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## **Navigating the RERA Landscape: A Comprehensive Analysis of State-Level Compliance in India**

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### **Abstract:**

A new age of openness and governance in India's real estate industry was ushered in by the Real Estate (Regulation and Development) Act, 2016 (RERA). Nonetheless, the degree to which RERA is implemented successfully differs greatly throughout jurisdictions, indicating a complicated mosaic of both compliance failures and achievements. This study aims to shed light on the variables affecting regulatory outcomes and compliance rates by conducting a thorough analysis of the state-by-state implementation of RERA in India. The first section of the document gives a summary of the main goals and provisions of RERA, emphasizing its importance in resolving persistent problems such project delays, quality challenges, and



consumer protection. In order to analyse the condition of RERA implementation in each state and union territory and find common trends, problems, and best practices, the study draws on a wide range of sources, including official reports, academic literature, and media coverage.

The research aims to provide answers to several important questions through a methodical analysis, such as the main obstacles to the successful implementation of RERA in various states, the variables that affect the regulatory outcomes and compliance levels among states, the various factors that influence the implementation of RERA provisions, and the lessons that can be applied to improve compliance and regulatory effectiveness across the country from states that have implemented RERA exemplarily. The study draws upon secondary data from Government Publications, MoHUA, Academic Research, Official RERA Websites, and News Articles to offer a comprehensive understanding of the distinct obstacles and approaches encountered by various jurisdictions in navigating the intricacies of RERA implementation.

The study concludes by synthesizing findings and providing recommendations to industry stakeholders, legislators, regulators, and civil society actors on how to enhance the implementation of RERA and enhance regulatory outcomes. This paper seeks to support ongoing efforts to improve accountability, transparency, and consumer protection in the real estate industry by promoting a broader awareness of the varied compliance landscape across India. To create India a Viksit Bharat by 2047, a great deal of effort must be done in a mission-oriented manner.

## **Introduction:**

### **A. Context and Background:**

India's real estate market has long been plagued by opacity, inefficiency, and a lack of regulatory control, which presents a number of difficulties for both consumers and stakeholders. In order to promote accountability, transparency, and consumer protection in the real estate sector, the Government of India passed the Real Estate (Regulation and



Development) Act, 2016 (RERA), realizing the necessity for comprehensive regulatory reforms to address these challenges. On March 10, 2016, the Rajya Sabha passed the RERA 2016, and on March 15, 2016, the Lok Sabha passed it as well. On March 25, 2016, the President gave his approval to the Bill that had passed the Parliament. Section 2, sections 20–39, 41–58, 71–78, and 81–92, which are scheduled to go into force on May 1st, 2016, have been informed. Sections 3 through 19, Section 40, Sections 59 through 70, and Sections 79 through 80 are scheduled to go into effect on May 1st, 2017. The Real Estate Act requires every state and union territory to establish its own regulator and set forth the regulations that will control the authority's operations. Since its introduction, RERA has brought in a new era of business practices, consumer rights, and regulatory compliance, dramatically changing the real estate management environment in the nation.

The Act, which safeguards the interests of investors and homebuyers and addresses the concerns of complainants, mandates that builders provide periodic updates on the progress of their under-construction projects. The State Real Estate Regulatory Authority must receive registrations for real estate developments. Without registering these projects, promoters are unable to reserve them or put them up for sale. Real Estate Regulatory Authorities must also receive registrations from Real Estate Agents involved in these developments. For the sole purpose of building that project, 70% of the money obtained from buyers must be placed in an escrow bank account, and any withdrawals must be approved by project engineers, architects, and certified public accountants. After more than 7 years of RERA, it is appropriate for us to reflect and weigh the advantages and disadvantages of this groundbreaking legislation.

### **Advantages for Consumers of the Real Estate (Regulation and Development) Act, 2016:**

- RERA and the Rules have made sure that projects are completed on schedule. This is assisting in realizing the honorable prime minister's goal of "HOUSING FOR EVERYONE." It safeguards the interests of the buyers and stops money from being diverted.



- The Act minimizes the use of illicit money. It encourages purchasers to make educated decisions by making operations open and making project information accessible. The "Carpet Area" disclosure for sale puts an end to unfair commercial practices.
- One-sided agreements and buyer exploitation in the industry have been eliminated by the "Agreement for Sale Rules."
- Quick-track dispute resolution procedures via the nation's Appellate Tribunals and Real Estate Regulatory Authority.
- Establishing an equal interest rate that the purchasers and promoters will pay in the event of a default or delay, so introducing equity into the business.

### **Benefits to developers under the Real Estate (Regulation and Development) Act of 2016:**

- The Act drives out shady businesspeople from the industry that supports legitimate developers. It gives credibility by bringing maturity and transparency to the industry.
- Facilitate funding for the industry.
- The act has improved consumer sentiment towards investments.
- The real estate industry now enjoys more financial institution confidence thanks to regulatory mechanisms.
- The Act's effective regulatory framework has encouraged foreign direct investment (FDI, ECB) in the real estate industry.

### **Literature Review:**

Since RERA's founding, a great deal of research has been done on its many facets. Jha, D., Dubey, M., and Wangchuk, T. (2022) published a notable report. India's Real Estate Regulation: A Selection of State Profiles. The Indian Institute for Human Settlements has made a thorough effort to illustrate the current situation and the experiences of six states with RERAs: Gujarat, Madhya Pradesh (MP), Maharashtra, Punjab, Haryana, and Uttar Pradesh (UP). The publication assesses the extent and distribution of RERA's registration activities, their track record in resolving consumer complaints, their finances and staffing, and finds its reflections in the economic contributions of the real estate sector in the study states and the leading real estate markets within these states.



According to Sinha, Arkodeb's research Real Estate Regulation in India (July 3, 2017), RERA has resulted in some historic changes to the legal framework governing India's real estate industry. The government's unwavering dedication to upholding fair competition in the real estate industry has greatly relieved purchasers. In addition to the buyers, the promoters and real estate agents who adhere to government regulations but suffer from negative publicity caused by unethical behavior on the part of some promoters and real estate agents would also feel relieved and content. The purpose of a paper by Chawla et al. (2018) titled "Reform in the Indian real estate sector: an analysis" is to go over the key components, benefits, and downsides of the newly passed Indian Real Estate Act, 2016, an economic reform bill that affects the real estate industry. Secondary data sources, such as consumer forum reports, federal agency investigation reports, court rulings, government websites, real estate firms, and trade associations, were also consulted for this study. The authors of the paper "Review and analysis of RERA ACT" have examined the law's shortcomings and offered suggestions for improving its effectiveness for developers and purchasers.

Aditya V. Kadam et al. (2018) admit in their study paper titled "Detailed Study and Analysis of RERA Act the authors" that the housing sector is one of the main drivers of the nation's GDP and job creation. Despite playing such a significant role in the economy, the real estate industry is still mostly uncontrolled. Local governments have some degree of influence and oversight over the real estate industry, and each state has its own set of laws governing the development of real estate. Benefiting from the appalling legal system in the nation, developers have been duping homebuyers and placing the real estate industry at the base of the customer happiness and protection pyramid. A uniform regulatory legal framework had become urgently necessary to safeguard customers' interests as circumstances continued to deteriorate.

Overview of India's Real Estate Regulation Situation The RERA Act was highly praised for its goals of regulating a large, mostly unregulated industry characterized by substantial consumer investment and complaints. Seven years after the RERA Act was passed, this report evaluates the progress made in terms of the scope of RERA activity, the amount and timeliness of project disclosures, the arrangements for grievance redress, and the institutional



functioning of real estate regulatory authorities. It does this by using publicly available data from State and Union Territory RERAs and their websites.

States Adopting the Law Changing the Game, Eventually, this ground-breaking real estate law was adopted by every state in the union. Every one of the 28 states and the eight territories has established a Real Estate Regulatory Authority; of them, 28 have established Real Estate Appellate Tribunals. Every state government has set up an Appellate Tribunal to carry out the assigned duties and wield the powers granted by the RERA Act. The quantity of grievances that state officials have received has steadily increased. Buyers and developers have saved a significant amount of money as a result. Agents and brokers have registered with the State Authorities.

**Real Estate (Regulation & Development) Act, 2016 [RERA]  
Implementation Progress Report**  
(as on 06-11-2023)

Sl.	State	General Rules	Establishment of Regulatory Authority	Establishment of Appellate Tribunal	Web Portal	Adjudicating Officer	Registrations		Total no. of Cases disposed by Authority
							Projects	Agents	
1	Andhra Pradesh	Notified	Permanent	Permanent	Setup	Appointed	3900	175	228
2	Arunachal Pradesh	Notified	Interim	Not Established	Not Setup	Not Appointed	--	--	--
3	Assam	Notified	Permanent	Permanent	Setup	Appointed	693	68	114
4	Bihar	Notified	Permanent	Permanent	Setup	Not Appointed	1607	566	3251
5	Chhattisgarh	Notified	Permanent	Permanent	Setup	Appointed	1685	761	1787
6	Goa	Notified	Permanent	Permanent	Setup	Appointed	1169	446	420
7	Gujarat	Notified	Permanent	Permanent	Setup	Appointed	12250	2100	4865
8	Haryana*	Notified	Permanent	Permanent	Setup	Appointed	1123	3334	20604
9	Himachal Pradesh	Notified	Permanent	Permanent	Setup	Appointed	166	134	98
10	Jharkhand	Notified	Permanent	Permanent	Setup	Appointed	1217	12	241
11	Karnataka	Notified	Permanent	Permanent	Setup	Appointed	6582	3763	4035
12	Kerala	Notified	Permanent	Permanent	Setup	Appointed	1061	477	1307
13	Madhya Pradesh	Notified	Permanent	Permanent	Setup	Appointed	5580	1491	5694
14	Maharashtra	Notified	Permanent	Permanent	Setup	Appointed	42204	44904	15423
15	Manipur	Notified	Interim	Interim	Not Setup	Not Appointed	--	--	--
16	Meghalaya	Notified	Not Established	Not Established	Not Setup	Not Appointed	--	--	--
17	Mizoram	Notified	Interim	Not Established	Setup	Appointed	--	--	--
18	Nagaland	Not Notified	Not Established	Not Established	Not Setup	Not Appointed	--	--	--
19	Odisha	Notified	Permanent	Permanent	Setup	Appointed	976	147	2379
20	Punjab	Notified	Permanent	Permanent	Setup	Appointed	1221	3020	3073
21	Rajasthan	Notified	Permanent	Permanent	Setup	Appointed	2739	7128	2819
22	Sikkim	Notified	Not Established	Not Established	Not Setup	Not Appointed	--	--	--
23	Tamil Nadu	Notified	Permanent	Permanent	Setup	Appointed	18915	2962	2920
24	Telangana	Notified	Permanent	Interim	Setup	Appointed	8227	3335	1070



Sl.	State	General Rules	Establishment of Regulatory Authority	Establishment of Appellate Tribunal	Web Portal	Adjudicating Officer	Registrations		Total no. of Cases disposed by Authority
							Projects	Agents	
25	Tripura	Notified	Permanent	Interim	Setup	Appointed	121	5	0
26	Uttar Pradesh	Notified	Permanent	Permanent	Setup	Appointed	3487	6562	44304
27	Uttarakhand	Notified	Permanent	Interim	Setup	Not Appointed	361	354	629
28	West Bengal	Notified	Permanent	Not Established	Setup	Not Appointed	167	118	51
<b>Union Territories</b>									
1	Andaman & Nicobar Island	Notified	Permanent	Permanent	Setup	Appointed	3	28	0
2	Chandigarh	Notified	Permanent	Permanent	Setup	Appointed	4	17	30
3	Dadra & Nagar Haveli and Daman & Diu	Notified	Permanent	Permanent	Setup	Appointed	204	2	0
4	Jammu & Kashmir	Notified	Interim	Not Established	Setup	Not Appointed	0	0	0
5	Ladakh	Notified	Not Established	Not Established	Not Setup	Not Appointed	--	--	--
6	Lakshadweep	Notified	Permanent	Permanent	Setup	Appointed	0	0	0
7	NCT of Delhi	Notified	Permanent	Permanent	Setup	Appointed	89	659	555
8	Puducherry	Notified	Interim	Permanent	Setup	Appointed	222	4	4
<b>Total</b>							<b>1,15,973</b>	<b>82,572</b>	<b>1,15,901</b>

\*Haryana has 2 Regulatory Authorities i.e. 1 for Gurugram and another at Panchkula for Rest of Haryana.

### Summary:

- All States/UTs have notified rules under RERA except Nagaland, which is under process to notify the rules.
- 32 States/UTs have set up Real Estate Regulatory Authority (Regular - 27, Interim - 05). *Ladakh, Meghalaya, Nagaland and Sikkim are yet to establish Real Estate Regulatory Authority.*
- 28 States/UTs have set up Real Estate Appellate Tribunal (Regular -24, Interim - 04). *Arunachal Pradesh, Jammu & Kashmir, Ladakh, Meghalaya, Mizoram, Nagaland, Sikkim and West Bengal are yet to establish Appellate Tribunal.*
- Regulatory Authorities of 30 States/UTs have operationalized their websites under the provisions of RERA. *Arunachal Pradesh and Manipur are yet to operationalize.*
- 26 States/UTs have appointed Adjudicating Officer. 10 States/UTs i.e., *Arunachal Pradesh, Bihar, Manipur, Meghalaya, Nagaland, Sikkim, Uttarakhand, West Bengal, Jammu & Kashmir, Ladakh* are yet to appoint Adjudicating Officer.
- 1,15,973 Real Estate Projects and 82,572 Real Estate Agents have registered under RERA across the Country.
- 1,15,901 Complaints have been disposed-off by the Real Estate Regulatory Authorities across the Country.

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Source: MoHUA



## Results of the Research:

Since RERA is a federal law, each state has the responsibility to implement it, and UT must create its own real estate regulating body and set its own laws in accordance with that jurisdiction. As a result, each state has created its own regulations based on its own logic, which has somewhat weakened the act. The developer and agents frequently encounter specific issues as a result of state-initiated system changes. The authority to create regulations adhering to their own land and reform laws was granted to state governments to facilitate a seamless transaction between the state, developers, and property buyers.

Contrary to the clause, numerous states altered the regulation to favor developers. To keep some projects outside of RERA's jurisdiction, the term "ongoing projects" was employed. The state of West Bengal disregarded the legislation and established the West Bengal Housing Industry Regulatory Authority. This made people wonder if RERA was effective. After examining every one of the Real Estate Regulatory Authorities' websites, differences in the degree of implementation between the various states are apparent.

The following are some noteworthy State Wise observations:

1. The RERA Act was initially implemented by the state of Maharashtra. Maharashtra is home to some of the busiest real estate markets. MahaRERA intends to create a structure for real estate project quality assurance reporting. Twice a year, developers will have to submit reports on the caliber of their materials and workmanship. Homebuyers will have access to the reports, so they can decide with knowledge. MahaRERA seeks to provide procedures and guidelines to reduce the likelihood of flaws in real estate developments. The regulating organization seeks to boost the real estate industry's credibility and guarantee a flawless result. According to MahaRERA, in order to work as a realtor, a candidate must pass an exam and complete a day-long certification training. The ensuing license has a five-year validity period.
2. This gives the industry legitimacy and guarantees that they are qualified to act as the reliable face of real estate transactions. Telangana RERA is operating on the same model. The regulating organization seeks to guarantee a flawless result and bolster the





real estate industry's legitimacy. To practice as a realtor, property agents must pass an exam and complete a day-long certification training, according to MahaRERA. Following that, a five-year license was awarded. As a result, the profession gains reputation and they are better prepared to act as the reliable face of real estate transactions. Telangana RERA operates under the same framework.

3. RERAs are required by Section 34 of the Act to retain and publish all information about registered agents, promoters, and registered parties for public viewing; nevertheless, there is a significant disparity between the material on RERA websites. Since there is no control, the data presented on the website is not consistent.
4. When it comes to project data openness and the management and operation of RERAs, Maharashtra and Gujarat stand out as leaders. While there is slightly less data available online, other states maintain good management and up-to-date information.
5. To further promote openness and dependability in the industry, certain governments have also made all project-related data, including sanction letters, maps, and permission documents, available to the public.
6. Tripura is the first state in the Northeast to implement RERA. And in an effort to inform prospective homeowners about the RERA Provisions, Bihar has published a handbook for purchasers.
7. There are differences in the costs associated with project registration in various states.
8. Gujarat is the first state in the nation to impose strict penalties on negligent builders who disobey RERA directives. In fact, the housing ministry has recommended State Governments to adopt the "Gujarat Model," which has a successful recovery system. Gujarat RERA has designated two officers with the authority to carry out recovery warrant executions. Additionally, it has informed the parties to execution procedures that call for arrest and imprisonment.
9. Gurugram and Panchkula are the two regulatory bodies within the purview of the Haryana RERA. The Haryana RERA resolves complaints the quickest.
10. The consistent payment schedule is unclear under Central RERA law. The legislation as it stands now stipulates that 10% of the total amount due is due when signing a sale agreement, but it is unclear how the remaining 90% of the payment is to be made. The



RERA authorities in Gujarat and Maharashtra have connected all of the payment installments to the various stages of development. All states should include this section in their RERA laws as it will have a greater impact if done so.

11. According to RERA criteria, complaints should be resolved within 60 days, but in practice, several have been waiting for more than 180 days. Many State regulatory authorities do not handle the grievance resolution process.
12. The government of Uttar Pradesh has started providing single window approval for its state projects, but there is still optimism that this would spread throughout the nation. Moreover, UP RERA will keep an eye on dealings involving builders and buyers.
13. Since land is a state matter, RERA cannot develop into a super regulator. RERA retains the ability to file a lawsuit against agents and allottees. RERA should have additional authority to challenge the appropriate authorities to take action or not take it if it affects a specific project or grantee.
14. Because real estate regulators have failed to apply the RERA Law consistently throughout India, an RERA Monitoring Committee must be established.
15. In order to help home purchasers, Kerala RERA has made the Q R Code required for every K-RERA project.

## **Conclusion:**

Prior to 2016, the Indian real estate market operated in a very disorganized and random manner. The Indian economy has become driven by this sector, which RERA has the power to clean up and make much more orderly. The government's goal of Viksit Bharat@2047, which calls for India to become developed by the year 2047—the 100th anniversary of its independence—means that a great deal of work must be done in a mission-mode. In order for the real estate industry to assist the government in realizing the goal of providing housing for every Indian, some form of discipline must be introduced. This act is essential, even from the perspective of the developer, to ensure that projects are finished on schedule and without running afoul of the law. The Act has restored the buyer's faith in the system, which is to their advantage. Real estate would become more prominent in the country's development and would undoubtedly draw F D I if certain difficulties were resolved along with certain



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improvements. The needless delays and elongated deadlines would disappear with the establishment of a single window clearing procedure. Although they were first challenging to implement, the RERA laws are now seen as advantageous for both builders and homeowners. Unquestionably, RERA has given the real estate industry the much-needed accountability and openness, and it is predicted that this will propel the nation's real estate market to become a trillion-dollar industry over the next ten years. With strong backing from the real estate sector, the Government of India's Viksit Bharat @2047 ambition of making India a developed nation by that year can undoubtedly be realized.



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