



# RERA 2.0



The Real Estate Regulation and Development Act (RERA) 2016, seeks to protect the interests of home buyers and also boost investments in the real estate sector. Here's an insight into how it makes life easier for all stakeholders involved, and what it holds for the future:







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Research & Reports







## NEWER AVENUES ON THE ANVIL:

### THE GROWTH OF REAL ESTATE SECTOR IN INDIA AND RERA 2.0

Real estate continues to be one of the biggest and an essential segment of the Indian economy, feeding the demand for over 250 ancillary industries, and employing more than ten percent of India's workforce. The growth and development of the real estate sector, especially post RERA, has had a great multiplier impact on the economy.

RERA has been a gamechanger for the real estate sector in India, and as it is evolving further ahead, it will continue to play a crucial role in India growth story where the country aims to be a 5-trillion economy. The real estate sector is the second highest employment generating sector. While the demand and delivery of quality and affordable real estate was a prime concern for both, government as well as the industry, RERA revolutionised the sector in its own way. Going forward, with RERA 2.0, the sector is expected to get a further impetus.

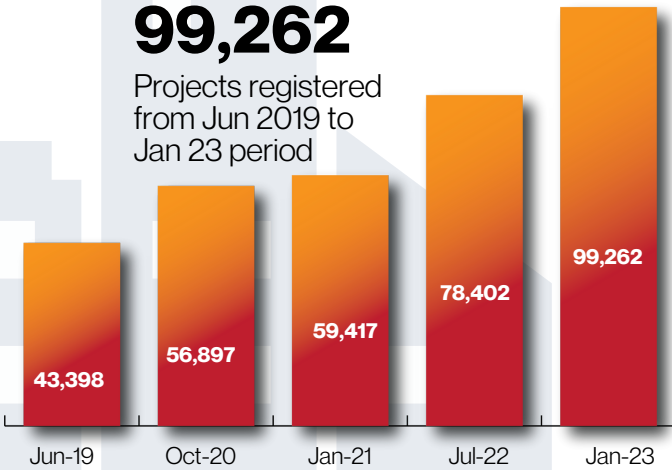
Now is the time to have far-reaching discussions and campaigns to further up the introduction about RERA 2.0. By having an improved grievance redressal system, bringing landowning, and sanctioning authorities under the provisions of the Act, and by increasing the ambit of the Act, the real estate sector will get its due, which will give the desired boost to all stakeholders involved.

**Vishesh Prakash**  
Head, R&R



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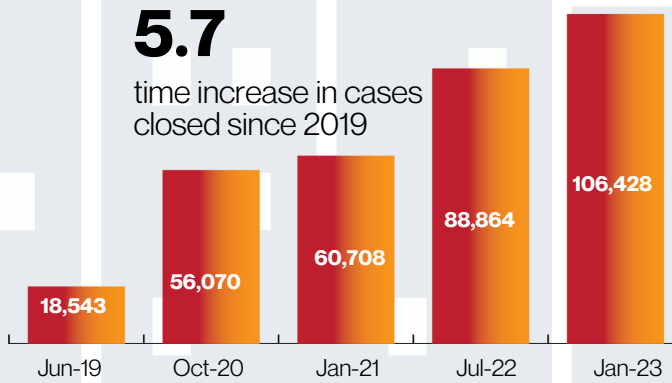
Projects registered from Jun 2019 to Jan 23 period



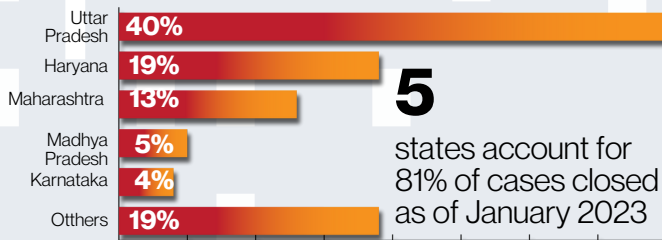
Note: Data indicates cumulative projects registered  
Source: R&R Research and MOHUA

# 5.7

time increase in cases closed since 2019



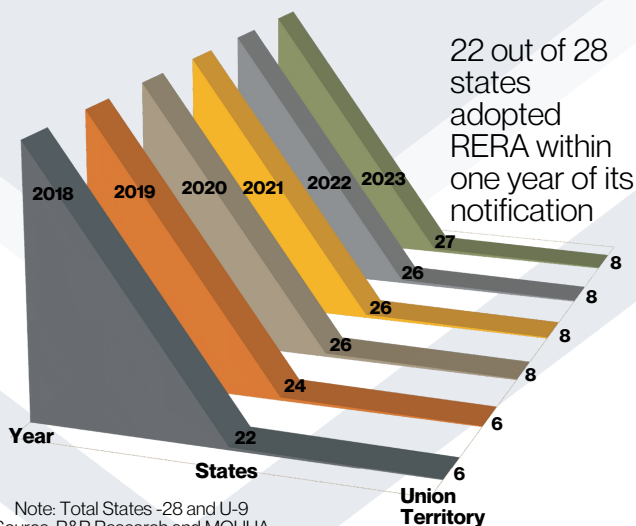
Note: Data indicates cumulative number of cases disposed  
Source: R&R Research and MOHUA



# 5

states account for 81% of cases closed as of January 2023

Source: R&R Research and MOHUA



22 out of 28 states adopted RERA within one year of its notification

Note: Total States -28 and U-9  
Source: R&R Research and MOHUA

## THE ROADMAP

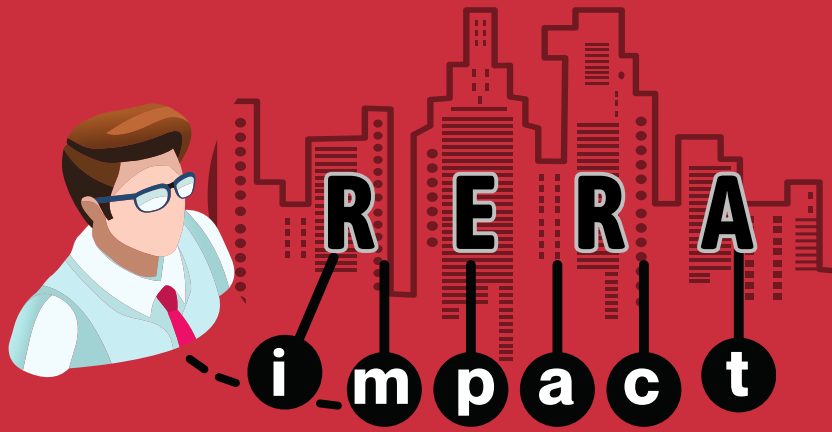
The Real Estate (Regulation and Development) Act (RERA), which was passed in 2016, with the final rules getting notified in May 2017, is amongst one of the most reformatory regulations for Indian real estate sector.

When the Act came into place, there were teething concerns, with real estate being a state subject. But the adoption of RERA regulation by the states came in handy in solving the concerns. The gradual adoption of RERA by almost all states has been a step in the right direction.

The completion of six years of effective implementation of RERA reveals the extent to which it has been able to achieve its objectives. The Act has helped the real estate sector to gauge the way forward, and implement key changes that are needed to make the reforms beneficial for the homebuyers and other stakeholders involved.

This report covers the progress and journey of RERA, and traces its growth on various parameters through the lens of creating a sense of trust by increased transparency and efficiency.

**THE RERA-LED ENHANCED ACCOUNTABILITY BROUGHT FINANCIAL DISCIPLINE TO THE REAL ESTATE SECTOR IN INDIA**



Over **1,00,000** disputes resolved



Estimated value of cases resolved **50,000** crore\*



Another INR **20,000** crore\*\* worth cases set to be resolved soon



Great trust builder for consumers as they feel empowered, and foster faith in the dispute redressal mechanism

Delayed delivery, penalties, changed plans, quality and refunds form the biggest chunk of cases

\* As per R&R Research data, average case resolution of 50L Lakh and \*\* estimates of cases of value pending with RERA authority



## RERA 2.0: FUTURE FORWARD

RERA Act has been a ground-breaking reform in the real estate sector. From bringing in transparency, mandating uniform disclosure process, regular financial monitoring mechanism, focusing on quality product, ensuring committed timelines, and an effective grievance redressal system—RERA has done it all.

Going forward, an honest and holistic view is required to once again review the entire real estate ecosystem, and make RERA even more effective by plugging in the gaps (if any). The progress achieved by RERA has been stupendous in light of the re-alignment of interests that were not so welcomed initially by the stakeholders.

Though RERA has tried its best to address the immediate concerns of the home buyers, it does not include redressal of all stakeholders. The need for authorities that are involved in regulatory approvals to be part of RERA accountability is conspicuous. Similarly, other areas like insolvency, financial providers' responsibilities, and the judicial powers of RERA need to be addressed. Going forward, these need to be addressed.



**SOME OF  
THE KEY  
MEASURES  
NEEDED TO  
MAKE RERA  
MORE  
EFFECTIVE  
INCLUDE:**

- RERA dispute redressal mechanism to be beefed up
- Increasing the ambit or scope of the Act
- Learnings for lacuna to be filled up that have come to fore
- Getting landowning and sanctioning authorities under the provisions of the Act
- The most pressing need of the hour is to provide judicial powers to RERA to add credibility to the orders it passes, and to ensure complete redressal of judgements
- Define processes and timelines for various approvals. Holding state regulatory and development authorities accountable for lapses
- Far reaching discussions and campaigns to further up awareness about RERA, especially homebuyers, so that they can make informed decisions
- State-level initiatives for fast-track grievance redressal and enhanced compliance by different stakeholders involved





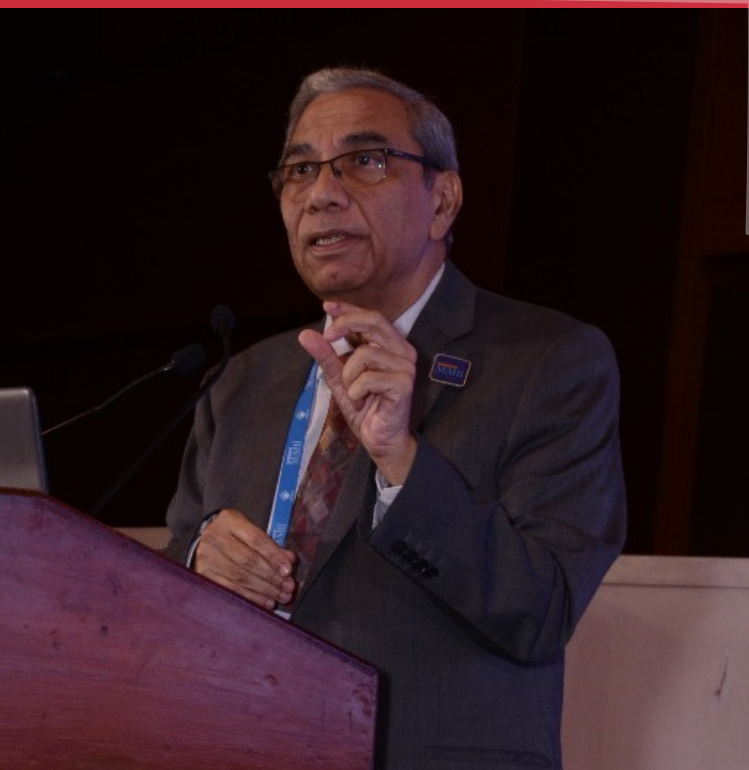
**KK KHANDELWAL**  
**FORMER CHAIRMAN,**  
**HARYANA RERA**

The Act that was formulated to protect the interest of all stakeholders in real estate sector has been successful in bringing about the desired change as part of the regulatory framework. RERA bodies need to provide right inputs to the government for promotion of Real Estate Sector, and help it get further impetus. The quick resolution of complaint(s) expected by the customers is still a distant dream at many places due to several reasons, and this needs to be addressed going forward.

**BALVINDER KUMAR**  
**FORMER MEMBER,**  
**UP RERA**

Three major things have happened post introduction of RERA. Firstly, RERA has brought in financial discipline in the sector. Secondly, the buyers are now sure that the money they are investing is safe. Lastly, the projects now get completed within the stipulated deadlines. We hope that the Govt will make the desired changes to make the Act more effective. The recovery mechanism needs to be strengthened so that the customers get their money back, along with interest. At present, RERA does not have adequate powers to seize or auction the property. Power of e-auctioning of such properties should be vested with RERA.





## GAUTAM CHATTERJEE FOUNDER CHAIRMAN, MAHA RERA

it's been over 6 years since the Act came into place. Earlier, the big question was whether such an Act would ever be enacted or not. I always believe that the purpose of the Act was clear from the very beginning, and it has helped all stakeholders in a positive way. The confidence of the developer community and homebuyers has only strengthened with the Act coming in place. If there are any shortcomings that have come to light or positive suggestions that can make the Act even better, they should be considered and evaluated. Making any law better with time is an ongoing process and should continue.\*

\*Source: The Times of India

## VISHESH PRAKASH HEAD, R&R

RERA Act has indeed been one of the most significant policy decisions for the real estate sector. In its short journey till date, there have been significant contributions to the sector. RERA Act has been a great gamechanger for all stakeholders involved. With suggestions like getting landowning and development authorities under its preview, and according more powers to RERA authorities, it will definitely bring about the desired change. All stakeholders are hopeful that RERA 2.0 will help in bringing in more respite and enhanced credibility to the sector.





# MAKING THE REAL ESTATE SECTOR ACCOUNTABLE



## PROTECTION FOR BUYERS

RERA provides protection to homebuyers against fraudulent practices, misleading advertisements, and delays in possession by developers, which cause immense financial and emotional stress to the buyers.



## ACCOUNTABILITY FOR DEVELOPERS

RERA mandates that developers register their projects with the regulatory authority and provide all necessary information related to the project, such as land title, project plan, and financial details, to ensure their accountability.



## TRANSPARENCY IN TRANSACTIONS

RERA requires all real estate transactions to be conducted through registered agents to ensure that buyers have access to all information related to the property prior to making a decision.



## DISPUTE RESOLUTION

RERA establishes a dedicated regulatory authority to resolve disputes between buyers and developers. This provides a faster and efficient mechanism for dispute resolution, which was previously a major challenge in the sector.

## THE BIRTH OF RERA ACT 2016: A GAMECHANGER

For years, the real estate sector has had its own share of concerns, especially on account of depleting quality of projects, delivery-related concerns, and concerns faced by homebuyers at multiple levels. This led to trust deficit for the sector. In fact, it was estimated that one in every three homebuyers faced issues in their homebuying process.

When the government decided to bring in a regulation that could bring in some trust and improve the working of the sector, there were initial apprehensions.

In 2016, the Real Estate (Regulation and Development) Act (RERA) 2016, was introduced in India, to bring transparency, accountability, and efficiency in the real estate sector. It was brought to effect in May 2017, post which, a positive impact was seen in the sector. Here's a closer look at what RERA means for the real estate sector.

**RERA HAS INTRODUCED MEASURES THAT ENSURE ACCOUNTABILITY AND CONSUMER PROTECTION**

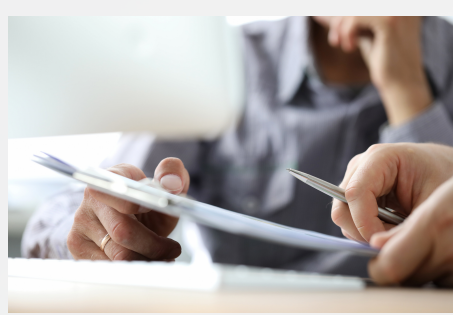
# RERA ACT & ITS MANDATES FOR THE DEVELOPERS



## PROJECT REGISTRATION

RERA mandates that all real estate projects need to be registered with the regulatory authority, which ensures that developers provide all necessary information about the project like project plans, layout, land title, and financial details.

**THE GRIEVANCE REDRESSAL MECHANISM OF RERA ENABLES BUYERS TO FILE COMPLAINTS AGAINST DEVELOPERS**



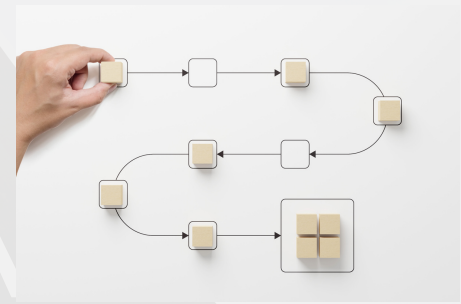
## TIMELY PROJECT DELIVERY

RERA mandates that developers need to deliver the project within the stipulated time frame, failing which they can be penalised. This ensures that buyers get possession of their homes on time, as promised.



## STANDARDISED CARPET AREA CALCULATION

RERA has introduced a standardised method of calculating the carpet area of the property, which eliminates discrepancies between the actual area and the area promised by the developer.



**TRANSPARENCY, ACCOUNTABILITY AND EFFICIENCY HAVE RESTORED THE TRUST OF BUYERS AND INVESTORS IN REALTY SECTOR**



## ESCROW ACCOUNT

RERA requires developers to open a separate Escrow account for each project, which ensures that the money collected from buyers is used for the specific project only, thereby, eliminating the risk of developers using the funds for another project.





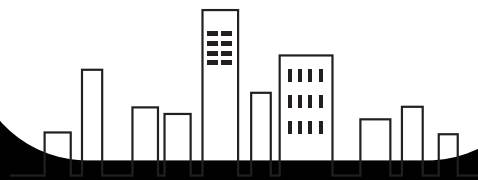
## THE JOURNEY CONTINUES...

The genesis of RERA to address the homebuyers' concerns of trust and accountability is well-begun, but is definitely a work in progress.



Ever since the RERA Act has been implemented in various states, over one lakh projects and around 71,500 agents have been registered till date, while over 1 lakh cases of consumer disputes have been resolved. Different states have taken forthcoming initiatives to address the needs of homebuyers in areas of dispute resolution, ease of information access, and more such concerns.

The future only looks bright. RERA 2.0 is expected to address the needs of all stakeholders with the underlying principles of trust and transparency. RERA 2.0 is expected to bring in new zeal into the sector. Creation of a national-level body, with representations from state RERA authorities, can be beneficial in creating best practices, while also ensuring an improvised real estate sector.



**IN THE LAST FIVE  
YEARS, 27 STATES  
AND 8 UNION  
TERRITORIES HAVE  
ADOPTED RERA**

**RERA HAS  
RESOLVED CLOSE  
TO 1,00,000  
CONSUMER CASES  
TILL DATE**



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