



**Department of Housing , Government of Karnataka
The Karnataka Real Estate(Regulation and Development) Rules -2017**

Frequently Asked questions (FAQs)

Disclaimer:

The Frequently Asked Questions (FAQs) and the responses therein are for general information and guidance only. These questions and responses have been framed keeping in view possible doubts that may arise and are not based on individual cases; therefore, it is not to be taken as a final view of the Department of Housing of specific legal interpretation of the extant provisions of the Karnataka Real Estate (Regulation and Development) Rules, 2017

1. What is the status of the Real Estate Regulatory Act, 2016?

The Real Estate Bill was passed by the Rajya Sabha on 10th March, 2016 and the Lok Sabha on 15th March, 2016. The Bill as passed by the Parliament was assented to by the Hon'ble President on 25th March, 2016. The Act as assented to by the Hon'ble President was published in the Official Gazette on 26th March, 2016 for public information.

All the sections of the Act came into force from 1st of May, 2017.

2. When did the rules framed by the Government of Karnataka pertaining to RERA come into force?

The Karnataka Real Estate (Regulation and Development) Rules, 2017 were published in the Official Gazette dated 24th October, 2016 in part I of the Karnataka Gazette (Extra Ordinary Number 1193). Subsequently, Karnataka Real Estate (Regulation and Development) Rules, 2017 were approved by the State Government and notified on 10th July, 2017 effective when it came into force.

3. Which projects fall under the definition of "Ongoing Projects"?

For the purpose of this rule "Ongoing project" means a project where development is going on and for which completion certificate has not been issued but excludes such projects which fulfill any of the following criteria on the date of notification of these rules, namely:-

- a. In respect of layouts where the streets and civic amenities sites and other services have been handed over to the Local Authority and Planning Authority for maintenance;
- b. In respect of apartments where common areas and facilities have been handed over to the registered Association consisting of majority of allottees ;
- c. Where all development works have been completed as per the Act and certified by the competent agency and sale/lease deeds of sixty percent of the apartments/houses/plots have been registered and executed;
- d. Where all development works have been completed as per the Act and certified by the competent agency and application has been filed with the competent authority for issue of completion certificate /occupation certificate; and
- e. Where Partial occupancy certificate is obtained to the extent of the portion for which the partial Occupancy Certificate is obtained.

4. How much is the project registration fees?

The project registration fees depends on the type of development project, and the sum can be calculated at the rate of:

- a. In case of group housing project,- five rupees per square meter for projects where the area of land proposed to be developed does not exceed one thousand square meters; or rupees ten per square meter for projects where the area of land proposed to be developed exceeds one thousand square meters, but shall not be more than five lakhs rupees;
- b. In case of mixed development (residential and commercial) project,- ten rupees per square meter for projects where the area of land proposed to be developed does not exceed one thousand square meters; or fifteen rupees per square meter for projects where the area of land proposed to be developed exceeds one thousand square meters, but shall not be more than seven lakhs rupees;
- c. In case of commercial projects,- twenty rupees per square meter for projects where the area of land proposed to be developed does not exceed one thousand square meters; or twenty

five rupees per square meter for projects where the area of land proposed to be developed exceeds one thousand square meters, but shall not be more than ten lakhs rupees; and

- d. In case of plotted development projects, - five rupees per square meter, but shall not be more than two lakhs rupees.

5. What are the different method in which the payment of registration fees can be made?

The promoter can pay a registration fee by way of demand draft or banker's cheque on any scheduled bank or co-operative bank or through online payment mode.

6. How much is the Agent Registration fees?

The real estate agent shall pay a registration fee at the time of application for registration by way of a demand draft or a bankers cheque drawn on any scheduled Bank or a co-operative Bank or through online payment, as the case may be, for a sum of Twenty five thousand rupees in case of the applicant being an individual or Two Lakhs rupees in case of the applicant other than an individual.

7. What other details are to be provided related to registered projects before the expiry of each quarter?

The promoter shall upload the following updates on the webpage for the project, within Fifteen days from the expiry of each quarter:

- (i) List of number and types of apartments or plots, booked;
- (ii) List of number of garages booked;
- (iii) Status of the project:
 - (a) Status of construction of each building with photographs;
 - (b) Status of construction of each floor with photographs; and
 - (c) Status of construction of internal infrastructure and common areas with photographs.
- (iv) Status of approvals:
 - (a) Approval received;
 - (b) Approvals applied and expected date of receipt;
 - (c) Approvals to be applied and date planned for application; and
 - (d) Modifications, amendment or revisions, if any, issued by the competent authority with regard to any license, permit or approval for the project.

8. What is the rate of interest payable by promoter and allottee?

The rate of interest payable by the promoter to the allottee or by the allottee to the promoter, as the case may be, shall be the State Bank of India highest marginal cost of lending rate plus two percent.

9. What are the important responsibilities of the 'Regulatory Authority'?

Apart from the day to day implementation of the Act and the Rules and Regulations made thereunder the immediate responsibility of the Regulatory Authority are:

- a) Registration of the real estate project and the real estate agent
- b) Extension of registration of the real estate project and its revocation
- c) Renewal of the registration of the real estate agent and its revocation

d) As per section 34 the Authority is responsible to maintain a website of records for public viewing of –

- All projects registered with the Authority including details of projects as specified in the Act and the rules and regulations - to be disclosed on the website;
- Details of promoters with photographs of promoters;
Details of projects in case of revocation of registration or where any project penalized under the Act;
- Details of agents registered under the Act including his photograph and also of those agents whose registration has been revoked.

e) As per section 71 the Authority is required to appoint one or more ‘adjudicating officer’ in consultation with appropriate Government.

f) As per section 85 the Regulatory Authority is required to notify Regulations within 3 months of establishment.

g) As per section 32 the Regulatory Authority is also required to make recommendations on various matters for the growth and promotion of a healthy, transparent, efficient and competitive real estate sector

10. How can a complaint be filed with the Authority for any violations under the Act?

Section 31 of the Act provides for filing of complaint by an aggrieved with the Regulatory Authority. The form and manner and the fees payable for filing the complaint are specified in section 29 of the Karnataka state Rules. As per the rules, any aggrieved person may file a complaint with the Regulatory Authority for any violation under the Act or the rules and regulations made there under, save as those provided to be adjudicated by the adjudicating officer, as per Form ‘N’ which shall be accompanied by a fee of rupees one thousand in the form of a demand draft drawn on a nationalized bank or a co-operative Bank in favor of regulatory authority and payable at the main branch of that bank at the station where the seat of the said Regulatory Authority is situated.

11. What is the time period within which the Authority is required to dispose of any matter that is brought to it for consideration?

Section 29 of the Karnataka Rules provides that the Authority should endeavor to dispose of the questions / complaints as expeditiously as possible but not later than sixty days from the date of filing the same. However, where it could not be disposed of during the said period the Authority is required to record its reasons for the same.

12. What is the role of the Adjudicating Officer?

The Adjudicating Officer is a quasi-judicial person who is mandated to adjudicate on disputes arising under section 12, 14, 18 and section 19. The Adjudicating Officer shall be a person who is or has been a District Judge.

13. What are the factors that need to be taken into account by the Adjudicating Officer while deciding a dispute under sections 12, 14, 18 and 19 of the Act?

The Adjudicating Officer shall, while deciding the disputes under section 12, 14, 18 and 19 of the Act, have regard to – the amount of disproportionate gain or unfair advantage, the amount of loss, repetitive nature of the default and such other factors that the Adjudicating Officer may consider necessary in furtherance of justice.

14. What are the important responsibilities of the Appellate Tribunal?

The Appellate Tribunal is a quasi-judicial body, which is empowered to hear appeals from the orders / decisions / directions of the Regulatory Authority or the Adjudicating Officer, as the case

may be. The form and manner and the fees payable towards filing the appeal and the manner for hearing and disposing the appeal are to be provided under the section 33 of the Karnataka Rules. In this case every appeal filed under sub-section (1) of section 44 shall be accompanied by a fees of five thousand rupees in the form of a demand draft or a bankers cheque drawn on a scheduled bank or a co-operative bank in favour of the Appellate Tribunal and payable at the branch of that Bank at the station where the seat of the said Appellate Tribunal is situated or through online payment, as the case may be.

15. Can an appeal be filed against the decision or the orders of the Appellate Tribunal?

Any person aggrieved by the decision or order of the Appellate Tribunal can file and appeal with the High Court.

16. What is the time period within which the Appellate Tribunal is required to dispose of the appeal?

Section 44 provides that the Appellate Tribunal should endeavor to dispose of the appeal as expeditiously as possible as but not later than sixty days from filing the appeal. However, where the same could not be disposed of during the said period the Appellate Tribunal is required to record its reasons for the same.

17. How can I make payment through K2 Challan?

Users of the RERA portal will get a link on the payment page directing them to k2.karnataka.gov.in. The following steps should be followed by the users to make the payment:

1. On the K2 page, select citizen and then click on generate challan.
2. After filling in remitter details, select category as government, district as Bengaluru urban, and department as housing secretariat.
3. Select purpose as fees and fines collected under RERA, select the sub purpose and enter the amount to be paid.
4. After adding this screen, select the mode of payment as e-payment, type as net banking and select one of the banks.
5. After the payment is completed, the user is required to take a print of the acknowledgement and upload that on the rera portal along with the khajane-II challan number.

18. What is the duration of session time out given in the portal?

The portal has a security time out of 1 hour after which the session automatically logs out.

19. My firm is a proprietorship Firm? Under what category should I register?

All proprietorship firms have to register under Societies / Company/Partnership firm / Proprietorship Firm /Development Authority /Trust.

20. I am a land owner? Under what category shall I register?

As per the Karnataka State Rules, only a promoter is eligible to register.

21. My building plan is yet to be approved by the plan approving authority? I am eligible to register my project

Projects can be registered only after the project plan has been approved by the plan approving authority and issue of commencement certificate.

22. The last date of registration was 31st July 2017. Can I still register?

Registration can be done even now. However if any promoter/Real Estate Agent is found advertising /marketing /selling their properties in violation of the rules pertaining to the Real Estate (Regulation and Development) Act - 2016 and The Karnataka Real Estate (Regulation and Development) Rules - 2017, appropriate penal action will be initiated against such promoters and real estate agents as provided in the Act.