



Application of RERA Rules into Construction of Buildings.

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ABSTRACT

The Real Estate Regulatory Authority (RERA) has emerged as a key regulatory framework globally, encompassing a wide range of building constructions beyond residential projects. This abstract explores the multifaceted impact of RERA in regulating various types of buildings, including commercial, industrial, and mixed-use structures. It delves into the core objectives, provisions, and mechanisms of RERA, highlighting its role in promoting transparency, safeguarding stakeholders' interests, and ensuring accountable practices in diverse building projects.

This abstract examines the significance of RERA in the context of different building types. It elucidates how RERA frameworks have been tailored to address the unique requirements, challenges, and dynamics associated with commercial, industrial, and mixed-use buildings. It analyzes the specific provisions and regulations implemented by RERA to foster fair practices, regulate contractual agreements, and establish norms for quality assurance across these varied building categories.

Furthermore, the abstract discusses the positive outcomes resulting from the application of RERA in diverse building constructions. It showcases the improved market confidence, enhanced credibility, and increased investor interest as a result of transparent and regulated processes. It also explores how RERA has played a pivotal role in streamlining project timelines, minimizing disputes, and bolstering the overall efficiency of building construction across different sectors.

In addition, this abstract addresses the challenges encountered in implementing RERA across diverse building types. It recognizes the need for specialized regulations, unique compliance requirements, and nuanced understanding of industry dynamics for effective enforcement. It explores strategies employed by regulatory authorities to overcome these challenges and foster an environment conducive to sustainable growth and responsible practices in the building construction sector.

Drawing upon case studies and empirical evidence, this abstract presents tangible examples of the impact of RERA on various building types. It showcases instances where RERA has resolved disputes, enforced compliance, and facilitated seamless project execution, thereby ensuring the interests of all stakeholders are protected.

Ultimately, this abstract highlights the transformative role of RERA in regulating diverse building constructions. By providing a transparent, accountable, and regulated framework, RERA promotes sustainable development, boosts investor confidence, and fosters a culture of compliance across commercial, industrial, and mixed-use buildings.

1. Introduction

The Real Estate Regulatory Authority (RERA) has emerged as a crucial regulatory framework globally, encompassing a wide spectrum of building constructions beyond residential projects. RERA, designed to promote transparency, protect the interests of stakeholders, and ensure accountable practices, has revolutionized the way various types of buildings are planned, developed, and regulated.

While RERA was initially introduced primarily for residential buildings, its scope has expanded to include commercial, industrial, and mixed-use structures. This expansion recognizes the need for specialized regulations and tailored provisions to address the unique challenges and dynamics associated with different building types.

The objectives of RERA remain consistent across all building categories, aiming to foster fair practices, enhance market confidence, and establish a transparent framework for all stakeholders involved in the construction industry. By providing comprehensive regulations, RERA seeks to regulate contractual agreements, enforce quality standards, streamline project timelines, and mitigate risks associated with various building constructions.

Implementing RERA for various buildings comes with its own set of challenges. Each building category has specific compliance requirements, industry dynamics, and regulatory nuances that need to be addressed. Regulatory authorities have been working diligently to ensure that the RERA framework is customized and effectively enforced for different building types, fostering an environment conducive to sustainable growth, responsible practices, and investor confidence.

In this context, it is essential to explore the multifaceted impact of RERA on various building constructions. By analyzing the provisions, mechanisms, positive outcomes, and challenges associated with implementing RERA for different building types, we can gain a comprehensive understanding of how this regulatory framework is transforming the construction industry and shaping the future of building regulations.

This article aims to delve into the diverse landscape of building construction and examine the role of RERA in regulating commercial, industrial, and mixed-use buildings. By studying case studies, empirical evidence, and industry insights, we can uncover the transformative impact of RERA on these building types, showcasing successful instances, addressing challenges, and highlighting the significance of transparent and accountable practices in ensuring sustainable development in the construction sector.

1.1 Important factors use in project

Registration and Documentation: RERA mandates the registration of all real estate projects with the regulatory authority. Proper documentation, including project plans, approvals, financial details, and timelines, must be submitted to obtain the necessary clearances and permissions. Adhering to the prescribed registration process and maintaining accurate records is essential for RERA compliance.

Transparency and Disclosure: RERA emphasizes transparency in real estate transactions. Project developers are required to provide comprehensive information about the project, including the title, land ownership, permissions, amenities, floor plans, and completion timeline, to prospective buyers. Full disclosure of project details ensures transparency and builds trust among buyers.

Escrow Account: RERA mandates the establishment of a separate escrow account for each project. Developers are required to deposit a specified percentage of the project's funds into this account, which is to be used solely for construction and land-related expenses. This mechanism safeguards buyers' funds and ensures that the money is utilized exclusively for the intended project.

Timely Completion: RERA emphasizes timely completion of projects. Developers are required to adhere to the agreed-upon project timelines and hand over possession of units within the specified period. Any delays or deviations from the schedule must be communicated to buyers and appropriate compensation measures implemented as per RERA regulations.

Quality Assurance: RERA places a strong emphasis on maintaining construction quality standards. Developers must adhere to the prescribed guidelines and regulations for building materials, structural integrity, safety measures, and amenities. Regular inspections and certifications may be required to ensure compliance with quality standards throughout the project lifecycle.

Dispute Resolution: RERA provides a structured mechanism for dispute resolution between buyers and developers. It typically involves the establishment of a Real Estate Regulatory Authority tribunal or adjudicating body to handle complaints and resolve disputes in a fair and timely manner. Following the prescribed dispute resolution process is crucial to maintaining transparency and resolving conflicts.

Compliance and Penalties: RERA enforces strict compliance with its regulations and guidelines. Non-compliance can result in penalties, fines, or even cancellation of the project registration. Developers must ensure adherence to all applicable provisions, including disclosure requirements, financial obligations, and construction standards, to avoid legal consequences.

Compliance Reporting: Regular reporting and submission of project updates to the regulatory authority are essential under RERA. Developers are required to provide periodic progress reports, financial statements, and other relevant documentation to ensure transparency and accountability throughout the project's lifecycle.

1.2 Objectives

- a. **Consumer Protection.**
- b. **Transparency and Disclosure**
- c. **Timely Completion**
- d. **Quality Assurance.**
- e. **Dispute Resolution.**
- f. **Compliance and Accountability.**
- g. **Institutional Strengthening**

1.3 Methodology

- a. **Understanding the Regulatory Framework**
- b. **Stakeholder Engagement**
- c. **Customization of Regulations.**

- d. **Project Registration.**
- e. **Transparency and Disclosure**
- f. **Escrow Account Management**
- g. **Timely Completion Monitoring**
- h. **Quality Assurance**
- i. **Dispute Resolution Mechanisms**
- j. **Compliance Monitoring and Reporting**
- k. **Capacity Building and Training**
- l. **Continuous Improvement**

2. Process of project (pointwise)

1. *Project Registration:*

- Requirement for developers to register their real estate projects with the regulatory authority.
- Submission of project details, including plans, approvals, timelines, and financial information, as per the prescribed format.

2. *Transparency and Disclosure:*

- Developers must provide accurate and comprehensive information about the project, including land title, ownership, project plans, floor plans, amenities, and completion timelines.
- Clear disclosure of all associated costs, including the purchase price, maintenance charges, and any additional fees or charges.

3. *Escrow Account:*

- Mandate for developers to open a separate escrow account for each project.
- A specified percentage of funds collected from buyers must be deposited into the escrow account.
- Funds from the account can only be utilized for construction and land-related expenses.

4. *Timely Completion:*

- Developers are required to complete the project within the stipulated timeline mentioned at the time of registration.
- Any delays must be communicated to buyers with appropriate compensation measures as per RERA regulations.

5. *Quality Assurance:*

- Compliance with prescribed quality standards for construction, including building materials, structural integrity, safety measures, and amenities.
- Regular inspections and certifications to ensure adherence to quality standards.

6. *Carpet Area Calculation:*

- Developers must disclose the carpet area of each unit, excluding the common areas.
- Prohibition on selling properties based on ambiguous measurements or misleading information.

7. *Adherence to Building Codes and Regulations:*

- Compliance with local building codes, regulations, and environmental norms.
- Ensuring that the project meets the prescribed norms for structural design, fire safety, and other relevant parameters.

8. *Maintenance and Handover:*

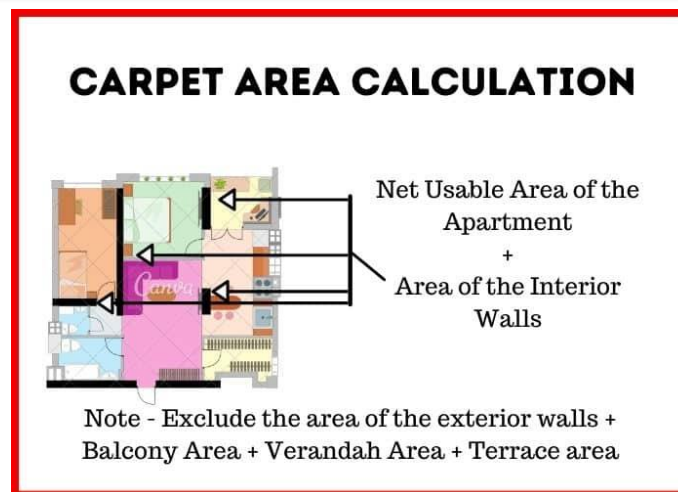
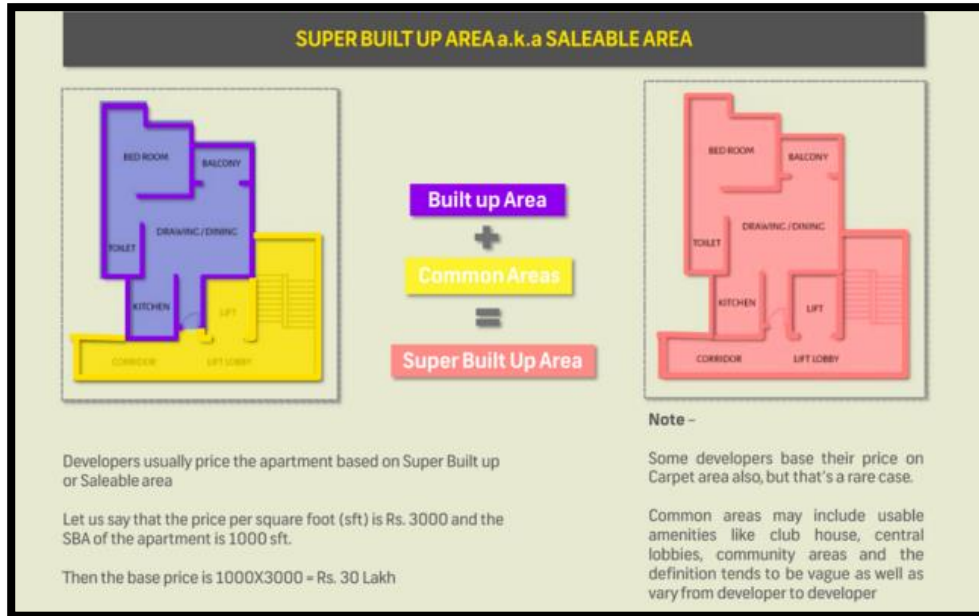
- Developers are responsible for maintaining the project and common areas until the formation of a society or association of buyers.
- Proper handover of completed units to buyers, including all necessary documents, keys, and utilities.

9. *Dispute Resolution:*

- Establishment of a dispute resolution mechanism, such as a Real Estate Regulatory Authority tribunal or adjudicating body, to handle complaints and resolve disputes between buyers and developers.

10. Compliance Reporting:

- Regular reporting and submission of project updates, financial statements, and other relevant documentation to the regulatory authority as per the prescribed timelines.



Transaction Type	Fee per Transaction*
For New Real Estate Project Registration	INR 750
For Project Extension and Project Withdrawal Requests	INR 500
Annual Fee to avail Status Updates of the Registered Project	INR 500
For Agent Registration and Renewal of Agent Registration	INR 500
To file a Complaint	INR 50

Mandatory RERA Maharashtra Rules and Regulations:

1. Every commercial, as well as residential project, should be registered with MahaRERA.
2. Developers need to submit quarterly updates about the ongoing project on the official MahaRERA website.
3. Opening of an Escrow account.
4. Standardization of sales agreement to avoid additional penalties and charges.
5. Under RERA Maharashtra, at maximum developers can only ask for 10% of the project cost.
6. The developer is liable to rectify any sort of defect occurring within five years of a property sale.
7. As per RERA Maharashtra Act 2016, homebuyers only need to pay for the carpet area mentioned within the project details. You don't have to pay for a super built area including a balcony.
8. Promoters need to disclose clear project titles.
9. If the developer fails to complete the possession on time, then the developer becomes liable to pay the paid amount to the homebuyer.
10. To make any sort of alteration to the ongoing project, promoters are required to take permission from individual members.
11. Agents need to register themselves under the MahaRERA act.
12. If any complaint is filed under RERA Maharashtra, then designated authorities need to resolve it within 120 days.

3. Conclusion

The Real Estate (Regulation and Development) Act, commonly known as RERA, has had a significant impact on the real estate sector. Since its implementation, RERA has aimed to bring transparency, accountability, and efficiency to the real estate industry, ultimately benefiting both developers and homebuyers.

One of the key achievements of RERA is the establishment of regulatory authorities in each state or union territory of India, ensuring that real estate projects are registered, and developers are held accountable for their actions. This has helped in preventing fraudulent practices and protecting the interests of homebuyers. RERA has introduced strict guidelines for project timelines, quality of construction, and financial transparency, reducing project delays and increasing buyer confidence.

Moreover, RERA has mandated that developers deposit a certain percentage of the project funds in a separate escrow account, ensuring that the funds are utilized only for the intended project. This provision prevents developers from diverting funds to other projects and provides financial security to homebuyers. Additionally, RERA has made it mandatory for developers to disclose all project details, including layout plans, approvals, and possession timelines, enabling homebuyers to make informed decisions.

Furthermore, RERA has established a mechanism for addressing grievances and disputes, with the establishment of Real Estate Regulatory Authorities (RERAs) and the Real Estate Appellate Tribunal (REAT). This has provided an effective platform for resolving issues between homebuyers and developers, promoting transparency and accountability in the sector.

In conclusion, the implementation of RERA has brought about positive changes in the real estate sector. It has enhanced transparency, protected the interests of homebuyers, and streamlined the real estate market. While there may still be some challenges in its implementation and enforcement, RERA has undoubtedly made a significant impact on the real estate industry and has the potential to drive further growth and development in the sector.

Overall, RERA has been a boon to the Real Estate administration making all the norms stricter than the pre-RERA period. The industry has seen transparency more than ever before and also provides a fit platform for home buyers to invest in their dream homes. It has brought about discipline in the market for the parties and including the agents. Few factors like consistency in the Act throughout the country, modes of execution of orders and judgements, and application of the Act in different nature of projects shall be amended and expressly specified accordingly to make the process more refined. As it is a relatively fresh aspect in the Real Estate, there could be many more grey areas as mentioned above which the Act needs to specify well in advance. It shall also be taken care that RERA Act should not contradict Maharashtra Ownership Flats Act, 1960 (MOFA) in which, the earnest money deposit limit is 10% and 20% of the total consideration of the home amount respectively. Such contradictions shall be specified to keep validity of all the clauses in the respective Acts.

It can be said that RERA Act is on the right track to meet the motive of speedy redressal individually to other courts. There has been a remarkable progress in less than a decade in this field. Although the functioning has been improving day by day, some refinement and fine tuning is required in the Act and its execution to take this initiative to perfection. RERA workshops can also be provided officially to the promoters and agents in the initial phase to standardize the working of this legal field. Social network has become a strong medium to reach out to the public and RERA can use various platforms to reach out to the public which could be through video presentations or written articles for awareness..

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