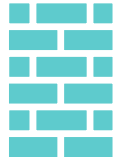


# Five Years On: An Assessment of RERA

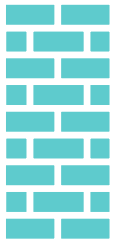
The Road Ahead for a Stronger  
On-Ground Regime





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# Foreword

At Omidyar Network India (ONI), we believe that secure and stable access to property and housing is critical for the socio-economic well-being of every individual. Typically, a property purchase is one of the larger and more critical financial decisions made by a family. It is also the fundamental driver for savings and borrowings in a household's balance sheet and often serves as the primary asset for generating liquidity in times of need. Despite this centrality in the lives of all Indians, the land and property markets in India lack transparency and efficiency and are fraught with litigation challenges. Creating a seamless ecosystem that is built on the foundation of robust state and regulatory support can act as a catalyst for positive change. Technology and innovation can ensure reduced friction and litigation, thereby promoting transparency and accessibility. The socio-economic dividends of these changes would be large, impacting

Indian citizens meaningfully and at scale.

The macro significance of this sector is also noteworthy. India's real estate sector contributed approximately 6.5% to the country's GDP in 2019 and is the second largest employer after agriculture<sup>1,2</sup>. As a supplier of both commercial and residential infrastructure, it acts as a fulcrum for growth and enables holistic socio-economic development. Despite its role as a core sector of the economy, it has been plagued with several challenges ranging from lack of transparency and accountability to construction delays, fractured funding mechanisms, and absence of satisfactory grievance redressal mechanisms.

Recognizing the need to urgently address these challenges and alleviate the pain points, both at a micro (householder) and macro (real estate sector) level, the Real Estate (Regulation and Development) Act (RERA) was passed in May 2016.

The primary aim of the Act was to protect the home buyers' interests and boost investment and growth in the sector. Today, almost five years after its introduction, we find it important to assess its impact and evaluate whether the motives of its implementation have been preserved.

In this report, we assess the execution of RERA across key dimensions—transparency, accountability, customer empowerment, grievance redressal, and overall confidence in the sector—and suggest potential solutions to improve its implementation and further amplify its impact. Our assessment and recommendations are tethered to the perspectives gleaned from our interactions and consultations with 1300+ stakeholders in India's real estate ecosystem including consumers, developers, real estate agents, RERA/industry body representatives, financial institutions, architects, Chartered

1 Indian Real Estate Industry: Overview, Market Size, Growth, Investments...IBEF

2 ANAROCK\_Covid-19 Impact on Indian RE Sector.pdf



Accountants (CAs), civil engineers, lawyers, researchers, etc. The insights gathered from these interactions have been augmented by learnings from global benchmark countries that have successfully built a thriving real estate ecosystem, and best practices adopted by different industries and states in India.

The most significant takeaway from our analysis was that RERA has successfully addressed many of the erstwhile challenges in the real estate ecosystem. However, several pain points persist due to varying levels of implementation across states. These can be addressed by proactively adopting the set of recommendations proposed in this report. These focus on driving consumer awareness and education on RERA, streamlining processes and driving adherence across states, taking steps to promote the real estate sector, and enabling policy level shifts.

We firmly believe that if RERA is executed well, it can make a profound impact across all stakeholders in the



Photo: Jaga Mission archive

real estate sector and beyond. It can be a significant driver for meaningfully improving citizens' lives and their socio-economic wellbeing. In the backdrop of the current pandemic hit landscape, it can also ensure that the real estate sector plays a key role in India's post-COVID economic reconstruction given its multiplier effect on the economy by way of employment generation, increased consumption, and positive fiscal impact. [With this report, we hope](#)

[to shed light on the prevailing status of RERA implementation and recommend solutions that can holistically meet the goals that RERA set out to achieve. The time is opportune to renew household confidence in India's key asset class and recharge the real estate sector as an engine of socio-economic growth and development.](#)

**Shilpa Kumar**  
Partner, Omidyar Network



# List of Abbreviations

RERA	Real Estate (Regulations & Development) Act, 2016	MOFA	Maharashtra Ownership Flats Act, 1963
REAT	Real Estate Appellate Tribunal	MoHUA	Ministry of Housing and Urban Affairs
API	Application Programming Interface	NAREDCO	National Real Estate Development Council
ATL	Above the Line	NCDRC	National Consumer Disputes Redressal Commission
BTL	Below the Line	NCR	National Capital Region
CA	Chartered Accountant	NRIs	Nonresident Indians
CAC	Central Advisory Council of RERA	OC	Occupation Certificate
CC	Completion Certificate	OD	Odisha
CREDAI	Confederation of Real Estate Developers' Association of India	PMD	Project Management Division
CRZ	Coastal Regulation Zone	RC	Recovery Certificate
DLB	Dubai Land Development	RERA	Real Estate Regulatory Authority
FIs	Financial Institutions	REST	Dubai Real Estate Self Transaction
GDP	Gross Domestic Product	SRERA	State Real Estate Regulatory Authority
GVA	Gross Value Added	SROs	Self Regulatory Organisations
KA	Karnataka	TOET	Training of Expert Trainers
IBC	Insolvency and Bankruptcy Code, 2016	UP	Uttar Pradesh
Maha	Maharashtra	USD	United States Dollar
MP	Madhya Pradesh	UTs	Union Territories
MMR	Mumbai Metropolitan Region	XRBL	eXtensible Business Reporting Language



Chapter 1

# Executive Summary



# 10 Key Messages

## RERA: Alleviating the woes of the real estate sector

**1. The real estate sector is a significant contributor to the Indian economy and individual well-being**

- 6.5% contribution to India's GDP
- 2nd largest employment generation in the economy
- 77% of total assets of Indian household held in real estate

**2. The Real Estate (Regulations and Development) Act, 2016 (RERA) was introduced to institutionalize the largely unregulated, and challenge-riddled real estate sector**

- 66% of civil cases registered until 2016 related to land/property disputes

**3. Strong positive shift in the sector since the implementation of RERA in 2016**

- 41 to 34 Upward shift in India's global real estate transparency ranking
- 26 states/UTs accounting for 90% of urban population with basic RERA setup in place

**4. While noteworthy progress has been made in the past 5 years, RERA's implementation across states continues to be disparate**

- 7 states/UTs contribute to over 90% of the total number of complaints resolved
- 6 states/UTs are yet to setup the RERA authorities

## Experience with RERA: Stakeholders' perspective across 5 key parameters

**5. Overall Confidence in the sector High positive sentiments for RERA observed across stakeholders**

- 76% of the consumers who are aware of RERA, will buy only RERA properties in future
- 64% developers are highly satisfied with RERA

**6. Consumer Awareness & Education High awareness of 'RERA' amongst consumers, however, deeper awareness of RERA benefits is desired**

- 70% consumers aware of 'RERA' as a regulator
- 50% consumers aware of only 2 basic benefits of RERA

**7. Transparency Significant improvement in transparency in the sector, however, state RERA websites continue to be a dissatisfier for both consumers and developers**

- 27 states have set up web portals, with information available on ~110 parameters for the registered projects
- 14% consumers have visited the website & 24% of the consumers who visited are satisfied with it
- 45% developers are dissatisfied with the RERA website

**8. Accountability Strong footing of RERA in terms of developers' compliance across states, however, accountability of other stakeholders can be improved**

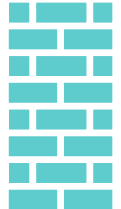
- 77% eligible projects are registered under RERA
- Further there is a need for assessing inclusion of other stakeholders under RERA, to drive accountability
- There is lack of clarity in the role for state RERAs in resolving stalled projects

**9. Grievance Redressal RERA has emerged as the forum of choice for consumers, however, extended complaint resolution timelines are a cause of dissatisfaction**

- 5 out of 6 Consumers seek redressal through RERA
- 22% Consumers are satisfied with the redressal system

**10. Unlocking RERA's potential Call to Action for state RERAs & other stakeholders**

- Driving consumer education and awareness across states
- Fast-tracking processes and driving compliance & transparency across states
- Defining policy guidelines & interfaces to empower quick resolution & accountability at RERA
- Facilitating growth and promotion of the sector<sup>7</sup>



# RERA: Transforming a critical sector by strengthening the contractual framework for all stakeholders

## 1. The real estate sector is a significant contributor to the Indian economy and individual well-being

**6.5%** } Approximate contribution of the real estate sector to India's Gross Domestic Product (GDP), making it a key to economic reconstruction and growth.

**USD 1 trillion** } Estimated market size of real estate sector by 2030. By 2025, it is expected it will contribute 13% to the country's GDP.<sup>1,2</sup>

**~USD 270 billion** } Total estimated home loans outstanding in the country in FY20,<sup>3</sup> making it an important enabler for credit flow in the economy.

**50 million people** } Workforce employed by the real estate sector, as of 2017, making it the country's second largest employer after agriculture.<sup>4</sup>

Due to its widespread economic impact, ability to generate large-scale direct and indirect employment, and ability to boost the flow of credit, a thriving real estate sector is crucial for any economy. In addition to contributing to macro-economic growth, the real estate sector also plays a significant role from a socio-economic perspective:

**11.2 million houses** } Current demand for housing in India, and growing at a fast clip.<sup>5</sup>

**74%** } Property-seekers who are looking to buy the property for self-use, according to a survey by Anarock.<sup>6</sup> This clearly underscores the importance of home ownership in our country.

**77%** } Share of total household assets in India held in real estate.<sup>7</sup> Generally, a house is the primary and the most valuable asset owned by an individual. Consequently, it also generates significant liability on personal balance sheets.

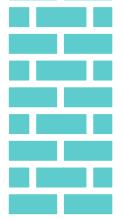
As a supplier of this essential asset, the real estate sector holds great significance for both the economy and every individual in it. A thriving real estate sector can give a fillip to GDP growth, while also enabling holistic socio-economic development, by boosting individual well-being.

 Salvaging Indian realty, the second-largest employment generator is critical, not only from GDP growth perspective but also for employment generation, since the sector has a multiplier effect on 250-plus allied industries.  
**—Niranjan Hiranandani, National President, NAREDCO**

1 IBEF. (Retrieved in May, 2021). Indian Real Estate Industry: Overview, Market Size, Growth, Investments... IBEF. Retrieved from [https://www.ibef.org/industry/real-estate-india.aspx#:~:text=65%2C000%20crore%20\(US%24%209.30%20billion,the%20country%27s%20GDP%20by%202025](https://www.ibef.org/industry/real-estate-india.aspx#:~:text=65%2C000%20crore%20(US%24%209.30%20billion,the%20country%27s%20GDP%20by%202025)  
2 ANAROCK. (2020). Covid-19 Impact on the RE Sector. Retrieved from [https://api.anarock.com/uploads/research/ANAROCK\\_Covid-19%20Impact%20on%20Indian%20RE%20Sector.pdf](https://api.anarock.com/uploads/research/ANAROCK_Covid-19%20Impact%20on%20Indian%20RE%20Sector.pdf)  
3 Crisil Research. (September, 2020). (CRISIL NBFC Report). Retrieved from <https://www.crisilresearch.com/#/nbfcreport20/SectorOutlook>  
4 ANAROCK. (2020). Covid-19 Impact on the RE Sector. Retrieved from [https://api.anarock.com/uploads/research/ANAROCK\\_Covid-19%20Impact%20on%20Indian%20RE%20Sector.pdf](https://api.anarock.com/uploads/research/ANAROCK_Covid-19%20Impact%20on%20Indian%20RE%20Sector.pdf)

5 Pradhan Mantri Awas Yojana. (Retrieved in April, 2021). PMAY(Urban) – Progress. Retrieved from <http://pmaymis.gov.in/>  
6 ANAROCK. (Retrieved in April, 2021). Real Estate Purchase Perspectives: From the Lens of the Consumers – Pre-COVID & Post-COVID Assessment. Retrieved from [https://api.anarock.com/uploads/research/ANAROCK\\_CONSUMER\\_SENTIMENT\\_SURVEY\\_CII\\_Report%202021\\_booklet.pdf](https://api.anarock.com/uploads/research/ANAROCK_CONSUMER_SENTIMENT_SURVEY_CII_Report%202021_booklet.pdf)  
7 Reserve Bank of India. (July, 2017). Indian Household Finance. Retrieved from <https://rbidocs.rbi.org.in/rdocs/PublicationReport/Pdfs/HFCRA28D0415E2144A009112DD314ECF5C07.PDF>





# RERA: Transforming a critical sector by strengthening the contractual framework for all stakeholders

## 2. The Real Estate (Regulations and Development) Act, 2016 (RERA) was introduced to institutionalize the largely unregulated and challenge-riddled real estate sector

Prior to the Real Estate (Regulation and Development) Act (RERA), the real estate sector was riddled with several challenges including information asymmetry, lack of financial discipline, skewed transactions favoring the developers, and limited grievance redressal forums for consumers.

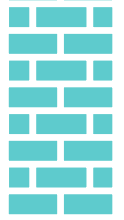
**66%** Share of civil cases in India that are related to land/property disputes, according to a survey conducted in 2016,<sup>8</sup> highlighting both, the relevance of property and the need for a strong regulatory regime in the sector.

The above challenges precipitated the need to establish relevant laws and create an implementation body that would specifically deal with the challenges in the real estate sector. It is important to understand that RERA was introduced not just to protect the rights of the buyers but also to alleviate the many pain points in the real estate ecosystem. In addition to protecting consumer rights and putting greater onus on the builder, it also attempts to create an institutional structure. Institutionalization of the real estate sector will make it easier for developers to raise funds from banks, Private Equity (PE) firms, and Real Estate Investment Trusts (REITs). In the process, all the stakeholders in the ecosystem will benefit.

<sup>8</sup> Times of India (April, 2016). Property and family disputes account for 76% of litigation. Retrieved from <https://timesofindia.indiatimes.com/india/property-and-family-disputes-account-for-76-of-litigation/articleshow/51987414.cms>



Photo: Wong Yu Liang, stock.adobe.com



# RERA: Transforming a critical sector by strengthening the contractual framework for all stakeholders

## 3. Strong positive shift in the sector since the implementation of RERA in 2016

The real estate sector has made great strides after RERA was passed in May 2016. The Act has led to greater transparency in real estate transactions, improved the protection of consumer rights, and increased builder accountability. Overall, it has improved service and project delivery and engendered trust amongst all ecosystem stakeholders.

26 } States, accounting for 90% of urban population, have the basic RERA setup in place.

34 } India's ranking as per the Global Real Estate Transparency Index 2020 (published by JLL). This is an improvement from 41 in 2016, highlighting the positive impact of RERA's ongoing efforts.

“ RERA has enhanced consumer confidence in the sector, by increasing transparency in the sector and display of professionalism by developers.

– Senior Advisor & Industry Veteran

“ With RERA coming into effect, our credibility amongst consumers is increasing if our projects are registered with RERA. We hope this will help the overall sector growth.

– Director, Small-sized Real Estate Developers



From a financier's perspective, the implementation of RERA is a very welcome development for the sector. If a project is RERA registered, we know that it already has all requisite approvals and project plans in place and will be monitored by an authority. This makes investing easier for us.

– Senior Official, Financial Institution

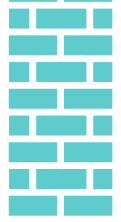
## 4. While noteworthy progress has been made in the past 5 years, RERA's implementation across states continues to be disparate

Inarguably, the real estate sector has improved significantly since the introduction of RERA. However, due to the varied implementation of RERA across states, the full benefits of the Act are yet to accrue to the entire real estate ecosystem.

7 } Number of states that contribute to over 90% of the total number of complaints resolved by RERA authorities with UP, Haryana, and Maharashtra falling in the top 3.

6 } Number of states are yet to set up the RERA authorities. Amongst these, Nagaland and West Bengal are yet to notify their official rules under RERA, which is the first step that needs to be taken by each state as per the central mandate.

Thus, significant layers still need to be built to strengthen RERA's implementation across states.



# Experience with RERA: Stakeholders' perspective across 5 key parameters

## 5. Overall Confidence in the sector: High positive sentiments for RERA observed across stakeholders

Through our primary and secondary research, we have derived key insights from stakeholders on the performance of state RERAs across the 7 key roles, as highlighted in this report.

76% } Surveyed consumers who are aware of RERA who say they will buy only RERA properties in future.

~60% } Surveyed consumers expressed more confidence in investing in real estate post RERA's implementation.

64% } Surveyed developers who have expressed high satisfaction with RERA.

“ RERA has led to improved consumer confidence, due to higher developer professionalism in the real estate sector and improved transparency.

– Researcher

“ With RERA coming into effect, our credibility amongst consumers is increasing if our projects are registered with RERA. We hope this will help the overall sector growth.

– Small-sized developer

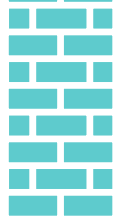
## 6. Consumer Awareness & Education: High awareness of 'RERA' amongst consumers, however, deeper awareness of RERA benefits is desired

Significant progress has already been made in establishing awareness of RERA amongst consumers, however the awareness is limited to only the top few aspects of RERA.

70% } Consumers are aware of 'RERA' as a regulator

50% } Consumers are aware of only 2 basic benefits of RERA, i.e., the mandatory registration of the relevant projects and RERA as a grievance redressal forum

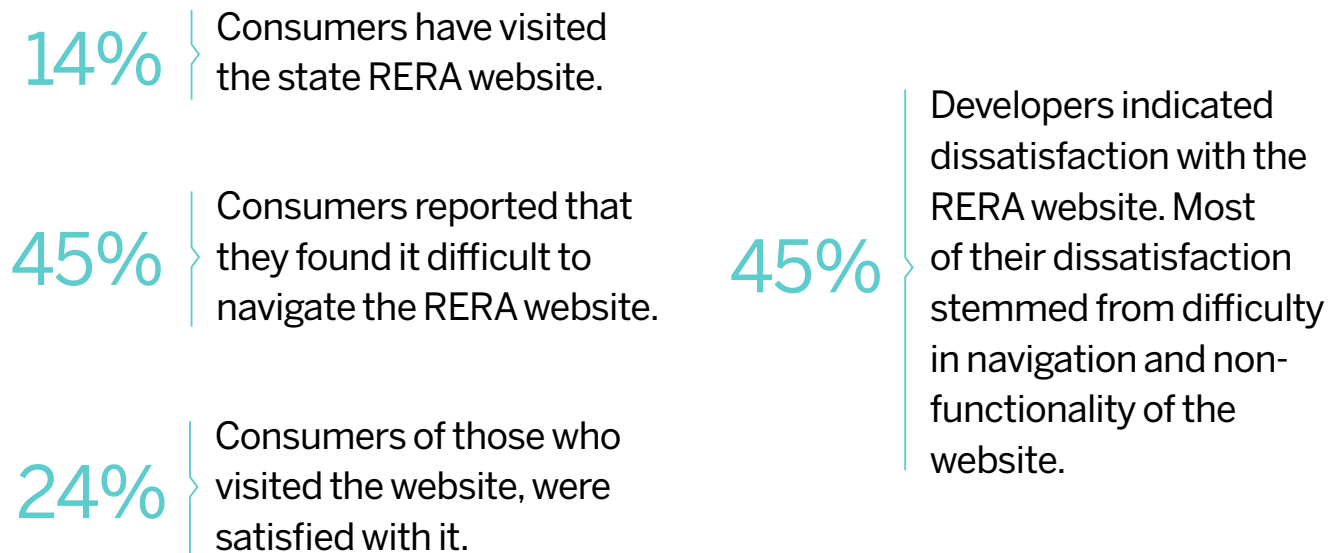
There are several other benefits of RERA that consumers have limited awareness about. For example, **less than 30% consumers are aware that the advance payment made to developers cannot be more than 10% of the sale value or that the developers cannot make any alterations to the agreed project plan without approval from the buyers.** This suggests that there is still significant scope to build awareness around the many benefits that can accrue to stakeholders once RERA is holistically implemented across states.



# Experience with RERA: Stakeholders' perspective across 5 key parameters

## 7. Transparency: Significant improvement in transparency in the sector, however, state RERA websites continue to be a dissatisfier for both consumers and developers

RERA was envisaged to improve transparency in the real estate sector and make the entire real estate transaction process quick and seamless. To enable transparency and reduce information asymmetries, 27 states have set up web portals, with information available on ~110 parameters for the registered projects. However, awareness of the websites continues to be low.



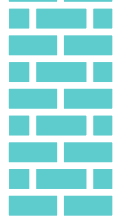
“By and large State RERAs are hesitant about making more data transparently available to evaluate their performance and drive comparison across states.”  
 – Senior Advisor & Industry Veteran

## 8. Accountability: Strong footing of RERA in terms of developers' compliance across states, however, accountability of other stakeholders can be improved

**Developer compliance stands on a strong footing with 77% of eligible projects registered under RERA.** However, there remains room for greater compliance. Conversations with state RERAs have highlighted the need for assessing the inclusion of other stakeholders like architects, engineers, etc., under RERA's purview, to drive accountability and professionalism in the sector under RERA. Further, in the case of RERA projects that have been stalled due to lapsed or revoked registration, RERA bodies have a lot of scope to interpret, judge, and implement further measures. Hence, the response of different state RERAs with respect to stalled projects varies significantly. Further, as per the state-RERA discussions, many of the projects currently stalled were initiated prior to RERA implementation, which state RERAs have been unable to resolve, due to lack of clarity on their role for stalled projects. This needs to be addressed proactively.

“There is a need for RERA Authorities to be empowered to issue directions to all stakeholders in the project as well, for state RERAs to achieve their objective of timely project completion.”  
 – Ex-Senior Official, State RERA Authority

“There should be a concrete mechanism set for RERAs to resolve such cases and complete projects.”  
 – Chairman, State RERA Authority



# Experience with RERA: Stakeholders' perspective across 5 key parameters

## 9. Grievance Redressal: RERA has emerged as the forum of choice for consumers, however, extended complaint resolution timelines are a cause of dissatisfaction

RERA has emerged as the forum of choice for grievance redressal.

5 out of 6 } Consumers prefer to seek redressal through RERA

22% } Share of consumers who are satisfied with the current RERA grievance redressal process due to extended resolution timelines, order execution delays, etc. It is important to note that for pre-RERA initiated projects only 10% consumers expressed satisfaction while for post-RERA initiated projects, 30% consumers expressed satisfaction.



I had filed a complaint with RERA in January 2020, however, no resolution is received. Builder is leveraging dispute resolution to buy time and complete project.

– Consumer

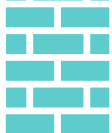


While we are complying with all the RERA regulations, we believe that getting the due benefit from RERA for this compliance in some sort of grading would be really helpful. It would support more developers to comply with the RERA rules.

– Small-Sized developer



Photo: Memories Over Mocha, stock.adobe.com



## 10. Unlocking RERA's potential: Call to Action for state RERAs & other stakeholders

### Driving consumer education and awareness across states

- Drive awareness about the benefits of RERA through mass and targeted advertising; Leverage stakeholders like developers, agents, and financiers to share RERA information dockets with consumers
- Implement awareness initiatives to increase the adoption of RERA website across consumers, for example, portal navigation tutorial videos on digital media, etc.

### Fast-tracking processes and driving compliance & transparency across states

- Enable easier and faster information access on RERA portals by creating a list of minimum website standards and ensuring adherence across all state RERAs
- Improve RERA registration timelines by adopting successful best practices including the end-to-end digitization of process and non-scrutinization of other approvals; State RERAs can ensure resource availability through periodic assessments
- Drive developer compliance through stringent checks and initiatives like higher penalties on defaults, maintaining records of developer ads, etc.
- Share best practices across states for streamlining and fast-tracking grievance redressal
- Improve transparency on state RERA effectiveness by publishing key data metrics; Provide API based access for data analysis and standard data formats like XBRL

### Defining policy guidelines & interfaces to empower quick resolution & accountability at RERA

- Define interface between RERA and other state authorities to facilitate faster approvals; State RERAs can enable data visibility on approval lead times to help streamline processes
- Create broad guidelines on RERA's role in resolving stalled projects
- Drive accountability of other key stakeholders, for example, CAs, engineers, etc., by assessing their inclusion in RERA

### Facilitating growth and promotion of the sector

- Leverage the data collected by RERAs for initiatives like project gradings, setting up pricing index, etc.
- Develop training and certification programs for professional stakeholders to improve construction quality
- Promote the construction of sustainable and green real estate buildings
- Formalize a knowledge engine and expert connect within the sector

Due to its multiplier effect, the Indian real estate sector will continue to act as a torchbearer of growth for the Indian economy. **Even a 5-7% growth in private investments in the real estate sector, can lead to an incremental demand for ~4-6 million jobs across the sector, and the numerous ancillary industries that it supports<sup>9</sup>.** The actions taken today can be a watershed moment for India's real estate sector, and can help India chart a robust economic future.

<sup>9</sup> Estimates; [Applied the percentage share of private investments in RE (source: Invest India Grid) to the FY20 RE sector employment (assumed basis Anarock Research 2017 RE employment figures & Economic Survey of India 2018 sector employment growth rate), to calculate the estimated growth in real estate sector employment with a growth in private investments (sourced construction sector employment/ investment growth elasticity from RBI research). Estimated the indirect employment generated in ancillary industries basis the direct employment generation. (assumed Indirect/Direct employment generation through employment multipliers used in a National Institute of Public Finance and Policy research)]

Chapter 2

# Demystifying RERA





## Section 2.1

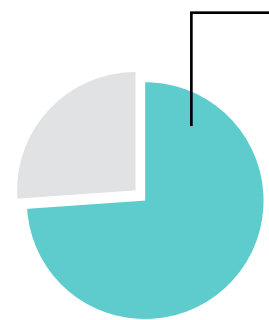
# A quick primer

In India, a country of 1.4 billion people, housing has a unique socio-economic and symbolic significance. A thriving and transparent real estate sector can give a fillip to Gross Domestic Product (GDP) growth and enable holistic socio-economic development.



# 11.2 million

Current demand for housing in the country<sup>10</sup>



# 74%

Property-seekers are looking to buy a property for self-use, according to a survey by Anarock,<sup>11</sup> underscoring the importance of home ownership



# 6.5%

Approximate contribution of the real estate sector to India's GDP, which is expected to increase to 13% by 2025.<sup>12</sup> The sector is also the country's second largest employer after agriculture



# \$1 trillion

Estimated market size of the real estate sector by 2030

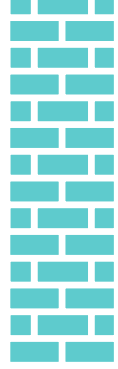
<sup>10</sup> Pradhan Mantri Awas Yojana. Ministry of Housing and Urban Affairs, Government of India. (December, 2019). Retrieved from <http://www.pmaymis.gov.in/assets/pdf/book.pdf>

<sup>11</sup> Source: [https://api.anarock.com/uploads/research/ANAROCK\\_CONSUMER\\_SENTIMENT\\_SURVEY\\_CII\\_Report%202021\\_booklet.pdf](https://api.anarock.com/uploads/research/ANAROCK_CONSUMER_SENTIMENT_SURVEY_CII_Report%202021_booklet.pdf)

<sup>12</sup> IBEF. (Retrieved in May, 2021). Indian Real Estate Industry: Overview, Market Size, Growth, Investments... IBEF. Retrieved from [https://www.ibef.org/industry/real-estate-india.aspx#:~:text=65%2C000%20crore%20\(US%24%209.30%20billion,the%20country%27s%20GDP%20by%202025.](https://www.ibef.org/industry/real-estate-india.aspx#:~:text=65%2C000%20crore%20(US%24%209.30%20billion,the%20country%27s%20GDP%20by%202025.)







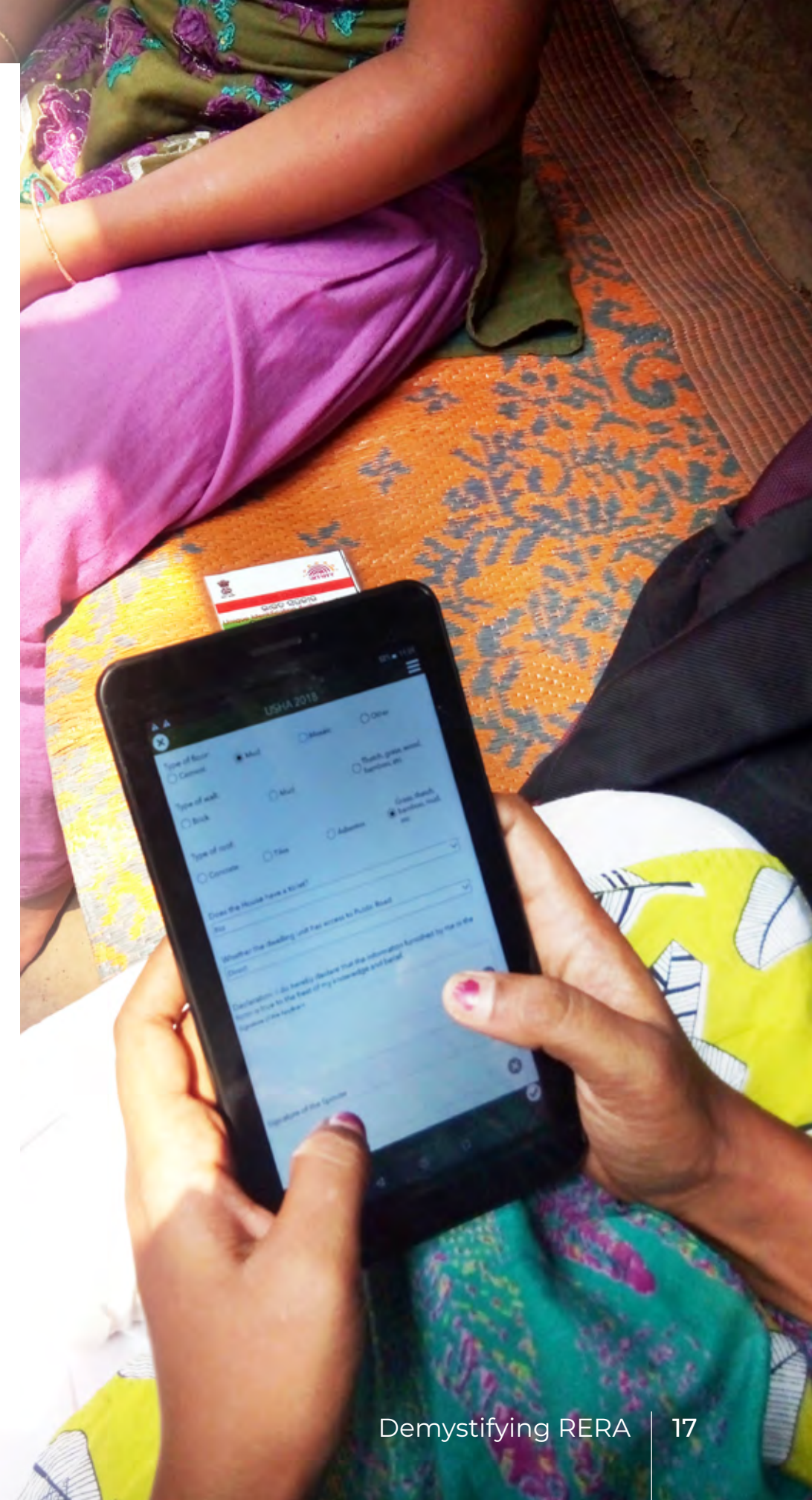
# The need for RERA

Despite its rising significance, the real estate sector in India was largely unorganized and riddled with several challenges. These challenges acted as hurdles in the home buying process and led to sub-optimal experiences for all stakeholders in the real estate ecosystem. Key challenges included:

- 1 Information asymmetry**  
The buyers had no right to information or access to the relevant documents of the property. This created lack of transparency and unfairly tipped the scales in favor of the builders.
- 2 Lack of financial discipline**  
Financial indiscipline led to project delays and even created an opportunity for builders to divert funds from one project to another. In such instances, the buyers had no right to claim for compensation if the property received was not as per the agreement or ask for a refund/compensation in case of delays.
- 3 Lopsided agreements and transactions favoring the developers**  
The buyers had to accept a lot of unfair and one-sided conditions included in the terms of contract and in other property dealings
- 4 Limited grievance redressal forums for consumers**  
The buyers had no mechanism to enforce accountability against erring developers or fly by night operators who swindled customers

The above challenges precipitated the need to establish relevant laws and create an implementation body that would specifically deal with them. Thus, the government entered the space of real estate regulation by passing the Real Estate (Regulations and Development) Act in 2016. The Act aimed to introduce standardization, transparency, and fair dealing in all real estate transactions and create a strong legal regime for the sector.

Photo: Jaga Mission archive





# RERA: Adding value across the ecosystem (I/II)

RERA, in addition to protecting consumer rights and putting greater onus on the builder, also attempts to promote growth of the real estate sector and create a formal institutional structure. RERA has a critical role to play, given the real estate sector contributes **6.5% to India's GDP** and is the **2nd largest employer** after agriculture

## Bring transparency to the real estate sector

- RERA makes it mandatory for all projects that meet the criteria<sup>1</sup> that it has set forth, to be registered under the respective state RERAs
- Every prospective buyer has access to ~110 project related parameters, which are available on the state RERA website, for example, details on project cost, construction progress, etc.
- Developers also need to publish all litigation details on the website

## Increase builder accountability

- Under RERA, registration of under-construction properties is mandatory else, penalty can be as high as 10% of the project cost
- Builders are now mandated to maintain a separate account and provide complete financial disclosure in terms of progress of the project, thereby giving buyers and financiers more visibility
- Developers can no longer charge more than 10% of property cost as advance, before entering the sale agreement

## Improve service and project delivery

- RERA has prescribed strict monetary penalties for builders and developers who do not complete the projects on time
- Developers are now liable to provide rectification or compensation for defects arising within 5 years of handover
- Any default on the builder's part in compensating buyers for delays can result in penalties and invite a jail term

The Global Real Estate Transparency Index 2020, published by JLL, shows that India has improved its position from 41 in 2016 to 34 in 2020

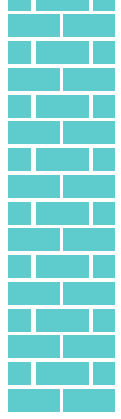


## Industry Association

Due to the implementation of RERA, the Real estate sector has become more transparent and organized. The consumers are enthused into the transactions entered in the real estate sector and confidence is also on the rise, due to regulations introduced by RERA.

**National President,  
Industry Body**

<sup>1</sup> Projects with area >500 sqm and >8 units



# RERA: Adding value across the ecosystem (II/II)

Photo: lah\_fotobox, stock.adobe.com

## Protect consumer rights

- A dedicated tribunal and regulatory board has been established to cater to consumer grievances
- Safer and consumer centric payment norms have been defined to boost consumer confidence in the home buying process
- RERA stipulates that builders must deposit 70% of the money collected from the buyer into a separate escrow account

## Improve trust amongst all stakeholders

- Increased transparency and accountability would engender trust in the real estate ecosystem
- Amicable conciliation of disputes between promoters, allottees, agents, etc., through dispute settlement forums aim to further strengthen relationship amongst the stakeholders



## Consumers

One website with all project details makes realty transactions hugely transparent. We can also see the number of ongoing projects by the same builder and see whether the builder is over stretching himself.

– **Consumer, Mumbai**



## Real Estate Developers

Implementation of RERA has helped in bringing transparency, benefiting the developers greatly. As we were already complying with the existing regulations, RERA rules have only made us more disciplined.

– **Senior Leadership, Large Developer**

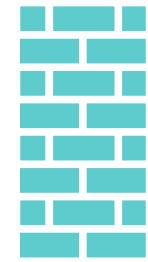
## Section 2.2

# State-wise implementation

In spirit, RERA came with a promise of alleviating all the pain points in the real estate ecosystem. In reality, its efficacy strongly depends on its adoption and implementation by the various states in India. So far, its adoption has progressed at a strong clip.

RERA requires each state to create a separate State Real Estate Regulatory Authority (SRERA). While RERA is envisaged at a central level, the states have been empowered to ensure the effective implementation of the Act. Under RERA, each state is required to carry out four critical tasks:

1. Notify official rules under RERA
2. Set-up a RERA Authority responsible for the implementation of rules and regulations and ensure transparency in real estate transactions
3. Establish a dedicated Tribunal to address grievances and offer timely redressal
4. Establish an online portal to boost buyer confidence

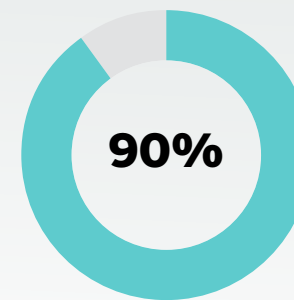


### Key highlights of RERA<sup>13</sup>



Projects registered

**65,202**



**10 states have contributed 90% to total project registrations**

Maharashtra  
(29,510 projects, 45% of all-India)

- Gujarat
- Karnataka
- Madhya Pradesh
- Telangana
- Uttar Pradesh
- Tamil Nadu
- Andhra Pradesh
- Rajasthan
- Chhattisgarh



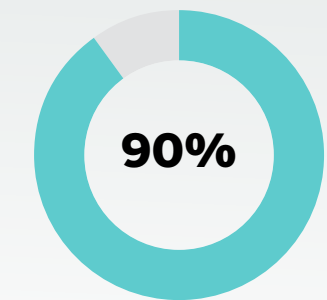
Agents registered

**51,303**



Complaints disposed

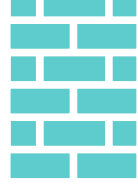
**67,681**



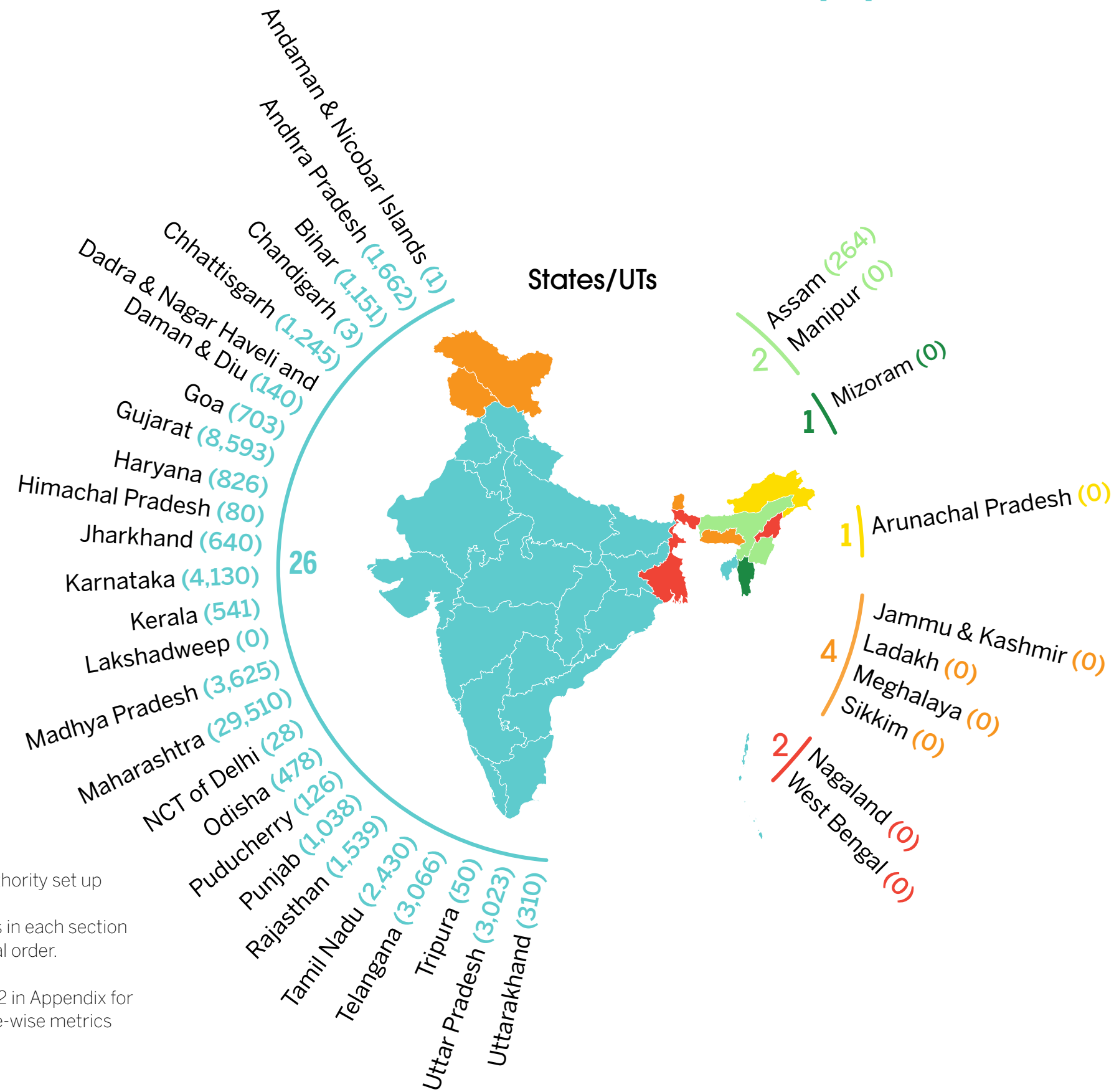
**Seven states have contributed to over 90% of the total complaints resolved.**

- Uttar Pradesh
- Haryana
- Maharashtra
- Madhya Pradesh
- Karnataka
- Gujarat
- Tamil Nadu

<sup>13</sup> MoHUA website, as of 19.06.2021. Implementation Status : Ministry of Housing and Urban Affairs, Government of India (mohua.gov.in)



# 26 states/UTs, which account for 90% of urban population, have the basic RERA setup in place



- Basic set-up in place
- RERA authority and appellate tribunal set-up but portal not set-up
- RERA authority and portal set-up but appellate tribunal not set-up
- RERA authority set-up but appellate tribunal and portal not set-up
- Rules notified but RERA authority not set-up
- Rules not notified and RERA authority not set-up

(Numbers in brackets are project registrations)

Note:

1. Regular and interim authority set up considered similar.
2. States/union territories in each section are listed in alphabetical order.
3. Data of as 19.06.2021.
4. Please refer to section 2 in Appendix for data on additional state-wise metrics

Source: MoHUA website

# Select states' initiatives beyond the mandate of the central RERA Act<sup>14</sup>



## Promoting investment in the real estate sector

**Gujarat-RERA** announced the launch of investment maps in the top 5 cities with the highest registrations; with projects categorized into Elite, Premium, and Economy. Project grading will be linked to help investors make an informed decision

**Chhattisgarh RERA** announced the creation of a region-wise property database for potential investors, to promote investment in the sector



## Enabling digitally driven decisions

**MP RERA** introduced an interactive power BI dashboard with all project details, for example, district wise projects, units sold and booked, agent profiles, complaint details, promoter details, etc.

**Gujarat RERA** announced the launch of a mobile app for promoters and consumers under RERA 2.0, to enable single login access, increasing the ease of compliance



## Supporting stakeholders across the real estate ecosystem

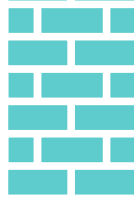
**Maha-RERA** introduced conciliation or dispute settlements forums for the amicable conciliation of disputes between promoters and allottees, with a success rate of >70%

**Maha-RERA** introduced Self-Regulatory Organization (SRO) to ensure greater professionalism among promoters, enforcement of code of conduct, to discourage fraudulent promoters, etc.

**Maha-RERA** introduced the Training of Expert Trainers (TOET) for skill development of construction site workforce to ensure good construction quality

**UP RERA** developed a framework for the annual grading of projects so that informed decisions are made based on past performance of the developers and projects

14 State RERA Websites



## Conclusion

Despite RERA's success so far, its implementation across states continues to be varied. Large differentials have been observed in performance of states with respect to registrations and grievance redressal.

# 90%

Contribution of top 10 states in total registrations

# 90%

Contribution of top 7 states to the total number of complaints resolved

Further, there is limited data availability to evaluate the level of efficiency across states. [For example, less than 8 states report the total registered complaints in their performance reports or on their respective websites, thus making it difficult to assess the overall effectiveness of state RERA authorities.](#)<sup>15</sup>

RERA has laid the foundation for a stronger and more robust real-estate ecosystem. It has effectively addressed many of the pain points in the real-estate ecosystem by creating a central governance body and bringing in more



With RERA coming into implementation, I am less scared to purchase a real estate property. I know RERA can be approached if anything goes wrong.

– Consumer

transparency and accountability. While great strides have been made in institutionalizing the sector, significant layers still need to be built and implementation across states needs to be strengthened. To achieve this, it was important to conduct a comprehensive stakeholder survey that clearly highlights the experiences and pain points of consumers and other stakeholders in the real estate ecosystem. The insights gathered from the survey, coupled with learnings from global benchmarks and best practices adopted by different industries and states in India, can be leveraged to assess the current implementation status, identify potential opportunities for improvement, and further amplify the impact of RERA on India's real estate sector.

Photo: Memories Over Mocha, stock.adobe.com



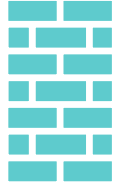
15 State RERA Websites



Chapter 3

# **360 Degree Views of Stakeholders**

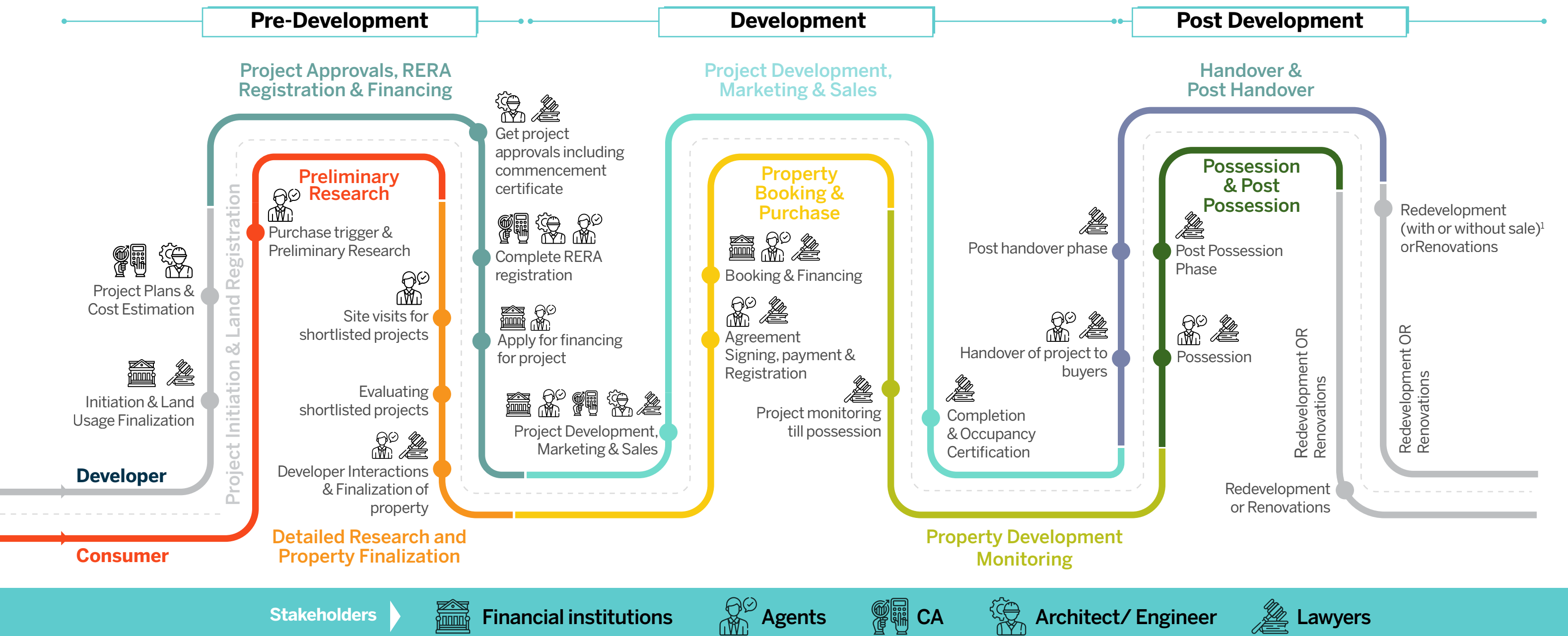




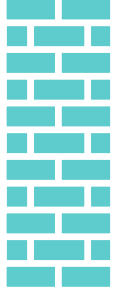
## Section 3.1: Stakeholders' interactions and the role of RERA across the project lifecycle

The real estate ecosystem comprises of multiple stakeholders, with each playing an integral, and often interdependent, role in the real estate project lifecycle. In addition to the interactions between developers and buyers, numerous additional interactions take place among the different stakeholders in the ecosystem. As a result, the real estate project lifecycle can often be long and complex. The journey and interactions of key professionals in the real estate project lifecycle is represented through this infographic.

### Key stakeholder touchpoints across the project lifecycle<sup>2</sup>

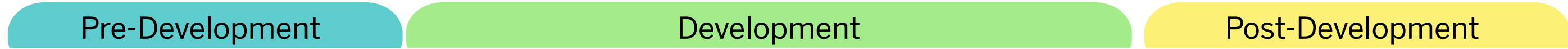


1. In case of redevelopment with sales, the project lifecycle would start again for the developer 2. Indicative portrayal of key stages and interactions across a real estate project lifecycle, created and vetted through in-depth developer interviews



# Multiple roles envisioned for RERA at each stage of project lifecycle

While state RERAs have been tasked with the responsibilities of a regulator, their role for the real estate sector extends far beyond. 7 key roles of the state RERA bodies have been identified from the central RERA act and illustrated below.



**Role 1** > Take suitable measures for creating awareness, and imparting trainings about laws and policies relating to real estate sector<sup>1</sup>

**Role 2** > Publish and maintain a website of records with details of promoters, projects, and agents: Project details as per RERA registration application; Promoter name, photograph, project details and defaulters; agent name, photograph and rejected registrations; Ensure promoter compliance on sharing quarterly updates<sup>2</sup>

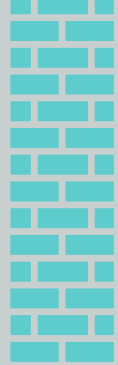
**Role 3** > Ensure quick RERA registration process (grant/reject within 30 days)<sup>3</sup>

**Role 4** > Ensure compliance of regulations through its powers to issue directions and orders: Max 10% advance payment; standardized Sale Agreement; consent of 2/3 allottees for altering projects; 70% funds parked for the same project; interest payment to buyers for delays etc.; compensation for defects within 5-yrs; non-RERA registered projects not marketed<sup>4</sup>

**Role 5** > Establish a robust and transparent grievance redressal: Conduct investigations and issue orders for complaints under RERA authority and establish an Appellate Tribunal for hearing appeals of anyone aggrieved by orders made by RERA authority<sup>5</sup>

**Role 6** > Take any action it may deem fit including carrying out of remaining development by authority/association of allottees on lapse/revocation of project registration<sup>6</sup>

**Role 7** > Facilitate growth and promotion of a healthy real estate sector by making recommendations to the government and the relevant authorities on measures for: grading of projects and promoters; encouraging investments and increasing financial assistance; facilitating amicable conciliation through dispute settlement forums; creation of a single window system for time bound project approvals; encouraging construction of environmentally sustainable and affordable housing; promoting standardization of construction materials and techniques<sup>7</sup>



# Breadth and depth of outreach

The views of all stakeholders essential for a real estate project have been captured in this study through primary as well as secondary research. The primary research was conducted through qualitative and quantitative methods including in-depth interviews with experts and independent stakeholders, consumer workshops, and field surveys.

## Section 3.2

### Experience with RERA: Stakeholders' perspective

Covering the complete spectrum of Real Estate Stakeholders...



...with our in-depth discussions



1:1 detailed interviews with 40+ stakeholders, including entire spectrum



In-depth group discussions with 40+ consumers across select states

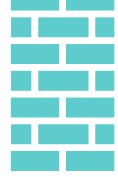


Detailed quantitative survey across 1100 consumers & 150 developers across select states

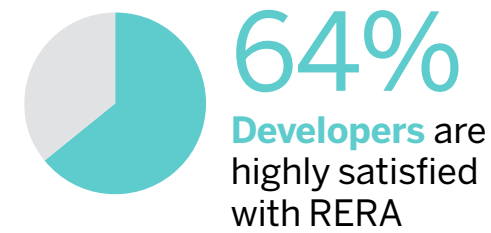
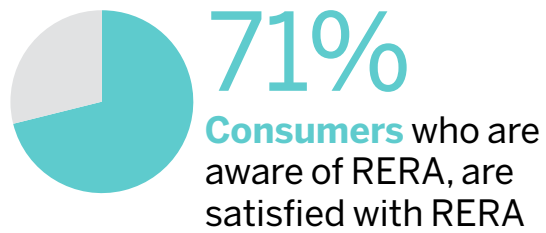
Global and state-level benchmarking conducted to supplement our findings from primary research

Through our primary research, we have gathered insights from stakeholders on the performance of state RERAs across its 7 key roles. These views are supported by the data gathered on various initiatives taken by state RERAs, and further distilled into key opportunity areas that state RERAs can focus on to improve the implementation of RERA across the country.

1. Large and mid/small-sized developers 2. Including NAREDCO, CREDAI & NIUA 3. Including Researchers and consultancy startups who understand the field of Real estate 4. Five states: Maha, UP, MP, Orissa and Karnataka, both Tier I & Tier II/III cities



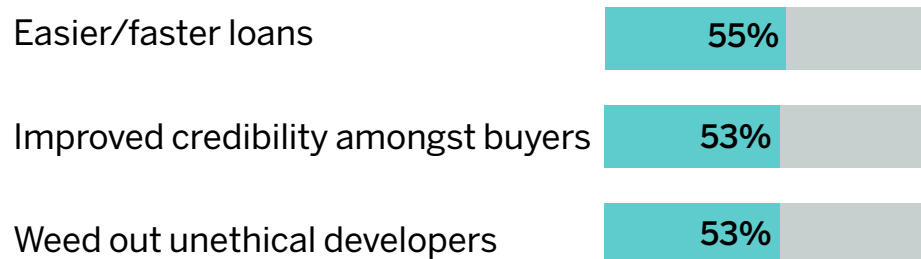
# High positive sentiments for RERA observed across key stakeholders



Overall & state-wise consumer sentiments: Buy only RERA registered property in future (% Slightly/ strongly agree)



Top 3 aspects for developer satisfaction overall (% responses)



From a financier's perspective, the implementation of RERA is a very welcome development for the sector. If a project is RERA registered, we know that it already has all requisite approvals and project plans in place, and will be monitored by an authority. This makes investing easier for us.

– Senior Official, Financial Institution

~60% or more consumers across each surveyed state are more likely to invest in real estate post RERA implementation

~40-50% consumers across the surveyed states believe loan approvals are faster since RERA was implemented

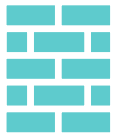
At 94%, Maharashtra stands out in developer satisfaction; high satisfaction also observed in UP & Odisha

“ RERA has enhanced consumer confidence in the sector, by increasing transparency in the sector and display of professionalism by developers.  
– Senior Advisor & Industry Veteran

“ With RERA coming into effect, our credibility amongst consumers is increasing if our projects are registered with RERA. We hope this will help the overall sector growth.  
– Director, Small-sized Real Estate Developers

High/Low RERA awareness: Aware about more/less than 50% RERA aspects at aided awareness among intenders  
Q. Can you tell us on a scale of 1 to 5 how satisfied are you with RERA? Base: RERA aware respondents  
Q. Can you tell us on a scale of 1 to 5 how strongly do you agree or disagree with each of the following statements? Base: RERA aware respondents  
Source: RERA consumer research (N=1100+ real estate buyers/intenders) across 5 states: Maha, UP, MP, Orissa and Karnataka

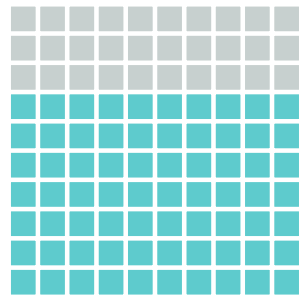
Q. Basis your interaction with RERA throughout the project development cycle (RERA registration, quarterly progress update on RERA website, grievance redressal, etc.), can you tell us how satisfied are you with RERA?  
Q. Can you tell us top 3 aspects for which you are satisfied with RERA?  
Source: RERA developer research (N=150+ real estate developers) across 5 states: Maha, UP, MP, Odisha and Karnataka



# Role 1

Take suitable measures for creating awareness, and imparting trainings about laws and policies relating to real estate sector

## More than 70% consumers are aware of RERA, however, awareness is significantly lower in Tier 2/3 cities



### The awareness levels drop drastically for tier 2/3 cities and low-income groups

#### City level variations



#### Income group variations



# 70%

Consumers are aware about RERA



While looking for a flat to purchase, we knew that if it is RERA registered, there is an authority who is governing the project and that we will get our flat within the stipulated time.

– Consumer

At 79%, MP is marginally ahead on consumers' awareness of 'RERA' as a regulator, while most other states are largely at par



Most consumer complaints can be avoided if consumers are aware of RERA while selecting property and know RERA benefits

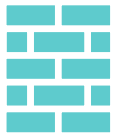
– Lawyer

Photo: kokiang1981, stock.adobe.com



Q. Can you tell us have you ever heard about RERA i.e. Real Estate Regulation & Development Act? Base: All respondents

Source: RERA consumer research (N=1100+ real estate buyers/intenders) across 5 states: Maharashtra, Uttar Pradesh, Madhya Pradesh, Orissa and Karnataka



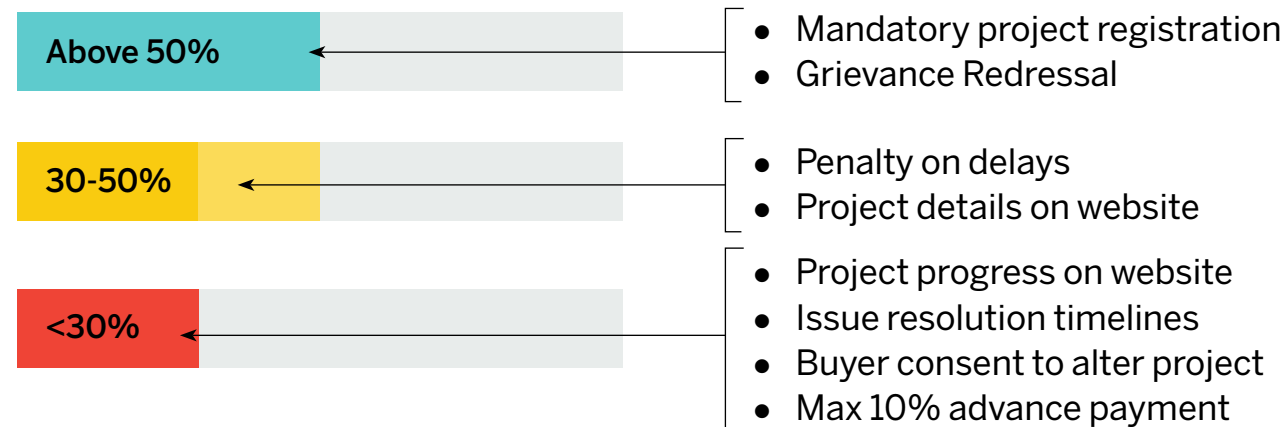
# Role 1

Take suitable measures for creating awareness, and imparting trainings about laws and policies relating to real estate sector

## Awareness of consumers limited to only top two or three aspects of RERA

### Low awareness amongst consumers on critical RERA features including RERA website

Consumer Awareness (%) on RERA features



### Consumers in Maharashtra and UP are aware of 2-3 more benefits of RERA, compared to other surveyed states

> 50%    30% to 50%    <30%

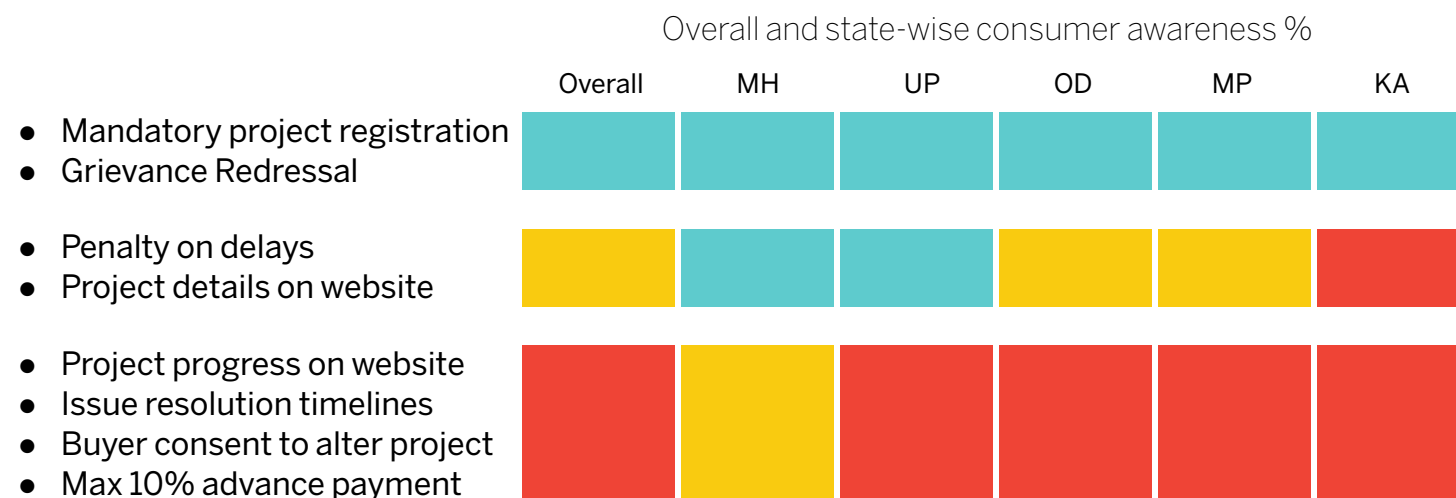
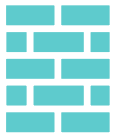


Photo: Jaga Mission archive

Q. Can you tell us which of the following aspects about RERA you are aware of? Base: All respondents  
Source: RERA consumer research (N=1100+ real estate buyers/intenders) across 5 states: Maharashtra, Uttar Pradesh, Madhya Pradesh, Orissa and Karnataka



## Role 2

Publish and maintain a website of records with details of promoters, projects, and agents

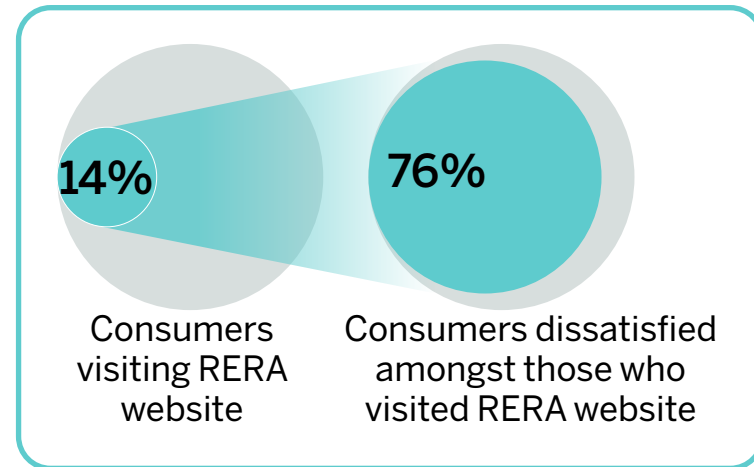
# RERA has led to an evident increase in transparency in the sector, however, state RERA websites continue to be a dissatisfier for both consumers and developers

### Increased transparency in the sector with the setup of state RERA portals

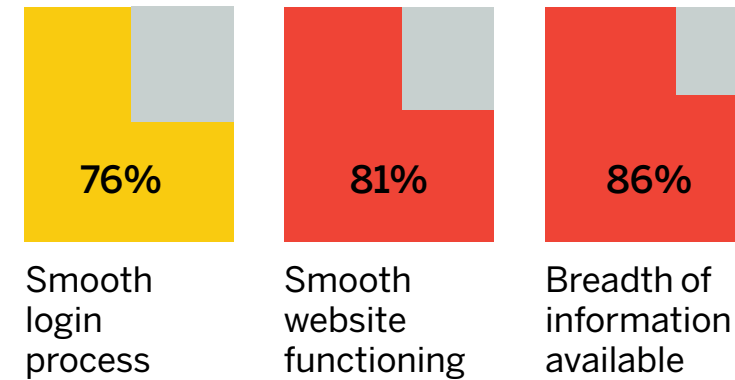
# 27

states have set up RERA web portals, with information available on ~110 parameters for the registered projects

### Very low utilization of RERA website by consumers and low satisfaction levels across developers and consumers

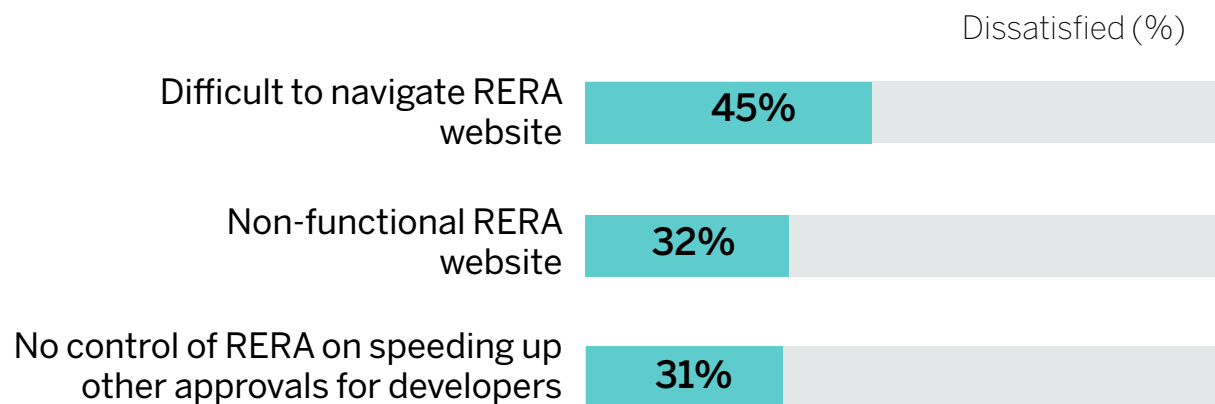


#### Top dissatisfiers for website



With only 48% dissatisfied consumers, the Karnataka RERA website has the highest satisfaction levels

### RERA website amongst the top 3 dissatisfiers of RERA for developers



### Limited data available to evaluate state RERA performance

By and large State RERAs are hesitant about making more data transparently available to evaluate their performance and drive comparison across states.

– Senior Advisor & Industry Veteran

Less than one-fourth of all states have published annual reports on their website

Parameters like total complaints registered are available only on 23% of the state RERA websites; TAT on project registrations, etc., not published by any state

Q. Can you please let us know which of the following activities did you on the RERA website? Base: All respondents

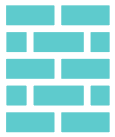
Q. Can you tell us your overall experience of accessing the state RERA website on a scale of 1 to 5 with 5 being the highest? Base: Respondents visited website

Q. Can you tell us top 3 aspects for which you are dissatisfied with RERA?

Source: RERA consumer research (N=1100+ real estate buyers/intenders) across 5 states: Maharashtra, Uttar Pradesh, Madhya Pradesh, Orissa and Karnataka

TAT: Turn Around Time

Please refer to the Appendix section 1 for list of parameters collected on registered projects

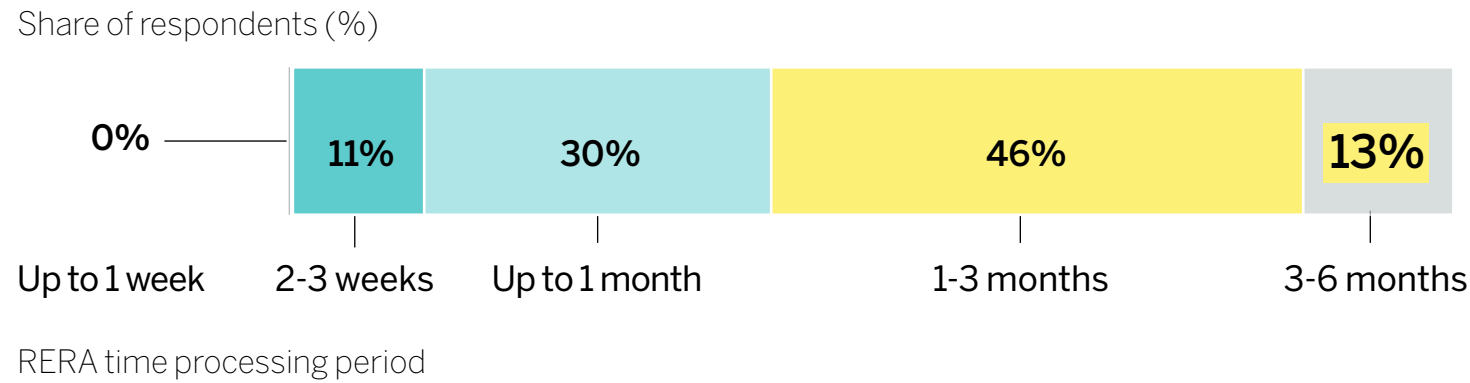


### Role 3

Ensure quick RERA registration process (grant/reject within 30 days)

**~60% projects across the surveyed states receive RERA registrations beyond the central act's mandate of 30 days**

#### Varied timelines for getting project registered with RERA



For **~13% cases**, RERA registration not received within 3 months

Karnataka takes the lead in timely registrations amongst the surveyed states, with more than 80% registrations granted within a month

#### Lack of common understanding on RERA's role and limited digitization have made RERA registration long and tedious in some states

“ Developer and project registration process done manually by RERA; there is a lead times of over 2/3 months for issuance. In the last few months, we haven't got approvals because of approving personnel not being available.   
– **Small Developer**

“ For RERA registrations, MahaRERA checks whether applications for project registration have all the necessary approvals or not. If we verify and scrutinize all uploaded documents for their correctness, it will lead to delays & may lead RERA to rent-seeking tendencies. After registration, all the disclosures made by project applicants are made available in public domain and therefore are open to public scrutiny and complaints, if found incomplete/incorrect.   
– **Ex-Senior Official, State RERA Authority**

“ Some states also get into validation of approvals and documents submitted for RERA registrations. Hence, lead times of 6-9 months (3-6 months just for the RERA registration) have been added to our projects in some states   
– **Senior Leadership, Large Developer**

“ Multiple times RERA authorities go into details of approvals provided by other statutory departments, leading to delays in providing RERA registration.   
– **President, State Industry Body**

Role 3: Real Estate (Regulations & Development) Act 2016, Section 5

Q. Can you tell us how much time is required in receiving RERA registration post submitting all documents?

Source: RERA developer research (N=150+ real estate developers) across 5 states: Maharashtra, Uttar Pradesh, Madhya Pradesh, Orissa and Karnataka





## Role 4

Ensure compliance with regulations through its powers to issue directions and orders

# With ~75-80% of surveyed projects registered under RERA, there is a need to drive further developer compliance

### Limited variations in RERA registration compliance across the surveyed states

% of RERA registered projects

**Overall** 77%

#### By states

Maharashtra 87%

Uttar Pradesh 80%

Odisha 76%

Madhya Pradesh 74%

Karnataka 68%

#### By geography

Metro/Tier 1 79%

Tier 2/3 75%

#### By size

\*Mid-Large size developer 79%

\*Small size developer 75%

### ~60% developers cite higher scrutiny and consumer complaints as a reason for non-registration

Top 3 reasons stated by developers for not registering with RERA (% responses)

Higher scrutiny of operations under RERA regulations 61%

No demand from buyers for RERA registration 54%

Compliance to many rules 52%

Time consuming process 37%

Others (No perks/registration fees is high) 30%

>50% <= 50%

### Developer non-compliance also observed across other RERA aspects

Despite a mandated 10% payment limit, 25% of the surveyed consumers pay more than 10% as an advance payment while booking a property. This is more prevalent among small towns (with 36% paying more than 10% as advance)

“Despite it being a RERA registered project, the developers altered the project plan without my consent.”  
– Buyer

“Due to the recency of RERA’s implementation, there is a lag observed from developers on compliance over the many regulations. For example, standard proforma of sale agreements prescribed by RERA is not being adhered to yet by many developers in our state.”  
– Architect

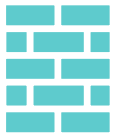
Role 4: Real Estate (Regulations & Development) Act 2016, Section 3,4,10,13,14, 18,34

Q. Can you tell us how many projects are RERA registered projects? Q. Can you tell us what were the key reasons to register these projects under RERA?

Q. Can you tell us what were the key reasons to not register these projects under RERA?

\*Small size developer – upto 100 units launched, mid & large-sized developer – 100-250 units launched for residential/commercial projects

Source: RERA developer research (N=150+ real estate developers) across 5 states: Maha, UP, MP, Orissa and Karnataka

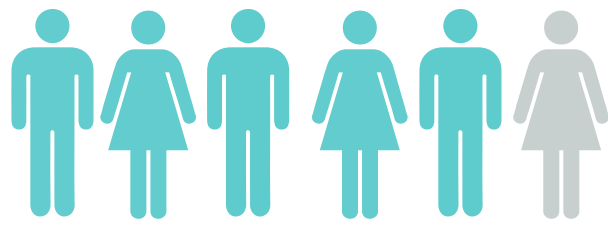


## Role 5

Establish a robust and transparent grievance redressal mechanism: Conduct investigations and issue orders for complaints under RERA authority and establish an Appellate Tribunal for hearing appeals of anyone aggrieved by orders made by RERA authority

### While RERA has emerged as the forum of choice for consumers, extended complaint resolution timelines are leading to high consumer and developer dissatisfaction

# 5/6

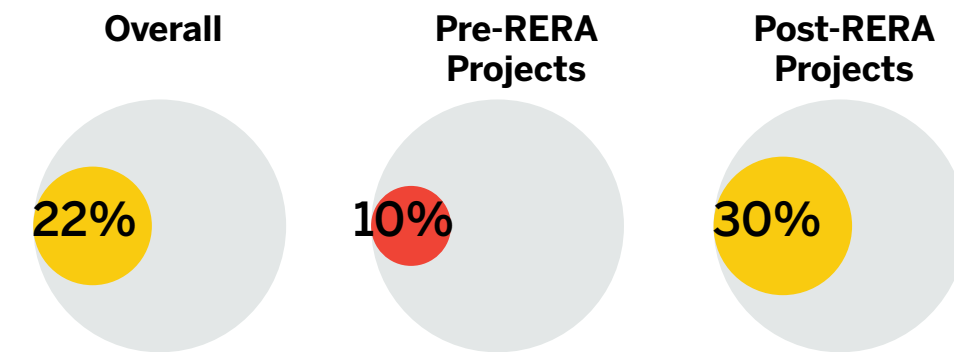


Consumers seek grievance redressal through RERA

#### Very low consumer satisfaction with current RERA grievance redressal process

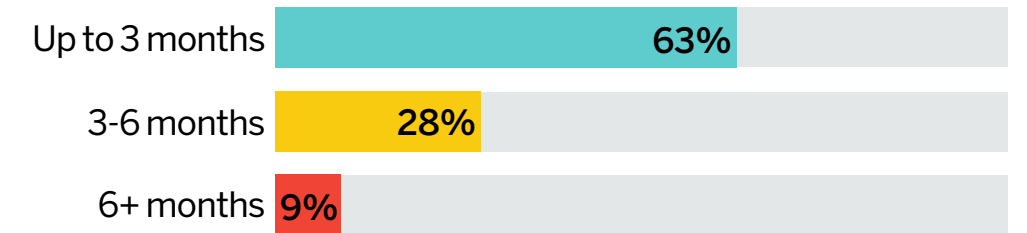
##### Consumer satisfaction across project-launch periods

Satisfied (%)



##### Consumer satisfaction across different complaint resolution timelines

Satisfied (%)



Consumer dissatisfaction primarily due to long resolution timeline & order execution delays

#### Developers dissatisfied with grievance redressal as well

More than 50% developers surveyed across the 5 states are not satisfied with RERA grievance redressal, with some states having as high as 82% developers unhappy with grievance redressal

Odisha stands out on grievance redressal, with the highest consumer and developer satisfaction level across surveyed states, at 49% and 68% respectively, driven by higher speed of order execution



I was expecting a resolution to my complaint by end of January 2019, but the state RERA acted very fast and gave me the possession early, in December 2018.

– Consumer



I had filed a complaint with RERA in Jan 2020, however, no resolution is yet received. Builder is leveraging dispute resolution to buy time and complete the project

– Consumer

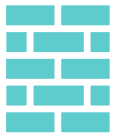
Role 5: Real Estate (Regulations & Development) Act 2016, Section 32, 35, 36,43

Q. Can you tell us whether you lodged any formal complaint against the developer for any dispute? On which forums did you file the complaint? Base: All buyer respondents Q. Can you tell us your overall complaint resolution experience with RERA Authority/Appellate Tribunal on a scale of 1 to 5? Base: Respondents registered complaint with RERA

Source: RERA consumer research (N=1100+ real estate buyers/intenders) across 5 states: Maharashtra, Uttar Pradesh, Madhya Pradesh, Orissa and Karnataka

Pre-RERA Projects: Projects launched & ongoing (without Completion Certificate) at the time of RERA implementation

Post-RERA Projects: Projects launched post RERA implementation



## Role 6

Take any action it may deem fit including carrying out of remaining development by authority/ ass. of allottees upon lapse/revocation of project registration

### While some state RERAs are driving timely project completion, there is still lack of clarity on the role of state RERAs for stalled projects

#### State initiatives for stalled projects:

UP RERA cancelled the registration of the Sampada Livia project after complaints of project delay and invited the buyers' association to take over the project<sup>1</sup>

MahaRERA has issued an order stating that registration of an incomplete project could be revoked if 51% of allottees give their consent<sup>2</sup>

- <sup>1</sup> <https://www.hindustantimes.com/noida/homebuyers-set-to-take-over-sampada-livia-project-as-tribunal-rules-against-promoter/story-nbDqlqFMbcFgiHgOallMOJ.html>
- <sup>2</sup> <https://timesofindia.indiatimes.com/city/pune/homebuyers-in-25-stalled-projects-move-maharera/article73163293.cms#:~:text=The%20Maharashtra%20Real%20Estate%20Regulatory%20Authority%20%28MahaRERA%29%20had,to%20choose%20another%20developer%20to%20complete%20the%20project.>



The primary objective of RERA is to help complete registered projects within the stipulated time. State RERAs need to support developers and association of allottees (Consisting of more than 50% of the total allottees) in completing the last mile of construction.

Our state RERA has had 13,000 complaints lodged till date, of which 94% are from pre-RERA initiated projects

Driving completion of stalled projects becomes difficult for state RERAs if other statutory provisions and their agencies like IBC, SARFAESI etc. also get involved in the process, without keeping RERA in the loop.

– Ex-Senior Official, State RERA Authority





## Role 7

Facilitate the growth and promotion of a healthy real estate sector by making recommendations to to the government and the relevant authorities

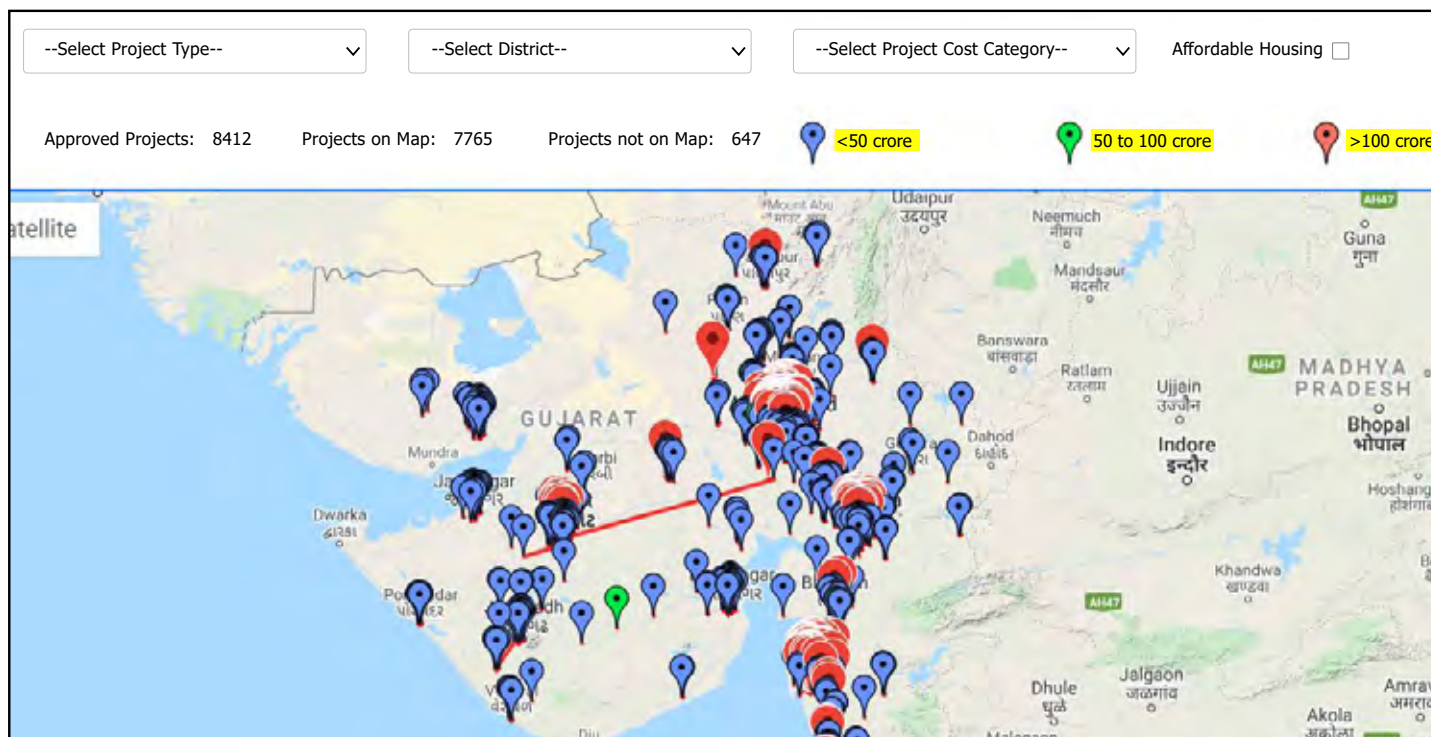
### Many positive steps taken by state RERAs

#### Developer and Project Grading by UP RERA<sup>16</sup>

UP RERA has worked in collaboration with CRISIL, to develop a framework for annual grading of developers and projects. The objective of this grading is to help consumers make informed decisions based on the past performance of developers, while also bolstering the credibility of well-performing developers. The grading mechanism has been discussed in detail in chapter 5.

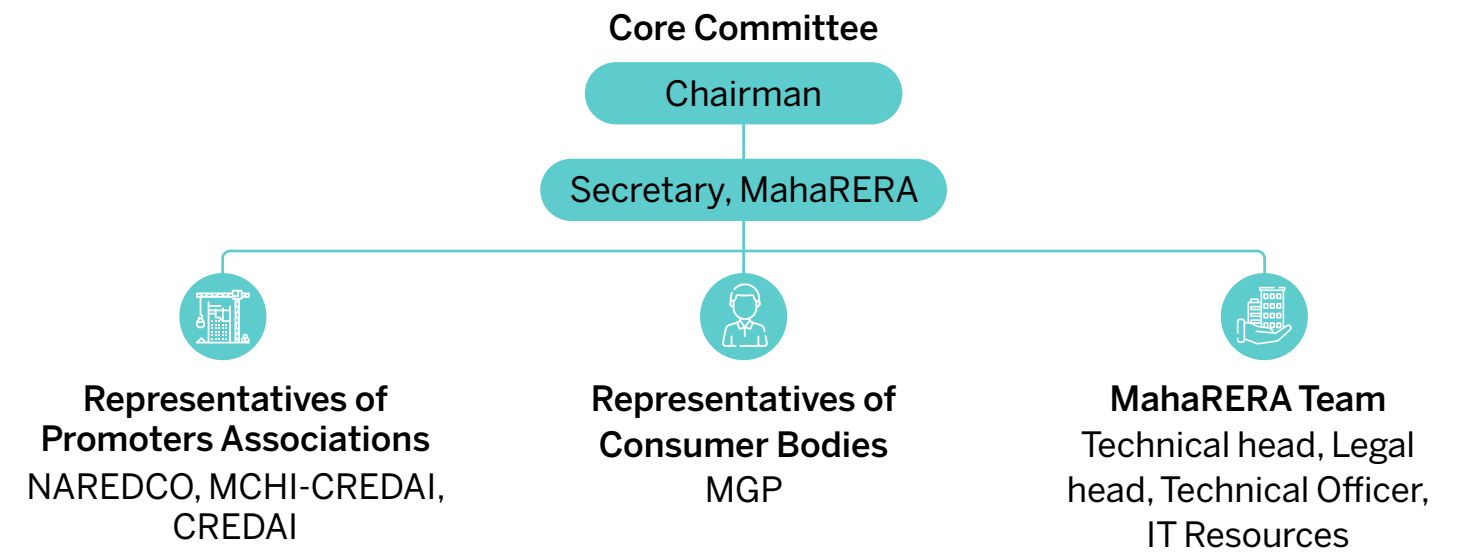
#### Investment Maps by Gujarat and CG RERA

Both GujRERA and CG RERA have introduced investment maps on their web portals for major districts of their states. These maps aim to help real estate promoters and investors, by providing transparency on cost-wise investment opportunities available.



#### MahaRERA Conciliation and Dispute Resolution Forum

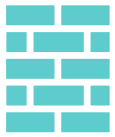
Realizing the need of both consumers and developers to resolve complaints without legal proceedings, MahaRERA established conciliation forums. The forum popularizes conciliation as a cost-effective and speedy dispute-resolution mechanism. MahaRERA has established over 25 conciliation benches across different cities and has demonstrated a robust success rate of over 85% in resolving complaints, as of October 2019.



#### MahaRERA TOET

TOET was launched with to ensure that good quality of construction is undertaken on the projects registered. Maha RERA funded the training, testing and certification of 500 experts, through an arm of National Skill Development Corporation (NSDC). These expert trainers are leveraged for skilling labor workforce at MahaRERA projects, who are in-turn assessed and certified. MahaRERA plans to train over 10 Lakh labor-workforce across the state.

16 UP Real Estate Regulatory Authority. (November, 2019). Report on Best Practices by RERAs. Retrieved from [https://up-rera.in/pdf/Best\\_Practices\\_by\\_UP-RERA.pdf](https://up-rera.in/pdf/Best_Practices_by_UP-RERA.pdf)



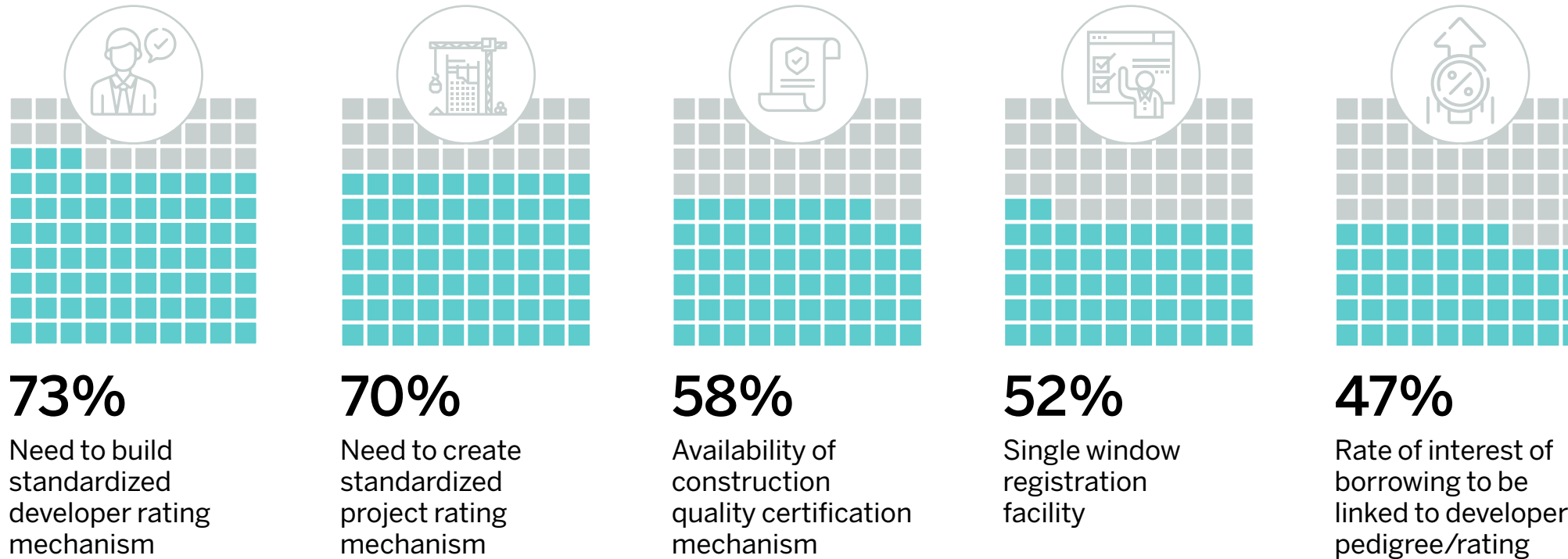
## Role 7

Facilitate the growth and promotion of a healthy real estate sector by making recommendations to to the government and the relevant authorities

### With scope to further facilitate growth and promotion of a healthy real estate sector across states

Developing project/developer gradings and establishing a single window registration facility are highlighted as the top 3 areas of support by developers

Top 3 areas highlighted by developers for support (% developer responses)



Q. Thinking about the entire residential/commercial project development lifecycle, can you tell us top 3 areas of support for you, in the entire project development phase?

Source: RERA developer research (N=150+ real estate developers) across 5 states: Maha, UP, MP, Orissa and Karnataka



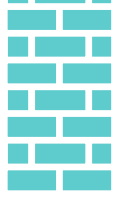
While we are complying with all the RERA regulations, we believe that getting the due benefit from RERA for this compliance in some sort of grading would be really helpful. Would support more developers to comply with the RERA rules.

– Partner, Small-sized Real Estate Developers



RERA has been an innovative structural reform established by the Government of India. It brings much needed accountability and transparency in the Indian real estate sector by building a robust structure of project registration and monitoring while addressing issues and grievances of home buyers. The significant aspect of RERA is in gaining access to data/gradings of each developers' past performance from respective states. This in turn helps a great deal in supporting our credit evaluation and quality check processes.

– MD & CEO, Financial Institution



# Key asks of state RERAs for driving improved implementation



Photo: Memories Over Mocha, stock.adobe.com

## Clarity in the role and responsibilities of state RERAs for stalled projects<sup>17</sup>

Need for broad guidelines/ potential options to be defined on the role of RERA for stalled projects

“ There should be a concrete mechanism set for RERAs to resolve such cases & complete projects.

– Chairman, State RERA Authority

## Defining interface between RERA and other approving authorities

Need for effective institutional coordination mechanisms between RERA and other authorities to drive timely project approvals

24+ approvals typically required by developers for real estate projects with total lead time > 1 year for majority states

52% developers have highlighted single window registration as a key area for support

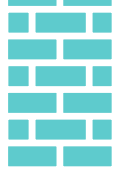
## Drive accountability via inclusion of different stakeholders

Need to assess inclusion of additional relevant stakeholders of real estate including architects, engineers, etc., under RERA's purview

“ There is a need for RERA Authorities to be empowered to issue directions to all stakeholders in the project as well, for state RERAs to achieve their objective of timely project completion.

– Ex-Senior Official, State RERA Authority

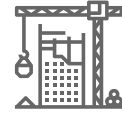
17 In-depth 1:1 interviews with state-RERA officials



## Section 3: Summary | Key challenges and opportunities across stakeholder ecosystem



Consumers



Developers



Agents, Financiers etc.



State RERA/Industry bodies

### Consumer awareness on RERA

- Low awareness of full-fledged benefits of RERA
- Low usability of RERA website portals
- Low consumer awareness leading to low usage of website portals

### Streamlining processes and driving adherence across states

- Need to improve developer compliance
- Need to shorten complaint resolution timeline and delays in enforcements
- Need to improve on functionality and user friendliness of portals
- Need for higher transparency on State level RERA performance
- Need for streamlining the RERA registration process and timelines across states

### Evaluating and steering policy-level shifts

- Defining interface between RERA and other authorities
- Need for clarity in the roles and responsibilities for stalled projects
- Drive accountability via inclusion of different stakeholders

### Promotion of the real estate sector

- Need of training and certification for technical stakeholders to improve the quality of services
- Need for performance data/grading mechanisms on developers to support lending decisions
- Scope for further leveraging data and promoting the real estate sector



Chapter 4

# **Learnings from the Global Best-in-Class**

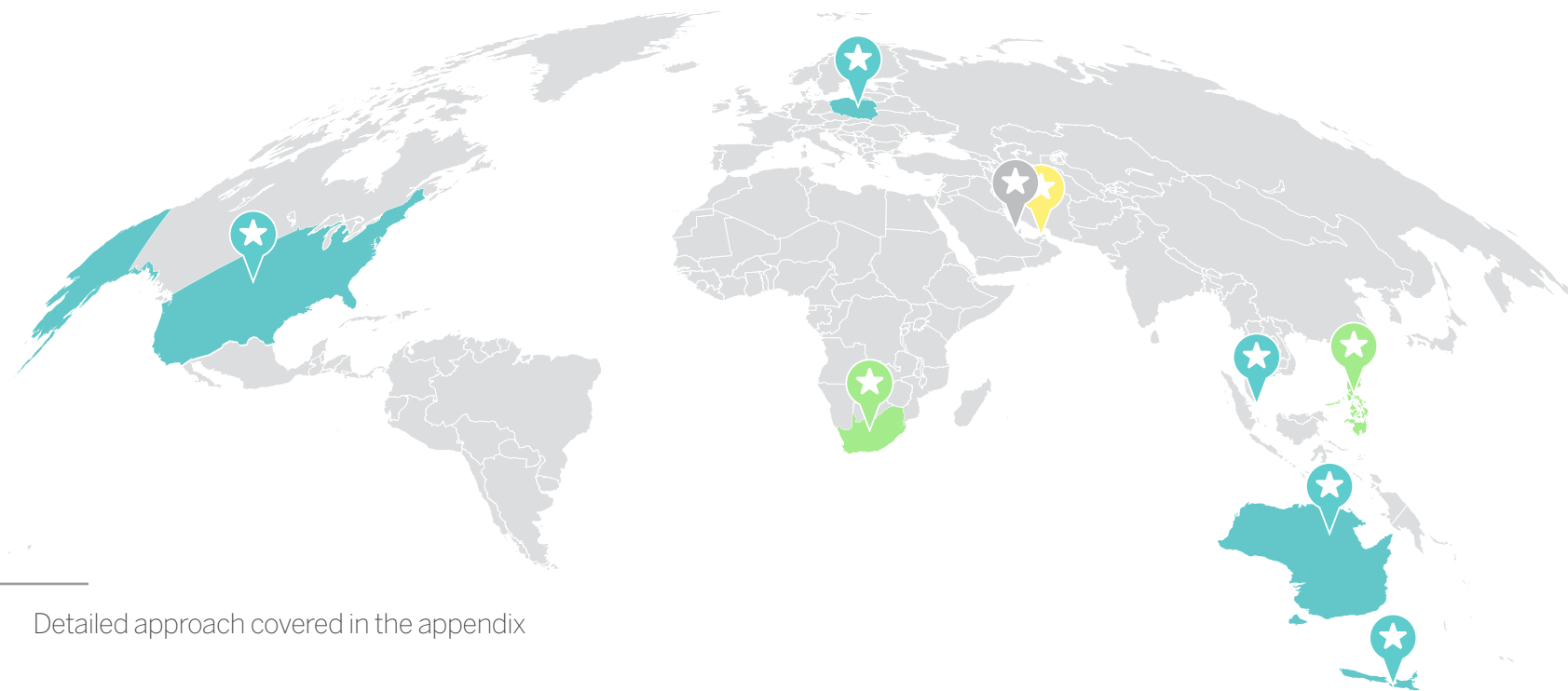




## Global initiatives to build a robust and thriving real estate sector

Considering the key role that real estate plays in giving a fillip to economic growth, several countries across the globe have adopted targeted initiatives to create a robust and thriving real estate sector. These initiatives are centered

around creating a robust policy and regulation design, driving excellence in implementation, and optimally leveraging technology. The best practices embraced by these countries can be leveraged by RERA to benchmark implementation and success.



We have shortlisted the countries to represent a wide spectrum, with an aim to identify the best-in-class practices across real estate sector regulations.<sup>1</sup>

**Countries (developed and emerging) rated high on data transparency and strong regulatory ecosystem by the JLL Transparency Index 2021.**

- US
- Singapore
- New Zealand
- Australia
- Poland

**Countries similar to India in terms of socio-economic landscape.**

- Philippines
- South Africa

**Countries with a strong regulatory framework.**

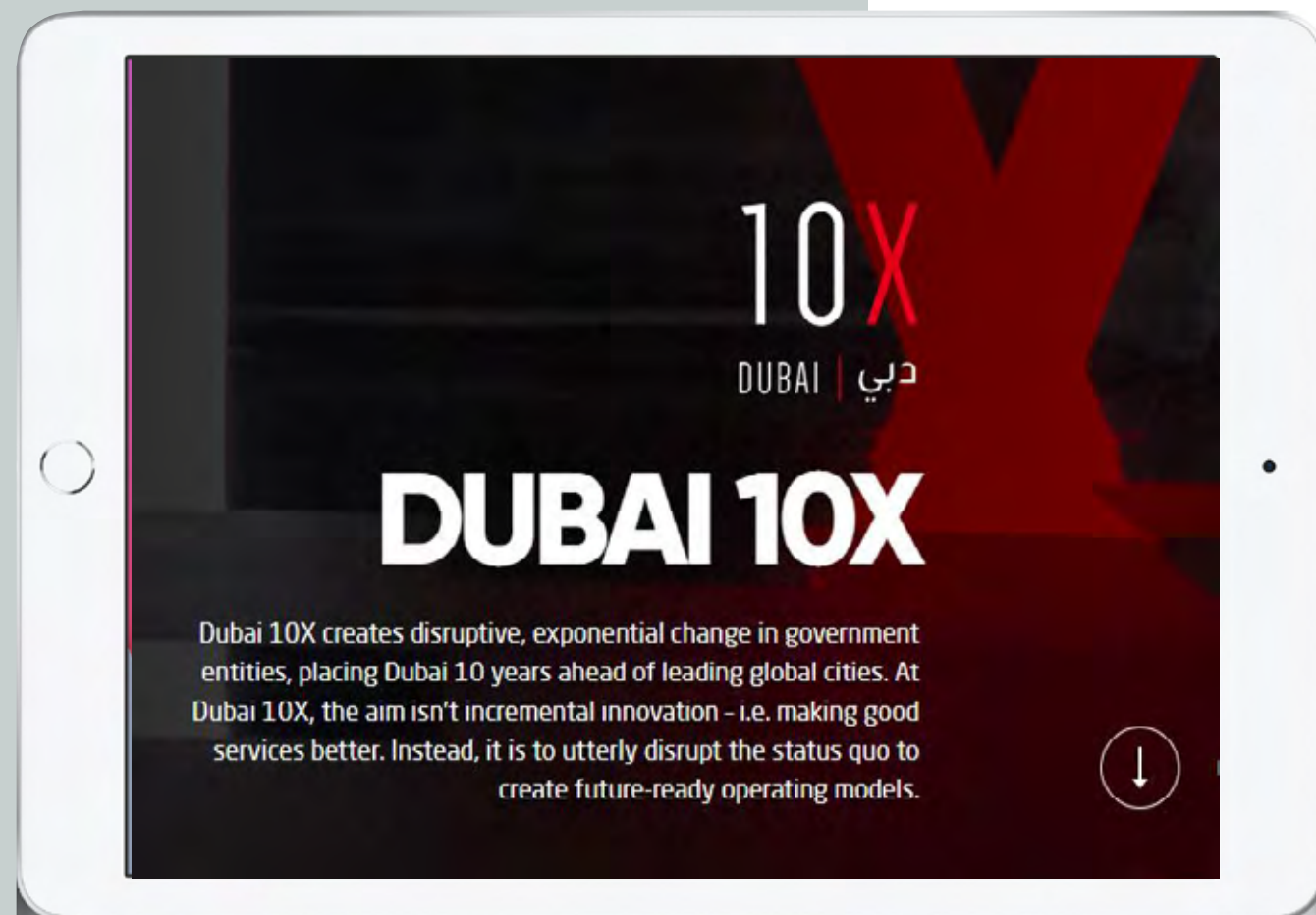
- Dubai

**Countries that have recently adopted a real estate act similar to RERA in India.**

- Bahrain

1 Detailed approach covered in the appendix

# Summary of key learnings from global benchmarking

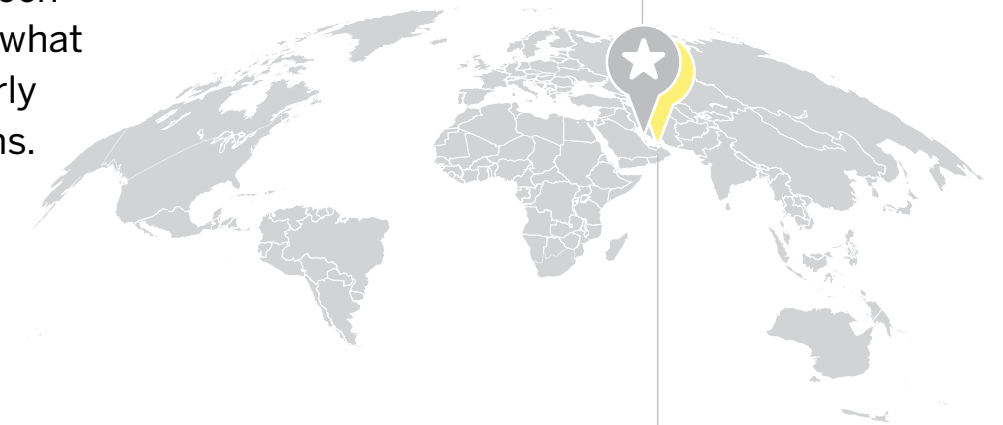


## 1 A clearly articulated objective is imperative to the overall success of the Act

Two different approaches have been observed in articulating the mission statement for RERA. The first approach is to link the objectives to measurable metrics while the second is to keep the objectives more open-ended with an aim to improve softer aspects like consumer protection, transparency, etc. However, common between these two approaches is clarity in terms of what the Act aims to achieve.<sup>18</sup> Examples of clearly defined objectives are shown as illustrations.

### Bahrain

Aims to make the country a **premier destination for real estate investment**, both regionally and globally, by providing a robust, secure, transparent, and sustainable real estate regulatory environment.<sup>19</sup>



### Dubai

Aims to leapfrog its real estate growth curve and position itself **10 years ahead of other countries**.<sup>20</sup>

<sup>18</sup> Expert Interviews

<sup>19</sup> Kingdom of Bahrain Real Estate Regulatory Authority. <https://www.rera.gov.bh/en/>

<sup>20</sup> Dubai Land Department website

## 2 Inclusive framework helps ensure maximum value creation for all stakeholders

This refers to the gamut of the real estate Act and maps out the stakeholders that would fall within its purview. Again, the approaches adopted differ across countries. Many countries have preferred a more holistic coverage by including all primary and secondary sales, not setting limits on size of project, and also including all types of agents and brokers.

In India, only projects greater than 500 sqm. or containing more than 8 units need to be registered. Further exclusions are also possible as per the Act's mandate. A major example here are the Slum Rehabilitation Authority (SRA) projects in Maharashtra.<sup>27</sup> The SRA was created by the Government of Maharashtra, with an initial target to rehabilitate 8 lakh slum-dweller households. SRAs are currently a grey area in terms of inclusion under Maha RERA. Basis the current act definition, while project redevelopment phases that involve saleable units need to be registered mandatorily with the Maha RERA authority, developers of SRA projects can choose to not register rehabilitation apartments, by developing saleable and rehabilitation apartments of a project in separate phases. Examples of different approaches are shown as illustrations



**Primary and Secondary market:** **Australia** covers all the buyers, irrespective of the property type, under the Consumer Protection Act.<sup>24,25</sup> Similarly, the **United States** covers both primary and secondary sales transactions under the Consumer Protection Act.<sup>26</sup>

**Agents: United States** covers agents for both primary and secondary sales transactions. Similarly, **Bahrain** requires all brokers and sales agents to hold a RERA license with no exceptions.

**Projects: Dubai** covers all real estate projects that fall under the Dubai Land Department.<sup>28</sup>



## 3 Clear policies and guidelines help build trust and reduce friction in the transaction process

A clear policy design can engender trust in the real estate ecosystem and assuage the concerns of the buyers. We have identified a few countries that have created a clear and robust policy design that holistically clarifies all the pertinent rules and regulations including repercussions for non-compliance, timelines for grievance redressal, etc. Examples of policy design are shown as illustrations

**South Africa:** All developers are mandated to create a Fidelity Fund to ensure that any loss to consumers stemming from non-compliance of developers is reimbursed from this fund.<sup>21</sup>

**Singapore:** Well-defined extension charges payable by the developer for project delays; 8% of purchase price of land for 1st year extension, 16% for the 2nd year, and 24% for the 3rd year.<sup>22</sup>

**Bahrain:** All payments by the consumers to the developer are capped by RERA authorities; payments are processed only after the developer provides a progress report by a consultant engineer.



21 Estate Agency Affairs Board Website (South Africa)  
 22 Urban Redevelopment Authority (Singapore)  
 23 Sotheby  
 24 REA New Zealand Website  
 25 NSW Real Estate Board website  
 26 Miami Dade property appraiser website  
 27 Slum Rehabilitation Authority Mumbai website  
 28 Dubai REST on App store



## 4 Technology can enable transparency in all dealings in the ecosystem, and ensure easy and seamless access to all stakeholders

The best-in-class global examples in real estate development are leveraging technology to reduce information asymmetries and enable transparency in all dealings. The countries leading the way in real estate technology adoption are shown as illustrations

**Dubai:** Mobile app REST created for all stakeholders. With this app, all real estate processes in Dubai have become contactless and paperless.

**Bahrain:** A consolidated portal for all stakeholders to access any information or avail multiple services related to the real estate sector.



**Singapore:** Easy to navigate online portals for all stakeholders. For example,

- i. Quality Housing Portal provides homebuyers with all the relevant information - Top 10 developers/ contractors/ properties
- ii. Online portal for buyers/ agents to assess sales agreement
- iii. Online portal for FIs to assess auditors' certificates

## 5 Real estate regulators have acted as a catalyst to drive overall sector growth

A real estate Act institutionalizes the real estate sector, assigns accountability, and ensures that the rights of the consumers are being preserved. Recognizing its roles as a growth enabler, countries across the globe have taken additional initiatives to amplify its impact. Some examples are shown as illustrations

### Developer performance assessment

- i. **Dubai and Singapore** have created balanced developers' performance scorecards for buyers to make informed decisions. Scores are also taken into consideration while awarding government projects

### Professional certifications development program

- i. **Bahrain** Continuous Professional Development programs to train agents

### Knowledge engine/ Expert connect

- i. **South Africa** Property Sector Research Centre

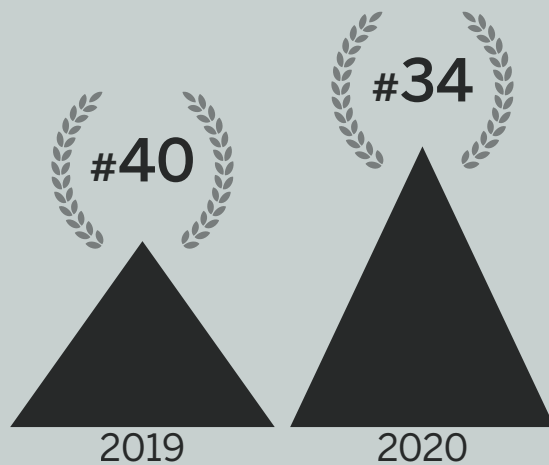


### One-stop shop: Solution for all real estate transaction

- i. **Dubai** mobile app REST
- ii. **Dubai** official sales-price index, Mo'asher to provide transparent and accurate data to all parties in the real estate market

# Dubai: Case study

Dubai's real estate sector ranks high on most parameters under the JLL Transparency Index 2021, giving both investors and consumers confidence in the sector. Further, Dubai has improved its global transparency ranking from 40 in 2018 to 34 in 2020 and its transparency score from 2.79 to 2.75, in the same time-period. Two noteworthy initiatives taken by the country are shown as illustrations



Rank in JLL Transparency Index<sup>29</sup>

## Mobile app, Dubai REST

This is a digital platform that manages the end-to-end real estate requirements of owners, tenants, and other service providers. Its aim is to ensure that real estate transactions in the country can be completed digitally without having to visit any government offices. Dubai REST will act as a one-stop-mobile application for more than 300,000 owners, 700,000 tenants, and the many potential investors across the globe. Three major categories on the app include.

### Real estate information:

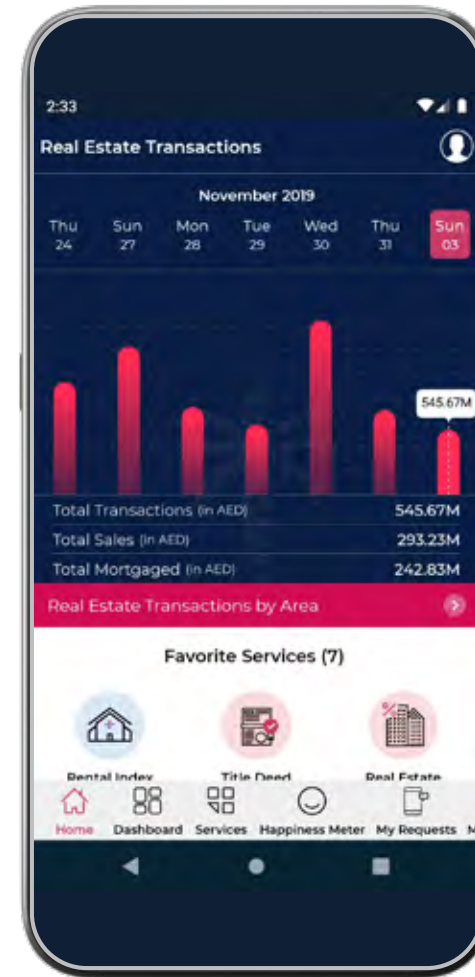
Users can access information about service providers like brokers, asset management companies, developers, Dubai Land Department partners, developers, maintenance companies, valuers, etc.

### Real estate transactions:

Users can purchase, multi-list, sell, and rent online, anytime and anywhere

### Real estate services:

Tenants and owners can access Dubai Land Department services like property valuations, contract creation, site plan, payments, etc.



- ★ Real estate sector transactions in the region
- ★ Customized views for different stakeholders
- ★ Detailed information on all projects
- ★ Online, easy access for multiple services offered
- ★ Detailed information of all registered agents

## Official sales price index, Mo'asher

This was created to provide transparent and accurate real estate transactions data to all stakeholders in the real estate ecosystem. The index provides the latest price updates, thereby ensuring that buyers can make informed decisions. The value added by Mo'asher is evident by the positive experience of stakeholders in the real estate ecosystem.



Our conversations with investors showcase a strong pull for the index. They have been asking for the index as it has become an official industry benchmark in Dubai. Looking at the success of Mo'asher, we are trying to create a similar official sales price index for commercial real estate sector as well - planning to launch the same in 4-5 months. This reflects the government's willingness to open the market to international investors.

– Director of Research, Global Real Estate services firm, Dubai

<sup>29</sup> Dubai Land Department website; JLL global transparency index 2018 & 2020; Expert interviews



Chapter 5

# Recommendations and Call to Action

Here the real estate sector plays a crucial role in reviving an economy following a downturn. This is primarily because the real estate sector has a multiplier effect on employment generation, and creates direct and indirect employment through its impact on multiple dependent industries like steel, cement, etc. Moreover, the sector also boosts value creation across other industries through the construction demand, and generates positive fiscal

Photo: Manpreet, stock.adobe.com



Salvaging Indian realty, the second-largest employment generator is critical, not only from GDP growth perspective but also for employment generation, since the sector has a multiplier effect on 250-plus allied industries.

—Niranjan Hiranandani,  
National President, NAREDCO

impact through taxes like property tax.

The real estate sector in India has a considerable impact on the country's GDP and employment. It contributes over 6.5% to India's GDP, and is the country's second largest employer after agriculture. In 2017, the sector employed more than 50 million Indians directly, while also enabling numerous other industries through its backward linkages. The sector is also an enabler for credit flow in the economy, with the total home loans outstanding in the country estimated at ~USD 270 billion in FY20.<sup>30</sup> It is evident that as India begins its labored recovery in the aftermath of the COVID-19 pandemic, the real estate sector can become a very crucial lever for driving this recovery.

Housing, and consequently real estate, holds significance not just from a macro-economic angle but also from a socio-economic perspective. **The demand for housing in India is currently at 11.2 million houses and is growing at a fast clip.<sup>31</sup> In our country, the average household holds approximately 77% of its total assets in real estate.<sup>32</sup>**

30 Crisil Research. (September, 2020). CRISIL NBFC Report. Retrieved from <https://www.crisilresearch.com/#/nbfcReport20/SectorOutlook>

31 Pradhan Mantri Awas Yojana. (Retrieved in April, 2021). PMAY(Urban) – Progress. Retrieved from <http://pmaymis.gov.in/>

32 Reserve Bank of India. (July, 2017). Indian Household Finance. Re-

**Additionally, according to a recent survey by Anarock, 74% property-seekers are looking to buy for self-use.<sup>33</sup>** This clearly underscores the significance of home ownership for an individual in India. Generally, a house is the primary and the most valuable asset owned by an individual. Consequently, it also generates significant liability on personal balance sheets.

As a supplier of this essential asset, the real estate sector holds great significance for both the economy, and each individual in it. A thriving real estate sector can give a fillip to GDP growth, while also enabling holistic socio-economic development, by boosting individual well-being.

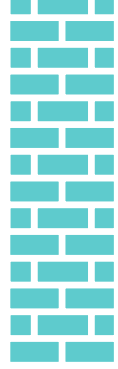
As discussed in detail in Chapter 2, the RERA Act was brought with the key objectives of increasing transparency, improving developer accountability, protecting consumer rights, and increasing trust amongst different stakeholders in the real estate sector. Hence, improved RERA implementation across the country would act as a catalyst for boosting

consumer confidence and building stronger trust in the sector. This would, subsequently, give a fillip to investment and activity in the sector and support the revival of the Indian economy, from the post-COVID slump.

To address the key challenges and opportunities with RERA's current implementation, as highlighted in Chapter 3, we have defined a set of recommendations across 4 key areas, as summarized on the next page. These recommendations, if embraced proactively and holistically, can meaningfully contribute to RERA's goal of creating a transparent and thriving real estate sector. Due to its multiplier effect, the Indian real estate sector will continue to act as a torchbearer of growth for the Indian economy. **Even a 5-7% growth in private investments in the real estate sector, can lead to an incremental demand for ~4-6 million jobs across the sector, and the numerous ancillary industries that it supports.<sup>33</sup>** The actions taken today can be a watershed moment for India's real estate sector, and can help India chart a robust economic future.

Retrieved from <https://rbidocs.rbi.org.in/rdocs/PublicationReport/Pdfs/HFCRA28D0415E2144A009112DD314ECF5C07.PDF>

33 [https://api.anarock.com/uploads/research/ANAROCK\\_CONSUMER\\_SENTIMENT\\_SURVEY\\_CII\\_Report%202021\\_booklet.pdf](https://api.anarock.com/uploads/research/ANAROCK_CONSUMER_SENTIMENT_SURVEY_CII_Report%202021_booklet.pdf)



# Summary: Recommendations & Call to Action

## 1 Driving consumer awareness and education on RERA

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- Drive awareness about the benefits of RERA through ATL and BTL advertising<sup>1</sup>; leverage stakeholders like developers, agents, and financiers to share RERA information dockets with consumers
- Implement awareness initiatives to increase the adoption of RERA website across consumers, for example, portal navigation tutorial videos on digital media, etc.

## 2 Fast-tracking processes and driving compliance & transparency across states

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- Enable easier and faster information access on RERA portals by creating and adhering to a list of minimum website standards for all state RERAs
- Improving RERA registration timelines by adopting successful best practices including the end-to-end digitization of process and non-scrutinization of other approvals; State RERAs can ensure resource availability through periodic assessments
- Drive developer compliance through stringent checks and initiatives like higher penalties on defaults, educating developers and creating SROs, etc.
- Share best practices like establishing conciliation forums across states, for streamlining and fast-tracking grievance redressal
- Improve transparency on state RERA effectiveness by publishing key data metrics and providing API based access for data analysis, and standard data formats like XBRL for financial information<sup>2</sup>

## 3 Defining policy guidelines & interfaces to empower quick resolution & accountability at RERA

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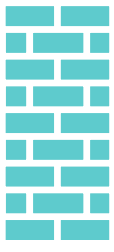
- Creating broad guidelines/potential options on the role of RERA for stalled projects
- Define interface between RERA and other authorities to facilitate faster approvals; state RERAs can enable data visibility on approval lead times to help streamline processes
- Drive accountability of other key stakeholders like CAs, engineers, etc., by assessing their inclusion under RERA purview

## 4 Acting as a catalyst to promote real estate sector

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- Leverage data collected by RERAs for initiatives like project gradings, setting up pricing index, etc.
- Develop training and certification programs for professional stakeholders to improve construction quality
- Promote the construction of sustainable and green buildings
- Formalize a knowledge engine and expert connect within the real estate sector





## Section 1: Driving consumer awareness and education on RERA

As highlighted in Chapter 3, while consumers' awareness of RERA as a regulator is high, awareness on the benefits they enjoy under RERA still remains low. Amongst those who are aware of RERA's benefits, over 75% said that they will only buy a RERA registered property in the future. Hence, there is a clear and direct uplift in consumer confidence and trust in the sector, with increased awareness of RERA's benefits.

Thus, there is a need to increase consumers' awareness of RERA, and educate them on:

1. The benefits of purchasing a RERA registered property
2. The features of RERA website/portals and how it can be leveraged effectively

<sup>1</sup> Can you tell us through which of the following sources have you read/heard/seen about RERA?

Source: RERA consumer research (N=1100+ real estate buyers/intenders) across 5 states: Maha, UP, MP, Orissa and Karnataka

### Initiatives to be taken by state RERA bodies

The state RERAs can leverage multiple methods to drive this agenda, including:

- ATL campaigns in local newspapers for areas with lower digital literacy and RERA awareness
- Cost-effective options like digital marketing using social media and other online platforms
- Direct interactions with stakeholders via workshops and seminars
- Sharing FAQs/videos on digital media for explaining RERA portal's features, navigation, etc.



### Initiatives to be taken by other stakeholders

Our survey revealed that more than 50% consumers learn about RERA through agents, project site visits or acquaintances.<sup>1</sup> Hence, RERA registered developers and agents can be mandated to share standardized RERA information dockets along with company brochures. RERA information and portal redirection can also be added on their websites. Financial institutions can also share similar dockets with prospective property-buyers along with loan applications. These dockets should also be available on the state RERA websites to ensure consistency and authenticity in messaging.

There are several consumer awareness best practices being undertaken in other industries and some state RERA authorities, that can be leveraged.



## Section 1: Driving consumer awareness and education on RERA: Select initiatives

Examples from other industries

### Mutual funds

The 'Mutual Funds Sahi Hai' investor awareness campaign launched by Association of Mutual Funds in India (AMFI) is a great example of a successful ATL campaign. It aimed to boost mutual fund investments by explaining the benefits of mutual funds to the masses, while also educating them on the risks.<sup>34</sup>

### Ministry of Consumer Affairs

'Jago grahak jago' is a hallmark example of a successful government initiative for increasing awareness amongst uninformed consumers. Launched under the consumer affairs ministry in 2005, it used extensive ATL campaigns including print media, audio, and video campaigns, to educate consumers on norms of sale and purchase, and help them make informed purchases.<sup>35</sup>

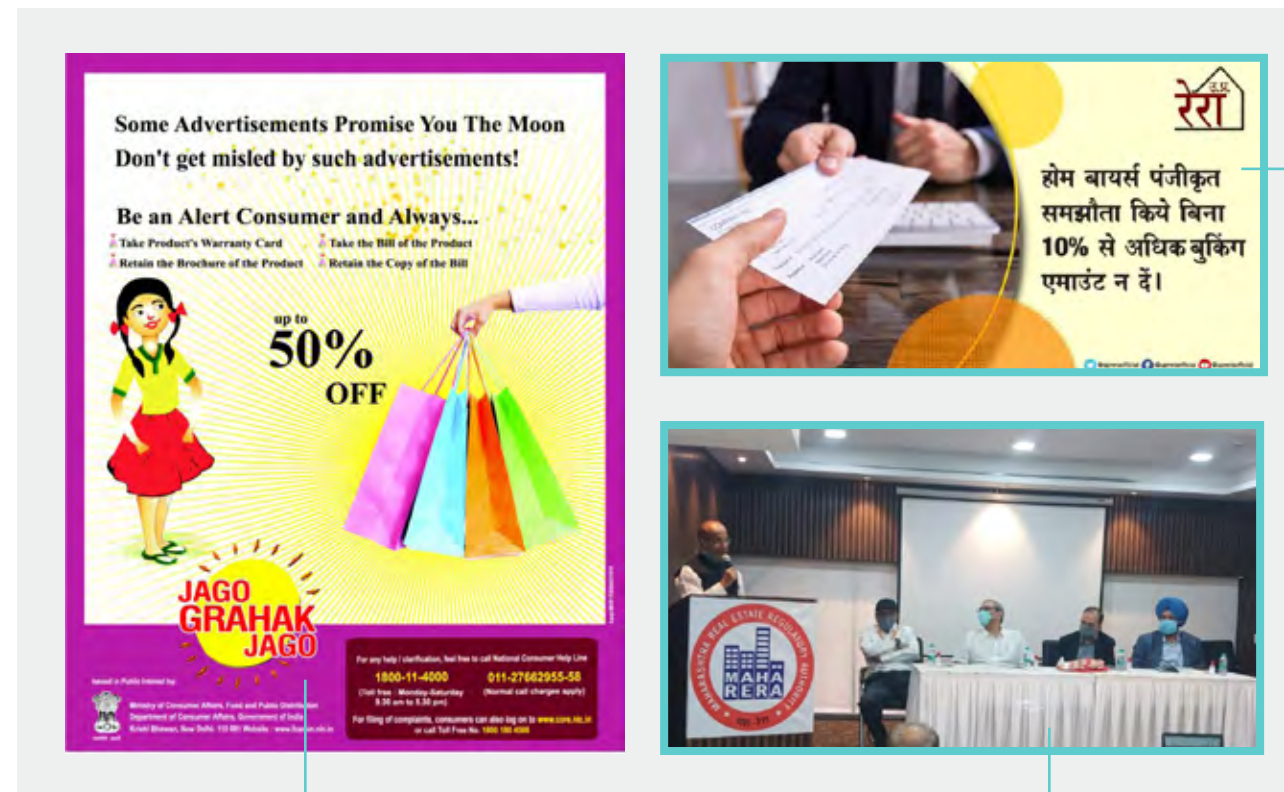
Examples from state RERAs

### Social media campaigns

Select RERA bodies like UP are effectively using channels like Facebook to communicate and interact with consumers. The informative posts along with the tagline "UP RERA hai to bharosa hai" has helped disseminate important information with the aim to build consumer trust.

### Stakeholder workshops

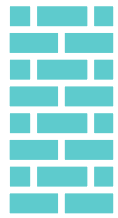
Maharashtra RERA conducts workshops for stakeholders to enhance awareness of key RERA provisions and encourage participation.



“ We leveraged consumer panchayats for organizing large public gatherings to create awareness and respond to consumer queries. Such forums started before RERA implementation and continued post-implementation as well. – Ex-Senior Official, State RERA Authority

34 Economic Times. (March, 2017). AMFI launches "Sahi Hai" campaign for mutual fund awareness. Retrieved from <https://economictimes.indiatimes.com/mf/mf-news/amfi-launches-sahi-hai-campaign-for-mutual-fund-awareness/articleshow/57647966.cms>

35 Economic Times. (December, 2018). Government plans to revamp its consumer awareness campaign Jago Grahak Jago. Retrieved from <https://economictimes.indiatimes.com/news/economy/policy/government-plans-to-revamp-its-consumer-awareness-campaign-jago-grahak-jago/articleshow/66929947.cms>



## Section 2: Streamlining processes and driving adherence across states

As highlighted in Chapter 2 and 3, varied levels of RERA implementation have been achieved in multiple processes across states. There is a need to streamline the processes and drive adherence across states to ensure that the benefits of the Act accrue to all stakeholders. Some of the select processes include functionality and user friendliness of RERA portals, RERA registration timelines, grievance redressal process, transparency of state RERA authorities' performance, and driving developer compliance to protect consumer interest.

Several countries and multiple states in India have taken up initiatives to streamline select processes and drive adherence in their respective state/ country. Other states can leverage the learnings from these initiatives and try to alleviate the pain points in their respective states.

### A few examples of the initiatives include

1

Improving user friendliness of portals by creating customized views for different stakeholders on RERA websites, like Dubai and Bahrain

3

Driving developer compliance by introducing SROs<sup>1</sup> like Maha-RERA, QR code authentication for project registration, like Chhattisgarh RERA

4

Improving consumer grievance redressal by setting-up conciliation forums like Maha-RERA

2

Improving RERA registration timelines by adopting successful best practices including the end-to-end digitization of process and non-scrutinization of other approvals

5

Increasing transparency of state RERA performance by publishing annual reports on websites like Maha-RERA, Gujarat RERA, UP RERA, Punjab RERA, and Haryana RERA



36 Self-Regulatory Organizations (SROs) are developer groups created to ensure professional ethics and adherence to all regulations by the members. Mandating membership of an SRO for developers to register projects can ensure greater acceptance and implementation of RERA, and reduce governance efforts for the RERA bodies. Maharashtra Real Estate Regulatory Authority. (October, 2019). Compendium of Best Practices. Retrieved from <https://maharera.mahaonline.gov.in/Upload/PDF/Compendium%20of%20Best%20Practices%20-%20MahaRERA.pdf>

## Section 2: Streamlining processes and driving adherence across states: Select initiatives

Select initiatives taken by states/ countries for streamlining processes and driving adherence

### Customized views on portals

Dubai and Bahrain have created their RERA portals with customized views, thereby improving ease of navigation and access to information.

Kingdom of Bahrain  
Real Estate Regulatory Authority

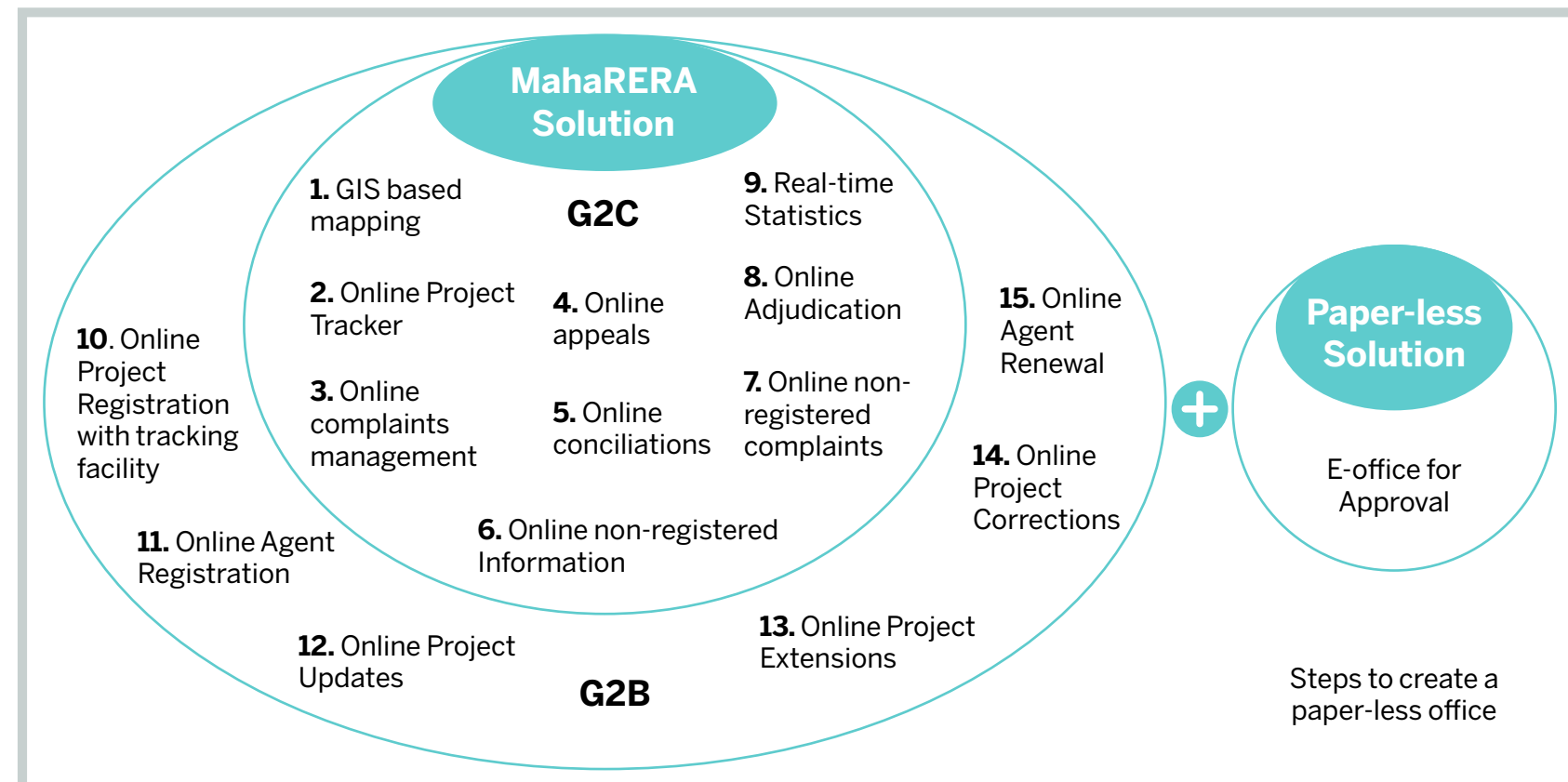
ABOUT RERA ▾ OUR SERVICES ▾ REGULATIONS NEWS ▾ HELPDESK CONTACT US

PROPERTY DEVELOPERS	REAL ESTATE PROFESSIONALS	OWNERS
Property Developer Licenses	Brokers	Unit Owners
Development Projects	Sales Agents	Owners Associations
Advertising License	Valuers	
Insurance Bond On Escrow Accounts	Property Managers	

### Digitization

Maha-RERA has taken steps to create a paper-less office and increasingly digitize the registration process.

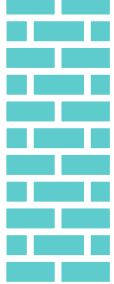
- By removing manual interventions, the registrations process can be expedited.<sup>37</sup>



I visited the RERA website to check the project details but got completely lost. Would be helpful if there's any video/ document to help me understand the path to the information that I am seeking.

– Consumer

37 Maharashtra Real Estate Regulatory Authority. (October, 2019). Compendium of Best Practices. Retrieved from <https://maharera.mahaonline.gov.in/Upload/PDF/Compendium%20of%20Best%20Practices%20-%20MahaRERA.pdf>

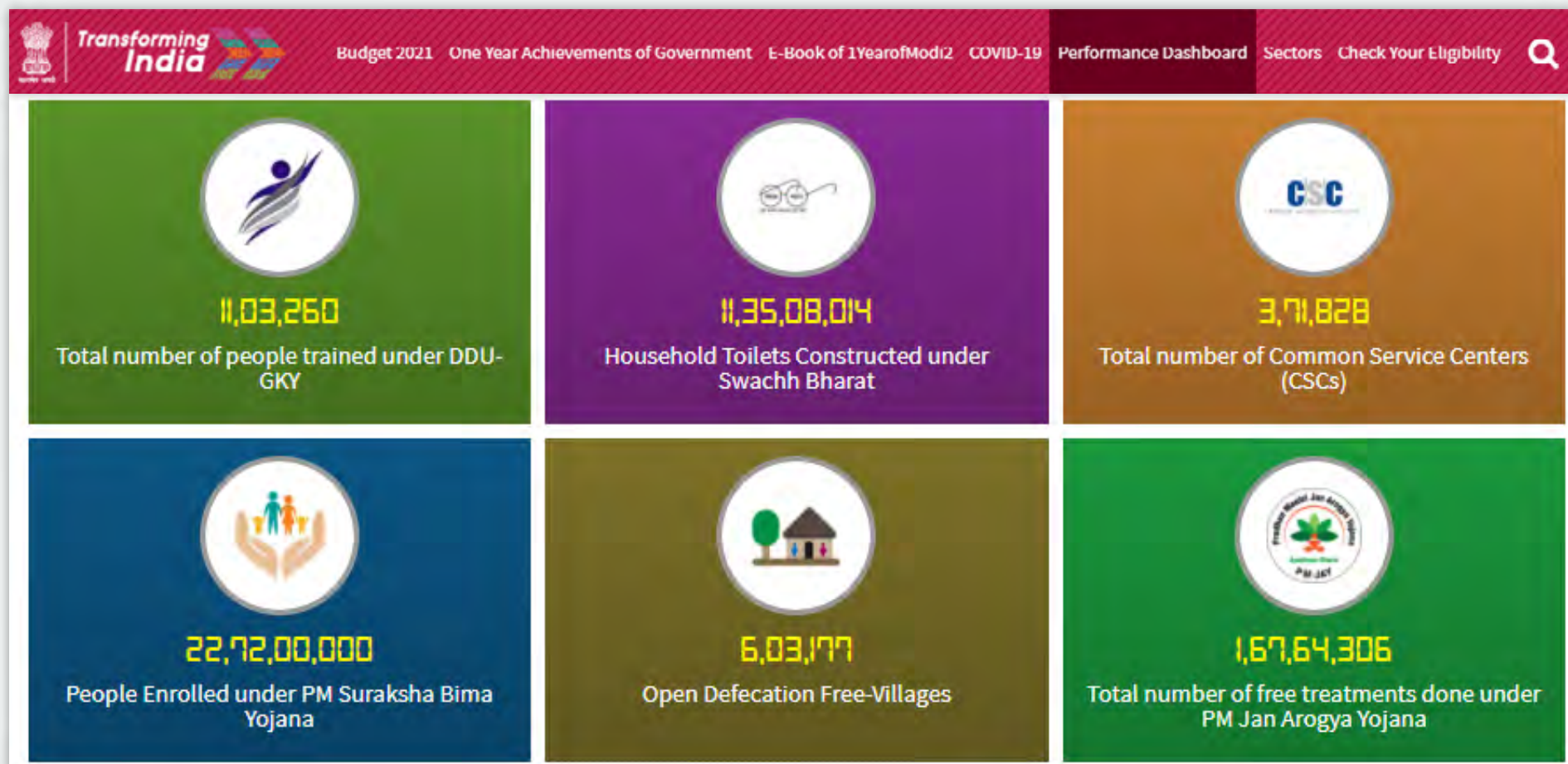


## Section 2: Streamlining processes and driving adherence across states: Select initiatives

Select initiatives taken by states/ countries for streamlining processes and driving adherence

### Performance dashboard

Ministry of Electronics and Information Technology publishes a performance dashboard to show real-time updates on the critical metrics across different schemes, for example, households electrified under Saubhagya since Oct. 2017, total number of beneficiaries under PM Kisan Samman Nidhi Yojana, etc., to enable both transparency and accountability.<sup>39</sup>



### Conciliation forum

Maha-RERA established conciliation forum as softer and effective tools for settling grievances in an amicable and timely fashion.

- Aims to bring the homebuyers and developers to the negotiation table instead of initiating formal court proceedings

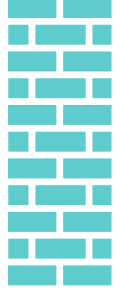


In case of bench proceedings, it takes about four or five hearings to pass an order. On the other hand, conciliation forums typically take one or a maximum of two meetings.<sup>38</sup>

– Conciliator, UP-RERA

38 Mint. (September, 2019). Rera's conciliation forums act as a short cut for aggrieved buyers. Retrieved from <https://www.livemint.com/money/personal-finance/rera-s-conciliation-forums-act-as-a-short-cut-for-aggrieved-buyers-1567529369522.html>

39 20210427 version, Page 51 – Performance Dashboard. Government of India. Transforming India. (Retrieved in April 2021) Performance Dashboard. Retrieved from <https://transformingindia.mygov.in/performance-dashboard/>



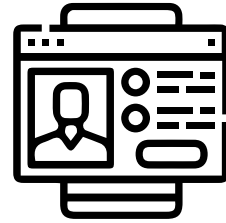
## Section 2: Streamlining processes and driving adherence across states: Proposed recommendations



### Improving user friendliness of the portal

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- Ministry of Housing and Urban Affairs (MoHUA) can create a list of standards to be followed by the state RERA websites, for example, clear categorization of content, easy wayfinding and discovery, clear and clutterfree layout, fast loading and optimized images, clear pathways for target user types, etc.
- State RERAs should periodically review their websites and comply with these standards



### Improving registration timelines

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- State RERAs can define their registration process basis best-practices on non-scrutinization of other approvals
- State RERAs can leverage best-practices to digitize the end-to-end registration process
- State RERAs can ensure resource availability through periodic assessments and garnering state government support on appointments



### Driving developer compliance to protect consumer interest

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- State RERAs should educate developers on benefits of RERA and create developer SROs to enforce professional ethics
- State RERAs can adopt quick authentication tools, for example, QR codes to scan for registration
- State RERAs can levy higher penalties on developers for non-compliance



### Fast track grievance redressal process

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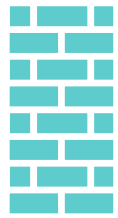
- State RERAs can codify guidelines to address the wide variety of consumer complaints and their redressals
- State RERAs can explore establishing conciliation forums for settling grievances in an amicable and timely fashion



### Increasing transparency of state RERA authorities' performance

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- State RERAs can define and publish important metrics, for example, data on complaint resolution timelines, the total number of complaints registered, the total numbers and percentage of complaints resolved, project registration timelines, etc.
- State RERA authorities can publish their annual/ quarterly performance reports



## Section 3: Evaluating and steering policy-level shifts

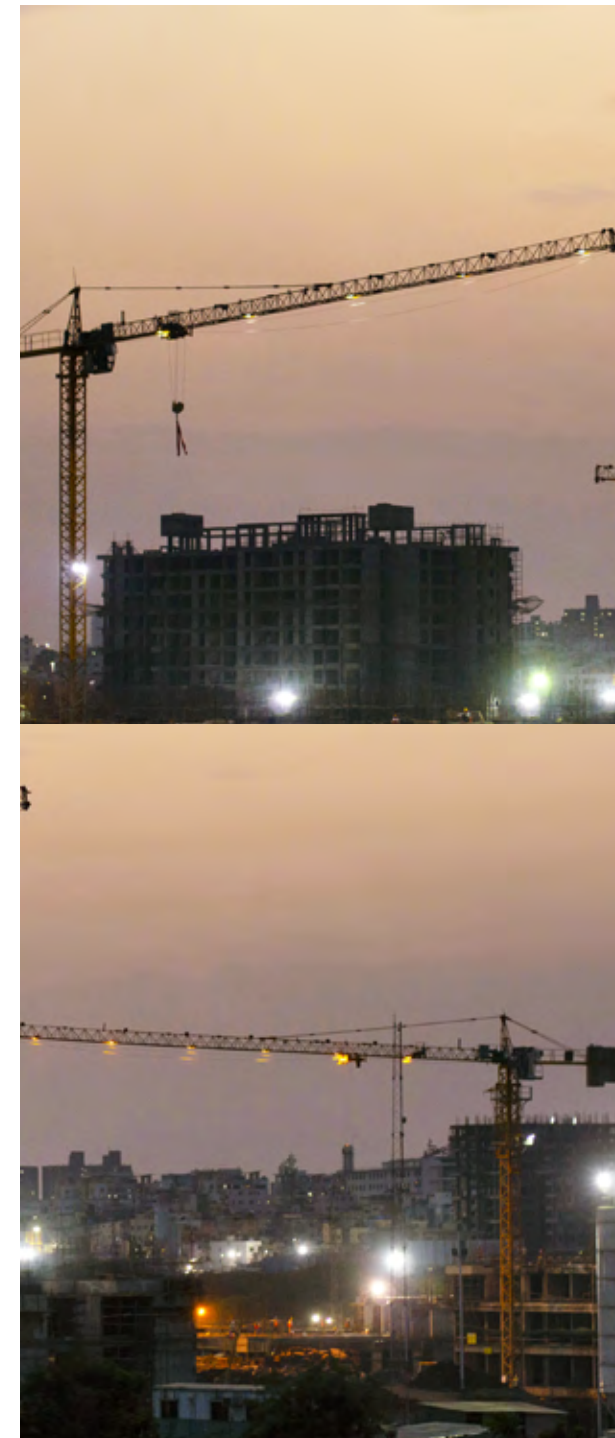
Amongst the challenges and opportunities summarized in Chapter 3, there are three areas that require a policy-level evaluation and shift, to solve for the constraints currently faced by state RERAs in delivering the Act's objectives. These areas are:

1. Need for defining institutional mechanisms to enhance coordination between RERA and other state authorities, to enable timely project approvals
2. Need for creating broad guidelines or potential options on the role of RERA for stalled projects
3. Need for driving greater accountability by assessing the inclusion of other key stakeholders of the sector, for example, chartered accountants, engineers, architects, etc., under RERA's purview

As per a research conducted by Anarock, 220 projects across the top seven Indian cities, accounting for over 1.74 lakh homes, were completely stalled as of 2019.

There is an imminent need to define a clear path forward for state RERAs to tackle these 3 challenge areas. This exercise needs to be undertaken keeping state-specific issues in mind, to make them more relevant and useful for the respective state RERAs. MoHUA can look into the possible policy-level shifts, and take recommendations from the state RERA authorities, to define the best path forward for these scenarios. An action plan should be created on each of these agendas and evaluated periodically.

Photo: RealityImages, stock.adobe.com



### Initiatives that can be adopted by state RERAs

Some initiatives that can be explored by state RERAs to solve for these challenges are:

#### Enabling data transparency for regulatory approvals

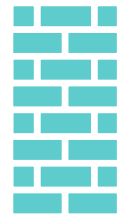
RERA can play the role of an enabler by facilitating data gathering and transparency on the approval-wise lead times in each state. This data can be captured through developers while they register their projects and can be analyzed by research agencies. State ministries/ Ministry of Housing and Urban Affairs can work with the authorities identified with longer approval lead times, to streamline their processes. These initiatives will increase confidence and positivity in the real estate sector and improve India's Ease of Doing Business ranking on 'Dealing with construction permits' and 'Registering a Property'.



Under the RERA Act, the currently defined role of RERA authorities for stalled projects is very open-ended – there should be clear steps/guidelines laid out for RERAs to act proactively in such cases.

– Practicing Lawyer, Law Firm<sup>40</sup>

40 20210427 version, Page 53. Deccan Herald. (July, 2019). 1.74 lakh homes worth 1.77 lakh cr stuck in 7 cities. Retrieved from <https://www.deccanherald.com/national/174-lakh-homes-worth-177-lakh-cr-stuck-in-7-cities-749423.html>



## Section 3: Evaluating and steering policy-level shifts: Select initiatives

### Adopting Best Practices for stalled projects

#### Case Study: **UP RERA's** initiatives on stalled projects

UP RERA has undertaken dealing with stalled projects as one of its top priorities in recent years. As a first step, UP RERA commences technical and financial studies of stalled projects to determine the best way forward for driving its timely completion. It has setup a Project Management Division (PMD) which includes domain experts and convenes regularly with the association of homebuyers, project engineers, technical staff, banks, and financial institutions, to review the progress of such projects. When assigning a stalled project to association of allottees, it has setup a system to request for a Detailed Project Report (DPR) with new cost estimations and completion timelines to ensure the construction remains on track.

Additionally, to advertise these initiatives and listen to the complaints of homebuyers who are stuck in similar situations, UP RERA launched the displayed advertisement on its website and social media, asking promoters and homebuyers to submit complaints of stalled projects. This has also gone a long way in building confidence of home buyers with the UP RERA authority.

UP RERA has become an example by supporting multiple stalled projects across the state. In one such instance, the authority canceled the registration of a project in Greater Noida after complaints of project delay and alleged irregularities by promoter and handed over the development to the homebuyers' association, post the due procedures.



The authority is serious about its mandate for facilitating the completion of the projects and delivery of houses to the homebuyers. It is continuously monitoring the progress of registered projects and has established a PMD in its NCR office.

– **Chairman, UP-RERA**

**UP RERA**

### Dear Allottees and Promoter

U.P. RERA is working on various models to redeem the delayed/ challenged/ stalled projects to facilitate the completion of such projects with a view to protect the interests of the homebuyers.

The promoters & Association of Allottees, of such projects may approach UPRERA for guidance and working out an appropriate mechanism for their completion.

For further details please log in on the U.P. RERA website.  
Details can be filled-up here : <https://up-rera.in/delayedprojects>

**U.P. Real Estate Regulatory Authority**  
Rajya Niyojan Sansthan (Naveen Bhavan), Kalakankar House,  
Old Hyderabad, Lucknow, Uttar Pradesh 226007

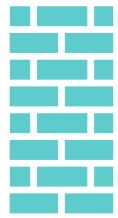
**U.P. RERA Hai Toh Bharosa Hai**

upreraofficial

Lucknow : 0522-2781448/49 | NCR : 0120-2326104

41 Moneycontrol. (May, 2020). Can RERA Authorities Direct Homebuyers' Associations To Complete Stalled Real Estate Projects? Retrieved from <https://www.moneycontrol.com/news/business/real-estate/can-rera-authorities-direct-homebuyers-associations-to-complete-stalled-real-estate-projects-5293921.html>



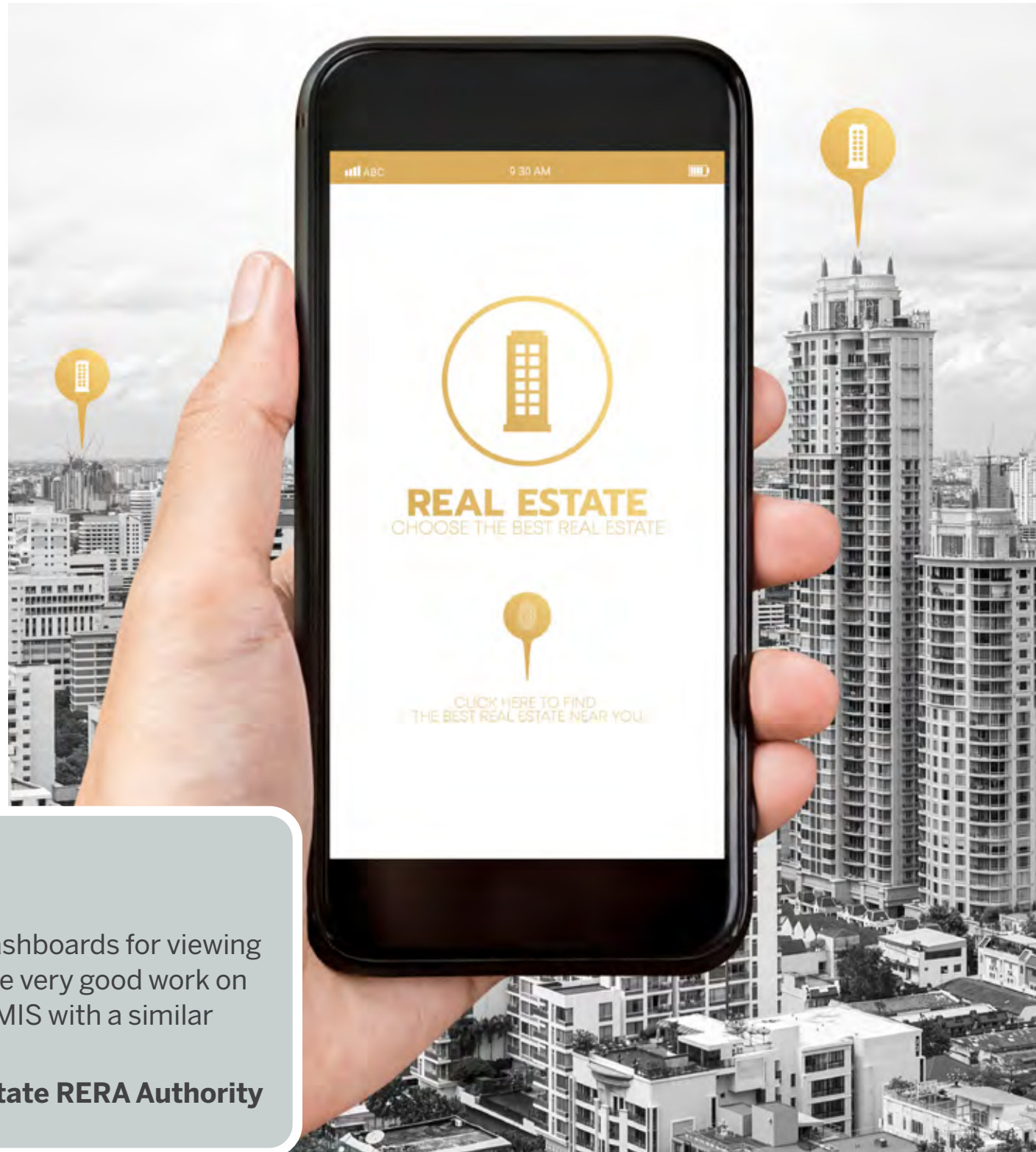


## Section 4: Acting as a catalyst to promote the real estate sector

Based on our analysis and study of the best-in-class practices in India and in international markets, a few initiatives have been identified as critical for the real estate sector and can be facilitated by RERA in the Indian market to catalyze sector growth.

These include:

- Leveraging the data collected by state RERA authorities
- Introducing voluntary training programs for technical stakeholders
- Promoting sustainable and green real estate buildings
- RERA establishing a knowledge engine and expert connect within the real estate sector



Few RERAs have created dynamic dashboards for viewing properties—MP, CG RERAs have done very good work on this. We are also planning to include MIS with a similar dashboard on our web portal.

– **Chairman, State RERA Authority**

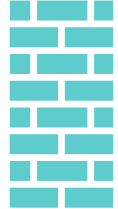
Data can be leveraged across multiple use-cases, for example,

- Project and developer score card based on objective metrics, along with consumer feedback on projects and developers
- Identify project delays based on an analysis of project life cycle data
- Central repository of legal issues and corresponding resolutions
- Official pricing index for a given micro-market and an all-India index

Recognizing the transformative power of digital solutions, many state RERAs and other countries have embraced digitization to grow the real estate sector.

Many relevant examples on these initiatives have already been highlighted in Chapter 4 as global benchmarks. Select state and global examples have been illustrated in the following section.

Photo: Atstock Productions, stock.adobe.com



## Section 4: Acting as a catalyst to promote the real estate sector: Select initiatives

### Dashboard<sup>42</sup>

MP RERA has created an interactive power BI dashboard which lists all the relevant details about ongoing projects in the state.

- Helps the consumers to track the progress of the project with past.



### Quality of work

MahaRERA introduced TOET, a training programme focused on ensuring the quality of work being carried out on construction projects, depending upon factors like input materials and workmanship.

- Trained skilled workers are expected to train the unskilled/semi-skilled workers in due course of time, preferably in 5 years, by obtaining funding from Maharashtra Building and Other Construction Workers Welfare Board



City of **Buenos Aires** presented a new building code incorporating sustainability regulations and environmental criteria in the city's materials purchases.<sup>43</sup>



Green Building Code introduced by **Philippines** proposes a set of standards pertaining to the efficient use of resources, site selection, planning, design, construction, use, occupancy, operation and maintenance; improving the efficiency of building performance and minimizing the negative impact of buildings on human health and the environment.

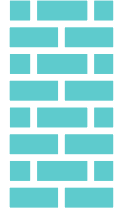
42 20210427 version, Page 56 MP RERA Dashboard. Madhya Pradesh Real Estate Regulatory Authority. (Retrieved on January, 20210). Project Details. Retrieved from <https://app.powerbi.com/view?r=eyJrIjoiaN2IzOWY0MTQyYmY1Yi00ZGMzLTlhNWYtNGNkNGNjOTAzMDNjliwidCI6IjYzMzI3N2ExLTNmMDctNGU5Mi04MDQwLWNiOGNkYmQ2NTQxNzJ9>

43 20210427 version, Page 56 – Green buildings code in Philippines.Thebubble.com. (March, 2018). Are Green Buildings in Argentina Finally Happening? Retrieved from <https://www.thebubble.com/are-green-buildings-in-argentina-finally-happening>



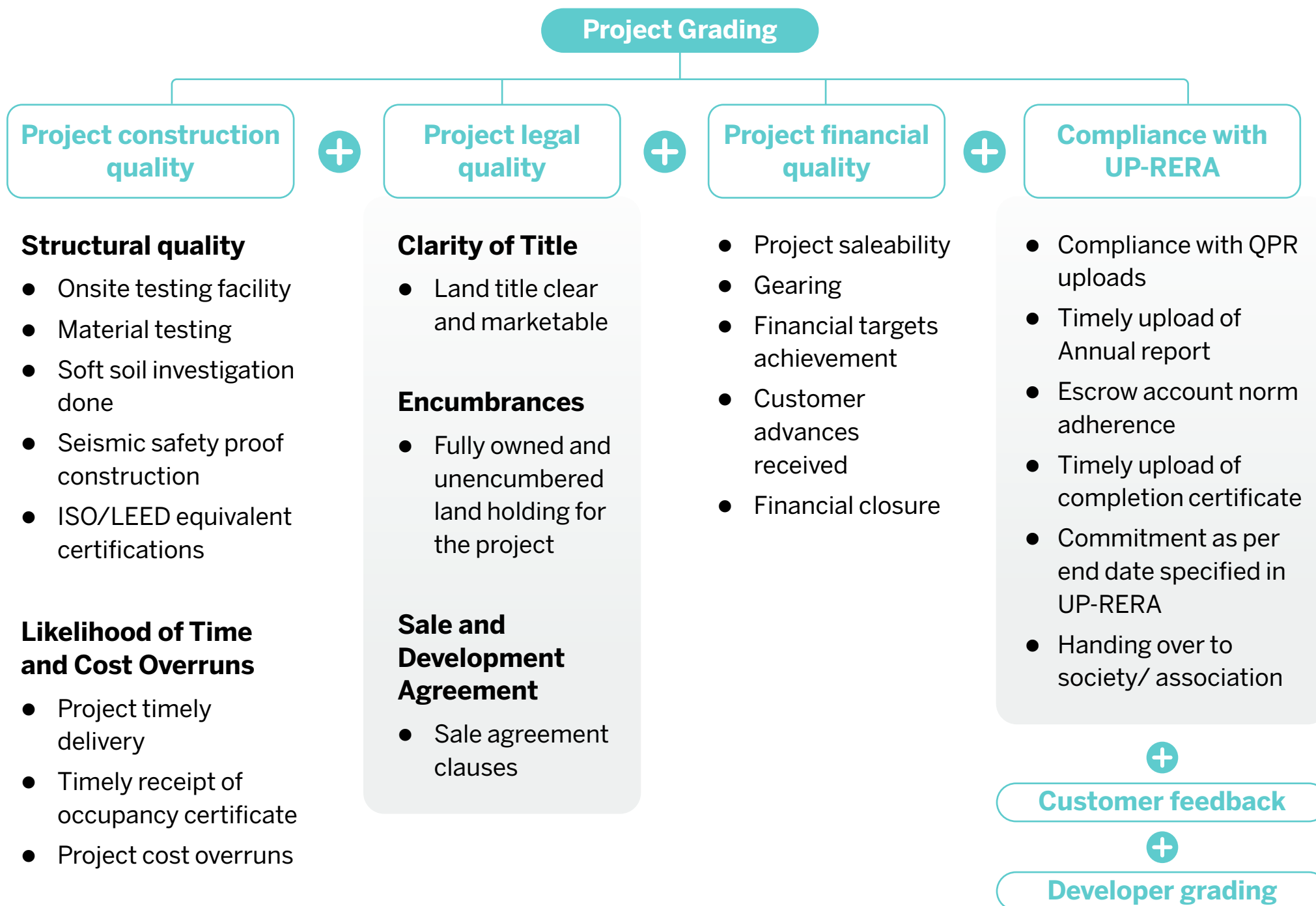
It is more important to take a preventive action rather than a curative one, with respect to construction defects, so that there are fewer complaints regarding such defects, in the future. We can achieve this by upgrading the skills of construction workers along with the use of good quality material, duly certified by site engineers, and following a systematic work process.

– Ex-Senior Official,  
State RERA Authority



# Section 4: Acting as a catalyst to promote the real estate sector: Project Grading: Case Study & Key Insights

## Case Study: Project Grading framework by UP RERA<sup>44</sup>



## Key Insights: Guiding Principles for a Project/ Developer grading Framework



3rd party agencies to be hired for conducting independent grading for projects/ developers



Grading framework to be defined based on **objective & quantifiable metrics**

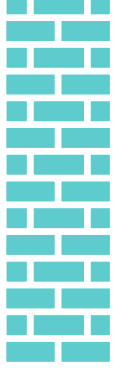


Grading criteria to be made **publicly available and transparent** to all stakeholders



Grading framework to **encompass parameters** based on objective of RERA Act

44 UP RERA website. Retrieved from [https://up-rera.in/frm\\_ifram\\_for\\_Pdf.aspx?Param=Website\\_upload\\_Project\\_Grading111.pdf](https://up-rera.in/frm_ifram_for_Pdf.aspx?Param=Website_upload_Project_Grading111.pdf)



# Summary: What stakeholders can do to unlock the potential of RERA

Each stakeholder mentioned in Chapter 3 of this report is critical for unlocking the full potential of the RERA Act in India. Concerted efforts across central ministry, state RERA authorities and other stakeholders like developers, agents, CAs, engineers, architects, etc. are needed to build the respective elements of the ecosystem that can work together to unlock RERA's potential for India.



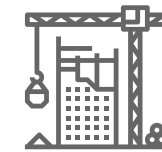
## Central Ministry/State Governments

- Look into the possible policy-level shifts basis recommendations from the state RERA authorities, to define the best path forward for the relevant scenarios
- Drive initiatives for specific recommendations, e.g., create a list of minimum website standards, mandating state RERAs to collect data on lead times for approvals from other authorities, streamlining processes with long lead times in each state, regulatory framework for promoting green buildings, etc.



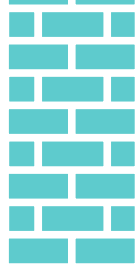
## State RERA Authorities

- Drive consumer awareness by focusing on lower income and tier 2/3 geographies through ATL and BTL mediums, leveraging digital marketing platforms
- Review the performance of state RERA portals as per standards described by MoHUA and educate consumers via videos/tutorials on how to navigate around the portal
- Drive initiatives for specific recommendations, e.g., establish state specific forums to fast-track grievance redressal, improve developer compliance, make the state RERA performance more transparent, etc.
- Cross-leverage best-in-class practices across different states on multiple critical processes, e.g., driving consumer awareness, developer compliance, project registration timelines, etc.
- Develop & publish important metrics / annual reports etc. to on state-RERA performance and achievements
- Facilitate multiple state specific discussions on policy-level shifts required in the Act and propose the same to MoHUA



## Other stakeholders, for example, developers, agents, CAs, engineers

- Share RERA standardized brochures and education material with consumers, include the same on their respective portals, etc.
- Report accurate timelines and information on State RERA portals for state RERA authorities to be able to leverage the same in driving further compliance and process streamlining



# Authors & Acknowledgements

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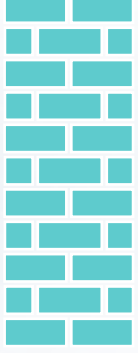
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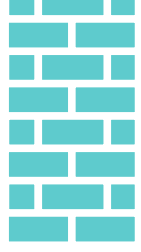
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**Mr. Shrikant Baldi**

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VSA Legal



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## Government / Industry Bodies

1	Dr. Niranjana Hiranandani	National President, National Real Estate Development Council (NAREDCO)
2	Wasiq Husain	President, MP Confederation of Real Estate Developers' Associations of India (CREDAI)

## State RERA Authorities

3	Balbir Badalia	Member, HP RERA
4	Rajeev Varma	Member, HP RERA
5	Rajive Kumar	Chairman, UP RERA
6	Siddhanta Das	Chairman, Odisha RERA
7	Dinesh Kumar Naik	Judicial Member, MP RERA
8	Dr. Vijay Madan	Chairperson, Delhi RERA

## Academicians/ Advisory bodies

9	Hitesh Vaidya	Director, National Institute of Urban Affairs (NIUA)
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## Financiers

10	Pavan Kumar Ganapathiraju	Head - Product & Strategy, L&T Finance
11	Hardayal Prasad	MD & CEO, PNB Housing Finance
12	Sairaj	Karur Vysya Bank

## Developers

13	Ashok Kumar Tyagi	Whole time Director, DLF Ltd.
14	Praveen Mahtani	Chief Legal Officer, Mahindra Lifespaces
15	Varun Khanna	Director, IREO Developers
16	Prasun Basu	Vice President of Sales and Marketing, Sobha Builders
17	R.B. Singh	Founder, Nirupam Associates (MP)
18	Pradip Agarwal	Managing Director, Kaysons Infrastructure (West Bengal)
19	Pranav Shah	Partner, Monarch Construction (Maharashtra)
20	Ketan Patel	Partner, Sangini Builders (Gujarat)
21	Vipin Ranjan	Director, Sudha Engicon (Bihar)
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23	Deepak Kumar Agarwal	Director, Sarawagi Builders (WB)

## Agents/Aggregators

24	Saurabh Garg	Co-founder and CBO, NoBroker
25	Chintan Kharbanda	Director, AVEC Realty (Gurgaon)
26	Jatin Mohan Seth	Director, Family Nest Real Estates (Chandigarh)
27	Pawan Kumar	Independent Real Estate Agent

## Legal Experts

28	Shreya Nair	Practicing Advocate, VSA Legal (Delhi)
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31	Anil Somanna	Advocate, A S Associates
32	Shubha Harish	Advocate, A S Associates
33	E. Suhail Ahmed	Legal Consultant, RERA Consultants LLP

## Other Stakeholders

34	Vikas Tawar	Co-Founder, RERA Filing
35	Shrey Kaushik	Principal Architect - MokSHrey Design Studio & Asst. Professor - DYP College of Architecture
36	Gajendra Pratap Singh	Principal Architect - SPP Architects, Gurugram
37	Vinay T.	Chartered Accountant, RERA Consultants LLP
38	Pooja Gura	Senior Consultant, Masin Projects
39	Subhash Rohatgi	Chartered Accountant & Independent Consultant

# Appendix

## Section 1: Project parameters available on RERA website (Chapter 2.2)

110 available on RERA website, submitted by builder for registering a prparameters oject (I/II)



### Promoter/ Personal details

- Information Type
- Name of the individual/ Org.
- PAN Number
- Aadhaar Number
- Information about experience
- Association with relevant SROs
- Address For Official Communication
- Mobile Number
- Office Number
- Email ID
- Website for project
- Photograph of promoter



### Past experience details

- Project name
- Project Type
- Address
- Land Area(In Sq mtrs)
- Number of Buildings/ Plots
- Number of Apartments
- Total Cost(In INR)
- Plot bearing C.N.No/ CTS No./Survey no./ Final Plot No
- Original Proposed Date of Completion
- Actual Completion Date



### Project details

- Project name
- Project type
- Proposed Date of Completion
- Litigations related to the project ?
- Are there any Promoter(Landowner/ Investor) in the project?
- Project address details
- Latitude/ Longitude
- Details of separate bank account
- Land Cost
- Development Cost/ Cost of Construction
- Total Estimated Cost of the Real Estate Project



### Land sanction details

- Plot Bearing No / CTS no / Survey Number/Final Plot no
- Area (in sq mts)
- Aggregate area (in sq mts) of recreational open space
- Total Building Count
- Sanctioned Buildings Count
- Proposed But Not Sanctioned Buildings Count
- Boundaries
- Built-up-Area as per Approved FSI (in sq mts)
- Built-up-Area as per Proposed FSI (in sq mts) (Proposed but not sanctioned)



### Additional promoter details

- Promoter name
- Promoter type
- Address for Official communication:
- Contact details
- Type of Agreement/ Arrangement
- Upload Agreement / MoU Copy
- Declaration in Form B



# Appendix

## Section 1: Project parameters available on RERA website (Chapter 2.2)

~110 parameters available on RERA website, submitted by builder for registering a project (II/II)



### Building/ Tower details

- Building name
- # Basements
- # Plinth
- # Podiums
- # Slab Super Structure
- Proposed Date of Completion
- Number of Stilts
- # Open Parking
- # Closed Parking
- Apartment Type
- # apartments booked/sold/allotted
- Carpet Area (in sq mts)
- Proposed # apartments
- # Covered Parking
- # Garages (in Numbers)
- Common areas and Facilities/ Amenities proposed & their % completion



### Project professional details

- Real estate agents
- Contractors
- Architects
- Engineers
- Chartered Accountants
- Other professionals



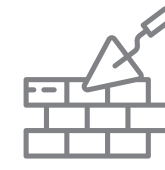
### Litigation details

- Name of the Court
- Type Of Case
- Petition
- Case Number
- Year
- Present Status
- Whether any Preventive/ Injunction/Interim Order is Passed



### Documents details

- PAN Card\*
- Legal title report\*
- Details of encumbrances\*
- Layout Approval \*
- Building Plan Approval / NA Order for plotted development\*
- Commencement Certificates development\*
- Declaration in FORM B\*
- Architect's / Engg/ CA Certificate of % of Completion of Work, quality assurance, project cost, fund withdrawal
- Annual Audit Report of Statutory CA
- Proforma of allotment letter & sale agreement\*
- OC/ CC/ Architect's certificate of completion
- Status of Formation of Legal Entity
- Status of Conveyance



### Activity details

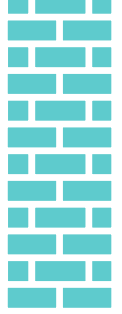
- Excavation
- # Basement(s), Plinth
- Number of Podiums
- Stilt Floor
- # Slabs of super Structure
- Internal walls, Internal Plaster, Floorings, Doors & Windows to each of Flat
- Sanitary Fittings within Flat, Electrical Fittings within the Flat
- Staircases, Lifts Wells and Lobbies at each Floor level, etc.
- External plumbing and external plaster, elevation, completion of terraces
- Installation of lifts, water pumps, Fire Fighting Fittings and Equipment, etc.

# Appendix

## Section 2: State-wise figures on complaints resolved, agent registrations and complaints registered(Chapter 2.2)

	Complaints Resolved	Agents Registrations	Complaints Registered
Uttar Pradesh	26,510	4,475	27,992
Haryana	13,269	2,215	
Maharashtra	9,232	28,243	14,257
Madhya Pradesh	3,794	739	
Karnataka	2,883	2,386	5,656
Gujarat	2,651	1,510	3,732
Tamil Nadu	1,408	1,483	
Punjab	1,130	2,281	1,758
Chhattisgarh	970	563	
Odisha	881	64	
Rajasthan	798	2,059	
Uttarakhand	505	324	
Bihar	482	341	
Kerala	312	132	
Andhra Pradesh	157	138	421
NCT of Delhi	105	375	
Jharkhand	72	5	
Goa	52	276	
Chandigarh	23	14	
Himachal Pradesh	22	79	
Assam	11	14	
Puducherry	1	3	
Telangana		1,453	
Dadra & Nagar Haveli and Daman & Diu		2	
Tripura		2	
Andaman & Nicobar Islands		23	

Note: 1. States and union territories arranged in descending order of complaints resolved. 2. No data available for Arunachal Pradesh, Jammu & Kashmir, Ladakh, Lakshadweep, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and West Bengal. 3. Complaints resolved and agent registrations as of 10.4.2021. 4. Complaints registered only available for the 6 states; based on latest available numbers on state-RERA websites, as of 5.5.2021; Source: MoHUA Website, State RERA Websites



# Appendix

## Section 3: Research methodology followed to capture the voice of stakeholders (Chapter 3.2)

The quantitative surveys that underlie this report were all conducted in person between Jan-Feb 2021. As a part of this research, we surveyed more than 1000 consumers and 150 developers across the 5 states of Maharashtra, Karnataka, UP, MP, and Orissa with varying degrees of RERA maturity. Each state, in turn, was well represented with geographical coverage ranging from large metro cities like Mumbai to smaller towns like Jhansi. We covered 10 cities, i.e., 2 in each state (1 small town and 1 metro/larger town per state). The cities covered include Mumbai and Kolhapur in Maharashtra, Lucknow and Jhansi in UP, Bhubaneswar and Raurkela in Orissa, Bhopal and Ujjain in MP, and Bangalore and Mangalore in Karnataka. We spoke to 100 consumers in each of these cities, thus making it a total of 1000 samples across 10 cities.

Consumers surveyed cover the entire spectrum of real estate buyers as well as ones who intend to purchase properties in the near future. These included consumers with an annual household income of INR 1.5 lakhs, buying residential or commercial real estate from large or small-sized developers. Likewise, the developers surveyed are a mix of small to mid-size developers and exclude large developers.

We ensured that the target group we covered were key decision makers, i.e., actively involved in the purchase journey and the decision of buying a real estate property

(commercial or residential), and have bought ONLY RERA applicable properties, i.e., not secondary-market purchase or projects under 8 units/apartments. We also imposed some soft quotas to have minimum sample representation at a state level on younger aged buyers (<40 yrs), lower annual HH income consumers (<5Lacs pa), and those purchasing from well-known and lesser known developers. Additionally, we also had a booster sample for those filing complaints with RERA, to ensure a minimum sample for a reasonable output read.

In addition to the surveys, MindDiscovery® workshops, i.e., qualitative group discussions, were conducted with 50+ consumers to gather qualitative perspectives on RERA as a part of the real estate purchase journey. MindDiscovery® workshop is BCG's proprietary tool to conduct focus group discussions among 6-8 participants over a 2 to 3-hour duration, with extensive use of projective techniques to go beyond stated responses. Similar to the survey, MindDiscovery® workshops were conducted in states with varying degrees of RERA maturity with consumers across ages, incomes and larger and smaller towns to ensure the holistic representation of the views of all consumer cohorts.

We covered the key city in each of the 5 states, i.e., Mumbai in Maha, Bhopal in MP, Lucknow in UP, Gurgaon in Haryana, and Bangalore in Karnataka. The states chosen covered a

good mix of high and low RERA implementation regimen and were spread across North, East, West, South and Central India. We spoke to 8-10 consumers per workshop in each city: The sampled profile included purchasers of new residential/commercial property in the last 4 years, actively involved in the entire purchase journey with basic awareness about RERA, and having interacted with RERA in the purchase journey. The target group included consumers across age groups, above 25 yrs and across HH incomes (even poorer HHs earning up to 1.5L p.a). We also ensured soft quotas to cover diversity across the following dimensions:

- (1) Property end use (Self use & investment)
- (2) Developer type (Known/established & lesser known/new),
- (3) Project completion (Up to 30%, 30-70%, 70%+)
- (4) LTV (Up to 30%, 30-70%, 70%+) and (5) Agent/Broker involvement.

Further, to cover the views of all stakeholders within the real estate ecosystem, 40+ expert interviews were conducted across different stakeholders namely, developers, agents, architects, financial institutions, lawyers, chartered accountants, engineers, as well as state RERA authorities. Excerpts from some of these interactions and MindDiscovery® workshops are depicted as quotes in this report.

# Appendix


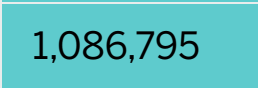



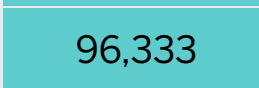
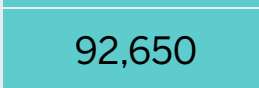




## Section 4: Methodology for shortlisting the benchmark countries: I/III (Chapter 4.1)

At the outset, we started with a large canvas that included a long list of 90 countries that have reasonably contributed to the global real estate construction output value. To carve out a list of the best countries in terms of real estate practices, we followed a three-step approach.

### Step 1: Filtering

The initial list of 90 countries was culled to 31 top countries that contribute approximately 90% to the global real estate construction output value. Additionally, countries that have a real estate act similar to RERA, for example, Bahrain, Singapore, New Zealand, etc., were also included in this list.

### List of 31 countries identified based on real estate construction output value and implementation of similar RERA act

Construction output value (USD million)		Output value	RERA act
 China - SH/BJ	2,179,063		
 United States	1,086,795		
 United Kingdom	316,336		
 Japan	276,197		
 Germany	271,154		
 India	220,831		
 France	214,052		
 Canada	164,888		
 Italy	164,023		
 South Korea	143,176		
 Turkey	132,036		
 Russia	99,987		
 Spain	96,333		
 Netherlands	92,650		
 Australia	89,945		
 Indonesia	82,647		
 Brazil	73,870		
 Mexico	67,050		
 Belgium	62,095		
 Saudi Arabia	58,521		
 Norway	50,910		
 Sweden	50,909		
 Switzerland	50,504		
 Austria	42,587		
 UAE - Dubai	41,402		
 Israel	38,341		
 Poland	38,310		
 Vietnam	34,657		
 Philippines	34,647		
 New Zealand	26,781		
 Singapore	9,332		
 Bahrain	3,805		

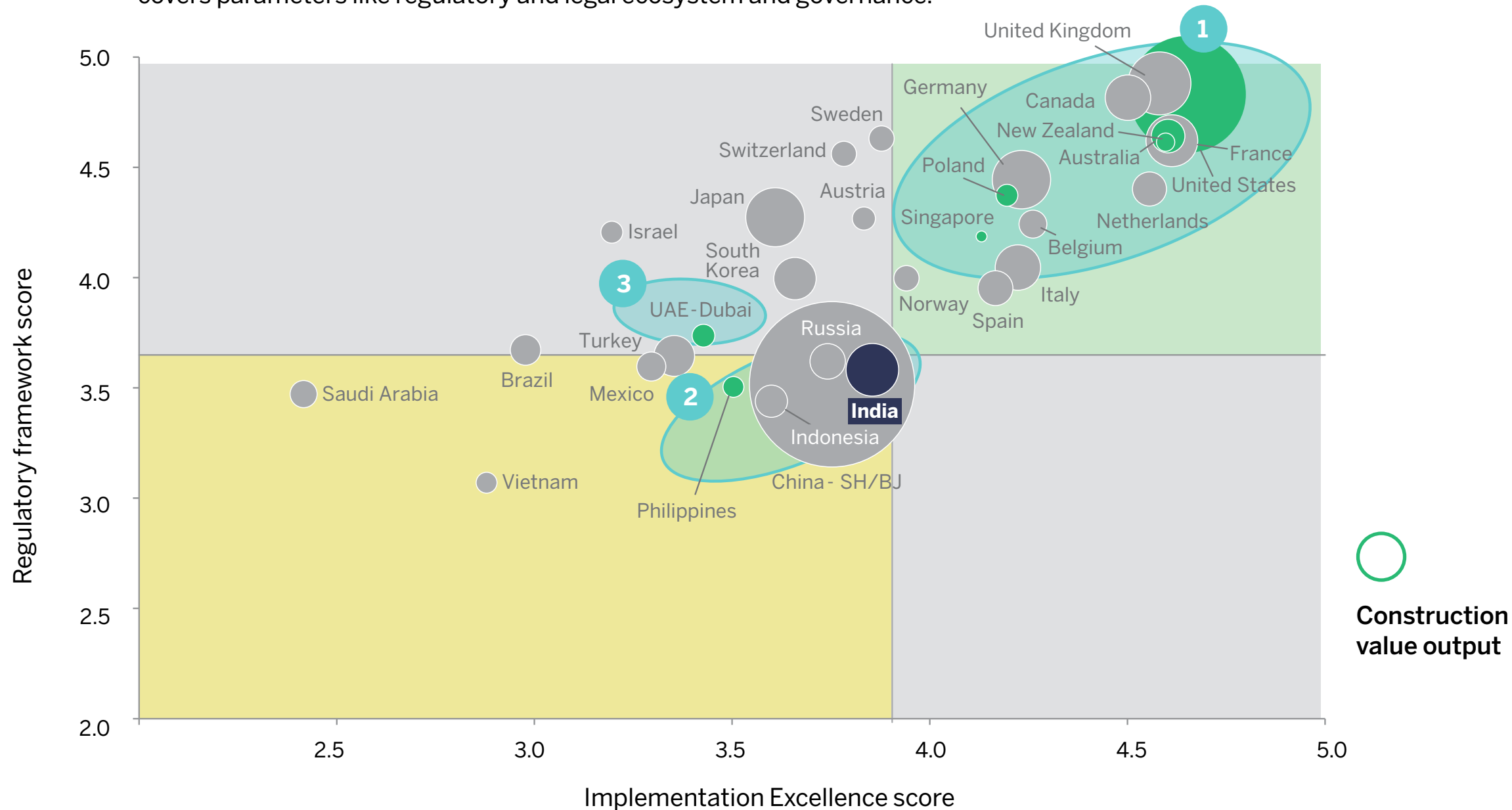
Source: Construction Global Data 2019

# Appendix

## Section 4: Methodology for shortlisting the benchmark countries II/III (Chapter 4.1)

### Step 2: Mapping

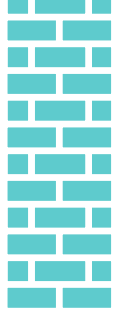
The 31 shortlisted countries were mapped on a framework for regulatory structure and implementation excellence. The framework comprised a 2x2 matrix that reflected the countries' regulatory strength and implementation excellence. Scores for the metrics were taken from the JLL Global Transparency Index 2020, where implementation excellence covers parameters like data transparency and streamlined transaction process while regulatory framework covers parameters like regulatory and legal ecosystem and governance.



### Step 3: Sampling

The 31 countries were further shortlisted to a list of 9 countries based on their position on the 2x2 matrix. These countries were further divided into four buckets to ensure that the shortlisted countries holistically cover the entire spectrum of relevant factors.

1. High on data transparency and strong regulatory ecosystem ensuring a mix of developed and emerging economies, for example, **US, Singapore, New Zealand, Australia, Poland**, etc.
2. Countries similar to India in terms of socio-economic landscape, for example, **Philippines and South Africa**
3. Countries with a strong regulatory framework, for examples, **Dubai**
4. Countries that have recently adopted a real estate act similar to RERA in India, for example, **Bahrain**



# Appendix

## Section 4: Methodology for shortlisting the benchmark countries III/III (Chapter 4.1)

### Approach to shortlist 9 countries for detailed benchmarking

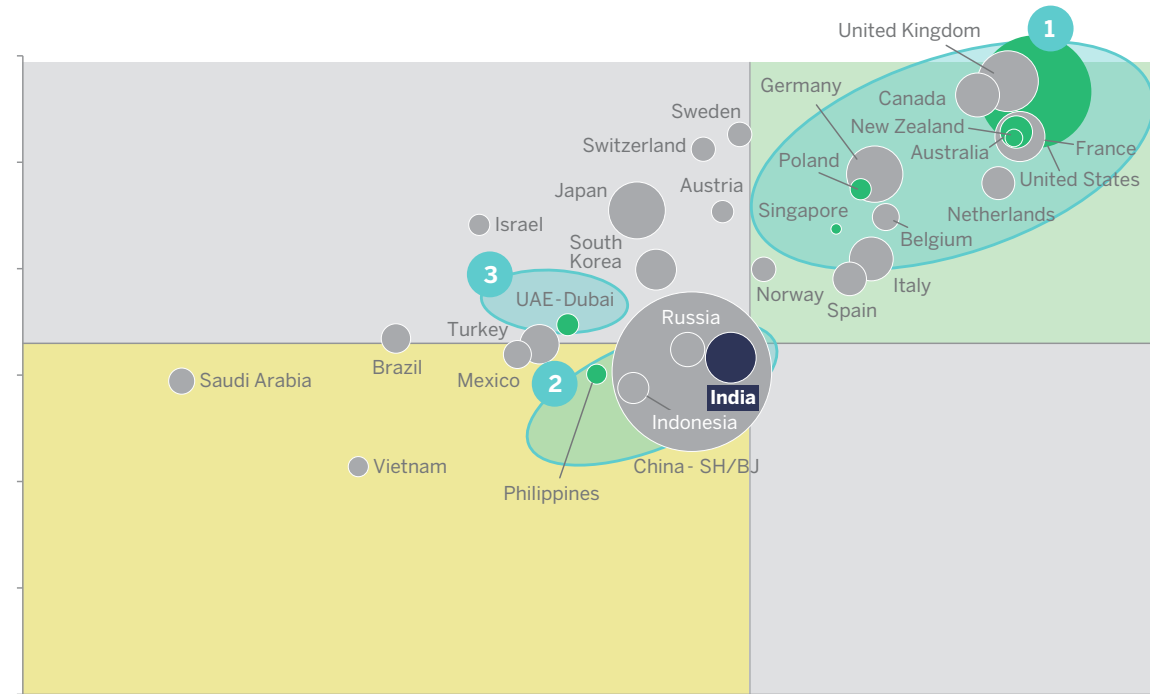
#### 1 Relevance filter

Long list of 90 countries with some real estate construction output value in 2019

Countries contributing to covering ~90% of the real estate construction output value  
+  
Countries with act similar to RERA

31 Countries

#### 2 Mapping the identified countries on framework for regulation & implementation excellence



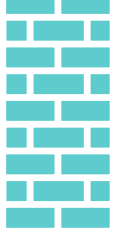
- **Implementation excellence:** Data transparency and streamlined transaction process as proxy
- **Regulatory framework:** Regulatory and legal ecosystem & governance as proxy

9 Countries

#### 3 Sampling the countries across 4 key buckets

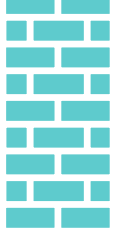
- High on data transparency and strong regulatory ecosystem ensuring mix of developed and emerging economies, e.g. **US, Singapore, New Zealand, Australia, Poland**
- Country like India, e.g. **Philippines, South Africa** selected to capture learnings
- Country with strong regulatory framework, e.g. **Dubai**
- Country with recent adoption of RERA act like India, e.g. **Bahrain**

Source: Construction Global Data 2019, JLL & LaSalle, Global Real Estate Transparency Index, 2020



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