

"As per RERA, a building is considered 'ongoing' if it does not obtain the OC."

- **Gautam Chatterjee**, Chairman, Maharashtra Real Estate Regulatory Authority

Maharashtra has created a record of being the first state in the country to register projects under RERA. "Bringing in a regulation, in our experience, has always helped the industry," says **Gautam Chatterjee**, Chairman, Maharashtra Real Estate Regulatory Authority. He believes that this will actually give the real 'industry' status, and sees this as an opportunity where developers can become real champions of the industry. He shares more on the state provisions under RERA with **SHRIYAL SETHUMADHAVAN** and **SERAPHINA D'SOUZA**

Possible impact of RERA on the sector: A regulation framework will certainly cause anxiety, distress and problems in to a sector, which has been moderately regulated or not regulated at all. But in the long run, it will bring in transparency and efficiency. It will actually give a fillip to those who play by the

rules of the game, and then the industry should flourish and become an 'industry' in the real sense. This will help the consumer, as the Act is framed to serve the rights of consumers. When in the transition phase, hiccups are expected, especially for ongoing projects. But, in the case of new projects, there will be no challenges at all.

Impact on ongoing projects:

The Act covers ongoing projects, which may have already been in a distressful situation for the developer, lender and buyer. These projects will get completed now. Before the Act, ongoing projects did not have a date; developers vaguely mentioned a completion timeframe of three to six months. Now, they will have to mention a completion date and adhere to it.

Projects registered in the state:

Until mid-May, just two weeks since the act came into force, we have received eight applications, of which, three projects have been registered. Also, about 525 real estate agents have been registered. So registrations are happening at the expected pace. My expectation was minimal applications in the first fortnight, except from developers who would want to be number one in the country; on April 30 itself, two builders applied. By the next fortnight, we expect the number to reach 70 or 100, and with majority

applications expected to come in by the second fortnight of June, the pace of registrations will certainly pick up in July.

Overcoming challenges faced by builders:

There are certain issues being faced by builders; especially in terms of a glitch in the software, the MAHA online team is trying to resolve if it. For instance, if an investor is also a co-promoter, he would also sell flats in the projects. In this case, the co-promoter will also have to maintain a bank account, and show that the money generated falls under the 30-70 principle. To ensure this, we are making some changes in the software, because this could be one issue that many developers in Mumbai face, as they have arrangements with the landowners and investors. The liabilities of the co-promoter are defined by whatever agreements he being an investor or landowner signs with the main promoter. Our concern is that the details of the deal should be known to the consumer.

Any provision for builders awaiting OCs or CCs:

Builders have to register their ongoing projects in 90 days. RERA's objective is not to try and tackle the problem of not receiving OCs. For years now, people have been residing in buildings that do not have an OC. According to RERA, a building is considered 'ongoing' if it does not obtain the OC.

