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# IMPACT OF MAHA-RERA ACT 2016 ON THE REAL ESTATE INDUSTRY

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**Abstract—** The enactment of Maha-RERA Act 2016 will be able to make a step forward for the sophisticated and transparency in the Real estate market for both seller and buyer. Before establishment of Maha-RERA act there was no centrality for the real and no transparency between the buyer and seller. During the enactment of the Act for the short term Real estate industry was affected by it. All the real estate projects were slow down sales marketing and also the construction work. But there are hopes that further there will be proper market establishment for the real estate industry. Adjudicating appellate tribunal department has fast track process in solving the issues in real estate project, which has given a good response to all the cases in solving the disputes related to it. Many of the terms like carpet area, promote co-promoters, sales of parking etc are point which had lots of confusion in market has been cleared in this Act..

**Keywords—** Watermarking, Haar Wavelet, DWT, PSNR

## I. INTRODUCTION

For the First time a uniform legislation has been provide by the parliament of India on the subject. Before commencement of this Act, there were different regional/ state laws on the subject. In state of Maharashtra there were two important regulating construction activities popularly known as Ownership Flat scheme and Maharashtra Ownership Flats (Regulation of construction, sale, management and transfer) Act, 1963 and the rules made under, regulated the builder's promoters as to registration of the project and identities of the builder, firms and partners, as consequences thousands of illegal construction were put up by the scrupulous builder. Thousands of innocent flat purchaser have been cheated and duped by them. This necessitated uniform and effective enactment to control the situation. The RERA has necessitated uniform and effective enactment to control the situation. The RERA has provided for rigorous provision and effective machinery to protect the interest of flat purchaser and also the promoters.

## II. LITERATURE REVIEW

### A. *Why RERA Matters for lenders, Srishti Ojha and Nagpur T Malde lender about compliance for the real estate developers, Jan 19, 2018.*

RERA concentrate on the accountability and financial discipline be real estate developers lenders are important stake holders in the real estate sector. This article state that RERA does not creates compliance obligations for the lenders, they need to conscious of RERA related as non compliances by borrowers can create a disaster where the will create loss in the overall financing transaction. Financing documents should be strictly demanded that in case of enforcements of security relating the project, no consent/ buyers is required to notifications by Maha-RERA dated 8<sup>th</sup> November 2017. RERA still requires consent of two third of allottees/ buyers for transfer of the rights of promoters and amalgamation, demerger or merger in the protect. Under the RERA act the is no statutory right of consent actions and so it is need to specify financing documents. So this article conclude that lender should ensure solid documentation for the benefits from RERA and does not compromise their rights.

### B. *Immediate Impact of RERA on construction Industry, Ar Madhavi Ashok Khadar, Ar Aparna Pangati (IJER) ISSN: 2319-6890 (onlin, 2347-5013 Vol No. 7, 11-12 Jan 2018 issue special 1 pp.: 71-74*

This article states prior RERA, there was no clarity on carpet area, was sort of monopoly of builders regarding loading, rates, modes of payment. There were frauds, no clear picture of project, possessionon, sanctions. An attempt has been made to find out impact of this act on the builders and customer. The scope of study was limited to Pune area region. Concluded that Maha-RERA act 2016 is accepted by seller and buyer very easily and in future it is expected that there will be a positive impact if Act becomes more intact.

### C. *Indian Real Estate: Rewind 2017, knight Frank Dated: October 30, 2018*

This article states the effects of all major effect on Real estate industry which were RERA act, Demonetization and then GST. It totally dried the Real Estate industry. Home sales went to slow down even in festive season. Season failed to bring out any change. Next 13to 18 months are likely under



the observation period for the real estate sector is like wait and watch. Industry stake holders should spend period of reorienting business. Hopes are that India's strong economy will be still among growing economies in the world.

**D. RERA: A boon for home Buyers, vishvajeet kumar Chief Manager (Faculty) union Bank of India, Dated Nov 15, 2017.**

Explained the terms in which Home buyers will be benefitted like completion of the project will on time, builders cant change for the area outside the wall as a super built-up improvement of quality as the defect liability period is for five years, transparency in deals as all the documents are displayed on RERA website and compulsion of registration before selling or advertising the project in this article it is concluded that RERA is full proof scheme to re-build trust in transparency and consumers safe guard the interest. And it will readdressed the dispute which will help to gain confidence in buyers. That's why in true sense RERA is bon for home buyers.

**E. Impact of Real Estate Regulation and development Act (RERA) on India's real esate sector. Priya Chetty; ([www.projectguru.in/publication](http://www.projectguru.in/publication)) on August 14,**

Reason behind introducing the New act name RERA was real estate was facing slump since 2012 like unemployment, inventory pile up recession, low rental yield unclear and arbitration. Property prices were not stable if affected the demand and supply of the real estate sector causing the recovery of the investment for the builders. Major issue was lack of transparency. This Act addresses two major issues like delay in construction and quality of construction it is been seen 150000 complaints were registered in a single day from Noida region alone. This article states that Act aims to encourage transparency and fair practices in the sector.

**III. EXPERIMENT AND RESULT**

**1) Objectives**

- Impact of time and schedule on the completion of project
- Impact of finance on the real estate sector.

**2) Case study 1**

Below mention is the schedule of the project in the Pune Region in which it is been observed that the project is got delayed during the second slab. It was observed that the delay was occurred because the process of plinth checking. As this processes to be done by the local authority and it can be stated the duration the process and that condition the project gets delayed and for that Maha-RERA as got a solution and published a circular For this cause there is Maha-RERA as published a circular on Maharashtra Right to Public Service Act, 2015 by Government of Maharashtra Urban Development Department Mantralaya, Mumbai – 32. Government Circular no TPS – 1816/CR 452/16/UD-13 Dated: 29/11/2017 in that it is clearly mentioned the time period for the building commencement certificate, plinth checking, and occupancy certificated. Tree feeling permission as per the section 8(4) of Maharashtra (urban areas) protection and preservation of

Trees Act, 1975. Due to this it is binding on particular local authorities to complete the procedure according to the given time in the circular. Further forth slab got delayed by the 115 days during the period of the enactment of Maha-RERA act 2016. It was the condition which market was in the state of confusion so many of the builders took the stand of wait and watch. And at the end of day the project registration was carried and without registration the marketing sales was not been carried out and it affected the construction of the project as the funding the project has been stops due to which whole project was got delayed by the 5 months period and it affected the cost of the project . if the fixed expenditure is calculated the

Project manager salary	=	60,000/-
Site engineer Salary	=	35,000/-
Supervisor Salary	=	18,000/-
Watchman	=	12,000/-
Miscellaneous expenses	=	8,000/-
Sales & Marketing	=	1,00,000/-
Total	=	2,33,000/-
Delay Days	=	Actual Days - Estimated Days
		=393-243
		=149 days
Total Months	=	150/30
		=5 months delay
Total five months expenditure	=	2,33,000 X 5 = 11,65,000/-
% increase in estimated cost of the project	=	(11,65,000/2,67,56,936)X100
		=4.35% of construction cost of the project

**Table 1**

Task Name	Baseline Duration	Baseline Start	Baseline Finish
Construction	393 days	Thu 06-10-16	Mon 09-04-18
RCC	243 days	Thu 06-10-16	Mon 11-09-17
Footing and UGWT	40 days	Thu 06-10-16	Wed 30-11-16
Plinth	25 days	Thu 01-12-16	Wed 04-01-17
First Slab	25 days	Tue 03-01-17	Mon 06-02-17
<b>Second Slab</b>	<b>25 days</b>	<b>Tue 07-02-17</b>	<b>Mon 13-03-17</b>
Third Slab	25 days	Tue 14-03-17	Mon 17-04-17
<b>Forth Slab</b>	<b>25 days</b>	<b>Tue 18-04-17</b>	<b>Mon 22-05-17</b>
Fifth Slab	25 days	Tue 23-05-17	Mon 26-06-17
Terrace Slab	25 days	Tue 27-06-17	Mon 31-07-17
LMR and OHWT	30 days	Tue 01-08-17	Mon 11-09-17

**Table 2**

Task Name	Actual Duration	Actual Start	Actual Finish
Construction	542 days	Thu 06-10-16	Fri 02-11-18
RCC	381 days	Thu 06-10-16	Thu 22-03-18
Footing and UGWT	45 days	Thu 06-10-16	Wed 07-12-16
Plinth	19 days	Thu 08-12-16	Tue 03-01-17
First Slab	26 days	Wed 04-01-17	Wed 08-02-17
<b>Second Slab</b>	<b>61 days</b>	<b>Wed 08-02-17</b>	<b>Wed 03-05-17</b>
Third Slab	29 days	Thu 04-05-17	Tue 13-06-17
<b>Forth Slab</b>	<b>115 days</b>	<b>Wed 14-06-17</b>	<b>Tue 21-11-17</b>
Fifth Slab	35 days	Wed 22-11-17	Tue 09-01-18
Terrace Slab	32 days	Wed 10-01-18	Thu 22-02-18
LMR and OHWT	43 days	Tue 23-01-18	Thu 22-03-18



#### IV. CONCLUSION

Based on this case study it can be stated that for a short term there was impact on the real estate project of demonetization, GST and mainly Maha-RERA Act 2016. The impact was loss of financial by around 5% and five months delay in project.

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