

Impact of Rera (Real Estate Regulatory Authority) on Consumer Buying Behaviour

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Abstract: *Since a long time, there have been a greater number of calls for better transparency and accountability in real estate transactions. The laws were too ambiguous, the recourse methodologies opaque, the homebuyers unorganized, and the legal process overburdened. According to the Press note report released by Real Estate Regulation and Development Act (RERA) was approved by the Cabinet in May 2016. Real estate is a state-owned entity, and its execution and operations must be executed by every single state and government separately. It also has a reserved right to make necessary changes in the law if necessary. In India, Maharashtra is the first state who has implemented Real Estate Regulation and Development Act for the first time with effect from April 1, 2017. This is most important to implement because in Maharashtra, Mumbai is the leading real estate market in India it has residential as well as commercial properties. Hence, the implementation of this act in Maharashtra significantly plays an important role*

Keywords: RERA, Buyers, Sellers, Transparency

I. INTRODUCTION

The Real Estate Regulation and Development Act (RERA) of 2016 is a revolutionary act in the history of Indian real estate sector. RERA (Real Estate Regulatory Authority) was introduced in the year 2016. The bill was passed by the Rajya Sabha and the Lok Sabha in March 2016. The RERA Act came into force from 1st May 2016. The purpose of the RERA Act, 2016, is to protect the homebuyer and increase the investments in the real estate industry. The RERA law is implemented in all the states to regulate the real estate sector. The law facilitates fast and effective dispute resolution. RERA seeks to address issues like delays, price, quality of construction, title and other changes.

RERA plays a crucial role in ensuring a secure and transparent real estate market for home buyers. It safeguards their interests by enacting regulations for real estate sales and enforcing specific standards that developers must adhere to. It also holds developers accountable for any delays or irregularities in their operations. Moreover, RERA mandates the developers to maintain proper records and ensure that buyers know their rights well. It also aims to promise greater accountability towards buyers and significantly reduce delays and frauds. RERA requires all real estate developers to register their ongoing and future projects with the government's regulatory authority and ensures that they adhere to specific regulations and standards.

It will be responsibility of each state regulator to register the real estate project and real estate agent operating in their state under RERA. The Details of all the registered projects will be put on the Website of public access. Developers cant invite, advertise, sell, offer, market or book any plot, apartment, house, building, investment in project, without first registering it with the regulator authority. Further, more, after registration, all the advertisements inviting investment will have bear the RERA registration number.

In RERA Act No promoter is allowed to advertise, market, book, sell or offer for sale, or invite persons to purchase in any manner any plot, apartment or building in any real estate project or part of it, in any planning area, without registering the project with the RERA. The advertisement or prospectus issued or published by the promoter shall mention prominently the website address of the Authority and the registration number obtained from the Authority.

II. NEED OF STUDY

1. The real estate sector is a significant contributor to the Indian economy and individual well-being

2. RERA being a new act needs to be studied deeply so that the real estate sector prospers.
3. Real Estate is the most important part of the economy.
4. The interest of buyers in the real estate sector needs to be maintained.
5. The purpose of study is to increase my knowledge about how RERA Act is beneficial to builders, contractors and homebuyers.

III. SCOPE OF AREA

The Act applies to under-construction as well as new projects. Residential and commercial projects are in its ambit. Real estate agents or brokers too are in the purview of the Bill. The scope of the Bill covers all parties to a real estate transaction. The purpose is to ensure accountability and transparency in the system.

This research's key focus shall be on how the RERA act has affected the business and the economy of the country. It will also focus on the development and challenges of the act. The research focuses on the importance of the RERA and the importance for all the states to follow the act. It also focuses on the issues or problems faced by the builders and all other people in this sector after the enforcement of the RERA. The RERA act is for the development and regulation of the real estate sector but at the same time it has also highly affected the business and this research focuses on the ways the act could bring few amendments which can help both the public and the real estate sector.

IV. LITERATURE REVIEW

i. Maha-RERA will simplify process to file and track complaints from August 1, 2018. The Times of India July 20, 2018, 8.37 am IST. Complainer need to launch complain on the website individually upload the documents subsequently track progress of the complaints redressed. But now complainer can register the complaint as source against unregistered projects can also be tracked in a similar manner. Informant's mobile number will be verified after the complaint is registered. Before such complaints were launched through mails. Further there will no more requirement of hard copies of documents as earlier. As this process is shortened will have fast process. 60 days' time is allotted to redress of complaints as the complaint is launched but before this 6 days period will start after the submission of hard copies of document.

ii. Detailed Study and Analysis of RERA Act. Aditya V Kadam; Apr-2018 Conclude with following some advantages and disadvantages; Advantages are that this Act is beneficial for builders with a high budget. It is also beneficial for middle class people. Due to this act builders are mandatory bound to include the technical and professional people. All the possible ways of corruption are totally altered. Corruption between the agents and the builders could be stopped to a greater extent. The stamp duty in form of taxes could be recovered. The process is highly transparent. And disadvantages are like the timelessness of approvals by regulatory authorities have not been defined. Any delay in approvals from regulatory authorities could impact buyers as well. The bill may lead to slightly higher prices of properties due to the reduced competition. New projects launches might be limited as developers may not be able to launch without obtaining approvals, which could take two to three years.

iii. Influence of RERA on Real Estate Sector. Mr. Simdutta P Patil; issue April, Stated there was no professionalism and irregularity in the real estate due that standardization and and consumer protection and satisfaction was not taken into consideration by developer. Therefore this Act has turned around the legal outline for the real estate sector. While it may take some time for the execution of the various commitments under the Act such as the setting up of the authorities etc., there is maximum faith in the general public that the Act will achieve its target.

iv. Analysis of Dilution of the Real Estate (Regulation and Development) Act 2016 by State Government: A Case Study. Shripad S Merchant, Rajesh Pednekar, and D.B. Arokar, issue April 2, 2018.

This paper states that RERA act 2016 is passed to protect he consumer interest by the parliament. in this it is stated that structural defect liability period in all state is of five years except in Kerala is od two years. It claimed that central government still need to direct clear provisions to achieve the objective behind the law.

Only by giving warning that central funds for the housing projects will be withheld in states will not solve the problem. Real estate has got boon in developed countries with strict regulation made by state and central government.

v. RERA: A Reform to Support Real Estate Sector. Anita Choudary; Jan March, 2018, As per the study it concluded that much required regulation for the industry is RERA. As it has more transparency and organized and quality focused

approach, in the business functions accountability of plan specification will be there under RERA. Builder need to assure premises they sell which ensure the quality which is push in building material sector including linked industries. That real estate industry in organized.

vi. Tibin joy and B.Selvam(2018) says that RERA will bring great relief to client and buyers. It makes significant influence on gross domestic products. This act will protect wrights of buyer, reduce illegal approaches, enhance fast and efficient dispute resolutions, increase transparency and accountability and will lead to positive growth rate. Confidence of investors will be increased and this will attract higher investments. It will increase quality of products and on time delivery. It will make construction sector clean and regular. Project efficiency will be increased by this act and balanced agreements and treatment willbe delivered.

vii. Karnawat and Ambre(2019) explain in his research that real estate sector have five sub division such as housing, infrastructure, retail, hospitality and commercial. Due to RERA, the major victim of the construction sector is the promoter now. The real estate sector expected to rise in future because the Indian construction industry is improving towards global standards and practices. The construction sectors has as much problems like lack of transparency and accountability, delay in construction and incorrect information given by the developers so this problems can be solved by Real Estate (regulation and development) act.

viii. Pawar and Ahire(2018) in their study explained that RERA act seeks to protect home buyers and increases investment in real estate industry. This act ensures transparency and efficiency in a real estate sector in regards to sale of plot, apartment, buildings or any real estate projects. The details of all registered projects will be put on public website for access. Certificates requires in this act are Architect's certificate, Engineer's certificate, Quality assurance certificate, CA's certificate. This act's main goal is to protect the interest of consumers. This act will make builders bound to include the professional and technical people. Corruption could be decreased by this act.

ix. Patil and Waghmare (2017) in their research says that find impact ofRERA on new project, ongoing project and on builder, agents and brokers and buyers. The act is a positive change in terms of transparency, accountability of the promoters and developers and efficient forums for grievance redress. This will consequently lead to lower litigation due to stringent rules and regulation in the real estate sectors.

x. Madhavi and Khandar(2018) in this research author says that act protect home-buyers as well as help boost investments in the real estate sectors. The act main advantages to ensure Transparency and efficiency in real estate industry regard to sale property. To protect the interest of consumers in construction sector, speedy dispute redressal can be done by Authority. There where clarity on carpet area, possession and clear picture of project. A very positive impact is expected in the future.

xi. Neha V. Jadhav, Prof. Amit B. Patil , Prof. G. N. Kanade(Mar 2023) Stated that there are both the positive and negative impact of RERA Act. on consumer. Some of the positive impacts are- a) Sellers need to mention all the details which they are going to provide in the project accurately. b) The sellers became more specific about the carpet area so that the buyers can get the idea about for what they are paying., and some of the negative impacts are- a) Old projects with some litigations are supposed to be delayed because of the rules of the RERA b) Registration fees increased that's why project values are rising.

V. CONCLUSION

RERA is enforcing the developers to get registered which has created a fear in the industry. While buying real estate property, consumers are more concerned about even a small thing. RERA will throw a transparent picture of industry where a consumer can analyze the choices of property with the help of RERA. RERA has impacted positively on the consumer's perception of buying a real estate property. survey was conducted to conclude the impact of RERA on consumer buying behavior, out of 200 respondent almost people are strongly agreeing with the clauses mention in the Real Estate (Regulation and Development) Act, 2016 and it has enlarged confidence in the perception of consumer while buying real estate property. RERA has made homebuyers king of the industry. It has given first priority to the homebuyers.

This regulatory body has made real estate industry more transparent. There is scope of more professionalism in this sector as the Developers and Real estate agent both have to adhere the norms and conditions of RERA.

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