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Regulation of Real Estate Transfers and Protection of Buyers' Interest: A Perspective on Legal and Institutional Developments in India

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Abstract

Real Estate prices have suddenly increased in the last few decades. With the growing population and increased urbanization, demand for residential and commercial property has also increased. Every place in on the Earth has been exploited whether it is agricultural land, natural lake or pond and even riverside lands in the name of development. In such a situation, there is a need to regulate the property sector by an autonomous governmental institution.

The purchase of property in a building is a contractual transaction in the sale; so it is traditionally covered by the Transfer of Property Act, 1882 and the Consumer Protection Act, 1986. However, these jurisdictions were not sufficient and adequate due to technical legal reasons. The establishment of a new autonomous authority for the purpose is helpful in many counts. The Real Estate Regulatory Authority was established by the Real Estate (Regulation and Development) Act, 2016.

The present paper is a research attempt based on the premise that the Real Estate Regulatory Authority is a small but positive step and if properly implemented, will pave the way for the protection of interests of the buyers. Also that there is a need to strengthen the authority for proper regulation of real estate further. Any property which is developed on a surface area bigger

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than a given figure is covered under the regulatory authority. Interestingly, the Act is a central law, and the state governments establish the Regulatory Authority except for the union territories. Such provisions leaves some space for non-uniform regulation. In the era of rapid urbanization and cosmopolitan developments, such non-uniform laws may leave space for the private developers to engage in malpractices. Therefore, the enactment is a prospective step in fulfilling the welfare state objectives towards protection of interests of the buyers, without discouraging investments in the real estate sector.

Keywords: Real-estate, property purchase, regulation of real estate business, RERA, Law of real estate transactions

Introduction

Commercial real estate is in boom in India. However Property market in India has been unorganized. The real estate industry inextricably linked to socio-economic growth and development. The Real Estate (Regulation and Development) Bill passed on 10th March 2016, by the Rajya Sabha and by the Lok Sabha on the 15th March 2016. It is now an act of Parliament, which received Presidential Assent on 25th March 2016 and is considered as a significant step towards reformation of the real estate sector in terms of ensuring transparency and consumer protection while normalizing and regulating business transactions and practices in the industry. The RERA[1] aims to guard the welfare of home buyers and also increase investments in the property sector.[2] In India, the concept of Transfer of Property is given in The Transfer of Property Act, 1882. However, the Act has been amended from time to time to meet the dynamic social needs, but it has been operational as a whole in its spirit since its inception, and it embodies most of the basic principles and concepts related to the real estate sector, which are followed till date.[3]

Since 2012, the property sector has faced a repeated decline in the market. A result of factors like recession, low rental revenue, inventory pile-up, arbitration, unemployment, and demonetization, etc. As per Indian Express[4] and Times of India[5], the property prices have not stabilized accordingly. As a result, a further significant decrease in the demand for property has occurred.

[1] The Real Estate (Regulation and Development) Act, 2016 . Henceforth referred as RERA
[2] (Dec. 7, 2019, 10:04 AM), https://www.moneycontrol.com/news/business/real-estate/2326169.html
[3](Dec. 7, 2019, 10:10 AM),http://indianexpress.com/article/what-is/what-is-rera-and-how-will-it-help-homebuyers-4635705/
[4] ibid
[5] (Dec. 7, 2019, 10:14 AM), Bhowmick, S., '*Over 15,000 complaints lodged on UP Rera site by day end*', The Times of India, (July 26,2017)http://timesofindia.indiatimes.com/city/noida/over 15000 complaints lodgedonup site by dayend/article show/5977584.cms)

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This issue can be seen as a detriment on the side of the builders as this reduced demand, in turn, is the reason for going slow in recovery of investment for builders. Besides this, lack of transparency, construction delay, price, construction quality, ownership, and litigations are thesignificant issues faced by consumers. The delay in delivery of property to buyers, amongst these, however, is the biggest issue.Many builders, particularly in central cities, have ignored norms by failing to keep up with project deadlines.[6]

Property brokers took advantage by misleading prospective homebuyers regarding amenities, quality of construction, and completion of the property. They would give oral assurances regarding property documents which were often incomplete or in many cases, missing. Furthermore, the status of properties under litigation would also be concealed by the agents from prospective buyers.

Key issues and problems, as faced by homebuyers/consumers, etc.

The agents/builders would escape after they collected substantial funds & deposits from the home buyers. The building plans would be changed and modified without any information to consumers. Inspite of the presence of withdrawal and cancellation clauses concerning the agreement by the purchaser in the sale agreement, the builders would go on to violate such provisions by refusing to adhere to them and refunding the amount invested by the consumers. The agents would forge documents to acquire legally required essential utilities like water, power, etc., from the State Electricity supply companies, Water & Sewerage boards, and other government-controlled authorities which would put the consumers at detriment later on when they've occupied the units. The builders would abandon projects midway during construction causing financial disadvantages to the consumers; The most common issue the consumers have been facing is when builders would cause long term delays in handing over the allotted units to the purchasers in contravention to the agreement of sale. Builders would further go on to dishonor either some or all of the terms and conditions in the memorandum of understanding or the contract of sale signed upon by the purchasers of the buildings without providing any reasonable justification for the same. They would also not provide the compensation the purchaser is entitled on account of not providing the facilities/amenities as agreed upon in the

[6] PriyaChetty, *Impact of Real Estate (Regulation & Development) Act 0n India's real estate* (Dec. 6, 2019, 10:14 AM) https://www.projectguru.in/publications/rera-impact-indias-real-estate/

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allotted buildings/units, etc. The builders would often compromise with the quality of project execution; The builders/agents would, at the time of construction, deviate from the original plans, grossly violate all the approved sanctioned project plans and building plans, and thereby fail to provide the home buyers with completion and occupancy certificates.[7]

Impact of RERA after implementation

Developers were supposed to register their projects under RERA[8] until the end of July 2017. Real estate agents, who also fall under its ambit, are still in the process of getting themselves registered. There are states where they still need to notify the rules under the Act, and most importantly for buyers, developers/promoters need to register their projects under RERA.[9]"Registration is required to be carried out as per the requirements under RERA of any project with over eight apartments or size of over 500 sq. mt. by the developers at each stage of construction independently with the state Tribunal."[10]Therefore, big players in the market are not allowed to pre-launch a project since builders have to register their new projects. Pre-launches used to be the primary source for raising the capital. It means the developers now have to borrow equities at higher rates which will be ultimately bored by the consumers. Also there is a cap on the number of deposit builders can accept from buyers. Under RERA a builder cannot take more than 10% as initial deposit. Advertising a project without registering it first is also banned.[11] If a builder contemptuously disregards the RERA norms, he or she will be liable to compensate the buyer for the loss with the amount decided in the initial agreement signed between the parties. It also specifies the amount of interest payable by the builder in case of construction delays.

Since the Act is likely to impact the real estate sector, there will be a drastic reduction in the number of projects launched by promoters and builders since the industry will study and analyze such impact of the regulations and policies on the business. However, there will be lesser competition in the market for those developers, promoters, builders that are known for timely

[7](Dec. 6, 2019, 8:06 PM), https://economictimes.indiatimes.com/wealth/real-estate/builders-rush-for-occupancy-certificates-to-duck-the-new-real-estate-act/articleshow/58380574.cms

[8]' The Real Estate (Regulation and Development) Act, 2016'

[9] (Dec. 1, 2019, 8:04 PM), https://www.moneycontrol.com/news/business/real-estate/what is rera& how will it impact the real estate industry and home buyers 2326169.html

[10] Section 3(2)(a) The Real Estate (Regulation and Development) Act, 2016

[11] (Dec. 1, 2019, 8:06 PM) https://economictimes.indiatimes.com/wealth/real-estate/builders can keep funds in separate account instead of escrow account will rera prevent misuse/articles how/58242934.cms

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delivery of their projects, and hence, they will only benefit from this situation.[12] Since the registration of every project with the regulatory authority has been mandatory before it is launched for sale and for booking the fundamental pre-requisite is that the developer must have all the requisite approvals, many fly-by-night builders, who dupe innocent investors/homebuyers, will be thrown out of market and only genuine builders will sustain, post RERA implementation. Beneficial for developers with sound financial status. Before the enactment of RERA, developers would generally default on new projects because they used to circulate money collected from one project to a previous project. However, the same is not possible now owing to the financial discipline induced in the sector through the newly added 32 sections to the RERA.

As compared to pre-implementation, in the post RERA implementation phase, there might be a stage of chaos in the short term, but customer confidence would increase in the industry-leading to them investing more in the sector. This is because after the implementation of RERA, developers are required to follow many formalities subject to the consideration of the concerned regulatory authority if they wish to make any changes in the projects post-initiation and proper reporting to the authorities will be required in case of any minor changes in the project.

With the enactment of RERA, the salient features of which require registration by developers of every property and project with the Regulatory Authority as a mandate, there will be a considerably higher degree of transparency in the execution and marketing of the projects. “In case of non-compliance by any developer with the provisions of RERA, the resultant consequence may be a penalty of 10% of the total cost of the project imposed upon him & repeat offense would land him in jail.”[13]

Protection of Purchasers/ home buyers Interest

As mentioned previously, Real estate projects & real estate agents are required to be registered mandatorily with the Regulatory Authority as per the new sections of the RERA. As regardsto project delays and completion time, there are severe penalties under RERA. This will, in turn, result in a positive effect on the Homebuyer’s confidence while investing in real estate. Further, the provision determining the management of money paid in advance in a separate, which

[12] (Dec. 7, 2018, 10:04 AM),)Anshul Kumar, *RERA Implementation: Immediate and long-term impact* https://www.99acres.com/articles/rera implementation immediate and long term impact.html

[13] Section 58, ‘The Real Estate (Regulation and Development) Act, 2016’.

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requires 70% of the advance collected from the buyer to be kept in a different escrow account. Such a provision will have the effect of prohibiting the developer from misappropriating or diverting the money raised for the project for any other purposes and to ensure timely completion and delivery of the project. It will not be easy for developers now to skip from their outstanding commitments/accountability owing to the strict regulations and norms, which would require the developers to be seriously responsible and answerable at all stages right from project approvals to delivery and later possession.[14]

As stated above, home buyers are the direct recipients of the application of RERA. Besides them, developers who are genuinely interested in Real Estate business certainly stand to gain from the timely execution and completion of projects. The reason for this is that consumer confidence would be instilled in the buyers who would, in turn, help the developers to build their reputation and brand in the market leading to increased presence of projects and reputed developers. All of this would lead to a market having a healthy competition and remove fly-by-night unorganized developers who dupe and thrive on innocent homebuyers.

Developers generally ended up taking massive amounts of loans with a high rate of interest owing to the lack of trust prevalent amongst lenders towards the developers. With the implementation of RERA, the financial institutions such as Banks, Private Equity Players, NBFCs, etc. would have more confidence in funding the projects proposed by such developers because they (developers) would possess all requisite permits from the concerned regulatory authorities. Eventually, the cost of equity would reduce, and the developers would have to face lesser debts.[15]

Salient features of RERA, 2016

As per the act, a Regulatory authority which shall act as a forum separate from that established for consumers is to be determined by the appropriate governments and the same shall be a body corporate. Therefore, there is no need for a property consumer or developer to approach a civil court to seek remedy as the authority has been vested with the powers of a civil court under CPC, 1908.[16] The act provides a redressal mechanism to any person aggrieved by the actions of the promoter, allottee, or real estate agent which are in contravention of the law.[17] Besides the

[14](Dec 7, 2019, 8:04 PM),) https://economictimes.indiatimes.com/wealth/real-estate/builders-can-keep-funds-in-separate-account-instead-of-escrow-account-will-rera-prevent-misuse/articleshow/58242934.cms

[15] (Dec. 4, 2019, 10:04 AM), Anubhav Pandey, *How will RERA impact Indian Real Estate Industry in the long term?* https://ipleaders.in /rera

[16] Section 35(2)',The Real Estate (Regulation and Development) Act, 2016'.

[17] Section 31, 'The Real Estate (Regulation and Development) Act, 2016.'

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adjudicatory role, the authority has several other responsibilities of promoting a competitive, healthy, efficient and transparent real estate sector. The same has been provided by the act to be done by making recommendations to the appropriate government on matters laid down therein which are as follows:

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

(1) Ensuring protection of the interests of all parties to a project, i.e., the agent, promoter and allottee;

(2) Developing mechanisms for ensuring time-bound completion of projects;

(3) Encouraging investment in the real estate sector by promoting affordable housing segment through financial assistance;

(4) Encouraging the use of appropriate and environment-friendly housing material and construction techniques for the projects;

(5) Supportingthe grading system for projects and promoters;

Penalties under RERA[18]

RERA is a change for the real estate sector with a purpose to bring about accountability and transparency. "A promoter is a person who is entrusted with the task of promoting the project, i.e., development and construction. A promoter has various responsibilities under the RERA Act, and non-conformance could attract the following penalty."[19]

No Registration of Project

Before advertising and promoting a promoter is required to register a real estate project. [20] If any promoter contravenes the provisions of section 3[21], he shall be liable to a penalty which may

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[18] (Dec. 5, 2019, 1:05 PM), https://www.indiafilings.com/learn/penalties-under-rera/

[19] Section 1(zk), 'The Real Estate (Regulation and Development) Act, 2016'

[20] Section 3(I), 'The Real Estate (Regulation and Development) Act, 2016'

[21] 3.(1) ,The Real Estate (Regulation and Development) Act, 2016. "No promoter shall advertise, market, book, sell or offer for sale, or invite persons to purchase in any manner any plot, apartment or building, as the case may be, in any real estate project or part of it, in any planning area, without registering the real estate project with the Real Estate Regulatory Authority established under this Act: Provided that projects that are ongoing on the date of commencement of this Act and for which the completion certificate has not been issued, the promoter shall make an application to the Authority for registration of the said project within a period of three months from the date of commencement of this Act: Provided further that if the Authority thinks necessary, in the interest of allottees, for projects which are developed beyond the planning area but with the requisite permission of the local authority, it may, by order, direct the promoter of such project to register with the Authority, and the provisions of this Act or the rules and regulations made thereunder, shall apply to such projects from that stage of registration."

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extend up to ten percent. of the estimated cost of the real estate project as determined by the Authority. If any promoter does not comply with the orders, decisions, or directions issued under sub-section (1) or continues to violate the provisions of section 3.[22]Then 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 ten percent. of the estimated cost of the real estate project, or with both.[23]

"If a promoter commits a breach of conduct by not registering, he/she will be levied a penalty which may be as high as 10% of the estimated cost of the real-estate project. The exact fee will be as decided by the concerned Authority.

Further, if the promoter fails to comply with this rule and continues to be unregistered, he/she will have to face imprisonment for up to three years, and remit a fine which could be as high as 20% of the estimated cost of the real estate project."[24]

Application for registration of Real Estate Projects and Effect of non-compliance

"Every promoter shall make an application to the Authority for registration of the real estate project in such form, manner, within such time and accompanied by such fee as may be specified by the regulations made by the Authority. The promoter shall enclose documents along with the application referred to in sub-section I."[25] "If a promoter provides bogus information or contravenes the provisions of Section 4[26], which deals with application for registration of real-

[22] ibid
[23] Section 59(I)(2) ' The Real Estate (Regulation and Development) Act, 2016'

[24] (Dec. 1, 2019, 5:05 PM), https://www.indiafilings.com/learn/penalties under rera/
[25] Section 4(I) The Real Estate (Regulation and Development) Act, 2016
[26]Section 4 (2) "The promoter shall enclose the following documents along with the application referred to in sub-section (1), namely:— (a) a brief details of his enterprise including its name, registered address, type of enterprise (proprietorship, societies, partnership, companies, competent authority), and the particulars of registration, and the names and photographs of the promoter; (b) a brief detail of the projects launched by him, in the past five years, whether already completed or being developed, as the case may be, including the current status of the said projects, any delay in its completion, details of cases pending, details of type of land and payments pending; (c) an authenticated copy of the approvals and commencement certificate from the competent authority obtained in accordance with the laws as may be applicable for the real estate project mentioned in the application, and where the project is proposed to be developed in phases, an authenticated copy of the approvals and commencement certificate from the competent authority for each of such phases; (d) the sanctioned plan, layout plan and specifications of the proposed project or the phase thereof, and the whole project as sanctioned by the competent authority; (e) the plan of development works to be executed in the proposed project and the proposed facilities to be provided thereof including fire fighting facilities, drinking water facilities, emergency evacuation services, use of renewable energy; (f) the location details of the project, with clear demarcation of land dedicated for the project along with its boundaries including the latitude and longitude of the end points of the project; (g) proforma of the allotment letter, agreement for sale, and the conveyance deed proposed to be signed with the allottees; (h) the number, type and the carpet area of apartments for sale in the project along with the area of the exclusive balcony or verandah areas and the exclusive open terrace areas apartment with the apartment, if any; (i) the number and areas of garage for sale in the project; (j) the names and addresses of his real estate agents, if any, for the proposed project; (k) the names and addresses of the contractors, architect, structural engineer, if any and other persons concerned with the

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estate projects, he/she will be imposed with a penalty of up to 5% of the estimated cost of the real-estate project."[27]

"If any promoter fails to comply with or contravenes any of the orders or directions of the Authority, he/she will be levied with a penalty which can extend up to 5% of the estimated cost of the real estate project."[28] "If any promoter fails to act as per the orders, decisions or directions of the Appellate Tribunal, he/she will be imprisoned for tenure of 3 years and will be levied with a fine which can cumulatively extend up to 10% of the estimated cost of the real estate project."[29] "A real-estate agent requires registration before commencement of duties. If a realestate agent fails to register, he/she will be imposed with a penalty of Rs 10,000 for each day of default. It may cumulatively extend up to 5% of the cost of plot, apartment or buildings of the real-estate project."[30] "If any real estate agent fails to comply with or contravenes any of the orders or directions of the Authority, he/she will be levied with a penalty that may cumulatively extend up to 5% of the estimated cost of the real-estate project. The penalty will be applicable for each day of default."[31] "If an allottee fails to comply with or contravenes any of the orders, decisions or directions of the Appellate Tribunal, he/she will be imprisoned for a term that may extend up to one year and will be fined as high as 10% of the estimated cost of the project."[32]

In Shreeram Chaurasia v NHK Developers LLP[33], "The Complainant has purchased an apartment in Mumbai via agreement for sale dated August 10, 2014. The Complainant has alleged that he was promised possession of the said apartment within 2.5 years from the date of the said agreement, but the Respondent has failed to do so.

Further, he stated that the Respondent has put out the revised project completion date as December 31,2024 their MahaRERA registration, and therefore he does not intend to continue in the said project and prays that the entire amount paid by them along with interest and compensation be refunded as per the provisions of section 18 of the RERA." It was held that

development of the proposed project; (l) a declaration, supported by an affidavit, which shall be signed by the promoter or any person authorised by the promoter."

[27] Section 60 'The Real Estate (Regulation and Development) Act, 2016'
[28] Section 66 'The Real Estate (Regulation and Development) Act, 2016'
[29] Section 64 'The Real Estate (Regulation and Development) Act, 2016'
[30] Section 62 of 'The Real Estate (Regulation and Development) Act, 2016'
[31] Section 61 of 'The Real Estate (Regulation and Development) Act, 2016'
[32] Section 68 of 'The Real Estate (Regulation and Development) Act, 2016'
[33] 2018/MH/Centrik/49/MAHARERA

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"the respondent shall handover possession of the said apartment, with Occupancy Certificate, to the complainants before the period ending December 31, 2020, failing which the respondent shall be liable to pay interest to the complainant from January 1, 2021 the actual date of possession, on the entire amount paid by the complainant to the respondent. The said interest shall be at the rate as prescribed under Rule 18 of the Maharashtra Real Estate (Regulation and Development) (Registration of Real Estate Projects, Registration of Real Estate Agents, Rate of Interest and Disclosures on Website) Rules, 2017."

In Mr. Rohit Ahuja &Anr. v. M/s EMAAR MGF Land Limited[34], the Complainants booked a flat and executed the Builder Buyer Agreement on 24.04.2012 wherein the flat was to be given by 27.02.2016. As per the payment plan, the Complainant had already been paid more than 95% towards the sales consideration. The Builder Buyer Agreement contained the impugned clause that the ratio of apartment area to the super area may change to the completion of the building. In such circumstances it has become difficult for the complainants to decipher as to how much of the excess amount has been charged by the respondent for the area for which the respondent cannot otherwise charge with from the complainants. Therefore, the present Complainants submitted that the Respondent is under the statutory obligation to disclose the carpet area and refund the amount taken for the area which is not chargeable under Real Estate (Regulation and Development) Act, 2016. On other hand, the Respondent submitted that the complainants are an investor, the fact that Smt. Shalini Ahuja wife of Mr. Rippen Ahuja has applied for and has been provisionally allotted Unit No. PH4-31-0902 in Palm Hills project of the respondent. It is a matter of record that Smt. Shalini Ahuja has filed separate complaint no. 265/2018 of unit no. PH-4-31-092 in Palm Hills Project, Gurugram is pending before the authority. Mr. Rippen Ahuja is the co-applicant in instant case. The complainants are investors having invested intending to earn quick profit.

Further, complainants are defaulters and deliberately fail to make payments of installments within time, which results in delayed payment charges as reflected in the statement of accounts. Hence, present complaint should be rejected. Hon’ble Authority directed the Respondent to pay the monthly interest @ 10.45% till handing over the possession to the Complainant.

[34] 2018/GN/Centrik/4/H RERA

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In Smt. Sneh Jain & Sh. Veeresh Chandra Jain v. Logix In fratech Pvt. Ltd,[35] The Complainants, booked a flat in the year of 2011 wherein the possession of the flat was to be given by December 2013 including a grace period of 6 months. However, the project had already been delayed by four years and as per the facts finding by the Hon'ble Authority observed that the subject project would be completed by November 2021 as per timeline given by the builder to the RERA Authority in its registration under RERA. Further, it is pertinent to mention that Complainants paid 95% amount
The Hon'ble Authority passed an order to give possession of the flat along with penalty of Rs. 5 per sq. ft. on super area as per the clause of builder buyer agreement.

In Sh. Nishank Bhramar v. Nine Planets Infrastructure Pvt. Ltd,[36] The complaint was filed for seeking the refund along with interest of 12 % due to no construction at the site even after a delay of 3 years moreover, the builder buyer agreement had not been executed between the parties though, the Respondent argued that it would be executed soon. The Hon'ble Authority passed an order to refund the entire amount along with interest rate @ 12%.

Conclusion

The Real Estate Regulatory Authority Act is an excellent statutory effort to protect the interests of home- buyers. The very purpose of consumer protection law is to ensure equality in approaching justice whenever there is a cause of action. Real estate regulation also has similar issues, and the Consumer Protection Act may not be sufficient in itself to deal with the problems of the sector. However, like many other genuine legislative attempts, the Real Estate Regulatory Authority Act is also waiting for an appropriate and honest implementation. The standards of execution vary from state to state. Insufficient enforcement of the Act may also have detrimental impact on the growth of real estate sector. Appointment, a permanent regulator, is an integral part of implementation. Among all Indian states, only three states complied with it. All other states are yet to appoint a permanent regulator.
Regarding the web portal also no more than 14 of the 29 states have promptly responded to this part of compliance. Maharashtra, Madhya Pradesh, and Punjab are the states to have appointed

[35] 2018/UP/Centrik/52/UPRERA
[36] 2018/UP/Centrik/51/UPRERA

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their regulators under the Act. A considerable number of states are still working with a temporary interim regulator. The states which have the web portals too are not in all cases having all information uploaded. This detail upload facilitates the business to the convenience of purchasers, and it adds an element of transparency. To date, a total of 27,000 real estate projects have been registered with the regulatory authorities across the country, and approximately 17,000 applications for registration of agents received so far, says the data on the implementation of RERA. Maharashtra, Madhya Pradesh, Punjab, and Gujarat are the four states who have been forerunners when it comes to implementation of the Act, as per the data.[37]

There have been steps taken by individual states for proper implementation of RERA. The Bihar Real Estate Regulatory authority has announced that the builders who fail to register themselves and their ongoing projects till 30th June 2018, will be blacklisted. Bihar RERA has served 100 show-cause notices to builders and promotors for not complying with RERA norms.[38] The Andhra Pradesh Real Estate Regulatory Authority has received a total of 59 complaints from the aggrieved home buyers. However not a single complaint has been resolved to date.[39]Kerala Government has also issued notification for RERA appointments for the appointment of chairperson and members of the proposed Real Estate regulatory authority (RERA) under Real estate (Regulation and Development Act) 2016. There needs to be proper standardization of sale agreement. Developers generally get the process done including the drafting of agreement. In this process, the buyers have almost no space to negotiate. Despite being a negotiated agreement, it takes place as a standard for contract because the buyers are not in a position to negotiate. They have to either accept it or reject it. Developers add punitive clauses for default of the buyer and their negligence but either they don't agree to a penal provision, or the amount of penalty is meager.

Moreover, implementing criminal provisions against the contractor is also tricky. If proper implementation of the Act is ensured and sale agreements are standardized at regulatory level, such unjust aspects of transaction could be safely avoided.[40] Delay in completion is another issue about which the standard sale agreement must compulsorily include three things: first that the agreement must mention the date of termination and handover. Second, that there should be

[37] (Dec. 6, 2019, 6:08 AM), https://www.moneycontrol.com/news/business/real estate/one year of rera-27-states-uts-notify-rules-27000-real-estate-projects-registered-2545229.html
[38] (Dec. 6, 2019, 11:06 AM), https://www.99acres.com/articles/bihar-rera-to-blacklist-all-unregistered-projects-and-developers-nid.html
[39] (Dec.7, 2019, 11:06 AM), https://www.99acres.com/articles/andhra-pradesh-rera-receives-59-complaints-till-date-nid.html
[40] (Dec. 7, 2019, 11:10 AM), https://housing.com/news/rera-will-impact-real-estate-industry/

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punitive clauses for delay by the developer. Third and most important that the regulatory authority must facilitate the implementation of the timeline and penal clauses by the buyer. Courts have been strict on this, and that has brought relief to the home-buyers however, a lot more needs to be done at the governmental level.

Further, the increasing awareness among the buyers is also an important step that must be taken without delay. However, the Act covers several areas of consumers' interests, which were earlier subject to agreement between buyers and sellers. This Act is a landmark development in the real estate sector. It will promote well-planned urban real estate development and simultaneously protect the interest of innocent consumers who invest their hard-earned money.