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Land row raises query: Why no real estate regulator in place

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With the apex court upholding the judgment of Allahabad High Court on the legality of the land acquisition process in Greater Noida and with more land owners joining issue — more instances of land being acquired under the emergency clause of the Land Acquisition Act are coming to light — the pall of gloom over the real estate sector is not likely to lift any sooner.

Builders and consumers, who have been at the receiving end, are already at logger-

heads. The plight of the consumers won't have been so miserable had a real estate regulator been in place. For about seven years now, people have been clamouring for a special Act meant to protect investors in real estate. The objective is to put in place a specialized domain knowledge-based regulator who would ensure that the consumer is protected both from the vagaries of the builder and from the callousness of the government.

The RERA (Real Estate Regulatory Authority) Bill has been gathering dust with the Centre for about five

years now — that's when the first draft was circulated for seeking public views.

The bill seeks to establish the responsibility of the promoters (read builders) towards the consumers. It has sections pertaining to issues like how the promoter should issue advertisements before beginning construction; how he would be able to request for and receive advance payments for the apartments he is to build; how he could receive payments while constructing; and how he would hand over common areas etc to the resident welfare associations after the projects are

completed.

The bill also seeks to define the role of the consumer

The Real Estate Regulatory Authority Bill has been with the Centre for five years now — when the first draft was circulated for seeking the views of the public

and caters to issues like supply of essential services, adherence to local laws and ap-

provals of all kinds. It also addresses issues connected to mortgages and consents required for such mortgages besides the liabilities of consumers.

Significantly, the Bill deals with the responsibility of promoters regarding the veracity of the facts placed in advertisements or prospectus in order to ensure that the consumer gets the right information before he makes a choice or purchase.

If the RERA bill had been legislated and been in force today, some of the pain which consumers are facing today may have been averted. The

average age of home loan applicants has now dropped to 28 — most consumers are young people just starting out in life. Perhaps young enough to not want to be bothered with the kind of problems which such a lack of regulation have once again thrown up.

One can understand why the real estate sector is not keen to allow the RERA bill to see the light of day — when such an authority is established, it would make the promoter accountable in ways which he is not used to now. The sector may have pulled strings and ensured that

such a law is not enacted — possibly this may be the cause for the delay in bringing it before Parliament.

It is time the Central Government woke up to the fact that such reforms are inevitable in the urban sector. Sooner or later, these reforms will have to be enacted if the sector is to develop without the ambiguities and scandals it is ridden with today. Perhaps, the Greater Noida meltdown will spur the government into action on this most important piece of legislation.

(Sudhir Vohra is an architect and urban planner)