

REAL ESTATE PROJECT COVERED UNDER RERA

- ✓ Commercial projects including shops, offices, showrooms, godowns – exceeding 500 sq. mtrs.
- ✓ Residential Apartments – exceeding 8 units in all phases or exceeding 500 sq. mts.
- ✓ Plotted Developments exceeding 500 sq. mtrs.
- ✓ Projects developed in Phases would require registration for each phase separately
- ✓ Ongoing Projects which do not have Completion Certificate prior to the commencement of RERA.

Real Estate Projects not covered under RERA

- ✓ Projects which have received Completion Certificate prior to the commencement of RERA.
- ✓ Redevelopment projects where no new allotments are to be made
- ✓ Renovation/ Repair - Not involving marketing, advertisement, selling or allotment of any apartment, plot or building
- ✓ Sale of ready to occupy property in the resale market



KEY PROVISIONS UNDER RERA

1 Sale of parking Only covered car parking space / Garages including mechanical car parks permissible. Open Parking not saleable by Promoters

2 Carpet area Includes:- Area covered by the internal walls of the apartment

Excludes:- Area covered by the external walls, exclusive balconies, verandah areas, service shafts and terraces not included.

Re- measurement of flat at the time of possession is advisable



KEY PROVISIONS UNDER RERA

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| 3 | Booking amount before execution of agreement | Not to exceed 10% of the cost of the Flat/plot. |
| 4 | Proportionate Share in common areas | Maintenance charges are applicable |
| 5 | Deemed conveyance | Applicable within three months of completion certificate of real estate project if date has not been specified in the agreement to sale |
| 6 | Defects liability period | 5 years, Covering Structural Defects, Quality, Worksmanship and Provision for Services |



KEY PROVISIONS UNDER RERA

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| 7 | In case of delay for possession then option of refund of money with interest to the buyers or | Simple interest @ 2% + prime lending rate of State Bank of India from the date sums are received. |
| | Payment of monthly interest to the buyers for delayed possession | Promoter discretion stopped |
| 8 | Formation of society | Within 3 months of date of 51% of allottees that have booked their apartments if there is no local law |



KEY PROVISIONS UNDER RERA

- 9 Extension of time for delivery of flat
- i. War, civil commotion or act of God.
 - ii. Any notice, order, rule, notification, of the government and/or other public or competent authority.
 - iii. Excludes period of registration where actual construction not carried by promoter due to specific stay, injunction order to the project by any court of law, tribunal, competent authority, statutory authority, high power committee etc. or due to other mitigating circumstances as decided by the RERA authority.




KEY PROVISIONS UNDER RERA

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| 9 | Extension of time for delivery of flat | iv. If authority is convinced that due to no fault of the promoter there has been a delay he can get extension for the registration of the project |
| | | Extension due to any other reason by developers stopped |
| 10 | Insurance | Promoter to seek an insurance towards title of land and Construction of the project. The Promoter shall pay the premium before transferring to the association of the allottees. |



KEY PROVISIONS UNDER RERA

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| 11 | All receipts | 70% to be maintained with designated account and to be withdrawn as per progress of construction.
Promoters discretion stopped |
| 12 | Interest | Prime lending rate of SBI plus 2% Simple Interest. Promoters discretion stopped |
| 13 | Termination | In case of Default of Allottees for a period beyond consecutive months after notice from the Promoter. Deduction of Booking amount along with interest liabilities. |
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KEY PROVISIONS UNDER RERA

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| 14 | Specification of materials | To mention brand, or price of product (if unbranded). Generic declaration by Promoters is not sufficient. |
| 15 | Registration of project | Registration compulsory before any advertisement or receipt of payment by the Promoters. |



KEY PROVISIONS UNDER RERA

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| 16 | Consent to change sanctioned plans | Consent of 2/3 allottees required for making any major modification in sanctioned plans or revised plans. |
| 17 | Development of project and amenities | Detailed phase wise development permitted along with different date of possessions for apartment and amenities |
| 18 | Real Estate Agents | Registration is mandatory under RERA. As per FORM G |
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OVERALL VIEW ON RERA

- ✓ **Consumer confidence** will increase in the over-supplied/ over-priced RE market due to balance agreement to sale.
- ✓ **Agreement for sale become compulsorily registrable.** The Indian Registration Act, 1908 does not provide for compulsory registration of an agreement for sale.
- ✓ **Penalize the developer for delay in project** but does not fix any responsibility on Govt Agencies for delay in approvals.
- ✓ **Silo style of operation** should stub out with the requirement to make disclosures of project details.
- ✓ **Pre-launch/ Soft launch** sale of projects will now be a history