



ANDHRA PRADESH REAL ESTATE REGULATORY AUTHORITY

Contents

- Need, Objectives & Evolution of RERA
- Pivotal pillars of RERA
- Project registration
- Agent Registration
- Offences & Penalties
- Complaint registration

Need, Objectives & Evolution of RERA



Need:

- Lack of standardization & adequate consumer protection
- Lack of uniform regulatory environment
- Dearth of transparency and accountability in transactions
- High levels of risk perception by investors/ consumers



Objectives:

- Steering in transparency into real estate transactions
- Protect consumer interests
- Ensure timely execution of the projects
- Provide a speedy/ robust dispute resolution mechanism



June 2013

Union Cabinet approved the Real Estate Bill, 2013

August 2013

The Real Estate Bill, 2013 introduced in the Rajya Sabha

March 2016

The Rajya Sabha passed the bill

March 2016

Lok Sabha passed the Bill

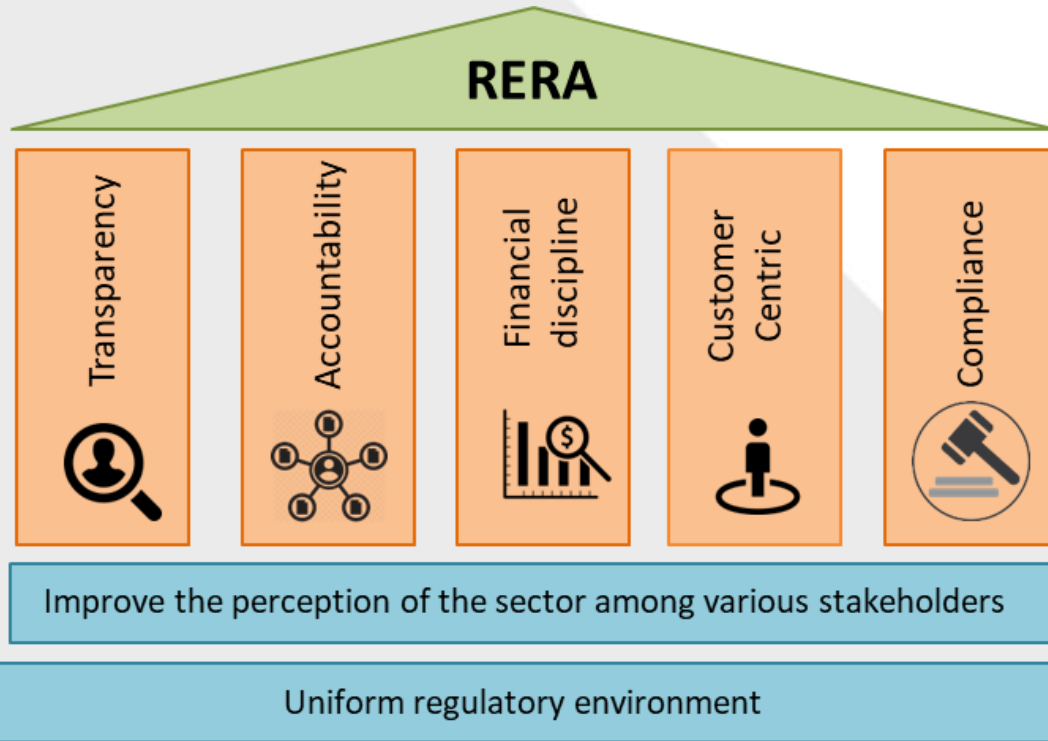
March 2016

RERA act, 2016 was published in the Gazette for public information

May 2016

Act came into force

Pivotal pillars of RERA



Note:

- *Ongoing projects as on date of commencement of this Act i.e, May 1st,2016
- Where roads, amenities and services have been handed over to the local authority in layout Projects
 - all slabs are laid
 - All development works and sale deed of 50 % flats have been completed
 - Application filed for issue of Occupancy certificate

Excluded from RERA



All the Real Estate Projects for development of plots and apartments /buildings for the purpose of selling, must be registered with RERA

Site area **does not exceed 500 Sqm**/Number of units **does not exceed 8** inclusive of all phases

Ongoing projects*

Renovation or redevelopment projects not involving Marketing, Selling & New Allotment

Transparency-Structured communication is required to furnish all project related information to the customers

What it entails	
Transparency	<ul style="list-style-type: none">• Number, type and carpet area of apartments• Project completion time frame• Project approvals• Land documents
	<p>Separate account for project transaction</p>
	<p>Consent of 2/3rd allottees about any other addition or alteration and for transferring majority rights to 3 rd party promoter</p>
	<p>No false statements or commitments in advertisement</p>
	<p>No advertisement before registration with RERA</p>
	<p>No arbitrary cancellation of units by promoter</p>
	<p>Quarterly updating of RERA website with details such as unsold inventory and pending approvals</p>

Accountability

Accountability

What it entails

Quarterly update of project progress along with pending approvals on RERA website

Every director/partner of a company, who was in charge or responsible will be liable for the conduct of the company and deemed to be guilty

Offence by an officer committed with the consent or connivance of any director, manager, secretary or other officer of the company, will also be guilty

Financial discipline will play a critical role in project development and requires utmost importance

Financial discipline

What it entails

70% of the funds collected from allottees needs to be deposited in the project account

Withdrawals to cover construction and land cost

Withdrawals, to be in proportion to the % of completion of project

Withdrawals to be certified by Engineer, Architect and CA(third party)

Promoter to compensate buyer for any false or incorrect statement with full refund of property cost with interest

Provision for RERA to freeze project bank account upon non-compliance/revocation

Project Accounts to be audited annually; Copy to be put up on AP RERA website

Provision for stronger financial penalties for RERA non-compliances

Interest on delay will be same for customer and promoter

Customer Centric

Customer Centric

What it entails

An increase in the quality of construction due to a defect liability period of five years.

Increased assertion on the timely completion of projects and delivery to the consumer.

Sharing information project plan, layout, government approvals, land title status, sub contractors

Formation of allottee association within specified time or 3 months after majority of units have been sold

Consent of 2/3rd allottees for any other addition or alteration

Unbiased interest on delays

Right to approach Authority incase of any grievances

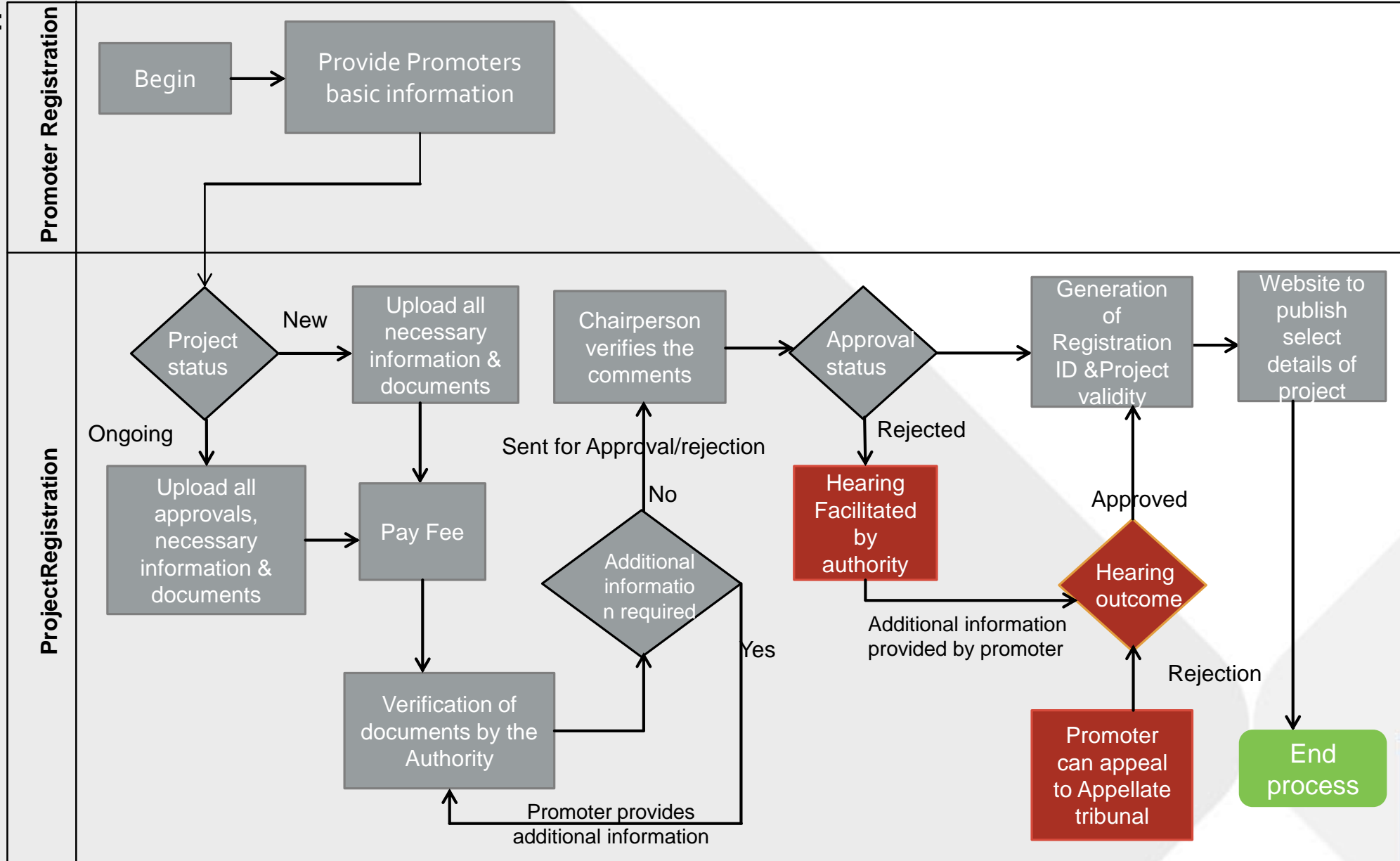
No false statements or commitments

Compliance-Registration of all projects & agents and a strong dispute management required

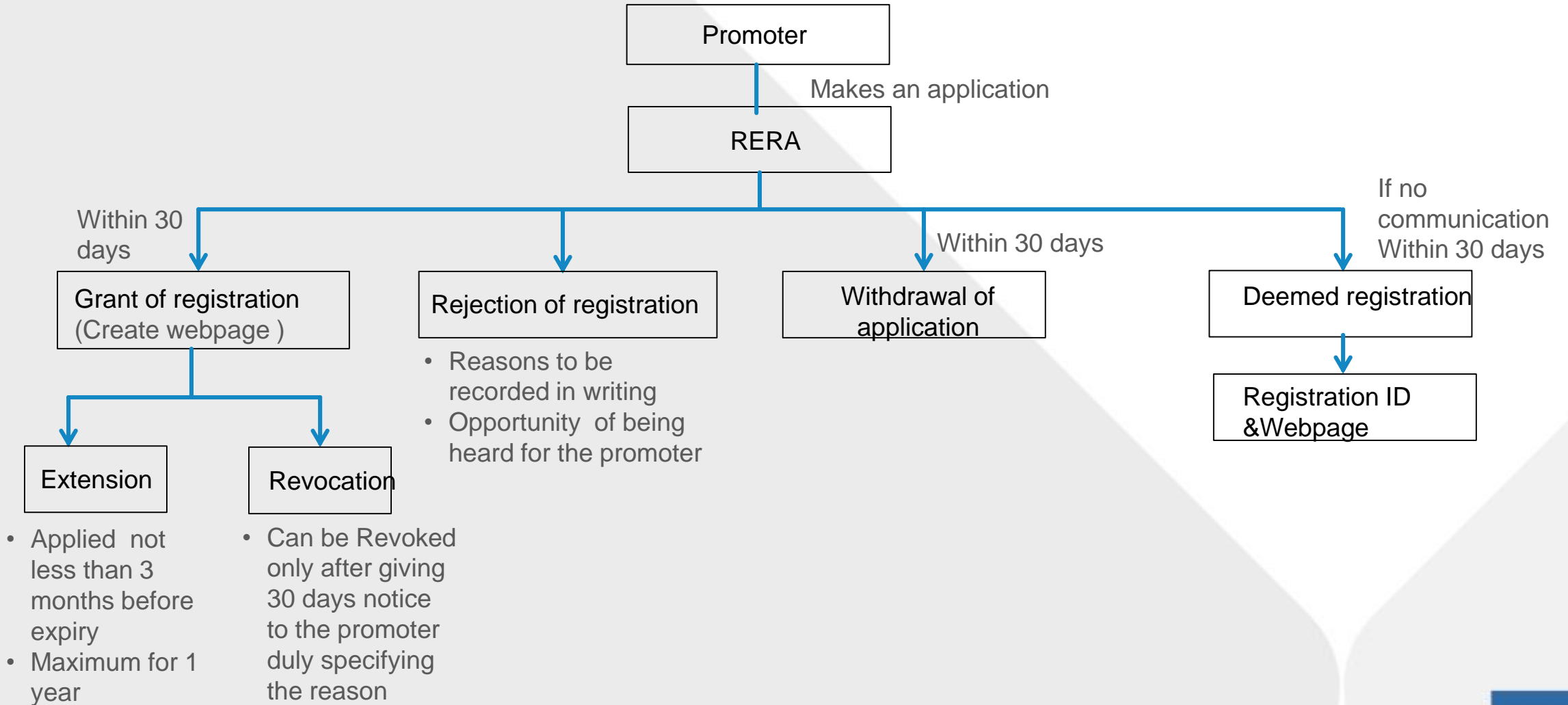
What it entails					
Compliance	Timely updating of RERA website	Maximum 1 year extension in case of delay due to no fault of developer	Dispute resolution within 6 months at RERA and RERA appellate tribunals	Developers to share details of projects launched in last 5 years with status and reason for delay with RERA	Authenticated copy of all approvals, commencement certificate, sanctioned plan, layout plan, specification, plan of development work, proposed facilities, Proforma allotment letter, agreement for sale and conveyance deed to be given when applying for project registration with RERA
	Registration of agents/brokers with RERA		Annual audit of project accounts by a CA		
		Conveyance deed for common area in favor of Association of allottees			

Project registration

Process flow:



Project registration



Functions and duties of promoter

Web page

- **Quarterly updates** of the project have to be uploaded on webpage

Information to allottees

- Approved plans,
- Specifications of building materials,
- civic infrastructure,
- Stage wise schedule of project completion

Veracity of advertisements

- Compensation for loss or damage caused due to incorrect statement made in prospectus or advertisement or in the model apartment/ plot

Alteration & Transfer of project to a third party promoter

- Written consent of at least 2/3rd of the allottees

General

Responsible for :

- obligations under provisions of act& rules,
- Obtaining occupancy certificate,
- Execute conveyance deed within 3 months from date of issue of occupancy certificate
- Not to mortgage apartment /plot after executing AOS
- Cancellation of allotment only in terms of AOS

Advance payment & Rate of Interest

- Not more than 10% of cost of apartment/plot as advance payment
- Rate of interest(delayed payments) : SBI Prime Lending Rate + 2%

Defects liability promoter

- Obligations of the promoter for 5 years after handing over possession
- Defect needs to be rectified within 30 days from the date of complaint.

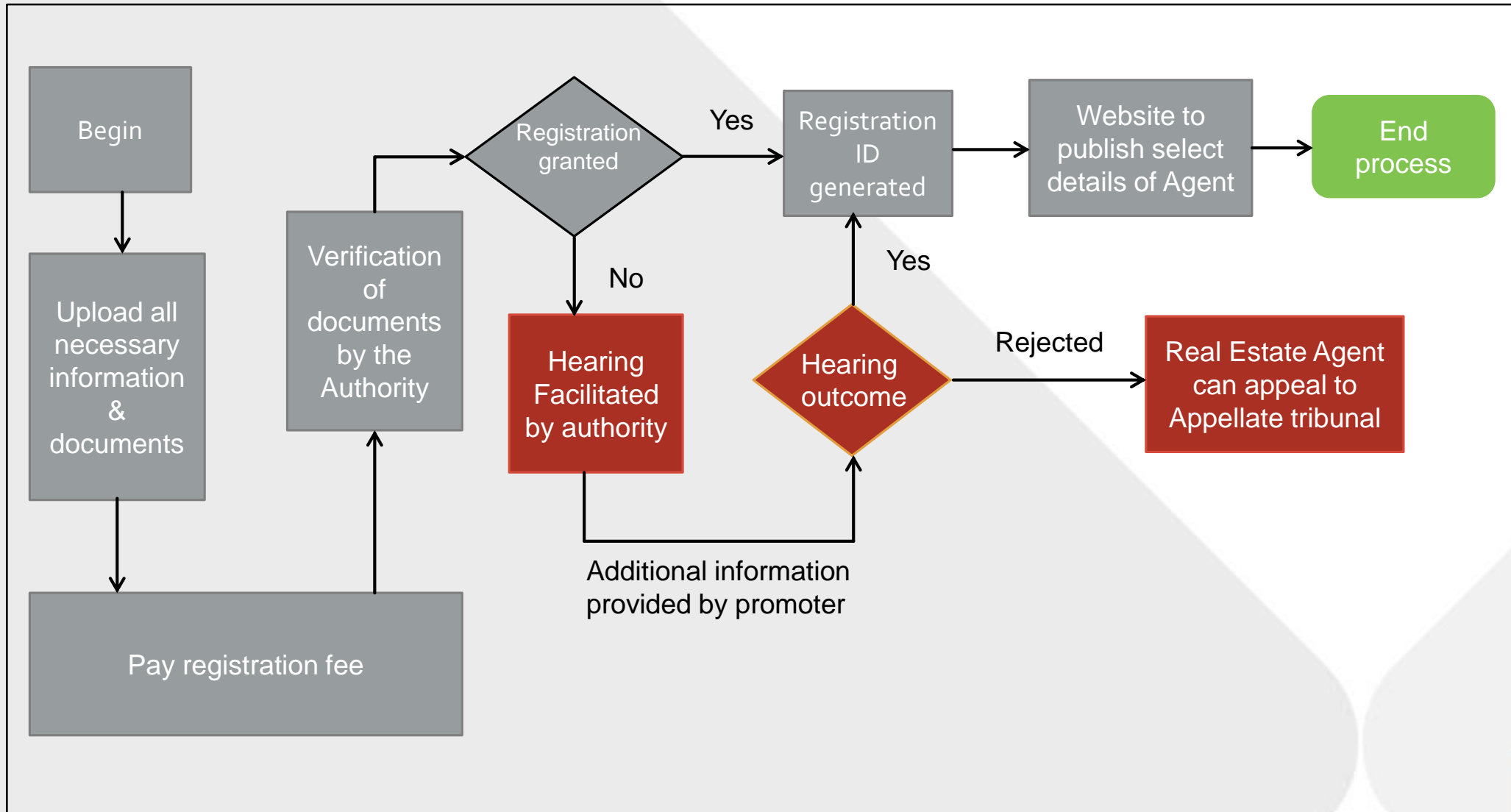
Agent Registration

Validity	5 years
Renewal	Should be applied ,3months prior to the expiry of the registration granted
Functions and duties	<ul style="list-style-type: none">• Every RE agent must register with RERA for facilitating sale/purchase of any RE project.• Must not facilitate the sale/purchase of any RE project which is not registered under RERA.• Not involve in unfair trade practices• Facilitate the possession of all the information and documents, as the allottee, is entitled to, at the time of booking of any plot, apartment or building



Agent registration

Process flow:



Offences & Penalties

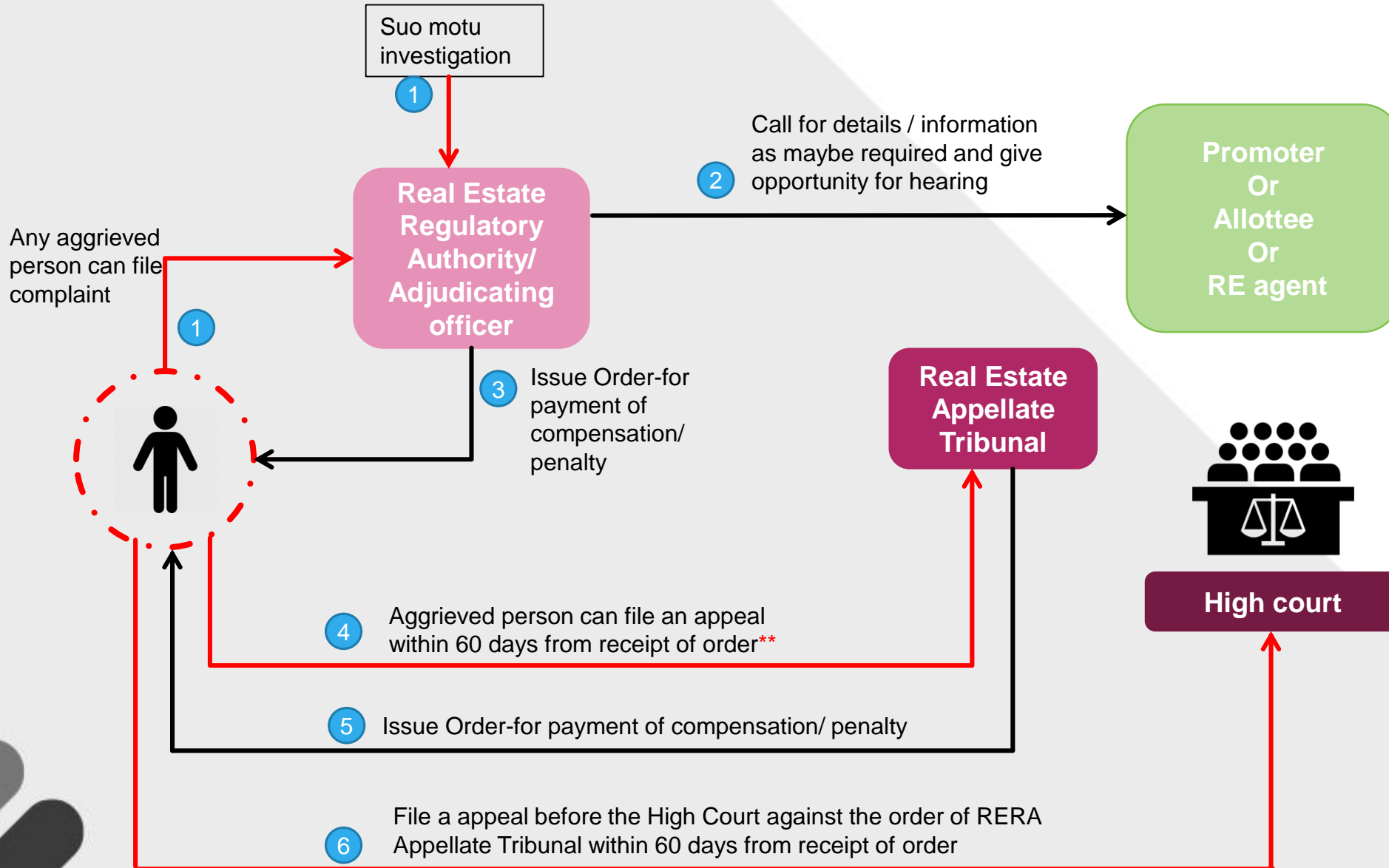
Provision	Promoter	Agent	Allottee
Non-registration of project/agent with RERA and continue to do so	Up to 10% of the estimated project Cost + 3 years imprisonment	Penalty of INR10,000 per day during default tenure up to 5% of property cost	
False information while making an application to RERA	Up to 5% of the estimated project cost	Penalty of INR10,000 per day during default tenure up to 5% of property cost	
Contravention of any provisions of the Act			
Non-compliance with the order of Authority		Up to 5% of the estimated project cost	Up to 5% of the estimated project cost
Non-compliance with the order of the Appellate Tribunal	Up to 10% of the estimated project Cost + 3 years imprisonment	Up to 10% of the estimated project Cost + 1 years imprisonment	Up to 10% of the estimated project cost

Unfair practices as per section 10(c)

- i. Practice of making any statement, whether orally or in writing or by visible representation which
 - A. falsely represents that the services are of a particular standard or grade
 - B. represents that the promoter or himself has approval or affiliation which such promoter or himself does not have
 - C. makes a false or misleading representation concerning the services

- i. Permitting the publication of any advertisement whether in any newspaper or otherwise of services that are not intended to be offered

Complaint registration



- No recourse to civil courts on matters covered under the RE Act
- Consumer forums (National, State or District) not been barred from the ambit of the Act

Note:

**The appeal before RERA Tribunal can be heard only after deposit of atleast 30% of the penalty or such higher % as may be determined or payment of interest and compensation to the Allottee, or both



Trust. Transparency.
Control. Credibility.