

GOVERNMENT OF INDIA

MINISTRY OF HOUSING AND URBAN POVERTY ALLEVIATION

LOK SABHA

UNSTARRED QUESTION NO. 1331

TO BE ANSWERED ON NOVEMBER 23, 2016

REAL ESTATE REGULATION ACT

No. 1331            SHRI ARKA KESHARI DEO :

Will the Minister of HOUSING AND URBAN POVERTY ALLEVIATION be pleased to state:

- (a) whether the Government is keen to roll out the Real Estate (Regulation and Development) Act in the country which makes it mandatory for builders to pay 12% interest to home buyers for delay in handing over the flats; and
- (b) if so, the details and the current status thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF HOUSING & URBAN  
POVERTY ALLEVIATION

(RAO INDERJIT SINGH)

(a) & (b): The Real Estate (Regulation and Development) Act, 2016 piloted by the Ministry of Housing & Urban Poverty Alleviation was passed by the Parliament and its specific Sections were notified with effect from 01<sup>st</sup> May, 2016.

Further, as per section 84 of the Real Estate Act, 2016, 'Rules' were required to be notified by the 'appropriate Government' by 31<sup>st</sup> October, 2016. Ministry of Housing and Urban Poverty Alleviation (Mo/HUPA) being the 'appropriate Government' for Union Territories (UTs) without legislature, notified the Real Estate (Regulation and Development) (General) Rules, 2016 and the Real Estate (Regulation and Development) (Agreement for Sale) Rules, 2016 on 31.10.2016.

All the State Governments are similarly required to frame Rules under this Act and also establish the Real Estate Regulatory Authority and Appellate Tribunal, to regulate and develop the real estate sector, for their respective States. Government of Uttar Pradesh and Government of Gujarat have notified the sub-ordinate Rules under the Real Estate (Regulation and Development) Act, 2016 within the prescribed time limit. UT of Chandigarh has informed that they are in the process of establishing an interim regulator.

As per the Section 18(1) of the Real Estate (Regulation and Development) Act, 2016, an allottee who does not intend to withdraw from a delayed project, shall be paid, by the promoter, interest for every month of delay, till the handing over of the possession, at such rate as may be prescribed.

\*\*\*\*\*