

Press Release

Government of India has promulgated the Real Estate (Regulation and Development) Act, 2016, which is meant for regulation of real estate sector. It envisaged setting up for Real Estate Regulatory Authority (RERA) and formulation of Rules by Government.

Karnataka Real Estate (Regulation and Development) Rules-2017 were approved by the State Cabinet and notified on 10th July, 2017 and have come into effect from the date of their publication in the Official Gazette.

These rules allow for establishment of a Real Estate Regulatory Authority (RERA) in the state for regulation and promotion of the real estate sector. A Real Estate Appellate Tribunal will also be setup to hear appeals from the decisions, directions or orders of the Authority.

This Act now gives consumers within the state a platform to voice their grievances and lodge complaints against a promoter/agent. This will ensure that the State's citizens can now get information and choose suitable apartments/houses/plots without having to worry about the project execution and with a recourse to complaints and suitable action against defaulting developers/agents. In the long run, this will lead to more responsible conduct within the Real Estate community and protect consumer interests.

Further, it has been mandated that all real estate related marketing and promotional activities must indicate the registration details, so as to keep prospective buyers informed. This will provide greater transparency and accountability in project-marketing and execution and also provide a mechanism for grievance redressal of aggrieved home buyers.

Some of the other salient aspects of the Rules include –

- The term “Ongoing” projects has been clearly defined to avoid ambiguities and guarantee that most of the projects come within the ambit of the Act
- Registered projects will have to abide by the rule where apartments would now be sold on the basis of carpet area only, encouraging clear communication to prospective buyers
- Promoters have to deposit seventy percent of the amounts already realized from the allottees in ongoing projects. This will only be available for use in developmental purposes and prevent misuse and diversion of these funds

Apart from promoters and builders, Real Estate agents have also been brought under the purview of the Authority. This will remove unscrupulous people from the system and safeguard prospective consumers from entering into any transaction with unverified agents.

The Act also stipulates deployment of a dedicated portal and makes it mandatory for all commercial and residential real estate projects as well as agents to register with the Real Estate Regulatory Authority, subject to the conditions laid down in the Act.

In line with the RERA Act and directions of the Interim Real Estate Regulatory Authority, a Web Portal has been created which would allow registration of projects, registration of real estate agents and registration of complaints from buyers.

The portal can be accessed at **rera.karnataka.gov.in**

Any issues related to usage of the portal for registration of projects, agents or complaints can be sent to info.rera@karnataka.gov.in

The office of the 'RERA Karnataka' shall be located at

Karnataka Housing Board Complex
Ground Floor, Cauvery Bhavan
K G Road, Gandhi Nagar
Bengaluru, Karnataka – 560009

The portal also has the facility of making payments through Karnataka Khajane-II. Users of the RERA portal will get a link on the payment page directing them to k2.karnataka.gov.in. The following steps should be followed by the users to make the payment:

1. On the K2 page, select citizen and then click on generate challan.
2. After filling in remitter details, select category as government, district as Bengaluru urban, and department as housing secretariat.
3. Select purpose as fees and fines collected under RERA, select the sub purpose and enter the amount to be paid.
4. After adding this screen, select the mode of payment as e-payment, type as net-banking and select one of the banks.

5. After the payment is completed, the user is required to take a print of the acknowledgement and upload that on the RERA portal along with the khajane-II challan number.

A related website of Department of Housing is: www.housing.kar.nic.in.

The following chart shows details of the fee to be paid for various requests on the rera portal:

		Area of proposed land <1000 Sq. Mt	Area of proposed land >1000 Sq Mt	Max Fee Payable
		Project Registration By Developers	Group Housing Project	Rs 5 per sq. mt
Mixed Development Project	Rs 10 per sq. mt		Rs 15 per sq. mt	Rs 7 lakhs
Commercial Project	Rs 20 per sq. mt		Rs 25 per sq. mt	Rs 10 lakhs
	Area of proposed land <1000 Sq. Mt		Max Fee Payable	
Plotted Development Project	Rs 5 per sq. mt		Rs 2 lakhs	
	Extension of Registration	*50% of project registration fees		
Real Estate Agent Registration		New Registration	Renewal of Registration	
	Individual	Rs 25000	Rs 5000	
	Society/company/partnership firm/ trust	Rs 2 lakhs	Rs 25000	

*Provided that where the promoter applies for extension of registration of the project due to force majeure he shall not be liable to pay any fee

Buyers/Consumers can also file their complaint against registered projects through the portal.

The project registration by developers and real estate agents is mandatory and those not registering will face action under Real Estate (Regulation and Development) Act, 2016.