



# States can't dilute Real Estate Act; Shri M.Venkaiah Naidu warns of public outcry

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## Ministry of HUPA rules out any amendments to RERA; plot size of 500 sq.mt not to be changed

### Implementation of RERA discussed with States; Most of the States to notify rules soon

Minister of Housing and Urban Poverty Alleviation Shri M.Venkaiah Naidu today urged the States and Union Territories to rise to the occasion and implement the Real Estate (Regulation & Development) Act, 2016 from the first of May this year, as proposed in the Act. He addressed a meeting of Chief Secretaries and senior officials of States and UTs convened by the Ministry of HUPA to discuss implementation of the Real Estate Act.

Shri Venkaiah Naidu said " Real Estate Act is one of the most consumer friendly laws passed by the Parliament and States have no power to dilute its provisions. This law, which was widely welcomed and appreciated benefits both the buyers and sellers of real estate properties besides enhancing the credibility of the sector. There is lot of hope and expectation from this act by all the stakeholders. There are some media reports that some States have diluted some provisions of the Act in the Rules notified by them. States don't have such powers and I hope such reports are not true. Today, I want to make it clear that any compromise with the spirit of the Act will have serious implications including public outcry. Whoever does so will have to face the public outcry. I expect the States and UTs to rise to the occasion and ensure implementation of the Act from May this year as proposed in the Act by taking necessary measures in time".

Later, various aspects of the Real Estate Act were discussed in detail. Responding to the views and suggestions made, Dr.Nandita Chatterjee, Secretary(HUPA) clarified that no amendments to the Act would be considered at this stage since full implementation of the Act would begin only in May this year when Real Estate Regulatory Authorities and Appellate Tribunals would become functional.

Dr.Chatterjee also clarified that the minimum plot size of 500 sq.mt proposed in the Act for registration of projects with Regulatory Authorities was arrived at after several rounds of discussions by the Parliamentary Committees and in the Parliament and it can't be altered now. She said that the cut off date for the ongoing projects that have not received completion certificates for including under the purview of the Real Estate Act would be May first this year, from when the full Act comes into effect.

Regarding other issues raised by the States, the Ministry officials stated that necessary clarity for the purpose of implementation of the Act can be given in the Rules to be notified by the States/UTs, without violating the spirit of the Act. These include stilt parking to be used as garage.

Responding to the issue of excluding balconies from the definition of carpet area, it was explained that it posed no problems as costing could be accordingly informed to the buyers. Interim Regulatory Authorities have been proposed in the Act so that they could put in place necessary institutional mechanisms for full fledged Regulatory Authorities could become functional from the first of May this year, it was explained.

The Ministry has agreed to come out with a template for Website to be made operational for disclosure of a range of information about the projects as mandated under the Act. Any expenditure incurred by the promoters on development of land could be included as part of the cost of land, States were told.

During the review, it revealed that Andhra Pradesh, Arunachal Pradesh, Chattisgarh, Haryana, Himachal Pradesh, Jharkhand, Karnataka, Kerala, Mizoram, Rajasthan, Tamil Nadu and Puducherry would notify the Real Estate Rules next month.

Punjab and Uttarakhand have informed that the needful would be done after the elections to the State Assemblies.

Real Estate Rules have so far been notified for Gujarat, Madhya Pradesh, Maharashtra, Uttar Pradesh, Delhi, Chandigarh, Andaman & Nicobar Islands, Dadra and Nagar Haveli, Daman & Diu and Lakshadweep.

AAR/KM

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