

2 YEARS OF RERA KARNATAKA

- A detailed analysis by RERA Filing





Content

A) Introduction

- Objectives of RERA
- RERA Timeline
- RERA in Karnataka
- Overview of RERA Karnataka
- Composition of RERA Karnataka Authority
- Timeline of RERA Karnataka
- Outreach Program by RERA Karnataka

B) Registration of a project

- Who all are required to get registered?
- Definition of Ongoing Project
- Fees for the Project Registration
- No. of Project Registration with RERA Karnataka
- Month-wise Analysis
- Extension of Real Estate Project

C) Registration of Agent

- Who all are required to get registered?
- Fees for the Project Registration
- No. of Project Registration with RERA Karnataka

D) RERA Karnataka- The Way Forward

OBJECTIVES OF KARNATAKA RERA



TRANSPARENCY:

To establish trust among stakeholders it is essential to timely and relevant provide information of the project on public platform. RERA ensures that optimal information on a registered project, its progress and past experience of promoter associated with the project is made available for public view at its respective website.



ACCOUNTABILITY:

Accountability ensure that all stakeholders carry out the roles and responsibilities and that there are credible deterrents for non-compliance.



SPEEDY DISPUTE RESOLUTION:

“Justice delayed is Justice Denied”, is a well-established maxim. Therefore, RERA aims at ensuring speedy dispute resolution. It has established various forums for the same including Authority, Adjudicating Officers and Appellate Tribunal.



INTEGRITY:

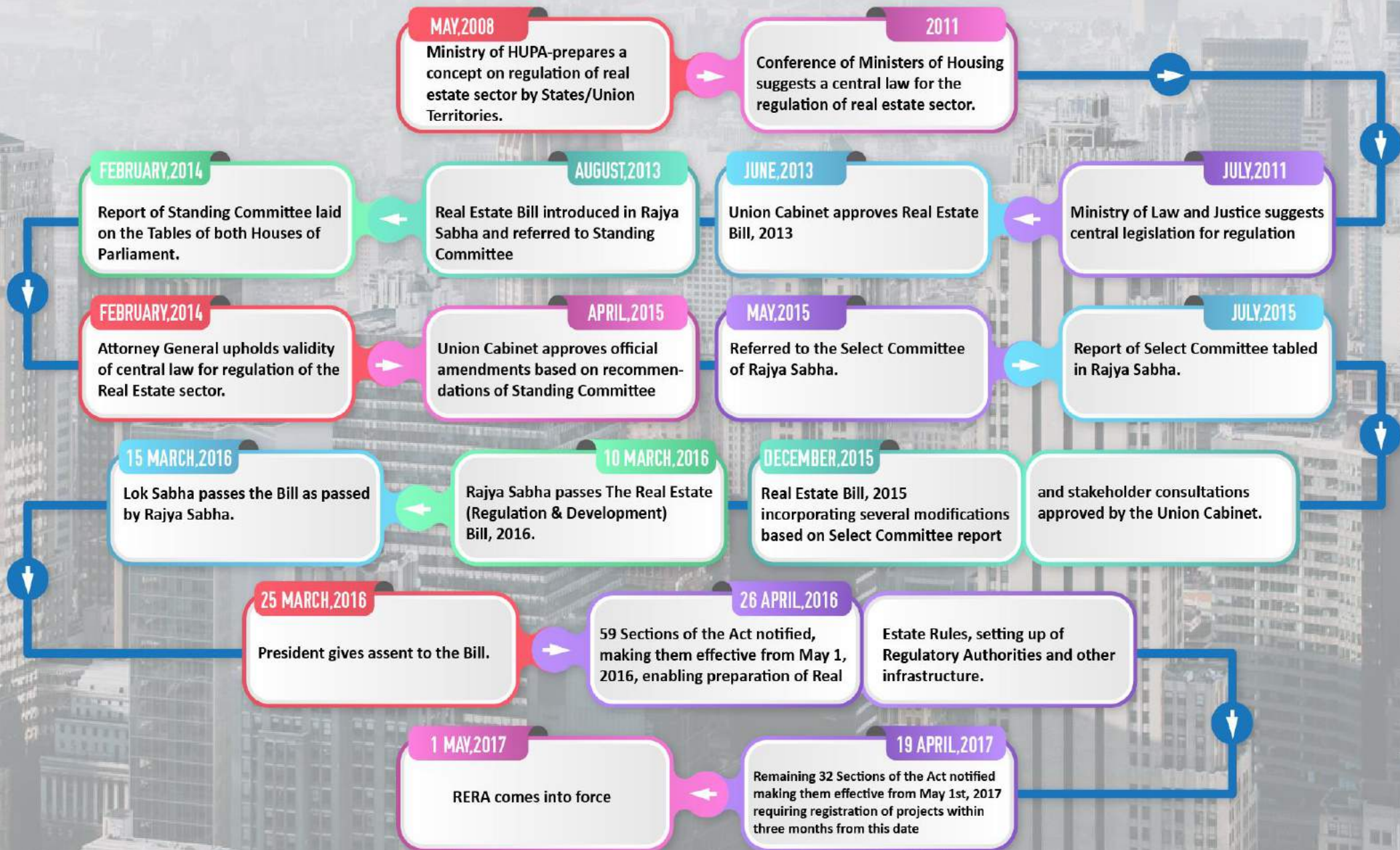
To prevent funds diversion, a framework has been put in place to ensure that withdrawal from project funds are made commensurate to project progress. A responsive dispute resolution system assists in ensuring that all stakeholders perform their duties diligently.



CUSTOMER CENTRICITY:

To protect buyer's interest, there is an increased focus on timely completion of the projects. RERA is also ensuring that promoters deliver on all their obligations towards allottees.

RERA TIMELINE



RERA in Karnataka

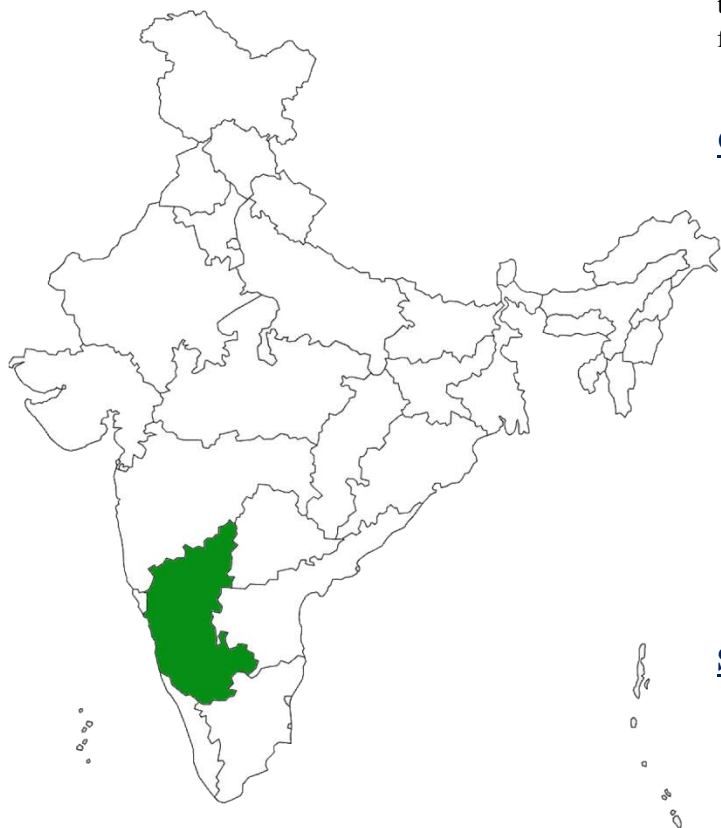
Under the guidance of Honorable Chief Minister **Shri Siddaramaiah** the act of RERA has been established for the state of Karnataka. The online portal has been developed under section 4.3 of Real Estate Regulatory Authority (RERA) Act, 2016 and **it got live on 24th July, 2017**. The Department of Housing, Government of Karnataka is the nodal department for the implementation of RERA Act in the state of Karnataka. All sections of the RERA Act came into force with effect from May 1, 2017. Under the RERA Act, the Karnataka Real Estate Regulation and Development Rules, 2017 was approved by Government of Karnataka and notified on July 10, 2017. The Real Estate Regulation and Development (RERA) Act, 2016 is considered as one of the landmark legislations passed by the Government of India. The formation was done to match up with the vast and growing economy of India as in future many people will be investing in real estate sector.

Composition of RERA Authority in Karnataka

- The proper implementation of RERA Act, 2016 came into effect from 24th July, 2017. Under the RERA Act, the Karnataka Real Estate Regulation and Development Rules, 2017 was approved by Government of Karnataka and notified on July 10, 2017.
In the initial phase when there was no proper Regulatory authority under this act, the Government of Karnataka appointed the Principal Secretary to Government of Karnataka, Department of Housing as the Interim Authority authorized by Section 20 (1) of the RERA Act, 2016 to handle the work of that period.
- Also, the Government of Karnataka appointed the Karnataka Appellate Tribunal as Interim Appellate Tribunal to hear appeals under the Act authorized by the Section 43 (4) of the RERA Act, 2016.
- Finally the main authority of the Karnataka RERA has been established. Also, the Real Estate Appellate Tribunal was setup to hear appeals from the orders of the Authority and the adjudicating officer. The Appellate Tribunal is to be headed by a sitting or retired Judge of the High Court with one judicial and one administrative/technical member.

Some important members of the RERA Karnataka

- Shri. H D Kumaraswamy (Hon'ble Chief Minister of Karnataka)
- Shri. M T B Nagaraju (Hon'ble Housing Minister)
- Shri. Kamble M R, IAS (Retd.) (Chairman, Karnataka Real Estate Regulatory Authority)
- Shri. D Vishnuvardhan Reddy, IRS (Retd.) (Member, Karnataka Real Estate Regulatory Authority)
- Shri. Adoni Syed Saleem, IAS (Retd.) (Member, Karnataka Real Estate Regulatory Authority)
- Shri. K Srinivas, IAS (Secretary, Karnataka Real Estate Regulatory Authority)
- Shri. K Palakshappa (Adjudicating Officer, Karnataka Real Estate Regulatory Authority)
- Shri. E Shivarudrappa (Under Secretary, Karnataka Real Estate Regulatory Authority)



Overview of RERA Karnataka

1	Amongst the First authority to have fully online office	Karnataka RERA was amongst the few authority to have fully paperless and online process. All Services towards stakeholders are online including: Online Registration of Real Estate Projects, Online Registration of Real Estate Agents, Online Disclosure of Information, Online Complaints Filing, Online Judgments, Online Project extensions etc. Thereby ensuring zero footfalls zero Paper.
2	Forth Largest Registrations in the country	Bagging the forth position in the race of maximum project registrations done by the states. It has done more than 2648 project registrations as per the latest data obtained in the month of July, 2019. Also, more than 1520 agent registrations have been done by the KRERA Authority.
3	Registrations Timeline	The time limit which has been lawfully provided by the RERA Act, 2016 for the registration process is 30 days. However, the average time taken by the KRERA Authority to complete the registration process is approximately 90 days.
4	Extensions and Change in Bank	Apart from registration module, Karnataka RERA authority created two modules for change in bank details as well as for extension to the project.
5	Project under Investigation	The Karnataka RERA listing the description of projects which are under investigation on a tab called Project under investigation. As per the latest data collected on 10 th July, 2019 these comes out to be total 1068 projects. The RERA Karnataka has specifically warned the public in its official website about “These projects, declaring that these projects are not registered with RERA and are under investigation. Therefore, deal in these projects at your own risk.”
6	Appellate Tribunal	The Government of Karnataka appointed the Karnataka Appellate Tribunal as Interim Appellate Tribunal to hear appeals under the Act authorized by the Section 43 (4) of the RERA Act, 2016. The Real Estate Appellate Tribunal was setup to hear appeals from the orders of the Authority and the adjudicating officer. The Appellate Tribunal is to be headed by a sitting or retired Judge of the High Court with one judicial and one administrative/technical member
7	Report unregistered project tab	The Karnataka RERA Authority has introduced a tab called “Report Unregistered Projects” wherein the authority has given a chance to the normal public to be pro-active and report the unregistered projects to the Karnataka RERA Authority so that the relevant information circulates to the homebuyers and they can avoid investing in those projects.
8	Helpdesk	Recently a new tab has been incorporated in the official website of the Karnataka RERA Authority named as “Helpdesk” wherein all the users (homebuyers, promoters, and agents) can approach the RERA Authority regarding their inquiries relating to any matter concerned with Karnataka RERA using unique login id and passwords.

TIMELINE OF KARNATAKA RERA

10th July, 2017

RERA Karnataka Rules were notified by the State Government.

24th July, 2017

RERA Karnataka launched its website i.e. www.rera.karnataka.gov.in and started registration process in the state.

August, 2017

RERA Karnataka issued a circular imposing penalty of 100% of the registration cost on all the projects registered between 1st August, 2017 to 31st August 2017.

September, 2017

200% of the registration amount was imposed as Penalty.

October, 2017

300% of the registration amount was imposed as Penalty.

December, 2017

All the projects that were registered after November, 2017 were imposed penalties @ 10% of the Project Cost.

January, 2018

RERA Karnataka started "Project under Investigation" and "Helpdesk" tabs .

November, 2018

Initiation of Project Registration and Quarterly Compliances.

December, 2018

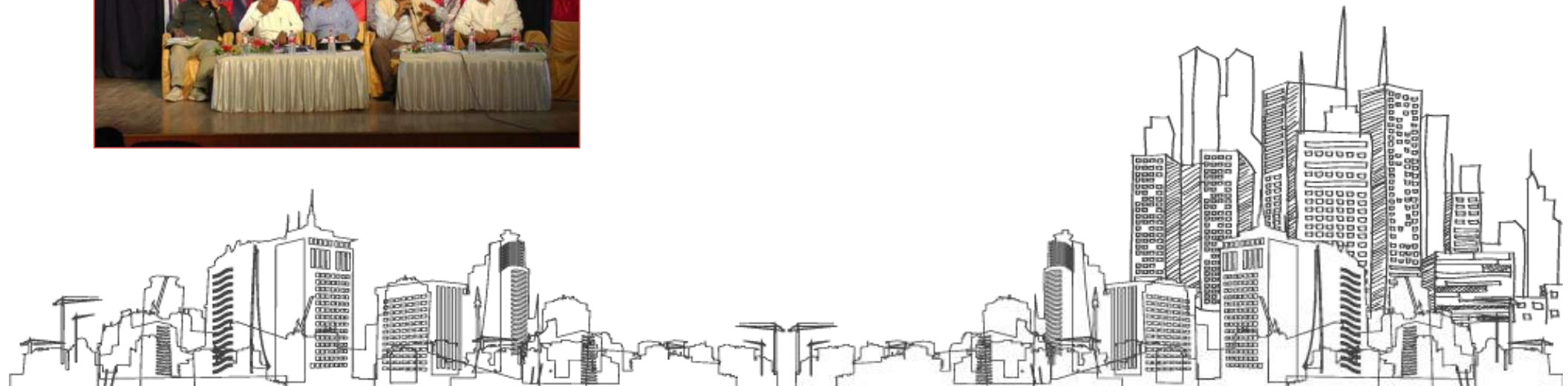
The process of project extension and Change request started.

Outreach Program by RERA Karnataka



The former Chairman of the RERA Karnataka Mr. Kapil Mohan along with his team was himself engaged in conducting the seminars and outreach programs in order to create awareness amongst the homebuyers and the promoters/ developers regarding the RERA Act in various cities of the Karnataka like Hubli, Gulbarga, and Mysore and had shown an active interest in discussing various issues relating to this topic.

The seminars and workshops were attended by the various developers from CREDAI, NAREDCO and other associations. Mr Kapil Mohan discussed issues of the developers and encouraged them to enroll with RERA. Though these workshops were really helpful for promoters but authority need to conduct them on regular basis to look after the challenges of the stakeholders.



Registration of a Project

a) Who all are required to get registered?

All residential and commercial real estate projects will have to be registered with RERA where:

1. Area of the land proposed to be developed is more than 500 square meters or having more than 8 units, including the one with without completion or occupancy certificate must be registered.
2. The developers need to get the ongoing projects, the ones that do not have received the completion certification as well as the new projects with the concerned regulatory authorities within 3 months.

b) Definition of Ongoing Project

It 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:

- i. 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;
- ii. In respect of apartments where common areas and facilities have been handed over to the registered Association consisting of majority of allottees;
- iii. 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;
- iv. 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
- v. where Partial occupancy certificate is obtained to the extent of the portion for which the partial Occupancy Certificate is obtained.

c) Fees for the Project Registration

Category	Particulars	In square meters	Maximum Fees
Group Housing project	1000 sq meter	Rs 5/sq meters	Not more than 5 lacs
	>1000 sq meter	Rs 10/sq meters	
Mixed(commercial& residential)	1000 sq meter	Rs 10/sq meters	Not more than 7 lacs
	>1000 sq meter	Rs 15/sq meters	
Commercial	1000 sq meter	Rs 20/sq meters	Not more than 10 lacs
	>1000 sq meter	Rs 25/sq meters	
Plotted Development		Rs 5/sq meters	Not more than 02 lacs

(d) No. of Project Registration with RERA Karnataka

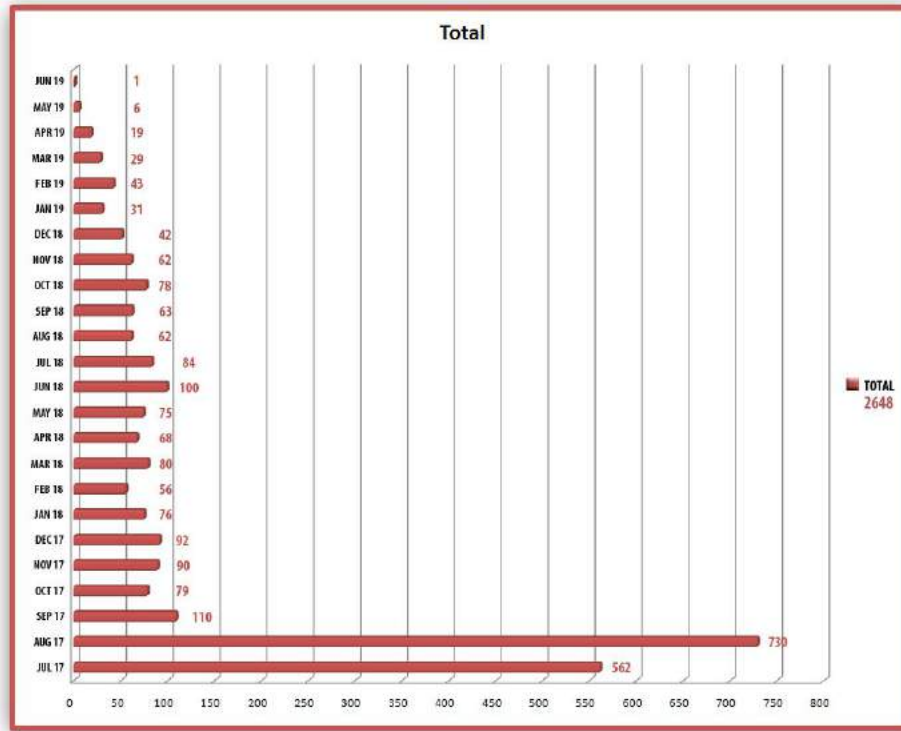
Till date, the number of projects applied with the Karnataka RERA Authority is 3293 against the number of approved projects which are 2648. The covered work percentage seems to be impressive which comes out to be somewhere 80.41%. However, there are still over 400 projects which are stuck with the Karnataka Authority due to their slow registration mechanism.

District wise Approved Projects in Karnataka



District	Total Count
Bagalkot	4
Bellary	9
Belgaum	113
Bangalore Rural	127
Bangalore Urban	1636
Bidar	3
Chamrajanagar	4
Chikkaballapur	45
Chikkamagalur	5
Chitradurga	4
Dakshina Kannada	212
Devanagere	5
Dharwad	99
Gadag	2
Gulbarga	52
Haveri	2
Hassan	0
Kodagu	2
Kolar	30
Koppal	2
Mandya	18
Mysore	137
Raichur	4
Ramanagara	0
Shimoga	17
Tumkur	9
Udupi	62
Uttara Kannada	22
Vijayapura	23
Yadgir	0
Total	2648

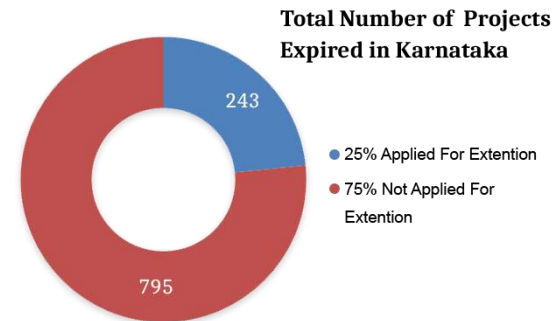
e) Number of approved projects in Karnataka – Month Wise



Month	No. of Approved Projects
July, 2017	562
August, 2017	730
September, 2017	110
October, 2017	79
November, 2017	90
December, 2017	92
January, 2018	76
February, 2018	56
March, 2018	80
April, 2018	68
May, 2018	75
June, 2018	100
July, 2018	84
August, 2018	62
September, 2018	63
October, 2018	78
November, 2018	62
December, 2018	52
January, 2019	31
February, 2019	43
March, 2019	29
April, 2019	19
May, 2019	6
June, 2019	1

f) Extension of project

The registration granted under the Act, may be extended by the Authority, on an application made by the promoter in Form-E, in triplicate within three months prior to the expiry of the registration granted. It shall be accompanied with half of the registration fees along with an explanatory note setting out the reasons for delay in the completion of the project and the need for extension of registration for the project, along with documents supporting such reasons. There are 243 projects in total who have applied for the extension procedure and 795 projects have not even applied for the extension procedure which got expired.



6. Real Estate Agent Registration

a) **Who all are required to get registered?**

Any project where the area of development exceeds 500 square meters or if the number of apartments developed is more than eight, RERA registration would be required for the project and the project can be sold only by an Agent having RERA registration. Hence, only an Agent having RERA Registration is eligible for dealing in properties having RERA registration.

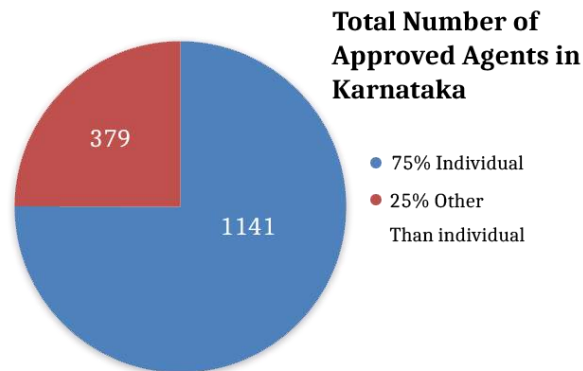
b) **Fees for Registration**

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 Rs. 25000 in case of the applicant being an individual or Rs. 2,00,000 in case of the applicant other than an individual.

Category	Fees	Validity
Individual	25,000	5 Years
Other Than Individual	2,00,000	5 Years

c) **No. of Registration**

Till date, the total no. of agents applied in KRERA counts to be 1792 and the no. of agents approved comes out to be 1520. Out of the approved data of 1520, other than individuals consists of 25% (379 in nos.) and individuals comprises of 75% of the total approved agents.



RERA Karnataka- Way Forward

S. No	Particulars	Explain
1	Regular Monitoring of Quarterly Compliances	Regular monitoring of Quarterly compliances should be done by KRERA. It will ensure that projects remains on track in relation to completion date of the project. KRERA can intervene in cases which shows signs of no progress in various quarters
2	GIS location of projects	All the registered projects should be mapped on Geographical Information System (GIS). All the buyers will be able check the exact location of the project.
3	Coordination with Urban Local bodies	KRERA should start coordinating with Local bodies in order to ensure that all the projects are registered in RERA. Necessary process can be made for tracking of non registered projects.
4	Conducting RERA awareness workshops	To ensure effective implementation of RERA ,it is essential that all the stakeholders are made aware about the roles and responsibilities. KRERA should aim to conduct seminars and workshops in various districts of Karnataka in order to expand its outreach.
5	Open another office in North Karnataka	In order to have smooth flow of information RERA Karnataka needs to open at least one more office in North Karnataka in place like Hubli-Dharwar as geographically Bangalore is far from many cities.
6	Conciliation Forum	RERA Karnataka should make a Conciliation Forum like MAHARERA and invite Industry stakeholders from CREDAI, NAREDCO etc. to be a part for the same.
7	Timelines and accountability	Timelines for approving an application of a project and agent should be within 30 days in order to get more registration and making process more simple and transparent.
8	Application Tracking Mechanism	RERA Karnataka should come up with a tool which can help Builders in tracking their application and compliance status like MAHARERA, APRERA etc.

Ahmedabad

5C, 6th Floor, Sumeru Center, Paldi,
Ahmedabad - 380007

Bangalore

12/1, DP Block, Marappa Garden,
Benson Town, Bangalore - 560046

Delhi

252B, Sant Nagar, East of Kailash
New Delhi-110065

Hyderabad

G6, Oasis Plaza, Tilak Road, Abids,
Hyderabad

Jaipur

F-123 Dhanshree tower, 2nd Central Spine,
Vidhyadhar Nagar, Jaipur- 302039

Mumbai

Shop No. 6, Heena Arcade, S.V.Road, Jogeshwari
West Mumbai

Pune

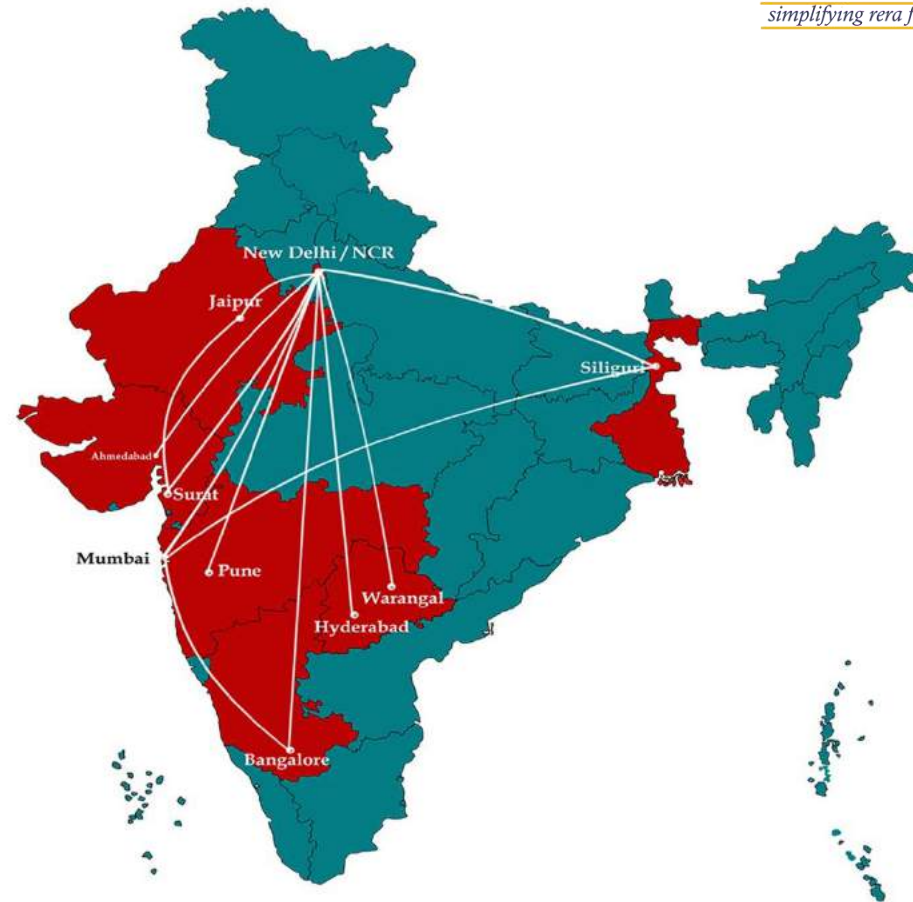
Office P-9, Dhanraj Park, Near Ambience Hotel,
Kaspatewasti, Wakad, 411057

Surat

306, 3rd Floor, Wood Square, Above SBI
L.P. Savani Road, Adajan

Warangal

1-7-878/3, Jayaeree Enclave, Hunter Road, Hanamkonda,
Warangal Urban, Telangana - 506001



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