector and informed that the Act stipulates that no project can be sold without project plans being approved by the competent authority and the project registered with the Regulatory Authority, putting to an end the practice of selling on the basis of deceitful advertisements. Promoters are required to maintain 'project based separate bank accounts' to prevent fund diversion, he informed and added that the mandatory disclosure of unit sizes based on 'carpet area' strikes at the root of unfair trade practices. He further said that the provision for payment of 'equal rate of interest' to be paid by the promoter or the buyer in case of default reinforces equity and added that these and many other provisions under the law have empowered the consumers rectifying the power asymmetry prevalent in the sector.

Shri Puri mentioned that RERA is a seminal effort in cooperative federalism and added that though the Act has been piloted by the Central Government, the Rules are to be notified by state Governments, and the Regulatory Authorities and Appellate Tribunal are also to be appointed by them. He further said that the Regulatory Authorities are required to manage the day to day operations, resolve disputes, including running an active and informative website for project information.

The Minister informed that since RERA came into full force in May 2017, 34 states and union territories have notified the rules, 30 states and union territories have set up Real Estate Regulatory Authorities and 26 have set up Appellate Tribunals. He added that the operationalization of a web-portal for project information, which is the heart of RERA ensuring full project transparency, has been done by 26 Regulatory Authorities.

Shri Puri shared that around 60,000 real estate projects and 45,723 real estate agents have been registered with the Regulatory Authorities, providing a platform for informed choice for buyers and informed that 22 independent judicial officers have been appointed to redress consumer disputes, as a fast-track mechanism, where 59,649 complaints have been disposed-off. He further said that this has simultaneously unburdened the consumer courts.

Union Minister emphasized that RERA is to the real estate sector, what SEBI is to the securities market, with the implementation of which the sector is seeing new heights.

RJ/NG

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