

The Real Estate (Regulation and Development) Act, 2016 (Maharashtra)

MAHA RERA, 2016

<https://maharera.mahaonline.gov.in>

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1. What is RERA Act, 2016 ?

- a) The RERA is **The Real Estate (Regulation and Development) Act, 2016.**
- b) The Act has paved the way for setting up of Real Estate Regulatory Authority(RERA) for **regulation and promotion of real estate sector** while promoting **transparency and equity** in real estate transactions.



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2. Need of RERA :

- a) To ensure accountability towards allottees and protect their interest.
- b) To infuse transparency, ensure fair-play and reduce frauds & delays.
- c) To introduce professionalism and pan India standardization.
- d) To establish symmetry of information between the promoter and allottee.

2. Need of RERA :

- e) Imposing certain responsibilities on both promoter and allottees.
- f) Establish regulatory oversight mechanism to enforce contracts.
- g) Establish fast- track dispute resolution mechanism;
- h) Promote good governance in the sector which in turn would create investor confidence.

**Real Estate Promoter &
Project Registration**

**Citizen Centricity
& Transparency**

**Real Estate Agent
Registration**

RERA

**ROLES AND
RESPONSIBILITIES**

**Financial
Discipline**

**Filing of
Complaints**



3. Project Registration

- a) Every real estate promoter has to **register the new project** before going ahead of marketing or selling units.
- b) Every ongoing project which has not received occupation certificate shall also register within the **period of three months from 1st May 2017.**
- c) **Development Authorities and the Housing Boards**, when involved in sale of apartments/ plots are covered under the Act.

4. Registration Procedure under RERA

- a) Required documents for registration such as **Company details, Pan Card, Legal Title report, Title / Development Agreements, information related to encumbrance, Sanctioned Layout & Building Plans, information related to FSI, TDR, Recreational Ground, Parking spaces & final proposed design scheme.**



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4. Registration Procedure under RERA

- b) Information about Architecture & Design Standards, Type of Construction Technology, Amenities & facilities.
- c) Information about formation of proposed Co-op. Hsg. Society/apartment/company & transfer of conveyance.
- d) Disclosure by promoter regarding project estimate consisting of land cost, cost of construction & other costs such as taxes, development charges etc.

4. Registration Procedure under RERA

- e) On receipt of the application, the Authority shall **within a period of 30 days grant registration**, including a Login ID and password.
- f) In absence of satisfactory documentation, the authority can **reject the application**, however, the promoter shall get an **opportunity of being heard in the matter**, within a period of 7 days of expiry of the said period of 30 days specified.

4. Registration Procedure under RERA

- g) RERA to **publish information** submitted by promoter on the RERA website for public viewing.
- h) The promoter may apply for withdrawal of application for registration of the real estate project before the expiry of the period of 30 days of its submission to Authority.
- i) The registration fees will be refunded except the administrative charges.

5. Project registration fees

- a) The promoter shall pay a registration fee at the time of application through NEFT or RTGS or any digital mode of transaction as under,

Rs. 10/- per sq.m.	On land area
Minimum of Rs. 50,000/-	Subject to Max.of Rs.10 lakhs.

- b) In the event of failure to register the project before advertising or selling, a penalty upto 10% of the estimated project cost may be imposed.

6. Deposits and Withdrawals

- a) Developer has to **deposit 70%** of the amount realised for the real estate project from the allottees from time to time in the separate account in a scheduled bank to cover the cost of construction, the land cost and shall be used only for that purpose.



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6. Deposits and Withdrawals

- b) For on-going projects the promoter also has to deposit 70% of the amount to be realised for the real estate project from the allottees from time to time in the separate account in a scheduled bank.
- c) Promoter shall deposit 100% of the amount to be realised from the allottees in the event where the estimated receivables of the on-going project is less than the estimated cost of completion of the project.

6. Deposits and Withdrawals

- d) The promoter can withdraw amounts from the separate account in proportion, to the percentage of completion of the project upon certification by an **architect, an engineer and a chartered accountant in practice.**
- e) The **chartered accountant** in practice certifying project expenditure for RERA & **internal auditor** of a promoter company shall be different.

6. Deposits and Withdrawals

i. Land cost includes:

Lease charges, premium paid against purchase of land/ development rights, cost towards TDR, premium FSI, Fungible FSI, Stamp Duty, Registration fees, overhead cost, marketing cost, legal cost & supervision cost, transit camp cost, cost of construction for Rehab building, Corpus fund, rent , transportation charges, brokerage, any other charges towards Rehab component in redevelopment.

6. Deposits and Withdrawals

ii. Construction cost includes:

All such costs, incurred by the Promoter, towards the **on-site and off-site expenditure, Taxes, Fees, Charges, Premiums, salaries, overheads, machinery cost, interest paid or payable against capital raised for the construction cost ,etc.**

7. Formation of Legal entity

- a) The promoter shall apply for formation of Co-op. Housing society or a company or any legal entity **within three months** from the **date on which 51% of the total number of allottees in such a building/wing have booked their apartments.**
- b) In the case of a Layout, the promoter **shall apply for formation of apex body** within a **period of three months** from the date of receipt of occupation certificate of last building of the layout

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8. Conveyance of title

a) In case of plots :

The promoter shall carry out conveyance **within three months** from the date the allottees in such plot have paid full consideration to the promoter.

b) In case of single building project:

The Promoter shall execute the conveyance within **three months from the date of issue of occupancy certificate** or **51% of the total number of allottees** in such a building or a wing, have paid the full consideration to the promoter, whichever is earlier.

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8. Conveyance of title

c) In case of Layout :

(I) In case of a building /wing of building in a layout, the Promoter shall (subject to his right to dispose of the remaining Apartments, if any) execute the **conveyance of the structure** of that building or wing of that building (excluding basements and podiums) **within one month** from the date on which the Co-operative society is duly constituted or **within three months** from the date of issue of **occupancy certificate** , whichever is earlier.

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8. Conveyance of title

c) In case of Layout :

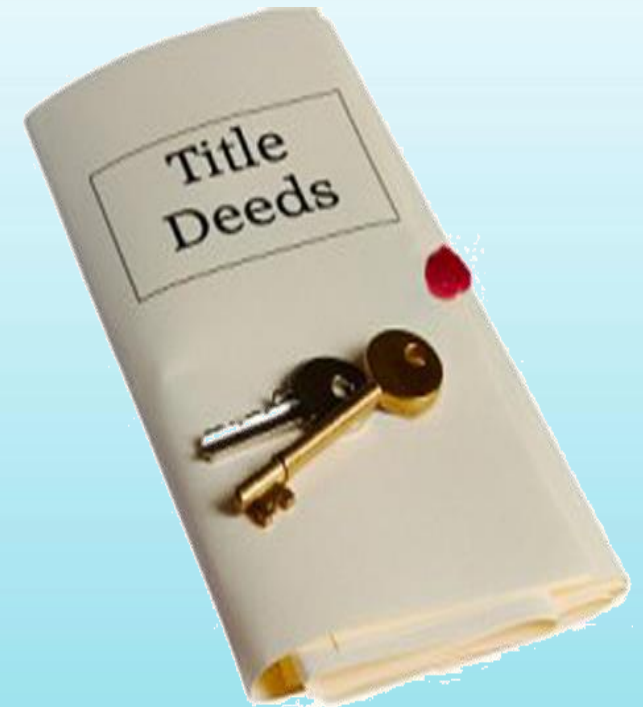
(II) In respect of **the entire undivided or inseparable land underneath all buildings/ wings along with structures of basements and Podiums constructed in a Layout** , the Promoter shall execute the conveyance of the entire undivided or inseparable land underneath all buildings jointly within **three months from the date** on which the Apex Body is registered **or within three months** from the date of issue of occupancy certificate to the last of the building or wing in the layout, whichever is earlier.

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8. Conveyance of Title

d) If the promoter **fails to convey** the title in favour of Co-op. Hsg. Society or Apex body, the **authority** shall by an order direct the promoter to convey the title or shall have a unilateral deemed conveyance executed in favour of Co-op. Hsg. Society or Apex body.



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9. Real Estate Agent

- a) It is **mandatory** for a real estate agent to register with RERA.
- b) Needs to submit all **valid documents** regarding his company, legal information & financial details such as IT returns for last 3 financial years, authenticated copy of partnership deeds, memorandum of association, etc., colour photograph of individual/ partner/ director, details of all civil and criminal cases pending against individual/ firm/ company, letterheads, rubber stamp images & acknowledgement receipts, etc.

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9. Real Estate Agent

Registration charges for Real estate agent :

Rs. 10,000/-

For an individual

Rs. 1,00,000/-

For other than an individual

c) The registration shall be valid for the **period of 5 years**. The same can be renewed based on fair track record.

d) The authority may **revoke registration** due to **misrepresentation, fraud or unfair practices**.



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9. Real Estate Agent

- e) The real estate agent shall **apply at least 60 days prior to the expiry of registration** for its renewal.
- f) The renewal charges are same as fresh registration charges.
- g) Registration number shall be prominently displayed at the place of business/ office.



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10. Rate of Interest

- a) If the Promoter fails to abide by the time schedule for completing the project and handing over the [Apartment/Plot] to the Allottee, the Promoter agrees to pay to the Allottee, who does not intend to withdraw from the project, interest as specified in the Rule, on all the amounts paid by the Allottee, for every month of delay, till the handing over of the possession.

10. Rate of Interest

Hence, date of completion of project is very important while registering the phase of the project.

- b) In the event of Allottee committing default in payment on due date of any amount due & payable by the Allottee to the Promoter under this Agreement, the Allottee agrees to pay to the Promoter interest as specified in the Rule.



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10. Rate of Interest

- c) The rate of interest payable by the promoters to the allottees or by the allottees to the promoters, as the case may be, shall be at **2%, above the highest Marginal Cost Lending Rate (MCLR) of State Bank of India** prevailing on the date on which the amount becomes due.



10. Rate of Interest

- d) On committing 3 defaults of payment of instalments by allottee, the Promoter shall at his own option, may terminate this Agreement.
- e) Provided that, Promoter shall give notice of 15 days in writing to the Allottee, by Registered Post AD at the postal address and the e-mail provided by the allottee.

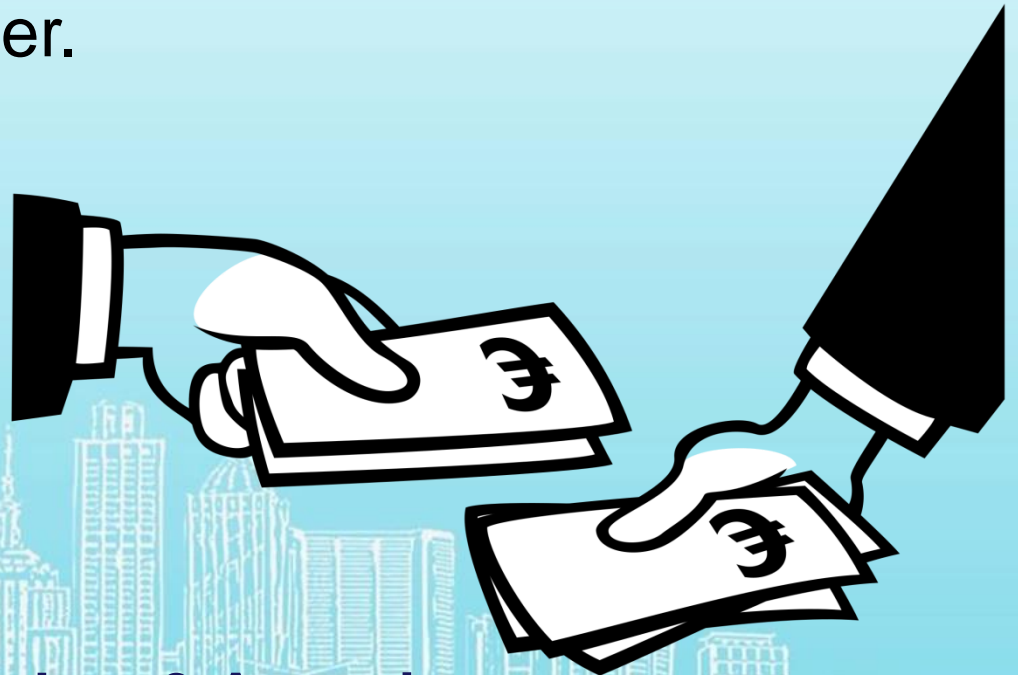


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10. Rate of Interest

- f) Upon termination of this Agreement, the Promoter shall refund to the Allottee, within a period of thirty days of the termination, the instalments of sale consideration paid by the Allottee to the Promoter.



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11. Complaints & Adjudication

- a) Any aggrieved person, having interest in the project, may **file a complaint with the regulatory authority** for any violation under the Act or the rules and regulations.
- b) The complaint may be launched by **paying a fee of Rs.10,000** in the form of any digital transaction.
- c) The **legal process** shall be executed to pass the order by the authority or by an adjudicating officer **within 60 days**. In the event of delay, the reasons need to be recorded.

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11. Complaints & Adjudication

- d) Any person aggrieved by any decision made by the Authority or by an adjudicating officer may appeal before the Appellate Tribunal **within 60 days** from the date of order.
- e) The State Govt. has established the **Appellate Tribunal**.
- f) The Govt. may, if it deems necessary, establish one or more benches of the Appellate Tribunal.
- g) Every bench of the Appellate Tribunal shall consist of at least **one Judicial Member and one Administrative to Technical Member**.

11. Complaints & Adjudication

- h) Every order made by the Appellate Tribunal under this Act shall be executable by the Appellate Tribunal as a **decree of civil court**, and for this purpose, the **Appellate Tribunal shall have all the powers of a civil court**.
- i) Any person aggrieved by any decision of the Appellate Tribunal, may **file an appeal to the Hon. High Court**, within a period of 60 days from the date of communication of the decision of the Appellate Tribunal.

12. Offences, Penalties and Adjudication

- a) The guilty may be liable to a **penalty** which may extend up to **10% of the estimated cost** of the real estate project as determined by the Authority.
- b) If any promoter does not comply with the orders issued by the authority, he shall be **punishable with imprisonment** for a term which may extend up to three years or with **fine which may extend up to a further 10%** of the estimated cost of the real estate project, or with both.



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13. Gist of Model Form of Agreement

- a) **“Carpet Area”** means the net usable floor area of an apartment, excluding the area covered by the external walls, areas under services shafts, exclusive balcony or verandah area and exclusive open terrace area, but includes the area covered by the internal partition walls of the apartment.
- b) Proportionate common areas can be charged separately.

13. Gist of Model Form of Agreement

- c) Garage/covered parking can be officially sold. Open parking cannot be sold however can be allotted to the society.
- d) Stages of payment well defined. **Only 10% can be charged as application fee or allotment charges.**
- e) All taxes, charges are extra above Agreement Value.
- f) Promoter can recover increase in Govt. charges, taxes, duties from Allottee.

13. Gist of Model Form of Agreement

- g) Rebate/Discount can be offered at specific % for advance payment of installments.
- h) Promoter to disclose the existing available/consumed FSI. Also needs to declare proposed scheme with additional TDR, Premium FSI etc.
- i) Final carpet area can be ascertained and confirmed at the stage of handing over possession. Agreement Value can be altered and payments will be adjusted + or – upto 3% over & above agreement carpet area.

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13. Gist of Model Form of Agreement

- j) On receipt of Occupation certificate, the Promoter has to serve notice to allottee for taking possession.
- k) Allottee to take possession within **15 days** from the receipt of Notice.
- l) Defect Liability period is **5 years**.
- m) Allottee to pay additional charges such as **Legal fee, society formation fee, entrance fee, share money, electrical and water connection/meter charges etc.**

THANK YOU

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* Note: This Presentation is only for basic education purpose.