

# cover story

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## When home dreams collapse

From stalled projects to missing approvals, homebuyers across India are learning the hard way that the dream of ownership can quickly turn into a nightmare.

by Abhinav Kaul

For generations, homeownership has been seen as the ultimate milestone in India—a mark of security, success, and stability. Families cut back on luxuries, save for years, and pour their life savings into the dream of buying a house. For many, it is the single biggest financial decision of their lives. Yet, time and again, the dream has turned into a nightmare.

Across cities and towns, stories of delayed possession, poor construction quality, missing approvals, and broken promises are common. Homebuyers not only lose money but also years of peace, often trapped in litigation with little recourse. The Real Estate (Regulation and Development) Act (RERA), introduced in 2016, promised transparency and protection. But nearly a decade later, uneven enforcement and regulatory loopholes mean buyers remain vulnerable.

The problems run deep and wide. In Gurugram, projects stall mid-construction. In Noida, possession is given to flats without proper registration. In Bengaluru, quality lapses leave new owners with crumbling walls. For buyers, it's important to know the rights, recognise the law's limitations, and conduct thorough due diligence before committing life savings.

### The long wait

"We invested our life savings back in 2011, hoping to move in by 2015. It's 2025 now, and we are still waiting. It has ruined years of our lives," says one weary homebuyer of one of the flats in the unfinished towers of Ansal Estella in Gurugram's Sector 103.

For hundreds of families like his, the promise of a dream home has turned into a decade-long ordeal. Launched in 2011, the Estella housing project was marketed as a premium residential complex of 14 towers. It was to be jointly developed by two firms: Ansal Housing, responsible for six towers, and Sidhartha Buildhome, which took charge of eight. Buyers in Ansal Housing were told their homes would be ready by 2015, with a six-month grace period.

By 2015, most buyers had paid up to 95% of the cost of their flat. However, in December of that year, construction came to a halt. What followed was a spiral of legal disputes, financial shocks, and broken promises. The situation worsened when Sidhartha Buildhome entered National Company Law Tribunal (NCLT) proceedings in 2021. Today, only four towers of Ansal Housing stand partially complete. Many families have been forced to accept what the builders call "fit-out possession", or moving into apartments without the Occupancy Certificates (OC).

Taking possession of a fit-out property without the OC is illegal. So, life inside these towers is far from normal. With no permanent water or electricity connections, residents rely on tanker water and diesel generators. Security and maintenance



Ranjana Sinha

#### PROJECT

Ansal Estella, Gurugram Sector 103

#### ISSUE

Not getting possession since 2015

#### PROBLEMS SHE IS FACING

95% cost paid, no Occupancy Certificate, lack of enforcement of court orders

nance are patchy, sewage systems incomplete, and the fear of living in technically illegal homes looms large.

"We paid 95% of the cost by 2015, and the builder simply walked away from construction. For the last eight years, a group of around 30 buyers have been fighting a case against the builder in NCDRC (National Consumer Disputes Redressal Commission), but the final judgment is still to come through," says Sachin Chopra, another

other buyer.

According to the buyers, the builder has collected External Development Charges (EDC) and Infrastructure Development Charges (IDC) from the homebuyers. Still, these charges have not been submitted to the local Directorate of Town and Country Planning (DTCP).

Many have pursued multiple legal routes—from class action suits at the National Consumer Disputes Redressal Commission (NCDRC) to individual petitions in RERA courts. Several judgments have come in buyers' favour in RERA tribunals, directing the builder to pay penalties and damages, but enforcement has been nonexistent. Buyers also point out that the builder's licence expired in 2015 and was never renewed, making it technically impossible for the project to receive an OC or for registries to be completed, unless years of dues and taxes are cleared.

Some families have negotiated one-on-one settlements with the builder. Others continue to fight in courts. "Even though RERA has given judgments in our favour, there is no enforcement. It feels like the system has abandoned us just like the builder did," says Ranjana Sinha, a homebuyer.

The Estella saga highlights a much larger crisis in India's real estate sector: stalled projects, weak regulatory enforcement, and the helplessness of middle-class families.

### OC not provided

For Sneha Yadav, a fashion consultant, buying a flat in Supertech Ecovillage 1 in



Greater Noida was supposed to be a step toward stability. Instead, it has left her in a state of limbo.

She received possession of her flat in 2019 but has been unable to register it with local authorities. The problem lies in the absence of an OC, which ensures a property's compliance with legal and safety standards.

Realty firm Supertech, which built the project, is facing insolvency proceedings and hasn't secured the certificate owing to outstanding dues.

The National Company Law Appellate Tribunal (NCLAT) has appointed an Interim Resolution Professional (IRP) to oversee the bankruptcy.

"We are stuck till dues are paid to the local authorities. The electricity connection we have is provided by the builder, which is more expensive than a government one. Even the electricity charges are getting deducted from the maintenance fund. There are at least 12-15 towers, which are still unregistered," says Yadav.

At one point, there was a suggestion to collect the dues from homeowners to pay off the authorities. "The proposal was rejected as this would mean an extra outgo of around ₹8 lakh for each homeowner," she explains. The absence of OC has created civic challenges. "Overall management is substandard. There have been instances when cars got submerged in the basement, there were issues with water contamination, and residents fell sick. There is also a big question over how this unregistered house will be transferred to my son," Yadav says.

Her story illustrates how, even when flats are delivered, the absence of crucial approvals can leave homeowners in a precarious legal and financial position.

## Quality issues

In Bengaluru, Sahana Mitra, a media sales professional, thought she had found her dream home when she purchased a flat in December last year. Within months, the problems surfaced.

"During rains around July-August this year, one of the walls in our master bedroom became damp and swollen, and it has not even been a year since we moved into the house. The dampness is gone now, but we fear the issue will recur. There are others in the society facing similar problems," she says.

She is reluctant to approach the builder, fearing costly, inconvenient repairs. "In the initial days, we faced leakage in the centralised air conditioning and had to get it fixed, a major hassle. It's tough when your dream home turns sour with such problems soon after moving in." Her account highlights a pervasive issue: construction quality. From seepage to cracks to faulty amenities, such problems are increasingly common, especially in projects rushed to completion.

## Cracks in the dream

Delays remain the single most significant source of frustration for homebuyers across India. According to data from state RERA authorities, a majority of complaints filed by buyers relate to projects that have been running years behind schedule. While regulators have allowed developers some

## Peace of Mind Checklist

Essential checks before you buy a home.

- Verify RERA registration**  
Every project must have a RERA number. Cross-check it on the official state RERA website to see approvals, timelines, and project details.
- Developer pedigree**  
Look up the developer on the state RERA website. Check past projects: Were they delivered on time? Any pending complaints?
- Financial health**  
Review the developer's filings with the Ministry of Corporate Affairs (MCA). Watch for signs of cash stress or defaults.
- Read the draft agreement**  
Don't skip it. The agreement shows how the land was procured, sanction plans, builder's obligations, and timelines. It's written in simple language—worth every minute of your time.
- Technical red flags**  
Inspect the site plan for issues like high-tension lines, drain networks, or buffer zones nearby. Evaluate master planning details: number of lifts, clubhouse size, parking.
- Legal clarity**  
Ensure the land title is clean and free of disputes. Understand whether it's a joint development, outright purchase, or branding arrangement—all affect the builder's stake.
- Confirm amenities and land use**  
Compare what was marketed with what is registered. Ensure promised facilities (parks, clubhouses, open areas) are not cut back or split between multiple projects.
- Avoid subvention schemes**  
These once-popular tri-party deals often left buyers stuck with EMIs when developers defaulted. RBI has banned them, but steer clear of any similar "too good to be true" offers.
- Consult a professional**  
Hire legal experts and independent inspectors to assess construction quality before possession.

**Remember**  
Under RERA, builders are liable for structural defects for five years after handover.

extensions—especially during the pandemic—the backlog of disputes has continued to grow.

"We see three broad categories of grievances," explains Anand Moorthy, Co-founder and Chief Business Officer, Capital Market & Services, Square Yards. "The first, and by far the largest, is the delay in possession. The second is linked to subvention schemes, where defaults by developers left buyers saddled with EMIs. The third set of complaints revolves around amenities—buyers discover later that the project was split or facilities quietly reduced."

Subvention schemes, popular in the mid-2010s, created thorny problems. Developers assured banks they would pay buyers' EMIs until possession. When projects stalled, banks turned to buyers, damaging credit scores and leaving families in unfinished homes. Moorthy himself had firsthand experience. "I was caught in one such scheme," he recalls. "It took me five years of litigation, hundreds of emails and hearings, to recover my money with interest. If this can happen to someone in the industry, imagine what it means for an ordinary buyer without legal guidance."

Beyond delays and broken promises, Moorthy believes that a significant source of buyer pain stems from a lack of due diligence at the time of purchase. In his view, reforms and awareness must go hand in hand.

"The responsibility cannot lie only with the courts or regulators. Homebuyers need to be vigilant as well. Before investing ₹50 lakh or a crore, spend an hour checking whether the project is RERA registered, whether the documents have been uploaded, and what the draft agreement states. These details are all online, but very few buyers verify them," Moorthy said.



Sneha Yadav

**PROJECT**  
Supertech  
Ecovillage 1,  
Greater Noida

**ISSUE**  
Occupancy  
Certificate  
not given

**PROBLEMS SHE IS FACING**  
Flat registry not done. Costly private electricity connection, maintenance issues

He adds that reading the draft agreement is critical, even if it looks daunting. "It surprises me that people will commit their life savings but not read a 20-page document. That one step can prevent years of trouble."

Moorthy also calls for stronger enforcement mechanisms and independent audits so buyers are not left to decipher compliance on their own. But until then, he stresses that awareness is the best line of defence.

"Most grievances we see could have been avoided if buyers had done three things—checked the RERA site, read the agreement and get a title check of land and unit bought. State regulators and sub-registrars have made this information available. Prevention is still far less painful than litigation years down the line," he says.

## What RERA promises

RERA was introduced as a reform to bring in transparency and accountability to the real estate sector, covering both residential and commercial projects and applying to private and public bodies engaged in sales.

Under RERA, projects above 500 square meters or eight apartments must be registered before launch, and real estate agents are required to register with state authorities—measures intended to curb misrepresentation and prevent marketing of unapproved developments. The law also provides buyers with clear remedies. If a developer fails to deliver on time, the buyer can seek a refund with interest or claim monthly interest until possession is handed over. Additionally, RERA's online portals offer access to project details, timelines, and approvals, helping buyers make informed decisions.

On paper, RERA empowers homebuyers with significant rights; however, in practice, enforcement and implementation challenges remain.

## Why issues persist

Even with RERA in place for nearly a decade, many homebuyers continue to face the same problems that plagued the sector before its introduction—projects delivered without occupancy certificates, poor construction quality, and promised amenities falling short. Experts say the problem lies not with the law but with its uneven enforcement across states.



# cover story

04 The Economic Times Wealth October 06-12, 2025

"RERA was designed to be a uniform safeguard for buyers. However, different states interpret and implement rules differently, and that creates loopholes. Without stronger enforcement powers and dedicated recovery systems, buyers are often left with orders in their favour that remain unimplemented for long periods," says Santhosh Kumar, Vice Chairman, ANAROCK Group.

Construction quality is another sore point. While larger developers with established reputations typically invest in robust teams and reliable contractors, smaller players cut corners. From cracks and leakages to flooding during rains, buyers in many projects find themselves living with defects soon after possession. Amenities, too, remain a battleground between buyers and builders. Under RERA, developers are legally bound to deliver what they advertise, and Section 12 gives buyers the right to exit projects with refunds if brochures made fraudulent claims. Yet, enforcement varies widely.

"Courts have made it clear that buyers retain their rights to amenities even after they move in. But some buyers secure compensation relatively quickly, while others must contend with longer timelines," Kumar explains. "For lasting change, RERA authorities need direct enforcement powers, stronger oversight of escrow accounts, and even mandatory insurance for project completion," he said.

## The legal opinion

Although the introduction of RERA was hailed as a landmark reform for the sector, homebuyers continue to struggle with its enforcement on the ground. Legal experts say the gap between the law's intent and its execution remains wide.

"The biggest hurdle is the execution of the law. If a developer defaults, the buyer may secure a favourable order from RERA. But when it comes to implementing that order, the process is slow," explains Nidhi Singh, Partner at IndiaLaw LLP. "For example, if you want the developer's property to be attached because he isn't refunding your money, you have to go through the collector. Despite directions from higher courts, the functioning of authorities is extremely slow and often unresponsive."

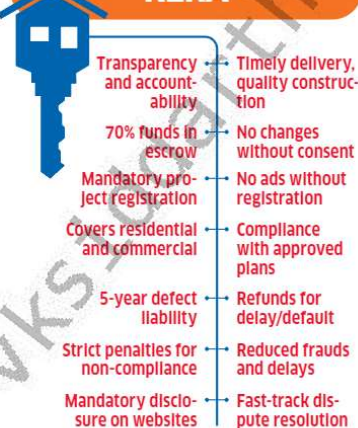
To file a complaint under RERA, a homebuyer must approach the RERA authority of the state where the project is located, usually through the official state RERA portal. The complaint should include details of the complainant and respondent, the project registration number, nature of the grievance such as delay, false advertising, or refund issues, and the relief sought. Supporting documents like the agreement for sale, payment receipts, and correspondence with the builder must be attached. The complaint is filed online in the prescribed form with a

## RERA tracker

RERA was implemented in 2017 to protect homebuyers' interests by bringing accountability, transparency, and standardisation to real estate, ensuring fair play, faster dispute resolution, and greater confidence in the housing sector.



## Key benefits to homebuyers under RERA



nominal fee.

According to Singh, the RERA framework is still an improvement over consumer or civil courts, where litigation can drag on for years. However, she stresses that the absolute protection for buyers begins before they invest their money in a project. "Three-fourths of your problems are solved if you invest in a reputed brand. Established developers care about their reputation, they have the net worth, and they cannot afford to alienate customers. In most cases, if there is a dispute, such developers are more open to negotiation and resolution," she says.

The danger, she adds, lies in being swayed by attractive marketing or unrealistic promises. "A lot of homebuyers get carried away by flashy brochures. But without proper due diligence, you end up vulnerable. That is why I always advise buyers to check the builder's credentials, review the details

available on the RERA website, and consider consulting a real estate lawyer before making an investment. Prevention is better than years of litigation later," Singh notes.

One critical safeguard, according to Singh, is never to accept possession without an OC. "It may be tempting to move in, especially if you've paid 90-95% of the cost. But legally, a flat without an OC is not safe. Tomorrow, the authorities could declare the building illegal, cut off utilities, or even order demolition. It is far better to apply for a refund than to accept such a risky possession," she warns.

Singh believes RERA has brought about meaningful changes—particularly in transparency and conciliation procedures that often lead to quicker settlements—but insists that buyers must also shoulder their share of responsibility. "Buyers now have access to project registration details, approvals, and timelines. But information is only useful if buyers make the effort to use it," she says.

Despite RERA's strong framework, enforcement remains weak. Cases often stall at the tribunal stage as developers appeal against orders, delaying relief for buyers. Even when rulings favour homebuyers, execution is difficult—recovering refunds or compensation lacks effective mechanisms. Monitoring too is weak, with project progress based on self-reported data rather than physical checks. These gaps—judicial delays, slow recovery systems, state reluctance, and weak oversight—erode RERA's effectiveness, leaving many buyers waiting for justice.

## Why due diligence matters

For many buyers, the problems with homeownership don't begin when the walls start to crack or the pipes begin to leak; they start much earlier, at the very first stage of discovery. The housing market today is riddled with misrepresentation, fake microsites, and brokers posing as official representa-

tives of large developers. By the time a buyer realises they've been speaking to a broker and not a builder's team, trust is already eroded.

"The very first step of the home-buying journey is chaotic. Buyers are often misled into believing they are dealing directly with the developer, receiving endless broker calls and being pulled into misleading microsites. That misrepresentation shakes trust right at the start," says Ashish Acharya, Founder & CEO of Propsoch, a real estate advisory firm.

Acharya believes that the bigger issue is the lack of reliable, structured information for consumers to evaluate their options. Instead, buyers often fall back on biased Google reviews, casual advice from friends and family, or the claims of brokers themselves. Critical red flags—like proximity to high-tension lines, water drains, or unresolved land ownership disputes—usually remain hidden until it's too late.

At Propsoch, Acharya advocates a three-step due diligence process: financial, technical, and legal. Checking a developer's track record on RERA websites, reviewing their financial health through filings, and examining title clarity are crucial steps that most buyers often overlook. "A little upfront homework can save years of distress later. Review the builder's past delivery timelines, check their financial filings, and examine the agreement for one-sided clauses."

One question many first-time buyers of ten wonder is whether it makes sense to set aside a "contingency fund" for legal battles, in addition to the usual burden of down payment and EMIs. Experts say that while the idea sounds logical, it's far from practical in the Indian context.

"On paper, it sounds good. But in reality, most of us stretch beyond our actual financial capacity to buy a home," says Col Sanjeev Govila (Retd), Certified Financial Planner, and CEO, Hum Fauji Initiatives, a financial advisory firm. "Setting aside a separate legal fund is more of an academic discussion than a real possibility."

Instead, buyers are encouraged to invest modestly in legal consultation at the time of purchase itself.

## Lessons from the struggle

The stories of Ansal Estella, Supertech Ecovillage, and numerous projects across India reveal a harsh truth: homeownership in India remains fraught with risk. RERA has brought transparency and rights, but its uneven enforcement means buyers often wait years for justice that remains on paper.

The lessons are clear. Buyers must exercise vigilance, conduct their due diligence, and never compromise on basics, such as obtaining Occupancy Certificates. Experts stress that prevention—through research, legal checks, and prudent choices—is far more effective than seeking remedies after problems arise.

Until enforcement catches up with intent, the burden will remain on homebuyers to protect themselves. For many, the dream of homeownership in India remains a daunting one—a gamble where the stakes are nothing less than their life savings.

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