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MISMATCH NCR, AP, Telangana slow in implementing RERA

Few RERA Offices, Portals: Home Loans may be Hit

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Mumbai: Home loan disbursals in the country could slide as many states are yet to set up offices and portals to enable registration of realty projects after approving the Real Estate (Regulation and Development) Act. With builders unable to register projects under RERA, banks have fewer options of financing home buyers.

States and regions, including the National Capital Region, Andhra and Telangana, have been slow in implementing RERA despite notifying the Act, bankers told ET. So far, 25 states have notified RERA rules. There's been a significant impact in markets like Kolkata and Kerala as RERA rules there are yet to be notified.

"Some states are taking more time in implementing, some states haven't implemented, which is a big issue for us," said a banker.

"The authority does not have the required support structure; the builders want to register but authorities are not well-equipped to complete the process." "Early implementation of RERA by all states and Union Territories is in the interests of the industry otherwise this confusion, if it continues for longer period, will hurt the industry," said another banker.

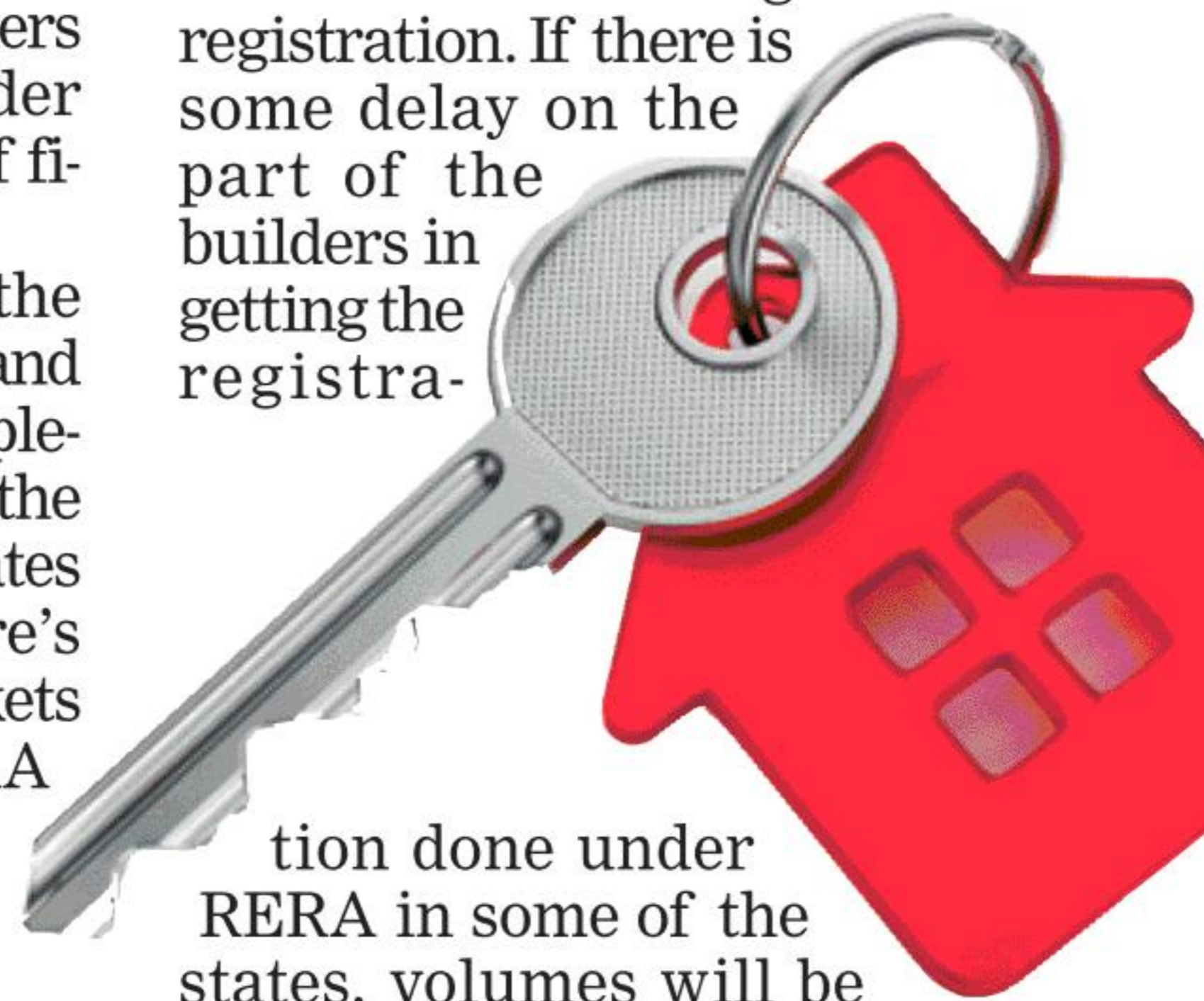
Some builders are not executing any

sale agreements pending registration of their projects under RERA and this could see loan disbursals fall, said an official with a leading PSU bank who did not wish to be identified. "There are also customers who have finalised deals but are refusing to sign agreements till the builder gets RERA registration. If there is some delay on the part of the builders in getting the registra-

tion done under RERA in some of the states, volumes will be slow," the official said.

Builders are required to disclose project-related information, including the plan, layout and government approvals to customers.

Changes to a project can be carried out only after receiving the consent of two-thirds of homebuyers. To avoid diversion of funds, RERA mandates that developers should maintain 70% of the money collected from buyers in a separate bank account in the case of new projects.



Big Projects

20,000

No. of ongoing real estate projects registered under RERA

11,000

Mumbai projects registered with Maharashtra Real Estate Regulatory Authority

9,000

Projects in Mumbai which got RERA certificates

14%

Growth in total housing credit for 12 months ended June 2017

16%

Growth in total housing credit in the year ended March

₹14.6 lakh crore
Overall housing credit as on June 30

