

## FAQ

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### 1. What are the objects and reasons for which the Real Estate (Regulation and Development) Act 2016 has been framed?

Ans: The Real Estate Act is intended to achieve the following objectives:

- ensure accountability towards allottees and protect their interest;
- infuse transparency, ensure fair-play and reduce frauds & delays;
- introduce professionalism and pan India standardization;
- establish symmetry of information between the promoter and allottee;
- imposing certain responsibilities on both promoter and allottees;
- establish regulatory oversight mechanism to enforce contracts;
- establish fast-track dispute resolution mechanism;
- promote good governance in the sector which in turn would create investor confidence.

### 2. Which projects comes under the purview of RERA

Ans: all the real estate projects for which Building permissions were approved on or after 01-01-2017 by the Competent Authorities viz., UDAs / DTCP / Municipal Corporations / Municipalities / Nagar Panchayats / TSIC as the case may be comes under the purview of RERA Act & Rules except the projects where:

- Area of land proposed to be developed does not exceed five hundred square meters
- Number of apartments proposed to be developed does not exceed eight inclusive of all phases
- Renovation or repair or re-development which does not involve marketing, advertising selling or new allotment of any apartment, plot or building, as the case may be, under the real estate project

### 3. Whether public bodies such as Development Authorities and Housing Boards the definition of 'promoter'?

Ans: Yes. The Act covers all private and public bodies which develop real estate projects for sale to the general public. Section 2 (zk) defines the term 'promoter' which includes both private and public real estate promoters. Thus, both Development Authorities and the Housing Boards, when involved in sale are covered under the Act.

**4. If a real estate project has land area more than 500 Sq. mts but containing less than 8 apartments. Does it still need to be registered?**

Ans. Yes. Every real estate project which has land area more than 500 Sq. mts or has more than 8 apartments needs to be registered.

**5. If a real estate project has land area less than 500 Sq.mts but contains more than 8 apartments. Does it still need to be registered?**

Ans. Yes. Every real estate project which has land area more than 500 sqmts or has more than 8 apartments needs to be registered

**6. Does advertisement include solicitation by emails and sms? Is issuance of prospectus considered to be a case of 'advertisement'?**

Ans: As per section 2(b), which defines 'advertisement', any medium adopted in soliciting for sale would be covered under the said definition, including sms and emails. Prospectus, which is intended for sale of apartment in real estate project, will also be covered.

**7. Does the term 'allottee' include secondary sales?**

Ans: As per section 2(d) an allottee includes a person who acquires the said 'apartment / plot' through transfer or sale but does not include a person to whom such plot, apartment is given on rent. The Act doesn't include rental projects, lease / leave and License deals.

**8. What is the obligation of the promoter towards return of amount and compensation to the Allottee?**

Ans: Section 18 of the Act provides for provisions as regards various situations in which the Allottee would be compensated by the promoter due to delay in completion of the project etc.

**9. Is it mandatory for the promoter to obtain permissions for the real estate project before applying for registration to TSRERA?**

Ans: Yes, before applying for registration to TSRERA the Promoter / Developer should obtain all statutory permissions from the Competent Authorities.

**10. If the Real Estate Project is not registered under the Act, What would be the implications?**

Ans: The promoter is liable to a penalty which may extend up to 10% of the estimated cost of the real estate project. On continued violation, 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 per cent of the estimated cost of the real estate project, or with both.

**11. How to know whether a particular Real Estate Project is registered under TSRERA or not?**

Ans: The TSRERA website would display all the registered projects. It is mandatory that the advertisement for marketing of apartments in the real estate project must carry the TSRERA registration number.

**12. Whether registration of real estate agents would be project specific, location specific or individual specific?**

Ans: Real estate agents have to get registered with TSRERA either as an individual or as "other than individual". Promoters while applying for registration of any real estate project will have to indicate the names of registered real estate agents who will be working as agents in the said project. Names of such agents will be displayed along with other project specifications on the TSRERA website, upon registration of the project.

**13. What are the penalties that a Real Estate Agent would face if he fails to adhere to the mandates prescribed by TSRERA?**

Ans: If any real estate agent fails to register and contravenes the provisions of section 9 or section 10 of the Act, he shall be liable to a penalty of Rs.10,000/- for every day during which such default continues, which may cumulatively extend up to 5% 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 TSRERA.

**14. Is the promoter required to give any undertaking to TSRERA for completing his project within a specified period?**

Ans: Yes, in accordance with the provisions of the Act, the promoter, while applying for registration to TSRERA, has to give a declaration, supported by an affidavit, indicating the time period within which he undertakes to complete the project or phase thereof, as the case may be.

**15. If the registration of a real estate project is revoked for any reason, how will the interest of the buyer, in such project, be protected by TSRERA?**

Ans: TSRERA will take action in accordance with section 8 of the Act.

**16. In case of delay in getting possession from the promoter, will the buyer be entitled to get interest on the amount paid by him, for such delayed period?**

Ans: Yes. In accordance with the model form of agreement, if the Promoter fails to abide by the time schedule for completing the project and handing over the [Apartment/Plot] to the Allottee, the Promoter agrees to pay to the Allottee, who does not intend to withdraw from the project, interest as specified in the Rule, on all the amounts paid by the Allottee, for every month of delay, till the handing over of the possession.

**17. Will such interest payment by the promoter to the buyer be automatic or the buyer will have to approach TSRERA?**






Ans: The interest payment is in accordance with the model form of agreement and hence should be automatically paid by the promoter. The buyer may file a complaint to TSRERA if promoter fails to do so.

**18. Is there a ceiling on the interest to be levied by the promoter in case of default in payment of any instalments by the Allottee/Buyer?**

Ans: In accordance with the model form of agreement, the Allottee has to pay, a rate of interest equal to the State Bank of India highest Marginal Cost of Lending Rate plus two percent, on all the amounts which become due and payable by the Allottee to the Promoter under the terms of the Agreement from the date the said amount is payable by the Allottee(s) to the Promoter.

**19. What are the provisions for an aggrieved person to lodge a complaint?**

Section 31 of the Act and Rule 34 & 35 of Telangana Real Estate (Regulation and Development) Rules, 2017 provide for filing of complaint with TSREERA, by an aggrieved person who has any interest in the registered project. The aggrieved person can file an application online as per format provided by TSREERA. It shall include the following details:

-  Registration number of the project to which the complaint pertains
-  Particulars of the complainant and respondent
-  Facts of the case
-  Relief Sought
-  List of Enclosures and so on

**20. Can a promoter or a real estate agent also file complaint against a buyer?**

Ans: Yes. An aggrieved person having any interest in the registered real estate project can file complaint.

**21. On what grounds can the home buyer file a complaint?**

Ans: An aggrieved person may file a complaint with TSREERA for any violation or contravention of the provisions of the Act or the Rules or Regulations made there under.

**22. Is there any time limit prescribed for disposal of complaints?**

Ans: Section 29 of the Act provides that complaints should be disposed off as expeditiously as possible but not later than sixty days from the date of filing the same. However, where it cannot be disposed of during the said period, the Real Estate Regulatory Authority is required to record its reasons for the same.

**23. Is there any time limit prescribed for the promoter for formation of society or any other legal entity of home buyers?**

Ans: Promoter has to enable formation of Legal Entity like Cooperative Society, Company, Association, Federation etc. within two months from the date on which 60% of the total number of Purchasers have taken possession and promoter has received full consideration from such Allottees.

**24. Is there a time limit prescribed for the promoter to execute conveyance in favour of the association of buyers?**

Ans: Promoter shall execute a registered conveyance deed in favour of the Allottee within three months from date of issue of Occupancy Certificate.

**25. How does the Act Impact Joint Promoters or joint Venture Agreements or cases of joint development with land owner on revenue share basis or area share basis, where landlord and promoter are two different parties but both are beneficiaries of sale of project?**

Ans: The Act makes both the Promoters and the landlord or any such parties which are beneficiary of a sale of a project and receive payments from Allottees as Co-Promoters and hence liable to adhere to the provisions of the Act and Rules and Regulations made there under.

**26. How does the promoter make an application for registration?**

Ans: TSRERA will launch online application for registration from 1st August 2018. All promoters shall make their applications through online filling the details in the requisite forms, uploading the required documents and paying the necessary fees.

**27. Is it compulsory for the promoter to register the project immediately after he gets sanctioned approvals?**

Ans: Promoter has to register the project before he starts any form of advertising, marketing, booking, selling, offer for selling or inviting people to purchase plots, apartment or buildings.

**28. Can promoter change the completion date for ongoing projects while registering?**

Ans: Yes, while registering project, promoter needs to give revised date of completion which should be commensurate with the amount of development completed and same should be within the validity of building permission given by the Competent Authorities.

**29. If an ongoing project is registered under TSRERA, then will the Act be applicable for the entire project or will it be applicable only to units sold after registration?**

Ans: Registration is of the Project/Phase and hence the provisions of the Act are applicable to all units of the Project/Phase.

**30. Can an Allottee who has executed agreement with the promoter prior to the on- going project getting registered with the Authority, be a complainant before TSRERA?**

Ans: Yes

**31. Can the promoter change the plans of subsequent phases after registration of the 1st phase?**

Ans: The Act puts an obligation on the promoter to obtain consent of each Allottee, if he wants to change the building plans for the phase that is registered. If a subsequent phase has not been registered, the promoter can change the plans of the subsequent phases without obtaining consent of the Allottees from current / ongoing phases. However, if the subsequent phases are also registered, consent of Allottees, of the concerned phases, would be needed as mentioned in section 14 of the Act

**32. If the promoter needs to change the plans of an on-going project post registration, will he need the consent of the pre-registration purchasers?**

Ans: Yes

**33. In case of joint development with land owner on revenue share basis or area share basis, whether land owner's component could be withdrawn from designated account of 70%?**

Ans: The Act makes both the Promoters and the land owner or any such parties which are beneficiary of a sale of a project and receive payments from Allottees, as Co- Promoters and hence liable to adhere to the provisions of the Act and Rules and Regulations made there under. The withdrawal of money would be subject to provisions of Section 4 of the Act and the Telangana Real Estate (Regulation and Development Rules, 2017 made there under.

**34. Whether money collected from Allottees towards stamp duty, registration, share money for society, deposits for maintenance, corpus funds, infrastructure charges, parking charges etc., are required to be deposited in the designated bank account (70 %)?**

Ans: Yes, since these are part of the project cost

**35. When does the promoter need to form society, association etc.?**

Ans: The Promoter has to ensure that an association of Allottees is formed within two months of 60% of the total number of Purchasers have taken possession and promoter has received full consideration from such Allottees.

**36. How will the Act, Rules and Regulations affect advertisement of projects with many phases?**

Ans: A promoter would be allowed to advertise, market, book, sell or offer to sell or invite persons to purchase plot, apartment or building in a phase of a real estate project, only if the said phase is registered. A promoter cannot advertise, commit or sell amenities or facilities that are in a subsequent phase which is still not registered.

**37. What if an adjoining land is purchased by the promoter? Can he continue with same registration?**

Ans: No, it has to be separately registered if the said adjoining land was not a part of the project which has been registered.

**38. What if Part OC is received for the project: is it exempt from registration?**

Ans: All ongoing projects for which building permissions were approved on or after 01-01-2017 by the Competent Authorities viz., UDAs / DTCP / Municipal Corporations / Municipalities / Nagar Panchayats / TSIC as the case may be have to be registered with TSRERA.

**39. Estimated Cost should be submitted only for area for which approvals/plans cleared as on date of registration of project or it should also include costs even for the proposed future expected area to be generated? (Bearing in mind the pros and cons for the figures depending solely on estimated costs)**

Ans: Estimated cost of the project which has been approved by the Competent Authorities needs to be indicated while applying for registration.

**40. Registration: Are various certificates (Architect, Engineer, and CA) required at the time of registration?**

Ans: Yes

**41. Does developer need to submit the certificates to Banker or retain with him?**

Ans: The original certificates have to be retained by the promoter because the same are required to be verified and audited by the statutory auditor of the promoter's company at the end of every financial year. Copies may also have to be submitted to the concerned bank, if demanded by them

**42. Separate Bank Account: can escrow account opened with the BANK from whom loans are availed, be treated as Separate Bank Account for a TSRERA registered project.**

Ans: No. A separate bank account needs to be opened in accordance with the provisions of the Act and rules made there under.

**43. Can separate account be more than one since at times there might be multiple lenders in same project (building wise lender) though developer might register the project at one go.**

Ans: No. There should be one designated bank account for every registered project or registered phase of a project.

**44. Sometimes buyer is ready and gives undertaking that he is ok to give money beyond 10% however does not want to register. Should it be allowed?**

Ans: No. Section 13(1) of the Act prohibits the promoter from taking more than 10% of the cost of apartment without entering into a written agreement for sale, duly registered.

**45. Referral bookings: Existing customers referring to others for buying the flat in same project or other project of same developer: will they be treated as Real Estate Agent?**

Ans: Yes, if it is against a consideration. Real Estate Agent is clearly defined in section 2(zm) of the Act

**46. For Foreign brokers registration and advertisement outside India, will same rule apply as in India?**

Ans: Yes, if it pertains to a registered project under TSRERA.

**47. In case of customers default: can developer be selective in cancelling units?**

Ans: Provision of termination of agreement is covered in the Model Form of Agreement attached to Telangana Real Estate (Regulation and Development) Rules, 2017.

**48. Internal changes: assuming making a duplex at customers request: will this be treated as Major change and require approval of other Allottees?**

Ans: Please refer to section 14 of the Act

**49. Who needs to apply for Registration as real estate Agent?**

Ans: Every Real Estate Agent who intends to facilitate the sale or purchase of or act on behalf of any person to facilitate the sale or purchase of any plot, apartment or building, as the case may be, in a registered real estate project being sold by the promoter in entire Telangana area, shall have to apply for registration to Telangana Real Estate Regulatory Authority (TSRERA).

**50. What is the procedure to obtain registration to operate as Real Estate Agents? What are documents required to get real estate agent's license?**

Ans: It will be through an easy online process. The procedure is explained in Rule 8,9 and 10 of Telangana Real Estate (Regulation and Development) Rules 2017.

**51. What is the fee for registration of Real Estate Agent? What is the validity?**

Ans: The fees for registration is prescribed in Rule 8(2) of the Telangana Real Estate (Regulation and Development) Rules, 2017 which specifies that ten thousand rupees in case of the applicant being an individual or fifty thousand rupees in case of the applicant other than an individual the validity period is 5 years.

**52. Will the registration of TSRERA be operated in other states?**

Ans: No. The registration is valid only in Telangana State.



**53. Is this registration transferable to another agent or to other state where agents intend to shift his office?**

Ans: No

**54. Even if real estate agent has not taken any commission from client and taken it from promoter, can the agent still be responsible and liable for builder's default?**

Ans: The agent's liability is in accordance with Section 10 of the Act. He is not held liable for the promoter's default.

**55. If real estate agent is not listed with promoter's registration at TSRERA website, still can he sell in this project?**

Ans: No. If the promoter has not included the real estate agent's name at the time of registration, it will have to be included by the promoter, subsequently, and up dated in the TSRERA website. The real estate agent can operate in the project only thereafter.

**56. Will TSRERA protect Agents for their commissions not paid by builder or by parties to the deal?**

Ans: No, these will be guided by the agreements that real estate agents have with the concerned promoters or Allottees.

**57. Will agent be responsible till the delivery of flats / real estate unit done or is he responsible till documents are registered?**

Ans: The responsibility of the real estate agent will be in accordance with Section 10 of the Act.

**58. What will be the penalties and fines for Real Estate Agents?**

Ans: a penalty of Rs.10,000/- for every day during which may cumulative extend up to 5% of the cost of the Plot / Apartment / Building Penalties for which the sale and purchase has been facilitated (Section 62 of the Act)

**59. What if promoter gives false information or documents to real estate agent and agent acts upon such information, will he be liable?**

Ans: Under Section 12 of the Act, it is the obligation of the promoter regarding veracity of advertisement and prospectus. The agent is liable if he makes a false or misleading representation concerning the services that he intends to offer.

**60. Will listing websites / newspapers/ exhibitions promoting real estate needs to take agents' license?**

Ans: Yes, if they intend to facilitate the sale or purchase of or act on behalf of any person to facilitate the sale or purchase of any plot, apartment or building, as the case may be, in a registered real estate project being sold by the promoter in any planning area.

**61. Will digital media listings by builders / agents need to get approval from TSRERA?**

Ans: No

**62. Will real estate agents putting advertisement on builders' behalf need to get approved his print / radio/ TV/ other media promotions content?**

Ans: No, however no advertisement should be put out for a project unless the concerned promoter has registered the project with TSRERA. The agent should not advertise for services that are not intended to be offered.

**63. If registration is not given within 30 days, will it be deemed registration?**

Ans: Yes, if the Authority fails to issue any communication about deficiencies, within 30 days of the receipt of the application for registration.

**64. Will a multi-state operator of real estate agency business need to apply in all state of India?**

Ans: For working as a real estate agent in Telangana, registration will be given by TSRERA.

**65. Is Agent authorized to sign on behalf of his promoter / builder?**

Ans: No.