

Realtors hail regulatory body

State plans to table Bill, which seeks transparency in the sector, in Budget session

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The realty sector has welcomed the Maharashtra government's decision to establish a Housing Regulatory Authority, but with riders.

The players have pitched for early clearance for project development with their involvement and demanded the regulations should not create a licence regime.

The government, on the other hand, hopes the establishment of the authority would bring in transparency. The state plans to table the Maharashtra Housing (Regulation and Promotion of Construction, Sale, Management and Transfer) Bill in the Budget Session in March in the state legislature.

"It would be binding on builders and developers to ensure full disclosure on the development of property, carpet areas, utility areas of the flat, floor space index (FSI), transfer of development right (TDR), additional FSI consumed in the building, time schedule for completion and schedule to connect the project with the municipal services," a senior government official told *Business Standard*.

Besides, if any person, who willfully fails to comply with the orders of the Authority or the Housing Appellate Tribunal, would be liable to a penalty, which may extend up to ₹10 lakh. Penalty for contravention



The big realty players are hoping the regulations do not create a licence regime. PHOTO:

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of other provisions of the proposed Bill would extend up to ₹50,000. The promoter would also face conviction and punished with fine up to ₹1 crore for non-compliance.

Moreover, the official said, every promoter would have to make an application to the Authority for registration of its project and for its display on the website. It would also be applicable for any transaction, including sale or marketing of apartments or flats in the new project without registration of the project and its display on website.

Hemant Shah, chairman, Hubtown Ltd, said, "The Maharashtra government's decision to set up housing regulator is a step forward to bring transparency in the real estate sector. Rules should be made to remove the time lag and provide auto approvals in standardised format."

He noted the only point of concern was the enormous delay in project approvals. "We urge the government to outline a plan to enhance coordination among various authorities and departments to speed up the

process for project approvals.

Every delay in approval incurs cost on projects and the developers has to face criticism for soaring real estate prices. We are sure the proposed structure would take care of all these issues, and finally brighten the image of the developer and the real estate sector, which is reeling under negative perception," he said.

Paras Gundecha, president of Maharashtra Chamber of Housing Industry said the developer/builder should not be held responsible in case of delays in completing projects

as there were multiple factors, which are beyond the control of the developer.

In the interest of all stakeholders, Gundecha said, competent authorities, including passing authorities, the high rise committee, the ministry of environment and forests should clear projects with top priority and also issue commencement certificate and occupational certificate within a certain time frame. He suggested the implementation of one window clearance system.

Anand Gupta, general treasurer of Builders Association of India, holds similar view. Gupta made a case for a single-window approval system to avoid delays in project development. He also suggested that representatives of construction industry be included in the Authority along with government officials to frame rules and regulations in order to facilitate timely approval.

Mayur Shah, managing director, Marathon Group, said, "The decision is sound in view of a pro-consumer move, but poor implementation like urban land ceiling may serve against creating large stock of affordable housing. We are only concerned that the regulations should not create a license regime on the pretext of disclosures and encourage corrupt practices. The government must remove land and approvals related hurdles for speedy development."