

GOVERNMENT OF INDIA

MINISTRY OF HOUSING AND URBAN AFFAIRS

LOK SABHA

STARRED QUESTION NO. 410

TO BE ANSWERED ON MARCH 31, 2022

REAL ESTATE ACT, 2016

NO. 410. SHRI PATEL HASMUKHBHAI SOMABHAI:

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

- (a) whether Government enacted Real Estate (Regulation and Development) Act, 2016 (RERA) to protect the interests of consumers;**
- (b) if so, the details thereof;**
- (c) the steps taken by the Government to protect the interests of home buyers from real estate developers; and**
- (d) the corrective steps being taken by the Government in this regard?**

ANSWER

THE MINISTER OF HOUSING AND URBAN AFFAIRS

(SHRI HARDEEP SINGH PURI)

(a) to (d): A statement is laid on the Table of the House.

STATEMENT

STATEMENT REFERRED TO IN REPLY OF LOK SABHA STARRED QUESTION NO. 410 FOR 31.03.2022 REGARDING 'REAL ESTATE ACT, 2016'

(a) to (d): Yes Sir, Government has enacted the Real Estate (Regulation and Development) Act, 2016 (RERA) in March, 2016 to ensure regulation and promotion of Real Estate Sector in an efficient and transparent manner and to protect the interests of homebuyers.

As per RERA, all States/Union Territories (UTs) are required to establish the Real Estate Regulatory Authorities to regulate and develop the Real Estate Sector.

Section 3 of RERA mandates registration of real estate project with Real Estate Regulatory Authority before any advertisement, marketing, booking, selling or offering for sale, or inviting persons to purchase in any manner. Further, under the provisions of RERA, the Real Estate Regulatory Authority is required to publish and maintain a web portal, containing relevant details of all real estate projects for which registration has been given, for public viewing.

Section 4 of RERA mandates promoter to file application for registration of real estate projects along with all the relevant documents. It further provides for compulsory deposit of seventy percent of amount realized from allottees in a separate bank account to cover the cost of construction and land cost of real estate project.

RERA, inter alia, makes the promoter liable for refund of amount, with interest and compensation, in case developer fails to complete or is unable to give possession of apartment, plot, building to homebuyer as per the terms of the agreement for sale. RERA also provides for punishment up to 3 years of imprisonment and/or with fine, which may extend up to 10% of the estimated cost of the real estate project, in case the promoter fails to comply with the orders, decisions or directions issued by Real Estate Regulatory Authority or Real Estate Appellate Tribunal.

Further, in order to provide last mile funding to stalled real estate projects which are net-worth positive and registered under RERA, a Special Window for Affordable and Mid Income Housing (SWAMIH) Investment Fund of Rs. 25,000 Crore has been created. As on 25th March, 2022, under SWAMIH, 252 deals aggregating to ₹24,151 Crores have been approved and this will benefit around 1,47,378 homebuyers and unlock projects worth ₹66,770 Crore.