

Real Estate Regulatory Authority, Karnataka

Dated 1st Aug 2017

Press Release

Government of India has enacted the Real Estate (Regulation and Development) Act, 2016 on 26/3/2016. Government of Karnataka has notified Karnataka Real Estate (Regulation and Development) Rules-2017 in the State Gazette on 11/7/2017. The Karnataka Real Estate Regulatory Authority (RERA) has been set up.

In accordance with the RERA Act section 3(1), all ongoing projects were required to be registered by 31 July 2017 since the Act came into force on 1 May 2017.

The section 3(1) of the RERA Act reads thus:

“Provided that projects that are ongoing on the date of commencement of this Act and for which the completion certificate has not been issued, the promoter shall make an application to the Authority for registration of the said project within a period of three months from the date of commencement of this Act”

In line with the Real Estate (Regulation and Development) Act, 2016 a web-portal rera.karnataka.gov.in was launched on 24 July 2017 to receive applications for registration of projects and real estate agents and also complaints from buyers. The portal was extremely beneficial and user friendly to users as it allowed for all information and documents to be submitted online while also allowing online payment through either Khajane-2 or NEFT/RTGS routes.

The Housing Department has also setup helplines and helpdesk at the Karnataka Housing Board office apart from setting up an email id to receive queries. This ensured that promoters and agents are able to get their queries answered and complete the registration project in time. Aided by the above, a lot of promoters and agents have been able to successfully submit their registration requests online.

It may be noted that as of midnight 31 July 2017, **700+ registration request** have been received through the RERA Karnataka portal.

Since the last date for registration has passed, it shall be noted that promoters/agents, for all projects that have not been registered with RERA Karnataka, in accordance with the Central RERA Act section 3(1) and section

9(1), are barred from advertising, marketing, booking, selling or offering for sale, or inviting persons to purchase in any manner any plot, apartment or building as the case may be in any real estate project or part of it in any planning area.

If promoters and agents fail to comply with the Act, penalties in accordance with the Act will be levied. Section 59 (1) & (2) of the Real Estate (Regulation and Development) Act, 2016, offence and penalties read as follows:

- (1) If any promoter contravenes the provisions of section 3, he shall be liable to a penalty which may extend up to ten percent of the estimated cost of the real estate project as determined by the Authority.*
- (2) If any promoter does not comply with the orders, decisions or directions issued under sub-section (1) or continues to violate the provisions of section 3, he shall be punishable with imprisonment for a term which may extend up to three years or with fine which may extend up to a further ten percent of the estimated cost of the real estate project, or with both.*

Further, Section 62 states that

If any real estate agent fails to comply with or contravenes the provisions of section 9 or section 10, he shall be liable to a penalty of ten thousand rupees for every day during which such default continues, which may cumulatively extend up to five per cent. Of the cost of plot, apartment or buildings, as the case may be, of the real estate project, for which the sale or purchase has been facilitated as determined by the Authority.

For any issues pertaining to the above please send your query to

info.rera@karnataka.gov.in