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RERA - Buyer

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Key points that I should know when I purchase the property in Maharashtra....

History

Section 20 of the Real Estate (Regulation and Development) Act, 2016 (hereinafter referred to as "RERA") mandates all the States and Union Territory to establish a Real Estate Authority within one year from date of the commencement of the Act. Pursuant to the section 85 read with 20(1) of the Real Estate (Regulation and Development) Act, 2016 (hereinafter referred as "RERA"), in exercise of the power conferred to the Maharashtra Government, the Maharashtra Real Estate Authority (hereinafter referred to as "MahaRERA") was formulated with the enactment of Maharashtra Real Estate Regulatory Authority (General) Regulations 2017.

Subsequent to the powers conferred upon the State Government, MahaRERA has come up with few other rules and regulation for the smooth functionality of the RERA. In this article, we will broadly discuss the procedural steps of registration and mandatory disclosure, functioning of MahaRERA, etc.

Applicability of the Act and State Rules framed thereunder

According to Section 2(zh) of RERA and subsequent applicability of the Maharashtra Regional and Town Planning Act, 1966 ("MR&TP"), RERA act & the rules and regulations framed thereunder are applicable to all the areas and district of the Maharashtra.

All you should know about the RERA if you are buyer

There is certain mandatory compliance which are stipulated by RERA and also additional disclosure to be fulfilled as the state rules and regulations which indicates the compliance status of the promoters. If you are buyer, following points should be kept in mind before purchasing or investing your funds in any real estate projects:

1) **Approval of Building Plan:**

Before the execution of the agreement for sale, one has to check whether the Building plan is approved by the concerned authorities. Promoters are required to register the building plan before the execution of the agreement for the sale. The details of the sanctioned plan and other related information are required to mentioned with the application form by the promoter.

2) **Advertisement:**

Promoters are strictly prohibited from advertising any project before getting it registered with MahaRERA. Hence, it is essential for an individual to check the MahaRERA Registration Number. This number is allotted to the promoters after registering their project with RERA. Hence, none of real estate project will be advertised without getting it registered with RERA.

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Further, MahaRERA will display the details of the all the registered projects on their website. This will help an individual to trace the registration status of the project in which they are willing to invest.

3) Advance payment of the project:

Before making the payment towards the cost of the project, buyer should check the details of the project registered with the MahaRERA on their website. Further, details of the respective projects can be checked on the project website to be hosted by the promoter. Buyer should not pay more than 10% of the cost of the project, without entering into a written agreement with the promoter.

Section 13(1) of RERA prohibits promoters from collecting advance of more than 10% of the cost of apartment, plot or building without entering into a written agreement with the buyer and the said agreement is registered under any law for the time being in force.

Suggestion:

Before the execution of the agreement with the promoter, one should ensure that the layout plan of the plot, apartment, flat, etc. to be allotted to the buyer should be attached as the Annexure of the Agreement. This will help the buyer to ensure that the agreed layout is allotted to him without any modification.

4) Registration of Real Estate Agent:

While registering any real estate projects, promoters shall also give the details of the registered real estate agents who will be working as an agent with the promoters in the respective projects. This will help the buyer to trace the details of the real estate agents with whom they can deal with for the respective projects.

Hence once the project is registered and the registration number is allotted to the promoters, one can check the details of the Real Estate Agents registered with the promoters.

5) Deadlines of completing the projects:

An individual is very keen to get the proposed project in their name as soon as it may be possible for the promoter to complete the construction and post construction transfer formalities. This was the common problems which one had to face is that the delay in the completion of the projects. But after enactment of RERA, promoters are required to submit the deadlines of completing the projects while making the application for the registration. Further, promoters are required to submit the declaration supported with affidavit.

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6) Any changes in the building plan subsequent to the registration:

This was common problems which an individual had to face is the change in the initial plan of the project without intimation or consent from the buyer. However, Section 14(1) of RERA mandates the promoter to obtain the consent from the buyer, once the project is registered, for any kind of alteration or addition.

However, promoters can make minor additions or alterations either on demand on the buyer or if it is required to architectural and structural reasons which is recommended and verified by an authorised Architect or Engineer. However, proper declaration and intimations must be given to the allottees.

Source of information:

Buyer has various source for collecting the information about the project, promoters and real estate agents. The main idea behind the RERA and the authority established under RERA act is to build up the transparency between the purchaser and seller of the property.

From the RERA website, following information can be traced:

- Name and the type of the organization
- Detail address of the project
- Details of the promoter (including his/her photograph for identification)
- Deadline of the project (including the dates of extension, if any)
- Details of the available flats, number of parking to be built
- Details of Architect and Contractor
- Attachment of all the documents uploaded during the application made by the promoter for registration of the respective projects.

Conclusion:

Interest of the buyers are expected to be safeguard to the great extent after the enactment of RERA act and constitution of the Authorities under MahaRERA. Lot of procedural steps for the registration and the documents and information about the projects will be available on the website of the authority. RERA will boost the confidence of the buyer and will create the transparency between buyers and developers. Only portal will play a crucial role in building the success of the RERA.

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