Office Memorandum

Subject: First Meeting of the Central Advisory Council constituted under the provision of the Real Estate (Regulation and Development) Act, 2016 on 14 May, 2018 — regarding.

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The undersigned is directed to forward herewith the minutes of the first meeting of the Central Advisory Council held under the chairmanship of Hon'ble Minister of State (Independent Charge) of the Ministry of Housing and Urban Affairs, Government of India on 14 May, 2018 at 10:30 A.M. onwards in Room No. 101, ‘C’ Wing, 1st Floor, Nirman Bhawan, Maulana Azad Road, New Delhi – 11 for information.

2. This issues with the approval of the competent authority.

(Akhil Saxena)
Deputy Secretary to the Govt. of India
Tel.No. 2306 2280

To


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Copy to:

1. PS to Minister of State (I/C) (HUA)
2. Sr. PPS to Secretary (HUA)
3. PPS to Additional Secretary (Housing)
4. PS to Economic Adviser
5. Shri Puneet Tripathi, Legal Expert (PMU-HFA)/ Ms. Sana Mutum, Urban Planner (HFA-PMU)

[Akhil Saxena]

Deputy Secretary to the Govt. of India
Minutes of First Meeting of the Central Advisory Council constituted on 20th November, 2017 under the provisions of the Real Estate (Regulation and Development) Act, 2016 held on 14th May, 2018 at 10:30 A.M. under the Chairmanship of Shri Hardeep S Puri, Hon’ble Minister of State (I/C), Ministry of Housing and Urban Affairs.

The first meeting of the Central Advisory Council (CAC) constituted under the provisions of the Real Estate (Regulation and Development) Act, 2016 (RERA) was held on 14th May, 2018 under the chairmanship of Hon’ble Minister of State (I/C), Ministry of Housing and Urban Affairs (MoHUA). The list of participants is Annexed.

2. Welcoming the Chairperson and Members and invitees to the meeting, the member-convener of the CAC, Additional Secretary, MoHUA informed that as per the provisions of RERA, the functions of the CAC, inter alia, is to advise and recommend to the Central Government on matters concerning the implementation of the Act; on major questions of policy; towards protection of consumer interests and to foster the growth and development of the real estate sector. He informed that the newly constituted Council has a broad based representation consisting of officials of the various Ministries, Niti Aayog, representatives of the real estate industry, construction workers, consumers, non-governmental organisations and State Regulators.

In his introductory remarks, the Chairperson welcomed the participants to the meeting and observed that it was a landmark day in the evolution of the real estate sector and protection of consumer interests in the country as the first meeting of the CAC under RERA was being held. He observed that RERA was passed in March, 2016, marking the beginning of a new era in the Indian Real Estate Sector and a step towards reforming the sector by encouraging greater transparency, citizen centricity and accountability and safeguarding the interests of the home buyers. The Chairperson stated that prior to the implementation of RERA the home buyers were having a lot of complaints about the delay in providing possession of flats etc. After enactment of RERA, the situation improved a lot, which is good indicator for the real estate sector. He invited CAC members to participate in the deliberations wholeheartedly in order that the Council may chalk a roadmap for future development of this core infrastructural sector of the Indian economy which provides large scale employment and good & services and thereby is very important for the rapid economic growth of the country.
Item No. 1:

The gazette notification dated 20th November, 2017 constituting the CAC of RERA was taken on record.

Item No. 2:

It was informed that RERA was passed in March, 2016 and specific provisions of the legislation towards notification of rules and establishment of Regulatory Authority and Appellate Tribunal were notified with effect from 1st May, 2016. Amongst the important follow up action that was required to be taken up by the States / UTs for proper implementation of RERA in letter and spirit, establishment of Real Estate Regulatory Authority, Regulatory Tribunal, notification of rules and operationalisation of a web based online system for submitted applications for registration of projects. As per the available information except the State of J&K and the six States of North-East, a total of 27 States / UTs have notified Real Estate Rules. Kerala and West Bengal have drafted the rules but they have yet to be notified. 10 States / UTs have established permanent Real Estate Regulatory Authority whereas 19 States have done so on an interim basis. Regular Appellate Tribunal has been established by Tamil Nadu, Maharashtra, Madhya Pradesh, the UT of Andaman & Nicobar Islands, Dadar & Nagar Haveli and Daman Diu. 14 States have done so on an interim basis. It was also informed that 21 States have operationalised a fully functional web-portal for enabling online registration of Real Estate projects and agents.

The Chairperson appreciated the steps taken by all the States and UTs to make RERA functional. However, he observed that much remains to be done to realise all the objectives of RERA as early as possible to realise its full potential and benefits. Therefore, all the States and UTs should aim taking remaining steps to realise the objectives of RERA in letter and spirit expeditiously.

After discussion, it was suggested by Secretary, HUA and agreed upon by the Council to request all States to set up permanent Regulatory Authorities and Tribunals and a fully functional web-portal latest by 30th June, 2018. The States of Kerala and West Bengal were also urged to notify the rules under RERA. It was further decided that a sub committee comprising of Sh. Abhay Upadhyaya, President, Forum for People’s Collective Efforts (FPCE), Sh. Niranjan Hiranandani, President, NAREDCO, Lt. Gen. (Retd.) S.K. Bahri, Chairman, Federation of Apartment Owners’ Association (FAOA) and Sh. Gautam Chatterjee, Chairman, Maharashtra RERA for dealing with the States on RERA related issues. It was decided that this Committee would visit the State of West Bengal and meet officials there to urge them to notify the RERA rules and establish the other statutory bodies as enjoined by the Act.
Item No. 3:

It was informed that while formulating the rules, some States have deviated from the provisions of the Central Act. The Secretary, Department of Legal Affairs raised the issue, whether this could have been done without the concurrence of the Central Government as RERA is a Central Act. It was also discussed that the Bombay High Court in its judgement delivered in the writ petitions challenging the constitutionality and provisions of RERA dated 06.12.2017 upheld the provisions of RERA. After discussions, the Chairman observed that the MoHUA would write to States / UTs requesting them to comply with the provisions of RERA without deviations. It was decided that the members of the CAC could also write to the Ministry their inputs / suggestions on this issue.

Item No. 4:

Elaborating upon the importance of establishing a single window system for registration and processing of applications relating to RERA work, Secretary, HUA observed that such a system would not only be in the wider interest of both the promoters as well as the home buyers but would also promote the ease of doing business. The single window system would expedite the decision making in granting regulatory approvals as well as in activities such as land use conversion, ownership certification, environmental, fire and pollution clearance, non-encumbrance certificate and other infrastructure related approvals. This would in turn expedite the delivery schedule of the projects. It was informed that Mumbai and Delhi have entirely moved to a web-based system for grant of construction permits and about 350 urban local bodies in the country have adopted a web-based single window system in one form or the other. After discussion, it was resolved to request the States / UTs to move in the direction of single window based approvals for real estate related projects.

It was also decided that the links of the web portals of all States / UTs would be provided centrally with MoHUA web portal, capturing all the relevant information in order that these different web portals become interactive and developments, activities, best practices, project information etc. could be shared by all the stakeholders.
Item No. 5:

The members raised various issues of common interests to all the stakeholders in the real estate sector. Some of these issues pertained to making amendments in RERA to resolve some definitional issues as well as to incorporate suggestions of various stakeholders including State Regulators, State Governments, promoters and consumer groups which have been received in the Ministry. It was suggested that jurisdiction of consumer forums should be restricted on RERA issues as it is for the civil courts. It was suggested that CREDAI and NAREDCO should consider uploading the information regarding their affordable housing projects on their web portals. This would enable the compilation of credible and exhaustive database of affordable housing projects, aiding formulation of policy in this regard. It was proposed to exempt of income tax on RERA fund from income tax. On the suggestion to have uniformity in registration fee across the States for real estate agents, the Chairman directed that a letter may be written to all States / UTs accordingly.

It was also decided after discussion that in order to minimize areas of friction and disagreements between the promoters/builders and homebuyers, a ‘conciliation platform’ could be considered which would promote a dialogue between these two important stakeholders in the realty sector. It was decided that such a mechanism will be given shape by NAREDCO and CREDAI. NHB and HUDCO will offer advisory services to it, wherever required.

It was suggested that while registering properties, there should be mandatory mentioning of RERA registration number on the sale deed in order to prevent registration of property which ought to be but is not RERA compliant and thereby protect home buyers from fraud and harassment. In this context, it was decided that the Union Ministry of Law may be requested to draft a provision which could be forwarded to the States / UTs for adoption. It was also suggested that CREDAI and NAREDCO would analyse the ongoing real estate projects with a view to raising their concern in case they come to a conclusion that any of these projects are not likely to be completed in time or are under an imminent danger of being converted in to non-performing assets. The Chairman also directed that the Ministry will write to the RERA Authorities of all States/ UTs to upload a comprehensive list of projects under RERA on their respective web portals within a period of six weeks.

The Chairperson, in concluding the discussions, thanked the participants for their valuable suggestions and stated that going forward these suggestions will be taken in to consideration in our constant endeavour to make RERA more consumer friendly and beneficial to all the stakeholders. He observed that RERA is a very new Act and its full impact and benefits are yet to be realised. The time
is not yet ripe to consider wholesale amendments or modifications in the Act before ensuring full compliance with the provisions of the Act by the States / UTs. Once this is done, it will be relevant and possible to critically analyse the impact of the Act on the real estate sector in the country.

The Chairman further observed that the deliberations held in the meeting had been very productive and fruitful and the process should continue in involving more stakeholders from various parts of the country. He directed that in the next six months, three regional level workshops / seminars in South, West and Eastern parts of the country should be organised which would give an important platform to the stakeholders in the real estate sector in these regions to discuss / debate / consult on all the issues raised in the CAC meeting and also to flag new issues based on their experience. Based on inputs and suggestions received in these forums, further policy and regulatory framework could be evolved for making RERA more effective and beneficial.

The Chairman also emphasised the importance of a wide spread public awareness generation campaign all over the country which would bring out the salient features and benefits of RERA to the people living all parts of the country and empower them to protect themselves against frauds, exploitation and unethical practices in the real estate sector. He urged all the members to push for such campaigns in their areas.

The Chairman also urged the members that the points raised by them in the meeting are very important for effective implementation of RERA and therefore they could send these suggestions in detail, if they so wish, to the Ministry for further consideration.

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List of Participants - First CAC meeting of RERA held on 14.05.2018

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