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## “A Comprehensive Analysis of the Impact of RERA Act 2016 on Buyers, Builders, and Brokers within the Digital Realm of ReraProperty.com”

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### ABSTRACT :

Since a long time, there have been a greater number of calls for better transparency and accountability in real estate transactions. The laws were too ambiguous, the recourse methodologies opaque, the homebuyers unorganized, and the legal process overburdened. According to the Press note report released by Real Estate Regulation and Development Act (RERA) was approved by the Cabinet in May 2016. Real estate is a state owned entity, and its execution and operations must be executed by every single state and government separately. It also has a reserved right to make necessary changes in the law if necessary. In India, Maharashtra is the first state who has implemented Real Estate Regulation and Development Act for the first time with effect from April 1, 2017. This is most important to implement because in Maharashtra, Mumbai is the leading real estate market in India it has residential as well as commercial properties. Hence, the implementation of this act in Maharashtra significantly plays an important role. There has been enhancement in transparency and accountability and the buyer are empowered. The perception of the stakeholders is balanced and there is a need for awareness and education to the customers.

### Introduction

Since a long time, there have been a greater number of calls for better transparency and accountability in real estate transactions. The laws were too ambiguous, the recourse methodologies opaque, the homebuyers unorganized, and the legal process overburdened. According to the Press note report released by Real Estate Regulation and Development Act (RERA) was approved by the Cabinet in May 2016. Real estate is a state owned entity, and its execution and operations must be executed by every single state and government separately. It also has a reserved right to make necessary changes in the law if necessary. In India, Maharashtra is the first state who has implemented Real Estate Regulation and Development Act for the first time with effect from April 1, 2017. This is most important to implement because in Maharashtra, Mumbai is the leading real estate market in India it has residential as well as commercial properties. Hence, the implementation of this act in Maharashtra significantly plays an important role.

RERA enforces strict project delivery timelines. Developers must adhere to the communicated deadlines, and any delays result in compensation to buyers. This provision sets realistic expectations, reducing stress for buyers and ensuring accountability in project completion.

In the vast landscape of the Indian real estate market, owning a home has long been a dream for millions. However, the journey towards homeownership was riddled with challenges, including lack of transparency, delayed projects, and misleading advertisements. To bridge the gap between buyers' expectations and the reality of real estate transactions, the government introduced the Real Estate Regulatory Act. This transformative legislation aimed not just to regulate the industry but also to empower property buyers and ensure their rights were protected.

### Few highlights are:

- Enhanced Transparency
- Standardized Carpet Area Calculation
- Promptness in Project Delivery
- Establishing Escrow Account
- Eliminating False Advertising
- Expediting Grievance Redressal
- Structural Defect Liability

Dr. Reena Vasishta- additional secretary. To The Govt. Of India (26<sup>th</sup> March 2016). Before 2016, the Indian real estate sector operated in a chaotic and disorganized manner. The introduction of RERA marked a significant shift towards organizing the sector, potentially making it a key driver of the Indian economy. With the government's ambitious goal of providing housing to every Indian by 2022, injecting discipline into the real estate sector was imperative to align with this vision. From developers' perspective, RERA was necessary to ensure timely project completion and avoid legal

complications, fostering agility in project launches. The act also serves as a trust-building mechanism between buyers and developers. However, there are some issues to address, and modifying the scope of the act could enhance its business friendliness. Challenges persist for various stakeholders due to its implementation. Educating buyers about their rights can enhance transaction transparency, while RERA imposes greater accountability on developers to deliver projects on time and as promised. With some adjustments, RERA has the potential to be a transformative tool for the real estate sector. J Gandal, A Kumar - 2023 For a considerable period, demands for enhanced transparency and accountability in real estate dealings have been pronounced. The legal framework was murky, grievance redressal methods unclear, homebuyers disorganized, and legal procedures burdensome. Realizing this, the Real Estate Regulation and Development Act (RERA) was endorsed by the Cabinet in May 2016. As real estate is a state-regulated domain, each state government is responsible for its implementation and operation, with the autonomy to amend laws as deemed necessary. Maharashtra became the pioneering state to enforce RERA from April 1, 2017, given Mumbai's pivotal status in the Indian real estate landscape, encompassing both residential and commercial properties. The implementation of RERA in Maharashtra carries significant weight due to Mumbai's prominence. This paper examines the repercussions of RERA's implementation on the real estate sector, particularly assessing the impact of the Real Estate Regulatory Authority (RERA) Act 2016. Pachaury, S., & Vyas, P. (2018). Real Estate refers to property consisting of land, buildings, and natural resources, categorized into residential, commercial, and industrial segments. Despite its recent growth in India, the sector lacked regulation, impacting consumer protection and hindering its development. The Real Estate (Regulation and Development) Act of 2016 aimed to address these issues by establishing a Real Estate Regulatory Authority (RERA) for transparent and efficient regulation, ensuring consumer interests and resolving disputes promptly. A subsequent government notification on May 1, 2017, enforced the Act, implementing preventive measures for its execution. This paper critically analyzes the Real Estate (Regulation and Development) Act, 2016, examining its impact on property markets. It delves into provisions affecting both consumers and promoters, such as registration of real estate projects and agents, obligations of promoters and allottees, the establishment of RERA, the Central Advisory Council, the Real Estate Appellate Tribunal (REAT), and provisions regarding offenses, penalties, and adjudication under RERA. Chengappa, M. P., & Nahar, B. (2019) the significant impact of RERA on buyers, despite encountering some challenges. By bringing organization and regulation to the real estate sector, RERA has not only disciplined promoters' practices but also shielded buyers from fraudulent agents. It empowers buyers to assess and compare projects and agents from the comfort of their homes. With the real estate sector experiencing unprecedented growth, such regulation was imperative, reshaping the state's architecture. RERA's scope now extends to slum development projects, aiming for systematic development. The Act effectively curtails promoters' malpractices, such as unauthorized modifications, project delays, and price hikes, by mandating comprehensive project disclosure and buyer consent for alterations. However, some areas require enhancement. Clear regulations are essential to enforce RERA provisions effectively, preventing it from becoming mere legislation without practical remedies. Collaboration between RERA and other relevant departments is crucial, acknowledging the interconnected nature of the real estate framework. Coordination with local authorities, pollution control boards, municipalities, and land development authorities is vital to fill regulatory gaps and safeguard consumer interests. Despite inevitable shortcomings and the need to balance stakeholder interests, Maharashtra's RERA model serves as a commendable example for other states to emulate. By adopting a similar approach, states can mitigate loopholes and ensure comprehensive regulation of the real estate sector.

### Limitations of the Study

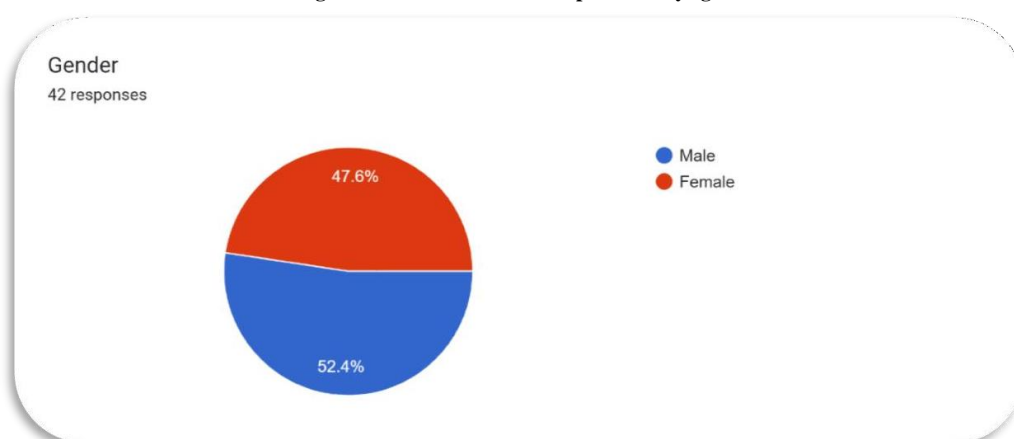
- Limited Sample Size
- Time Constraints
- Limited Generalizability
- Lack of Diversity in Sample
- Self-Reporting Bias

## Data Analysis

Gender wise distribution of different stakeholder groups.

### Data Analysis

Figure 4.1: Classification of respondents by age



Gender	No. of Respondents	Percentage %
Male	22	47.6
Female	20	52.4
Total	42	100

**Data Interpretation:** Figure 4.1 is indicative of the results which were determined when the respondents were asked to indicate their gender. 47.6% of the respondents (n = 22) indicated that they are men. 52.4 % of the respondents (n = 20) indicated that they were women

#### *Age wise distribution of different stakeholder groups.*

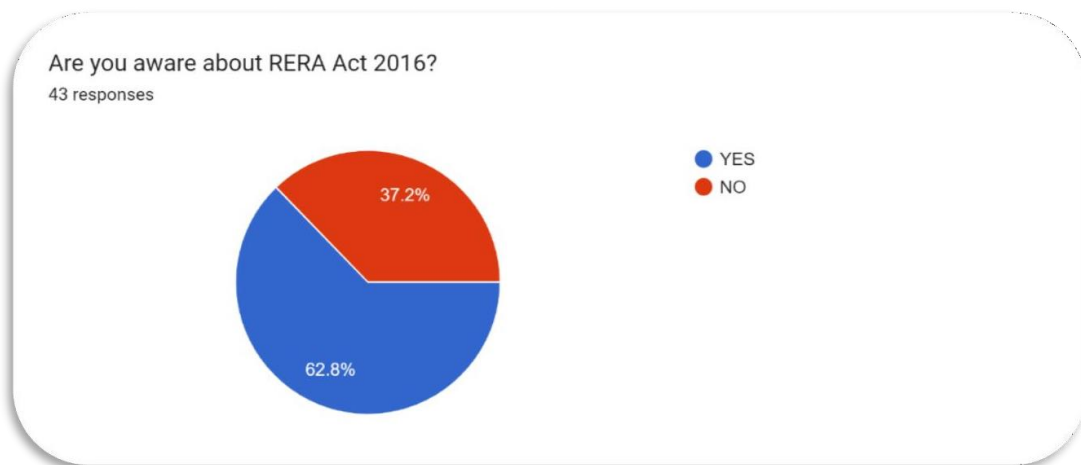
##### **Data Analysis**

Age group	No. of Respondents	Percentage %
Under 25	26	23.8
25-35		64.3
36-45	26	0
46-55	9	13.8
Above 55	4	6.2
Total	65	100

**Data Interpretation:** Figure 4.2 represents the age distribution of the respondents in the survey. The age range on the frequency distribution table ranges Under 25. Twenty respondents were of age range 15-25. Twenty-six respondents were of the age range 26-35. Nine of the respondents were between the ages of 36-45. Four of the respondents were between 46 – 55.

#### *Respondent divided on awareness about RERA Act 2016*

##### **Data Analysis**



**Figure 4.3: Classification of respondents by awareness about RERA Act 2016**

**Data Interpretation:** The data reveals a split among respondents regarding their awareness of the RERA Act 2016. Approximately 37.2% of respondents reported not being aware of the act, while the majority, comprising 62.8% of respondents, indicated awareness. This disparity underscores the need for further dissemination of information about the RERA Act to ensure broader understanding and compliance within the real estate sector. Efforts aimed at increasing awareness could contribute to fostering transparency, accountability, and consumer protection in real estate transactions.

#### *Respondent divided on different stakeholder groups*

##### **Data Analysis**

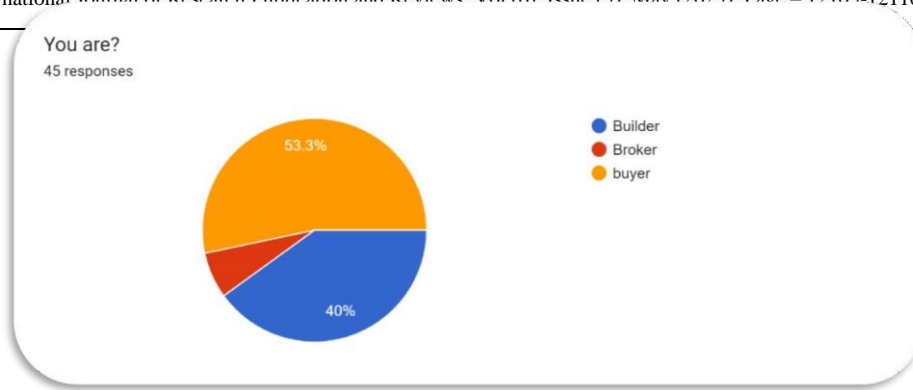


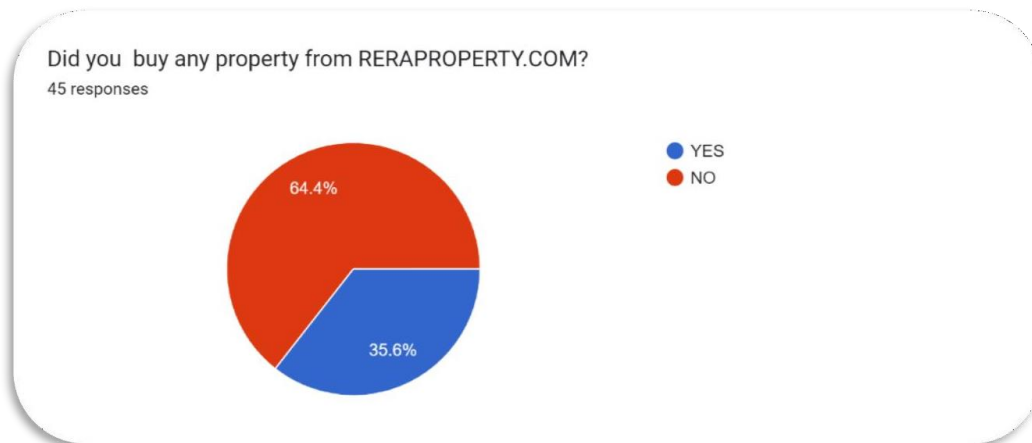
Figure 4.3: Classification of different stakeholder

different stakeholder	No. of Respondents	Percentage %
Builder	18	40
Broker	3	6.7
Buyer	24	53.3
Total	45	100

**Data Interpretation:** The data reveals a breakdown of respondents into distinct stakeholder groups within the real estate domain. Among the respondents, builders constitute 40%, brokers represent 6.7%, and buyers make up the majority at 53.3%. This distribution indicates a significant representation of buyers, followed by builders, with brokers being the smallest group. Understanding this distribution is crucial for assessing the perspectives and experiences of different stakeholders in the context of real estate transactions, thereby providing a comprehensive view of the industry landscape.

#### *Respondent divided on purchasing any property from RERAPROPERTY.COM*

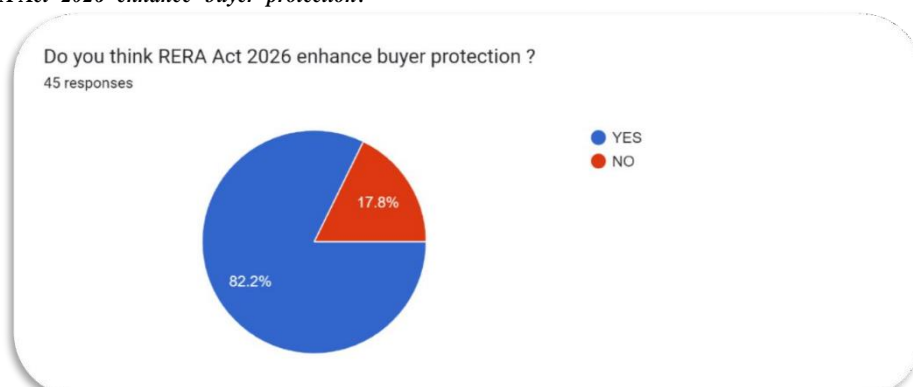
##### Data Analysis



**Data Interpretation:** Based on the data, 64.4% of respondents did not purchase any property from RERAPROPERTY.COM, while 35.6% did make a purchase. This suggests a notable portion of respondents refrained from transactions on the platform, potentially indicating factors like preferences, trust, or effectiveness of the platform in facilitating purchases.

#### *Do you think RERA Act 2026 enhance buyer protection?*

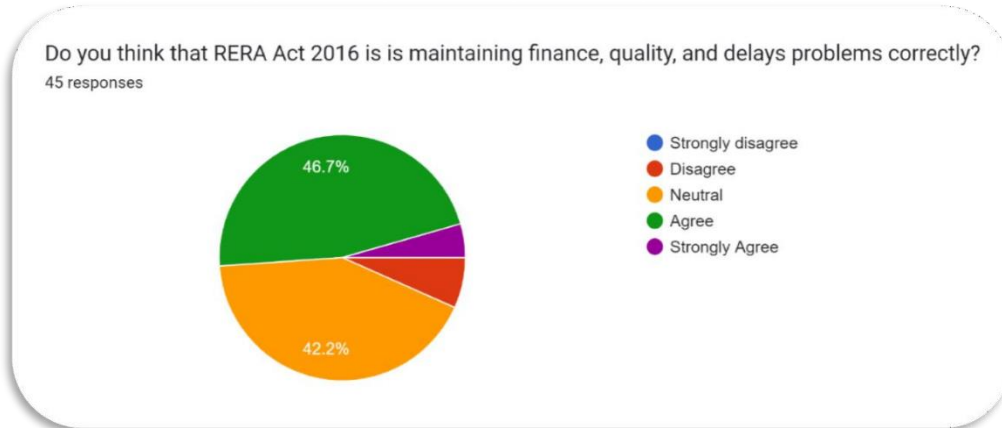
##### Data Analysis



**Data Interpretation:** 82.2% of respondents believe that the RERA Act 2016 enhances buyer protection, while 17.8% disagree. This indicates a strong perception among the majority that the Act positively impacts buyer rights and safeguards. However, a notable minority holds a differing viewpoint regarding the Act's effectiveness in protecting buyers.

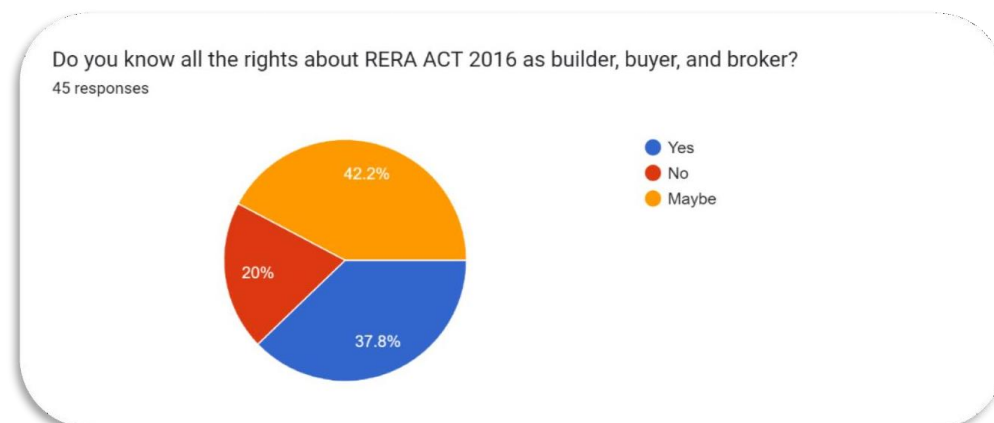
*Do you think that RERA Act 2016 is maintaining finance, quality, and delays problems correctly?*

#### Data Analysis



**Data Interpretation:** The data suggests a mixed perception regarding the efficacy of the RERA Act 2016 in addressing finance, quality, and delays issues in real estate. While 46.7% agree that the Act is addressing these concerns adequately, 42.2% remain neutral, and 6.7% disagree. A small proportion, 4.4%, strongly agree with the Act's effectiveness.

*Do you know all the rights about RERA ACT 2016 as builder, buyer, and broker?*

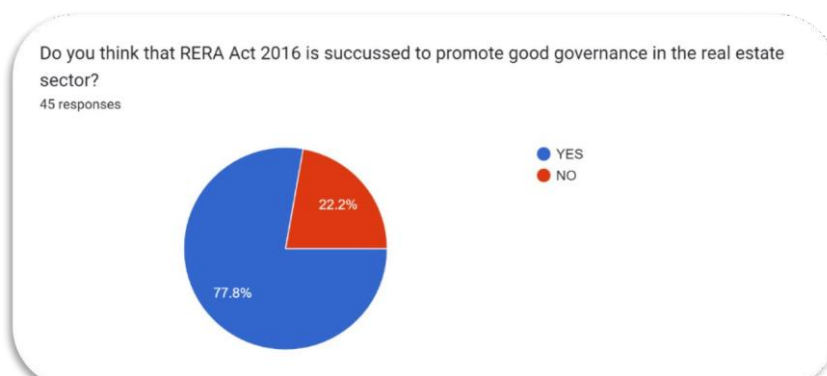


#### Data Analysis

**Data Interpretation:** Among respondents, 37.8% claim to know all rights under the RERA Act 2016, while 20% do not, and 42.2% are uncertain. This suggests a significant portion is unsure about their knowledge, indicating a potential gap in understanding regarding rights afforded to builders, buyers, and brokers under the Act.

*Do you think that RERA Act 2016 is successful to promote good governance in the real estate sector?*

#### Data Analysis



**Data Interpretation:** The data shows that 77.8% of respondents believe the RERA Act 2016 has succeeded in promoting good governance in the real estate sector, while 22.2% disagree. This suggests a significant majority perceive the Act as effective in fostering transparency and accountability within the industry, albeit with a notable minority expressing dissent.

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### Conclusion:

The Real Estate Regulatory Act (RERA) 2016 emerged as a transformative legislation, addressing longstanding challenges of opacity, ambiguity, and unorganized practices in the real estate sector. There has been enhancement in transparency and accountability and the buyer are empowered. The perception of the stakeholders is balanced and there is a need for awareness and education to the customers.

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