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# **ANALYSIS OF THE FUNCTIONING OF THE REAL ESTATE REGULATORY AUTHORITY WITH SPECIAL REFERENCE TO HRERA**

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Shreya Thakur, SRM University Delhi - NCR

Saumya Thakur, Nirma University, Ahmedabad, Gujarat

## **ABSTRACT**

It is noteworthy that the Indian Real Estate (RE) sector plays a major bridging role in ensuring economic upliftment to the housing and infrastructure industries. It caters to the demands of rapid expansion and urbanisation attributed to the growing population. There have been numerous instances of unethical behaviour in the RE businesses before and even after the inception of RERA. The non-compliant attitudes have not been latent, and even laymen have observed their technical framework. However, the regulatory framework was brought to observe and register significant progress regarding giving impetus to consistent implementation across states, enhancing public awareness, and tackling the delays in dispute resolution.

However, the non-compliance of the framework questions its effectiveness and true potential to safeguard homebuyers. It has been observed time and again that the legislative intent and the compliance with the act fail persistently, which only makes the legal framework of such a law questionable and allows the parties to cheat this framework. Thus, this study seeks to empirically assess the significant progress in terms of the fulfilment of the promises of being a regulatory shield for consumers or if it remains a mere illusion and decode the true intent of the act to modify a mechanism pre-existing but rendering the satisfaction of its applicability insufficient.

The study also reveals the steps needed to enhance professionalism and the current status of consumer awareness to analyse the extent of rational growth and compliance trends to understand the systemic challenges in its enforcement further concluding on the note that rather than struggling to increase the compliance with the already existing methodologies, the act can be facilitated to improvement in order to cope the modern-day problems with the real-estate sector finally completing its long-lost ambition of being a shield to the multiple beneficiaries that it has to cater.

## INTRODUCTION

The term 'REAL ESTATE' traces itself from the Latin word '*realis*', meaning actual or genuine, and '*estate*', meaning status. So, unlike its actual sense, the word started as recording a genuine status of immovable properties. However, as the comprehension of words like 'actual and real' changed, acts such as the Real Estate Regulatory Authority were deemed to be crucial.

However, challenges in the mainstream implementation remain latent and need to be uncovered to identify whether RERA has only worked as a body that exists in name or whether it implements itself on the lines of the Act that ensures the protection of homebuyers and the people inhabiting properties.

### 1.1 Background of the study

In 2009 the draft for a RERA Bill was brought into the parliament by the UPA government and faced criticism and backlashes however, through persistent efforts the Ministry of Housing and Urban Poverty Alleviation<sup>1</sup> finally brought the Bill again in 2013.

The real estate Bill was prioritised and further revision brought this Bill to the Lok Sabha in 2016. Without much opposition, the Bill got its assent from the President and became an act with effect from May 1<sup>st</sup>, 2016.

The Real Estate Regulatory Authority Act, 2016 (herein called as RERA) was established for the promotion and protection of the consumers of real estate sector who were actively involved in the buying and selling of plots and apartments in an efficient, transparent, and efficacious manner to establish an adjudicating mechanism for speedy dispute redressal and hold the Appellate Tribunal responsible for hearing any appeals that concern consumers and properties within the jurisdiction of the RERA.

It acts as a parent authority to direct and implement finalities in the properties purchased and necessitates covering consumer concerns and fraud in property manners.<sup>2</sup>

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<sup>1</sup> Ministry of Hous. & Urban Poverty Alleviation, *Homepage*, <http://mhupa.gov.in> (last visited June 23, 2025).

<sup>2</sup> The Real Estate (Regulation and Development) Act, 2016, No. 16, Acts of Parliament, 2016 (India), available at *The Gazette of India Extraordinary*, Ministry of Law & Just. (Legis. Dep't)

### **1.1.1 The role of the judiciary in RERA**

A judicial and technical position in the Appellate Tribunal of RERA requires one to be a qualified High Court judge or a judge in the District Court for 5 years. the administrative member must have specialisation in the field of real estate, urban development, economics, law, etc. and serve for 5 years or 65 years of age, whichever is earlier. RERA crosses with the Arbitration Act, to ponder the quasi-judicial body of RERA as a dispute-solving entity and not just an appellate body to hear complaints.

The judiciary plays a very integral role in ensuring that the real estate sector is not doomed by loss of trust and withdrawn investments, and settles matters and acknowledges the grievances of the consumers amicably. It is also important to note that such a transparent Act should not become a victim of corruption and fraud for consumers who potentially invest all their financial assets into buying a house.

Streamlined and customised judicial roles<sup>3</sup> highlighted in a much more enhanced manner should be put forward to consumers to consider their needs, and that the Act does not remain alien to the layman, to avoid being violated by the lawmen to procure their hard-earned money from builders and agents.

The aspect of the judiciary of clearing backlog cases is most important to ensure that the dispute clears out way for the exchange of compensation and money involved in the real estate sector.

### **1.1.2 The role of the buyers in RERA**

Aspects like project pricing, delivery of such property, quality of builders, their construction sites and the amount invested in the real estate are the main concerns of real estate sector consumers or homebuyers, particularly.<sup>4</sup>

Buyers remain ambiguous about strategic diversion in compliance, or any way that manages to outsmart the standards, their rights for seeking protection or even remain unaware of any means

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<sup>3</sup> R.R. Savadi & Annesha Gora, Comparative Analysis of Arbitration Efficiency in Real Estate Transactions: Cross-Border Perspective, 4 *Jus Corpus L.J.* 882 (2024).

<sup>4</sup> S.F. Khan, Indian Buyer's Interest Are Protected in India – RERA, 1 *Maharatta* 1 (2023), <http://210.212.169.38/xmlui/bitstream/handle/123456789/14299/7%20Indian%20Buyer%e2%80%99s%20Interest%20Are%20Protected%20In%20India%20%e2%80%93%20RERA-Khan.pdf?sequence=1&isAllowed=y>.

of redressal.<sup>5</sup> Buyers are the beneficiaries of the Act and should not suffer any disadvantages of its lopsided effects; therefore, the limits of this Act have to be transcended in order to create amicable conditions for buyers.

Vigilance in investment is the first main aim a buyer should seek. It cannot always be a one-sided fraud when we blindly follow the advertisements, avoiding research. Buyers, however, have limited access to the RERA system since the shareholder is already the aggrieved party for which the entire Act came into effect in the first place.

It is always better if legal advice is procured before investing, and the market for property and builder history is referred to beforehand to avoid any future inconveniences.

### **1.1.3 The role of the builders and agents in RERA**

RERA lists down clear guidelines for the builders to ensure transparency, which includes active communication about the building plan, layout, implementation, any change in standards, protocols followed and status of completion.<sup>6</sup>

The Builder Buyer Agreement (BBA) and sale deed should be well-framed carefully, following all legal standards, and should comply with the RERA Act, 2016. The builder must take accountability for all future flaws and faults in construction that may cause customer dissatisfaction.

Project timelines should be adhered to, and all websites should have a grievance registry site that redirects customers to actively communicate their issues with the property purchased. This would help no one other than the builder himself to increase his market reputation and sell more properties, ultimately saving increased advertisement costs and excess maintenance to maintain unsold flats and properties.

The regulation of middlemen is another essential step to eradicate any fraudulent practices

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<sup>5</sup> Raymond Keng Wan Ng, Impact of RERA 2016 and Its Ramifications: A Consumer-Centric Analysis, 6 *Int'l J. on Consumer L. & Prac.* 1 (2018).

<sup>6</sup> S.A. Tupsakhare & S.M. Khadilkar, Problems and Prospects for Real Estate Industry in India Post RERA, 11 *Vidyabharati Int'l Interdisciplinary Rsch. J.* 195 (2020), <https://www.viirj.org>.

while selling properties.<sup>7</sup>

Buyers must be equipped with information about their agents and must understand the terms of investing in the property that is to be purchased. Customers must actively engage without faltering in providing any essential information.<sup>8</sup>

## 1.2 Objectives of RERA

The centralised establishment of RERA was an essential step to ensure the safety of buyers, which had not been taken into consideration before the 2016 acts as a shield. Therefore, to advance towards its implementation strategies, the objectives need to be highlighted to understand the intent of the Act and how consumers perceive it.

### 1.2.1 Enhancement of the Real Estate Ecosystem

The RERA guarantees equality for all buyers regardless of their standing in terms of properties owned and provides an equal playing field to compensate them as soon as possible. The Real Estate remains an ambiguous sector that does not easily attract a lot of trust from buyers.<sup>9</sup> RERA aims to create an environment of a central repository bringing about a smoother investment and trustworthiness with agents, with a process of transparency and communication, and finds itself equipped with essential powers to do so.

### 1.2.2 Checks and Balances on the Power of RERA

The registration process is mandated by the RERA since many agents acquire pre-selling of apartment fees and leave the official agreement unattended. This renders the authority helpless in tracing the initiative, leaving the entire process of black market circling the market for flats/apartments or properties.<sup>10</sup> The RERA ensures the transfer of risk-bearing by inducing a

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<sup>7</sup> Urvi Trivedi, Dr. M.J. Shah & Dr. J.R. Pitroda, Impact on Real-Estate Developers Pursuant to Implementation of Real Estate Regulatory Act [RERA] 2016, 7 *J. Emerging Tech. & Innovative Rsch.* 6 (2020), <http://www.jetir.org/papers/JETIR2006526.pdf>.

<sup>8</sup> A Review on Impacts of RERA Act, 2016 on Housing Projects, *Int'l Rsch. J. of Modernization in Eng'g Tech. & Sci.* (2023), <https://doi.org/10.56726/irjmets33944>.

<sup>9</sup> S. Prasanna & P. Lavanya, Evolving Trends in Real Estate Development Regulations: A Study of RERA (Real Estate Regulation and Development Act), 1 *ILE Prop. & Land L. Rev.* 26 (2023).

<sup>10</sup> S. Ghar, *Social and Legal Impact of RERA on Society* (2022) (unpublished MBA thesis, Liverpool John Moores University).

liability towards the developers, shifting the weight from the consumer by including the promoters, constructors, developers, real estate agents, etc, in the purview of the Act.<sup>11</sup>

### 1.2.3 Consumer Protection

The Act and authorities work closely to ensure the welfare of the consumers, speedy relief, urgent hearing of complaints and spreading awareness. The share of information to the consumers remains latent and this is a very big reason why consumers find themselves handicapped in times of need, lacking any knowledge about their rights and accessibility to justice. RERA seamlessly functions to make this accessibility possible<sup>12</sup>.

### 1.2.4 Efficient establishment of redressal forums

The settlement of grievances has to be looked at closely, enhancing transparency in the real estate system and binding all the concerned Appellate Tribunals to its jurisdiction, appointing the rightful bench to look after the matters. The RERA also interconnects with the Arbitration Act to settle matters outside the purview of courts. It is handled with equal importance, confidentiality and care in case the agreement includes an arbitration clause and is most relevant to amicably settle matters in such cases. This is found to be much more efficient due to its diversion from routine litigation and finds a clear success with cooperation and effort.<sup>13</sup>

### 1.2.5 Create conditions for fair markets

The authorities working in the real estate sector cannot be ignorant of any misleading advertisement being undertaken by the agents and agencies, and have to ensure timely notification to the consumers to be aware of engaging in any such fraudulent acts. The scams emanating from real estate have also increased in recent times<sup>14</sup> Therefore, RERA has become an essential organisation to fulfil the objective of checking malpractices, indicating penalties for offences committed by promoters, real estate instrumentalities, allottees, and companies,

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<sup>11</sup> *Social and Legal Impact of RERA on Society*, 11 *Int'l J. Creative Rsch. Thoughts* (2023), <https://ijcrt.org/papers/IJCRT2306652.pdf>.

<sup>12</sup> Mukul Chhikara, *Interplay Between the Consumer Protection Act & the Real Estate Regulatory Authority Act*, 4 *Int'l J. L. Mgmt. & Human.* 485 (2021).

<sup>13</sup> Stuti Kuzur & Shruti Roy, *Regulatory Dynamics in Real Estate: Exploring the Intersection of RERA and the Arbitration Act*, 4 *Jus Corpus L.J.* 242 (2024).

<sup>14</sup> J. Xie, *Who Is "Misleading" Whom in Real Estate Transactions?*, 46 *Real Est. Econ.* 527 (2017), <https://doi.org/10.1111/1540-6229.12196>.

and scanning the market for any dangers.

### **1.3 The rationale behind the implementation of RERA**

The real estate sector, in terms of the largest contributor to the economy, can be said to be the face of India. It plays one of the most critical roles in generating employment and creating urbanisation in the country.

This study focuses on the study of the challenges of RERA and its impact and effectiveness, simultaneously contributing to transforming the whole gamut of the country in terms of real estate. The Census of 2011<sup>15</sup> suggested the urban population to be approximately 37.7 crores, which was projected to grow even more by 2030. This rapid urbanisation was the main reason why the trust between the homebuyers and real estate developers had to be strengthened<sup>16</sup>.

#### **1.3.1 The Real Obstinance and Needs in the Indian Real Estate Sector:**

Real estate in India was undoubtedly unregulated, and the homebuyers had been losing out on proper checks and balances over the sales of a house. Liquidity issues through project delays, misuse of funds, and household contract intervals put a damper on people's confidence. RERA was introduced in the Indian scenario; it was a statutory leap that rang an alarm for homebuyers against illusory promises. That is what makes it necessary for such a comprehensive study of RERA to write about its impact on every such persistent problem.

#### **1.3.2 India's Economic Importance of Real Estate:**

The real estate sector serves as an important contributor to the Indian economy. The estimated market size of this sector by 2030 is \$ 1 trillion, as felt by G Hari Babu, National President of NAREDCO.<sup>17</sup> Thus, the real estate sector in 2018-19 contributed around 7% to India's GDP and is expected to grow to around 15% by the end of 2030. Therefore, through this research work, how far RERA is a growth factor for that sector will be analysed with the expected trajectory of investment inflows as much as the market disturbance.

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<sup>15</sup> Population Finder | Government of India, <https://censusindia.gov.in/census.website/data/population-finder> (last visited June 23, 2025).

<sup>16</sup> Press Info. Bureau, Reforms in Real Estate Sector RERA-2016 (Nov. 1, 2021).

<sup>17</sup> Nat'l Real Est. Dev. Council, <https://naredco.in> (last visited June 23, 2025).

### **1.3.3 The authoritative and implementation framework of the law:**

From the standpoint of housing, the RERA is considered a significant landmark in the reform of laws and policies in India. It is in varied states of compliance, and some very effective strides have been taken so far in the understanding of the uneven implementation of RERA, the identification of areas where development was anticipated, and operationalised knowledge of the need for more effective steps to follow.

### **1.3.4 Revolution in Consumer Protection:**

It is the most revolutionary consumer rights activist legislation that includes a variety of provisions for timely project delivery, quality assurance, and redressal of grievances in terms of their status in favour of buying a home. Irrespective of the ideologies, this could be included in the consumer rights program to understand how to correct the goodwill in the sector.

### **1.3.5 Addressing the Research Gap:**

Although, from the perspective of the law and the circle of the industry, there is so much talk of it that only a little academic literature in an organised manner casts glances over how the enactment contributes or would do so toward realistic consumption. The study addresses this gap, providing an all-around evaluation of the successful implementation of the RERA and identifies both the marks of progress and areas for improvement.

### **1.3.6. Effect on Employment and Other Industries:**

Employment continues to be a crucial link between growth and prosperity, and the quantity and quality of employment determine better standards of living for the population. To foster employment is to oil the engine of demand-led growth, kept running by a populace progressively less dependent on the Government for its dignified survival and sustenance.<sup>18</sup> Thus, the sector employs the largest participants after agriculture, also directly or indirectly impacting 270 different industries such as steel, cement, and other building materials.

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<sup>18</sup> *Economic Survey 2023–2024*, Ministry of Fin., Dep't of Econ. Affs., Gov't of India (2024).



## **1.4 Scope of the Study**

This research revolves around the question of RERA that although the conditions of lack of transparency, exploitation of homebuyers, delayed projects, and inconsistent implementation have not remained hidden, HRERA actively evolves itself to fulfil the promises of compliance and guaranteed relief. The research still assumes its success as illusory in the state of Haryana, eliminating the possibility of its betterment in these 9 years of its enactment and actively raises concerns over its true essence of protecting homebuyers and regulating the real estate sector.

The outcome of this research will also provide a very clear picture of post and pre-HRERA conditions to analyse what changes HRERA has gone through and how it plans to handle its changes further to bring RERA's illusion to a success established in practice.

### **1.4.1 RESEARCH METHODOLOGY**

#### **Doctrinal Approach**

##### ***Legal Texts***

This study is primarily an empirical study; however, to support the empirical findings, the study has also been coupled with a doctrinal review of legal texts in order to get a complete overview of the theoretical aspect of the legal framework.

The Real Estate (Regulation and Development) Act, 2016 was examined in depth.

##### ***Government Reports***

Government reports, such as HRERA Annual Reports, MoHUA's RERA Status Reports, HRERA, Real Estate (Regulation and Development) Bill, 2015 and the HRERA Panchkula Suo motu disclosures under RTI Act, 2005 were analysed to assess the progress of HRERA.

#### **Empirical Approach**

The empirical aspect of the project is mainly focused on a questionnaire survey conducted among homebuyers in Haryana, particularly those who have purchased properties both pre- and post-implementation of HRERA. The questionnaire was designed on various aspects such as awareness and accessibility of the homebuyers, effectiveness of HRERA implementation,

the current dispute resolution under HRERA and impact on homebuyers. It helped in capturing perceptions of the beneficiaries, awareness levels, and satisfaction regarding HRERA's role.

### **Sample Design**

Given the empirical nature of the project, a sample size of 30 homebuyers who have invested in the real estate sector of Haryana, comprising areas of Sonipat, Panipat and Gurugram. The rationale for selecting the participants was to get the first-hand experience of the homebuyers and to track the knowledge regarding the plots, apartments and villas in Haryana.

### **1.5. Problem Statement**

"The Real Estate (Regulation and Development) Act, 2016 (RERA) was designed to address key challenges in the real estate sector. However, despite its intent, significant concerns persist regarding its effectiveness, and it remains a subject of debate. Issues such as inconsistent implementation across states, effectiveness of HRERA implementation, absence of discipline in the compliance of the regulatory norms, delays in dispute resolution, limited public awareness and non-compliance by developers question its ability to truly protect homebuyers. This study seeks to empirically assess the long-standing challenges of analysing whether RERA has fulfilled its promise of being a regulatory shield for the victimised homebuyers or if it remains mere illusion, focusing on stakeholder experiences, compliance trends, and systemic challenges in enforcement."

### **1.6. Problem Hypothesis**

The RERA Act, 2016 was envisioned as a powerful tool to tackle the loopholes in transparency, implementation and timely delivery of the dispute redressal mechanism in India's Real estate sector. However, contrary to the objectives of this transformative legislation the study hypothesises that the current RERA provisions are not sufficient to capacitate the concerns of homebuyers at large and suitably do not address the regulatory promises given in the Act on the ground reality.

This hypothesis has been laid out to reach out homebuyers to investigate the situation deeply and the incapacity of RERA has been dealt with particularly in the context of establishment of RERA in Haryana. The current study aims to assess the position of RERA with respect to the

ineffectiveness of the timelines mentioned in the statute which frequently surpass the 60-day mandate provided in the Act.

Moreover, the HRERA portal, designed to enhance the transparency and ease of use by homebuyers, is often criticized for being non-intuitive in data updates which renders the homebuyers helpless in real-time project tracking. There are issues with the absence of robust public awareness campaigns which pose a challenge for the first time investors who lack data, knowledge and confidence.

In the light of all these relevant challenges, it is assumed that the HRERA has failed in its objectives and there remains a huge regulatory gap in the enforcement mechanism.

## REVIEW OF RERA- LAWS AND REGULATIONS

RE currently appears to be a vital sector in our economy after agriculture. Expected to account for about 15% of GDP, it acts as a facilitator to support the growing population. Thus, it is of extreme importance that RERA satisfies the dual requirements of home buyers as well as the developers in the country.

### 2.1 Historical Perspective: Pre-RERA regulations and challenges

Before the birth of RERA, there were scattered central laws which governed the RE Sector in India. To name a few, these were:

- Indian Contract Act, 1872,<sup>19</sup>
- Transfer of Property Act, 1882,<sup>20</sup>
- Registration Act, 1908,<sup>21</sup>

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<sup>19</sup> *The Indian Contract Act, 1872*, <https://www.indiacode.nic.in/bitstream/123456789/2187/2/A187209.pdf> (India).

<sup>20</sup> *The Transfer of Property Act, 1882*, <https://www.indiacode.nic.in/bitstream/123456789/2338/1/A1882-04.pdf> (India).

<sup>21</sup> *The Registration Act, 1908*, Gov't of India, [https://www.indiacode.nic.in/bitstream/123456789/15937/1/the\\_registration\\_act%2C1908.pdf](https://www.indiacode.nic.in/bitstream/123456789/15937/1/the_registration_act%2C1908.pdf).

- Special Relief Act, 1963,<sup>22</sup>
- Urban Land (Ceiling and Regulation) Act (ULCRA), 1976 [retracted in 1999],<sup>23</sup>
- Land Acquisition Act, 1894,<sup>24</sup>
- The Indian Evidence Act, 1872,<sup>25</sup>
- Consumer Protection Act, 1986,<sup>26</sup>
- Arbitration and Conciliation Act, 1996<sup>27</sup>

### Challenges which caused Birth of RERA

- i. Increased demand for housing which allowed private players to capture the RE game with little or no concern towards the consumers<sup>28</sup>.
- ii. The demand for housing became inversely proportional to the transparency and accountability. Though borrowing became easier from both public and private banks, yet the high EMI and interest rates resulted in loss of trust amongst buyers due to absence of robust regulatory mechanism.
- iii. There was a stringent need felt towards creation of an oversight mechanism to cater towards dispute resolution. Though the Consumer Protection Act, 1986 provided a forum to the displeased consumers but the recourse was only curative and was continuously leading to increase in pendency of cases.

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<sup>22</sup> *The Specific Relief Act, 1963*, Parliament of India,

<https://www.indiacode.nic.in/bitstream/123456789/1583/7/A1963-47.pdf>.

<sup>23</sup> *The Urban Land (Ceiling and Regulation) Repeal Act, 1999*, 15 of 1999,

[https://www.indiacode.nic.in/bitstream/123456789/14942/1/the\\_urban\\_land\\_ceiling\\_and\\_regulation\\_act\\_1976.pdf](https://www.indiacode.nic.in/bitstream/123456789/14942/1/the_urban_land_ceiling_and_regulation_act_1976.pdf).

<sup>24</sup> *The Land Acquisition Act, 1894*, Ministry of L. & Just., Gov't of India,

<https://dolr.gov.in/sites/default/files/THE%20LAND%20ACQUISITION%20ACT.pdf>.

<sup>25</sup> *The Indian Evidence Act, 1872*, Gov't of India,

[https://www.indiacode.nic.in/bitstream/123456789/15351/1/iea\\_1872.pdf](https://www.indiacode.nic.in/bitstream/123456789/15351/1/iea_1872.pdf).

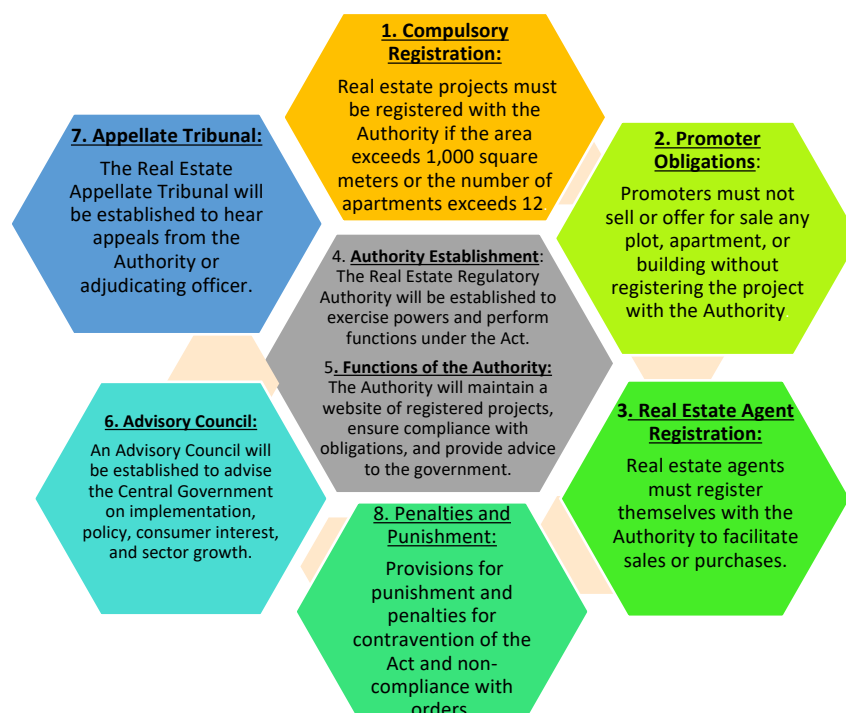
<sup>26</sup> *Consumer Protection Act, 2019*, <https://www.indiacode.nic.in/handle/123456789/15256> (India).

<sup>27</sup> *The Arbitration and Conciliation Act, 1996*, UNCITRAL Model Law, <https://www.indiacode.nic.in/bitstream/123456789/1978/3/a1996-26.pdf> (India).

<sup>28</sup> *The Real Estate (Regulation and Development) Bill, 2013*, PRS Legis. Rsch., <https://prsindia.org/billtrack/the-real-estate-regulation-and-development-bill-2013>.

- iv. A robust framework was required to ensure greater accountability towards consumers so that there could be significant reduction in frauds, arrest delays and the current high transaction cost.

### 2.1.2 Key provisions of RERA



### 2.1.3 Identified Gaps

#### 1. DISPUTED IMPLEMENTATION ACROSS STATES

The RERA finds its implementation scattered, with some states that have not fully operationalised RERA. This specifically hinders active adjudication across tribunals where these cases do not find enough representation.<sup>29</sup>

#### 2. IRREGULAR COMPLAINTS

RERA often takes a backseat in imposing penalties and taking strict action against people who misuse the trust and investment of homebuyers making it incapable of reaching to people who

<sup>29</sup> Leena Sandeepsinh Chudasama & Tushar Panigrahi, *Integrating Emerging Technologies and Quality Curriculum Design: Analyzing Implementation Challenges and Opportunities Within RERA 2016 Framework*, 2 Karnavati J. Multidiscip. Stud. (2024), <https://journal.karnavatiuniversity.edu.in/index.php/ojs/article/view/94>.

require it.<sup>30</sup>

### 3. DELAY IN GRIEVANCE REDRESSAL

The burdened tribunal appellate does not find time and space to accommodate active redressal for already existing cases and this leads to a decreased trust in the system and bench of RERA.<sup>31</sup>

### 4. LACK OF AWARENESS AMONG THE BENEFICIARIES (homebuyers)

The homebuyers do not buy into RERA's initiative in understanding the process of real estate fraud, and this leads to a larger mass remaining unaware of the complexities involved in this sector.<sup>32</sup>

### 5. EXCLUSION OF IMPORTANT ELEMENTS FROM THE ACT

The RERA remains devoid of various features such as accommodation of stricter penalties and timely action for compensation. Many builders and agents roam loose even after encroaching on the undeserved money from the homebuyers who are made to enter contracts fraudulently based on false promises and unrealistic actions.<sup>33</sup>

### 6. LACK OF DIGITAL GOVERNANCE

RERA would have increased productivity through its active digital governance including active grievance redressal portals, an online complaint section and client counselling involved in property cases which it lacks currently.<sup>34</sup>

### 7. UNDER THE TABLE TRANSACTIONS AND RAMPANT CORRUPTION

The rampant corruption across RERA has deep roots, especially in the context of achieving a final judgment from the court. However, the already aggrieved consumer should not be made

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<sup>30</sup> Kapil Kumar, *RERA or Which Legal Authority, Whose Door to Knock On?*, 3 Jus Corpus L.J. 996 (2022).

<sup>31</sup> K.V. Datrange, R.R. Salgude & U.S. Agrawal, *Challenges and Opportunities in the Real Estate Act, 2016, India: A Focus on Judicial Appellate and Redevelopment Projects*, 24 Int'l J. Constr. Mgmt. 1751 (2023), <https://doi.org/10.1080/15623599.2023.2290423>.

<sup>32</sup> S.S. Kulkarni, *Empowering Homebuyers: Comparative Study of Legal Safeguards and Redressal Mechanisms*, 4 Jus Corpus L.J. 577 (2024).

<sup>33</sup> Jimna P.V., *RERA Act: Reprimand Analysis*, 3 Jus Corpus L.J. 760 (2022).

<sup>34</sup> E.S. Karat et al., *Transparency in Real Estate Sector in Digital India: A Study* (Oct. 2022), [https://www.researchgate.net/publication/364314435\\_Transparency\\_in\\_Real\\_Estate\\_Sector\\_in\\_Digital\\_India\\_A\\_Study](https://www.researchgate.net/publication/364314435_Transparency_in_Real_Estate_Sector_in_Digital_India_A_Study).

to pay more to achieve justice from the court of law.<sup>35</sup>

## 8. CHALLENGES WITH TIMELY COMPENSATION

The act finds itself in a tight spot when it comes to challenges with awarding compensation. Even after cases are settled, the aggrieved parties find it difficult to regain their lost investment and divert it to a newer property.<sup>36</sup>

## 9. LACK OF CONSONANCE WITH OTHER LAWS

The accumulation of various laws guarantees protection in real estate sector. Though RERA acts as a replacement under these acts, it differentiates itself by not accommodating various provisions from other laws, which does not clearly mean its failure; however, a few provisions work in favour of the homebuyers if retained. One of them is the stricter penalty system for the other party.<sup>37</sup>

### Awareness and Accessibility

*To what extent are homebuyers and real estate agents in Haryana aware of RERA and its provisions?*

- a. The survey questioned the respondents about their source of knowledge about HRERA, to assess their primary information on RERA and awareness about its existence. The responses herein, showed different fluctuations about their source of information. These questions pertained to the population inhabiting Haryana to carry out the research specifically entailing HRERA. On interviewing the subjects, it was found that they got the information of provisions of HRERA from an advocate after being fraudulently misrepresented either by their builder or the agents. Thus, the study reveals that a large number of subjects get awareness after the mishappening and awareness regime is shallow in this regard. The awareness programs conducted by the government is not

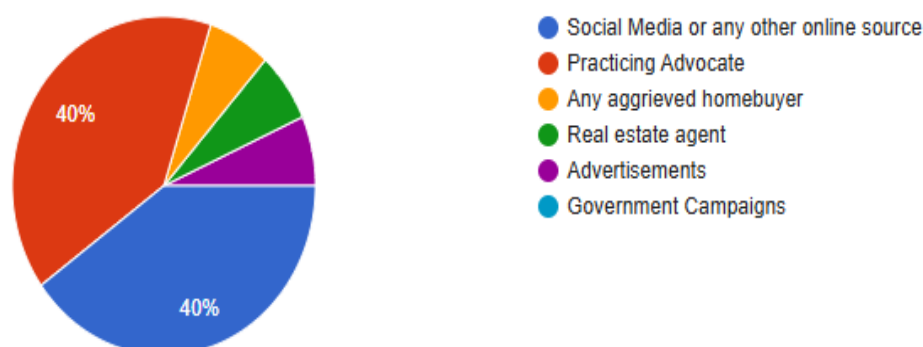
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<sup>35</sup> M.H. Krieger, Corruption and the Culture of Real Estate Development, 13 Bus. & Prof. Ethics J. 19 (1994), <http://www.jstor.org/stable/27800948>.

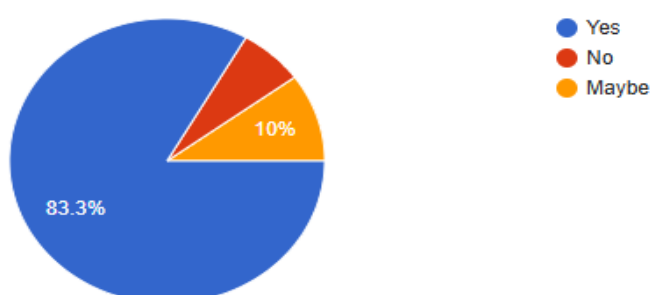
<sup>36</sup> RERA for Everyone Real Estate (n.d.), <https://books.google.co.in/books?id=xhEDwAAQBAJ&lpg=PA1&ots=ZQQeVsNpSG&dq=compensation%20in%20rera%20law&lr&pg=PA2#v=onepage&q=compensation%20in%20rera%20law&f=false>.

<sup>37</sup> Anamya Sharma & Kshitij Pasricha, Status Quo of RERA in Indian Real Estate, 3 Int'l J. L. Mgmt. & Human. 796 (2020).

strong as it should be as only a few respondents knew about the entity through the government campaigns.

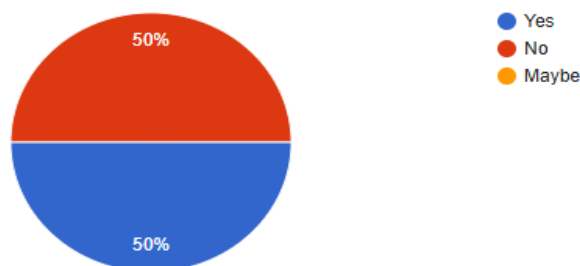


- b. On being questioned about the awareness of the provision or the rights the RERA and its Act extends, 83.3% people responded in affirmative. However, the rights come in picture when a subsequent cause of action arises and the homebuyers turn into aggrieved homebuyers.

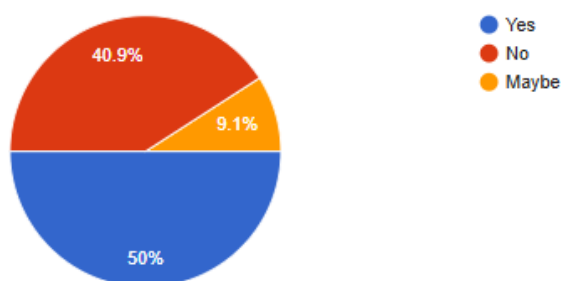


- c. The respondents on being asked about filing cases with HRERA have not considered filing even on being aware about RERA due to their hesitance regarding its provisions led by many unknown assumptions. It shows that despite creating public awareness, the campaigns have not resulted in generating confidence in beneficiaries.





A lot of respondents do show positive responses on their knowledge about approaching consumer courts even after filing a complaint under RERA if they are dissatisfied with the resolution.

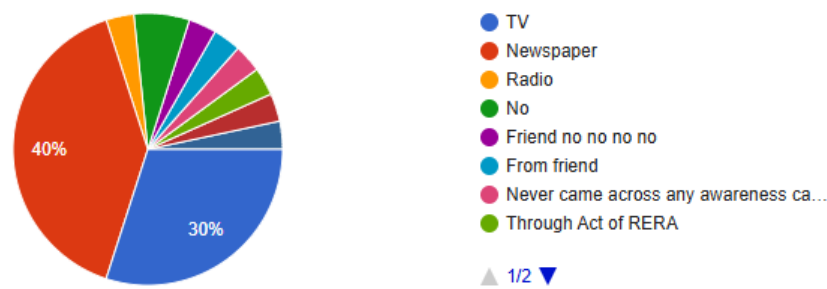


This question pertained to the awareness about the right to withdraw from the project in case of any violations by the developer and half of the respondents responded positively.

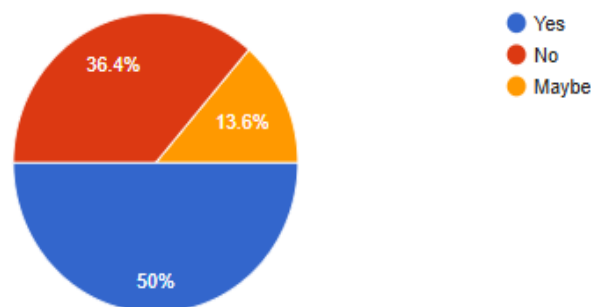
### ***How effective have public awareness campaigns been in educating stakeholders about HRERA?***

- a. The government plays the most nuanced role in terms of spreading awareness among homebuyers and the overwhelming demand of housing spaces increases the need of such campaigns to intervene.<sup>38</sup> The research question addresses the role of such governmental interventions among homebuyers.

<sup>38</sup> S.K.S. Yadava & Renuka Itoria, Impact of Government Policies on Real Estate Consumer Buying Behaviour: (With Special Reference to RERA & Affordable Housing), 8 Int'l J. Trade & Com. – IIARTC (2019), [https://d1wqtxts1xzle7.cloudfront.net/60782501/IJTC\\_V8\\_N1\\_FINAL20191003-25050-136tll-libre.pdf](https://d1wqtxts1xzle7.cloudfront.net/60782501/IJTC_V8_N1_FINAL20191003-25050-136tll-libre.pdf).

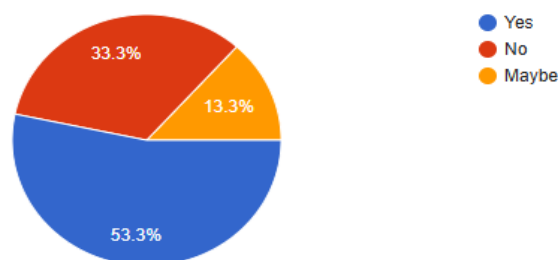


- b. This graph shows the knowledge of RERA spread across the population through government campaigning. The question aimed to identify the amount of awareness these campaigns have been able to impart.



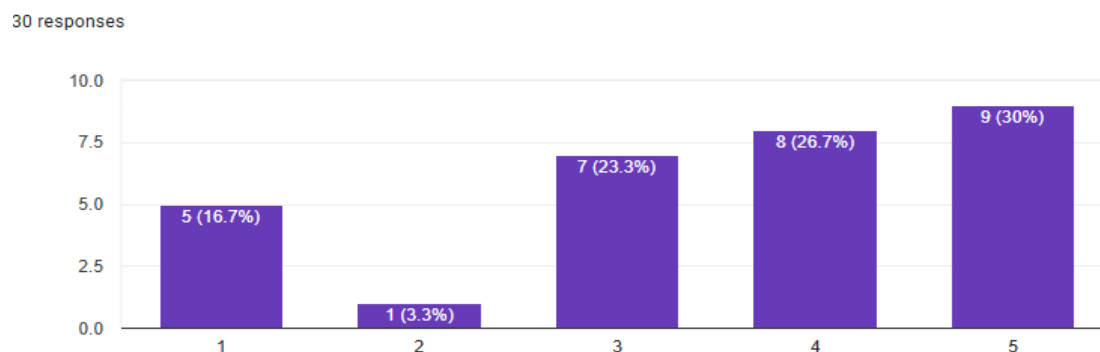
This pie chart indicates the question of whether people were aware of how RERA established the Real Estate Regulatory Authority and an Appellate Tribunal to resolve the dispute within 60 days as a mandate under the law, and only 50% of people showed prior knowledge about the same.

- c. While almost 53.3% of people show awareness about the RERA website and its functions, it is concerning how 46.6% of inhabitants complaining about RERA are devoid of any information.



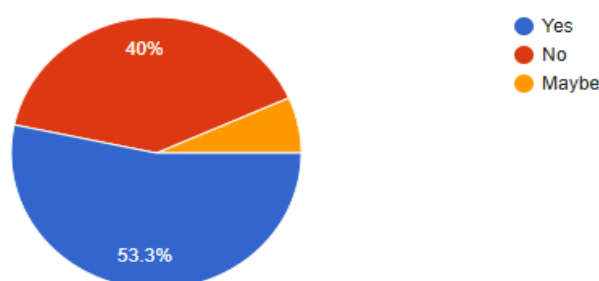
Thus, as a result most of the respondents find the campaigns majorly effective in explaining

the buyers their rights and protection under HRERA as they have rated in the following response chart however, the opinions remain divided with 16.7% people who are highly dissatisfied with the awareness campaigns.



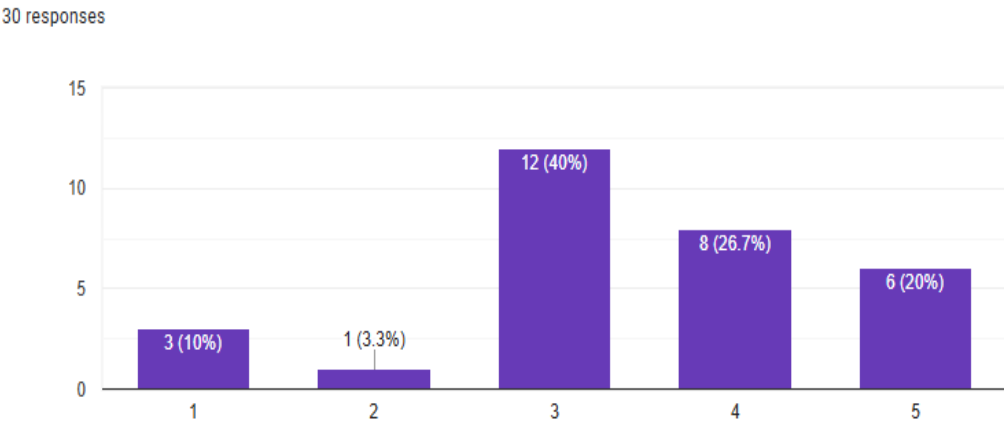
***What role does the RERA portal plays in enhancing awareness and accessibility for homebuyers and agents?***

- a. These responses are indicative that the buyers visit the HRERA portal to access information about the registered projects or developers and the responses are mostly negative.

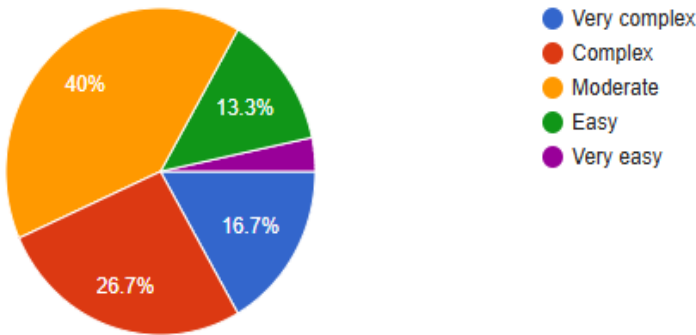


- b. These responses have been based on the question to find out whether the HRERA online portals are user-friendly, and the respondents have rated the portal, where most of them have responded moderately to it.

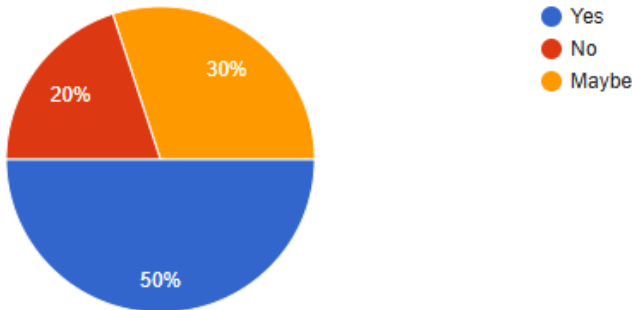
On being asked, the respondents showed their concern for the portal not being as user-friendly as it should be. On the contrary, the data also suggests that the buyers are frequently visiting the portal in order to seek redressal of their disputes and no respondent had not visited the portal.



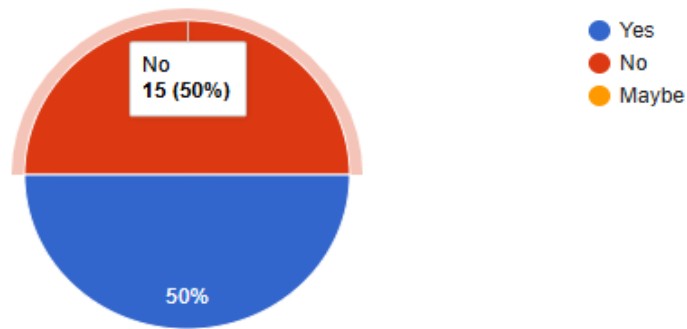
- c. A handful respondents find the documentation process of RERA complex which indicates that the mere documentation and evidence procedure being complex makes it difficult for people to access the RERA procedures easily.



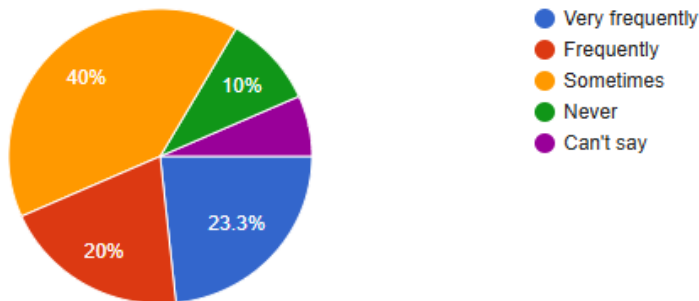
- d. On being questioned about the portal being regularly updated with accurate and relevant information, the respondents showed ambiguous responses briefly indicating their suspicion in saying so.



- e. The majority respondents show reluctance in filing complaints using the RERA portal.

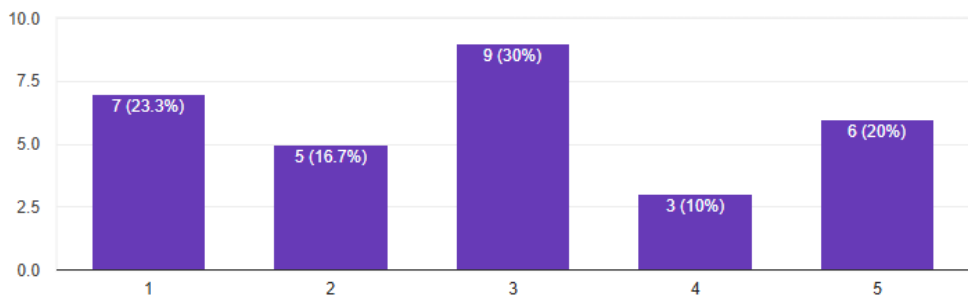


f. On being asked, the view was that the complex language of the Orders of the Tribunal makes it a hassle for respondents to understand, often requiring legal assistance for the same, and thus they do not consider visiting the site often.



g. The respondents on being inquired whether the portal provide clear details regarding the status of their project subsequently rated the portal as given above. Most of the respondents are unhappy with the portal and those who have rated positively are either legal practitioners or highly educated individuals who are able to understand complex legal language.

30 responses

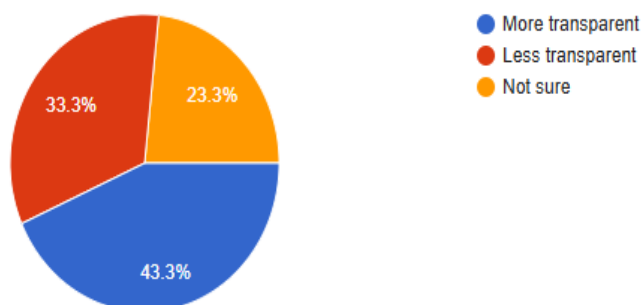


## Effectiveness of HRERA Implementation

### *Whether HRERA has impacted the transparency of real estate transactions?*

The real estate transparency in India has risen up by 5 ranks from 36<sup>th</sup> to 31<sup>st</sup> in 2024<sup>39</sup>. But, does this actually creates a real impact to the consumers of RERA is unknown.

The majority of respondents who, when inquired about their complaint filing procedure through the instant RERA portal showed negative responses indicating the lack of transparency and effort by the present authorities to take initiative steps to smoothen the lives of aggrieved people.



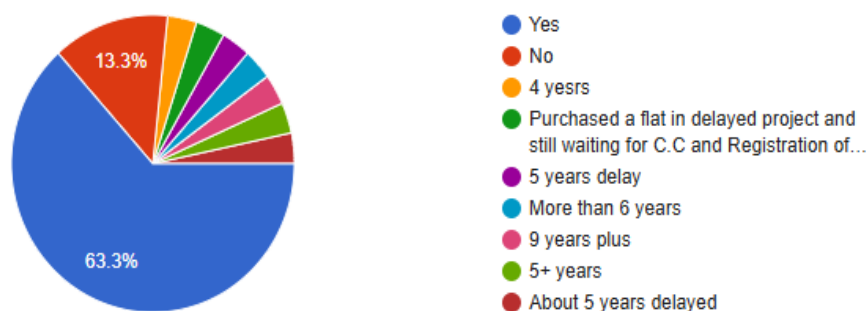
### *Has HRERA successfully reduced project delays?*

RERA has its own causes and effects to justify the project delays<sup>40</sup>. Most of the time, these delays are denied on the pretext of preventing RERA's failure.

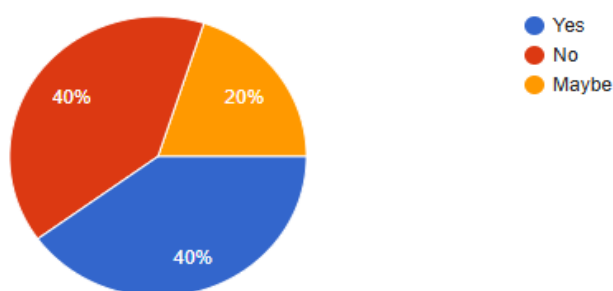
- a. A lot of respondent report delays in their projects and the subsequent details and time frame of such delays.

<sup>39</sup> Maxadmin, Trust & Transparency Are Paving a New Future for India's Real Estate – Max Estates (Jan. 17, 2025), <https://maxestates.in/why-transparency-matters-in-a-real-estate-property>.

<sup>40</sup> A.P. Udasi & M.M. Darade, Delays in Construction Projects: Causes, Effects and Impacts of RERA, 3(7) Int'l J. for Rsch. Trends & Innovation 190 (2018), <https://www.ijrti.org/papers/IJRTI1807029.pdf>.

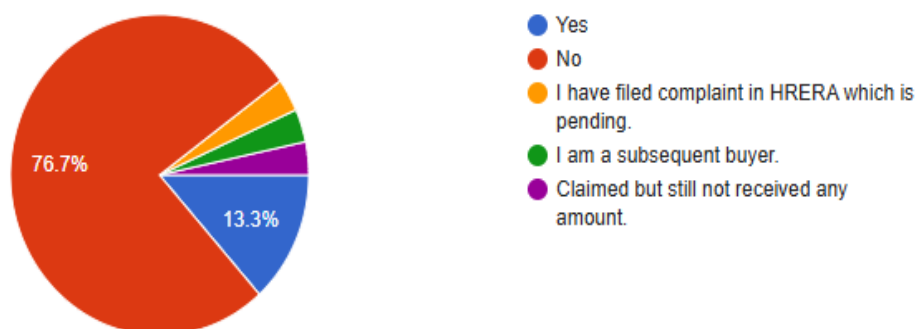


- b. The respondents show a lack of belief in RERA to provide sufficient penalties for delayed projects as 40% respond in negative.

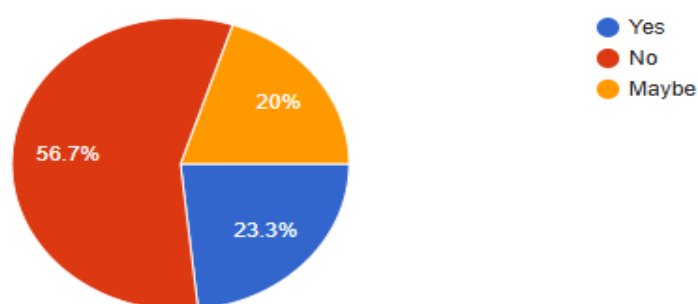


It has been held by the Hon'ble Supreme Court of India in the case of '*M/s. Newtech Promoters and Developers Pvt. Ltd. vs. State of U.P. and others*<sup>41</sup>' that the language of the statute is clear and unambiguous in nature and accordingly, it is retrospective in operation which was consciously enacted by the Parliament to ensure the interests of the consumers. Thus, it negates the contention of the promoters regarding the contractual terms having an overriding effect over the retrospective applicability of the Act. This shows that the promoters are bound to pay the compensation in cases of delay in the projects which were started before RERA was born. A lot of respondents show negative response that they have not been able to claim any compensation from the authorities of RERA and the process is acutely delayed.

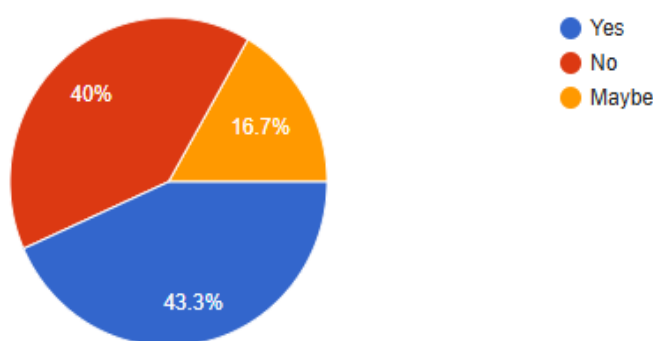
<sup>41</sup> *Newtech Promoters & Developers Pvt. Ltd. v. State of U.P.*, Civil Appeals Nos. 6745–6749 of 2021, 2021 (11) ADJ 280 (India).



- c. The respondents have also negatively responded to the RERA's compliance with the 60-day timeframe that it has to follow.



- d. This question pertained to the awareness among the people about their legal recourse in RERA and a lot of them show a negative response regarding the same.

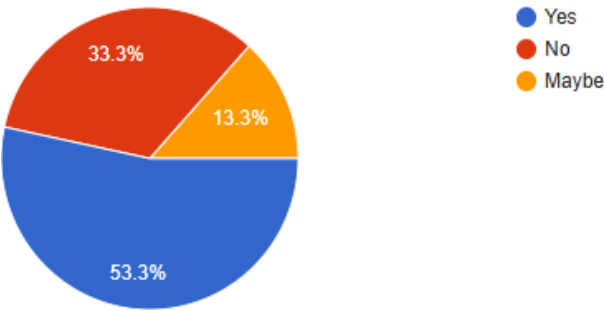


***What is the perceived effectiveness of the HRERA in ensuring compliance with the Act?***

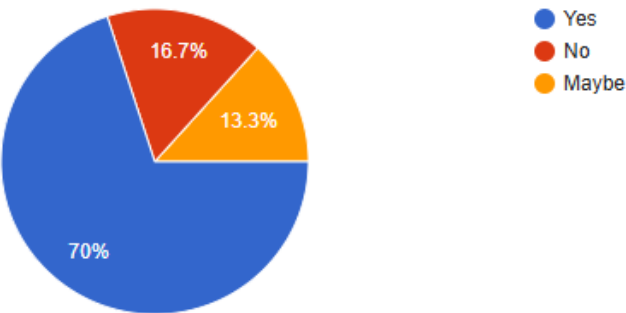
- a. This graph shows that not many people remain aware of how RERA mandates developers to rectify the structural defects within 5 years of possession, and subsequently perceive its effectiveness to be very shallow. The respondents were concerned about transparency when the project is at the very least registered on the official site. However, the plight of homebuyers reveals that the projects which were



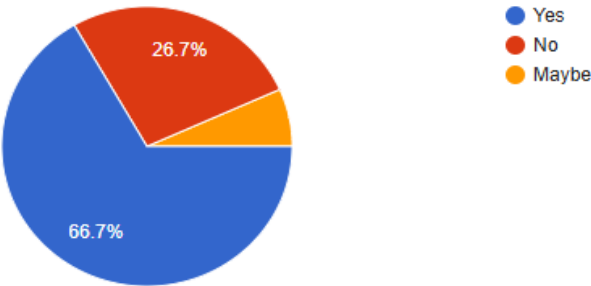
initiated back in 2010 have not been registered yet, or their licenses have been cancelled. The dampen reality is that both the developers and the Authority has been paralysed with no relief to the homebuyers.



- b. The question herein addressed the awareness of the buyers relating to their awareness of all real estate projects exceeding 500 square meters or 8 apartments to be registered with RERA and 70% showed positive responses.

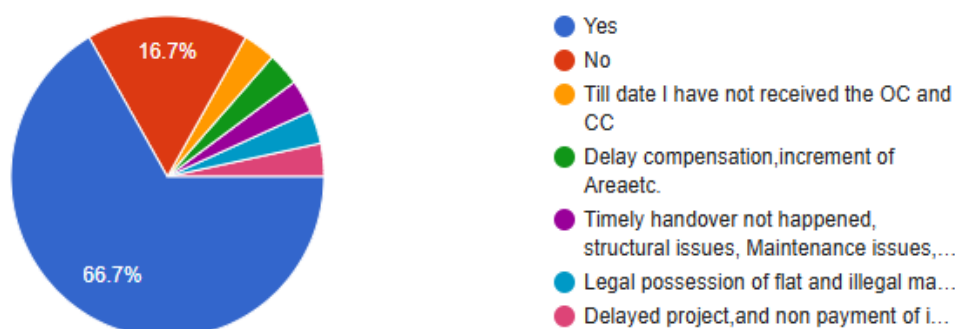


- c. The respondents were also mostly aware on being asked if they knew that the developers cannot charge buyers for the super-built-up area and must charge only for the carpet area.

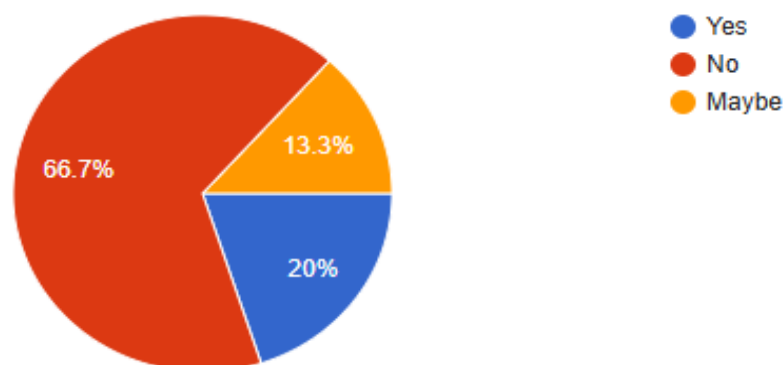


***Whether the developers in Haryana are adhering to the mandatory registration and disclosure requirements under HRERA?***

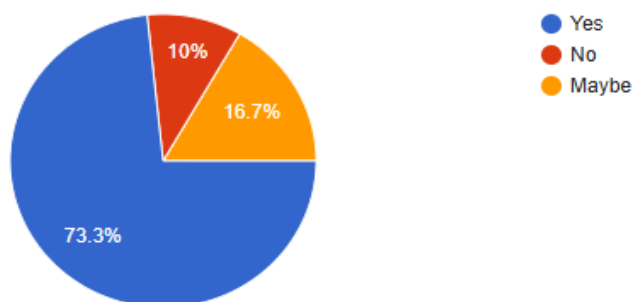
- a. The respondents on being asked listed their most commonly arising disputes where majority claim to be involved in delayed compensation and increment of carpet area, structural issues and untimely disposals of the project, maintenance issues, legal possession of the flat not handed over to the buyers even after payment of the full money and non-payment of interests by the developer even after the mandate of the Tribunal.



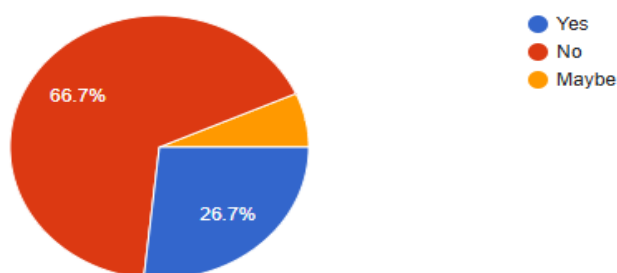
- b. The respondents responded negatively to their developer actively communicating their project progress, maintaining transparency, and accountability.



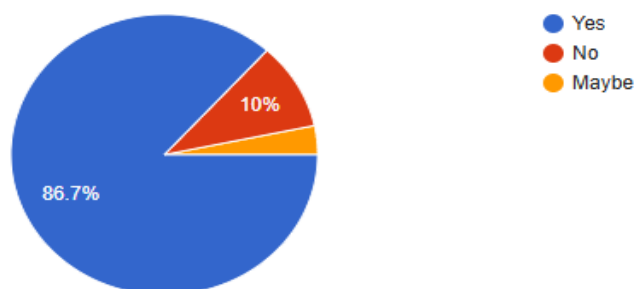
- c. This question asked the respondents about their awareness regarding the RERA making it mandatory for developers to include key details such as payment schedules and completion timelines in the builder buyer agreement, and most of them were aware; however, they were helpless.



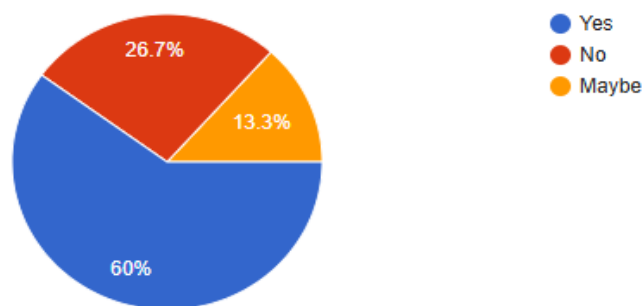
- d. A majority of respondents also refused that their developers acquainted them to the accurate information about the carpet areas, project timelines, and approvals at the time of their purchase. In most of the cases the carpet areas of the flats were increased fraudulently and in turn put an extra financial burden on the shoulders of the buyers.



- e. The respondents responded positively on the fact that they have encountered hidden charges or false promises from developers non-complying to the Act or their duty.



- f. 60% of respondents also seem to be aware of the RERA provisions requiring developers to deposit 70% of project funds in a dedicated escrow account to prevent misuse.

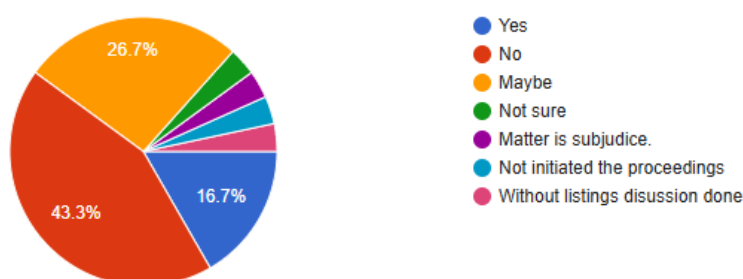


## Dispute Resolution under HRERA

### *How efficient is the dispute resolution mechanism of HRERA?*

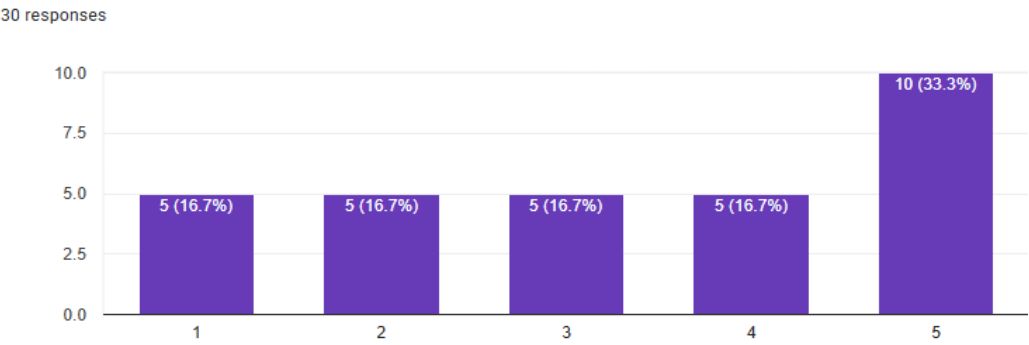
- a. The majority of respondents have shown their dissatisfaction on the question about RERA's effectiveness in resolving disputes. In some cases, the buyers were furious as HRERA failed to initiate the necessary proceedings in order to safeguard their rights. The Tribunal passed the orders without listening to the merits of the case and without proper discussions being done.

In '*Execution Order authored by HRERA case vide Complaint No. 613 of 2022 dated 31.03.2025*'<sup>42</sup> the Adjudicating Officer (AO) himself disclosed that the forum in execution has approximately 1387 executions pending, and around the same number is expected to be received back. Besides, he has other quasi-judicial work to perform with regard to the grant of compensation and interest, making it humanly impossible to give shorter dates for execution hearings.

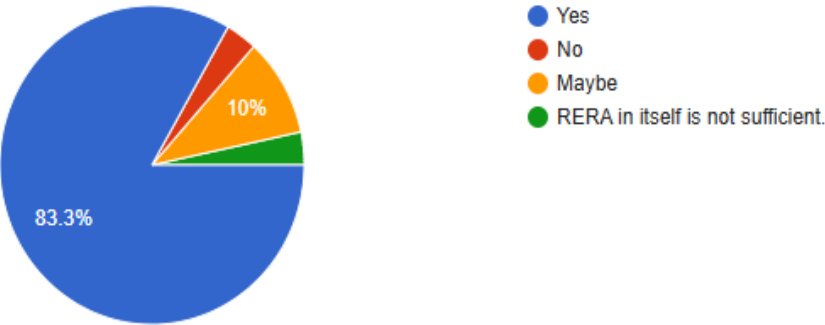


- b. The respondents show clear disagreement on advising others to adopt the legal recourse through RERA which clearly indicates their lack of trust in the efficiency of RERA.

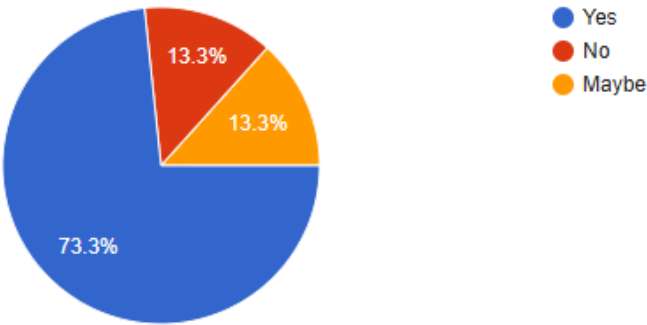
<sup>42</sup> Annexure 1 at pg.-3



- c. A lot of respondents (approx. 83.3%) also believe that RERA’s effectiveness could boost through its collaborative effort with the consumer forums or civil courts for better functioning and timely addressal of grievances.

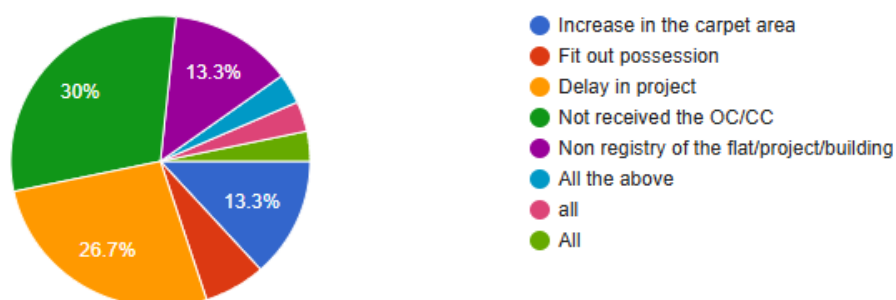


- d. The respondents show a positive awareness and response to their knowledge on claiming compensation or a refund for project delays, along with interest through the RERA.

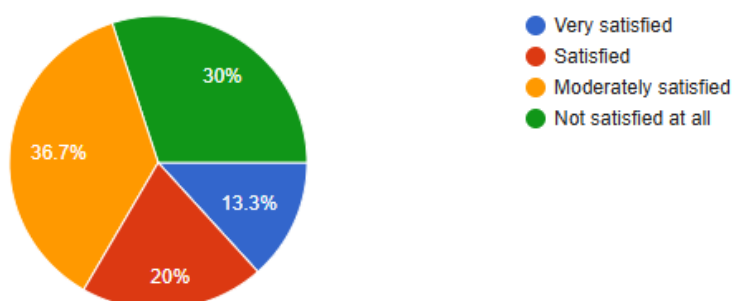


### ***What are the most common grievances filed by homebuyers under HRERA?***

This question acknowledges the most commonly raised grievances. The most common area of concern was the delay in projects and the buyers not receiving the Occupation Certificate and the Completion Certificate without which the buyers face challenge with the registry of the projects.



### ***Whether the homebuyers are satisfied with the resolution timelines provided by HRERA?***



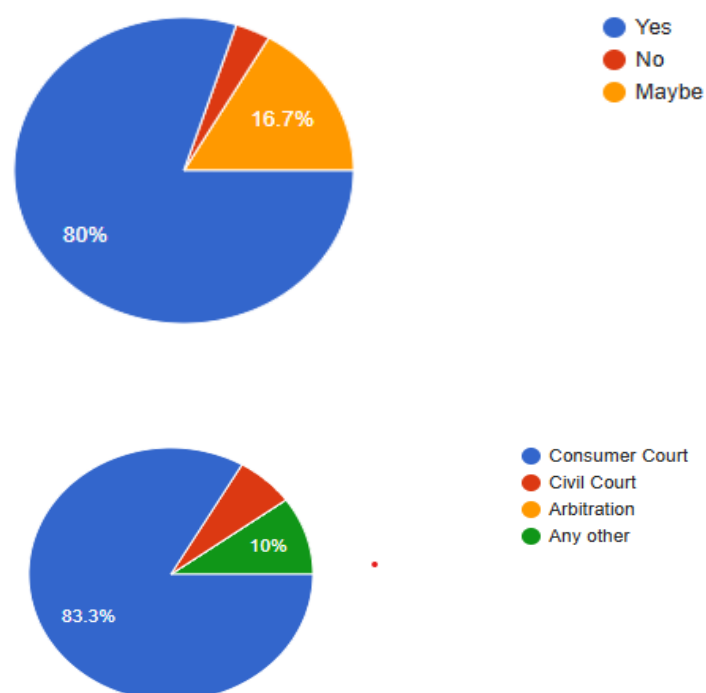
The satisfied buyers are only 13.3% of the total respondents which is greatly concerning for an authority which has been in place for nearly a decade now.

### ***What are the alternative legal remedies adopted by the homebuyers who are dissatisfied by HRERA's dispute redressal mechanism?***

On being questioned about an alternate remedy, most of the people show resistance due to the time factor. The buyers think that if provided with an alternative recourse, they would resort to the alternatives rather than keep trying in vain with HRERA, going for the options which included Consumer Courts, Civil Courts and Arbitration over HRERA.

It was held by the Hon'ble SC in the case of '*M/s. Imperia Structures Ltd. Vs. Anil Patni*<sup>43</sup>' that RERA and CPA are two different legislations and despite pending cases in RERA, consumer forums will always have the power to entertain cases and homebuyers will always qualify as complainants as per the definition mentioned under the Consumer Protection Act, upholding the decision of the National Consumer Dispute Redressal Commission.

It is concerning that the Act provides for the establishment of the Real Estate Regulatory Authority and the Real Estate Appellate Tribunal in every state, which means that there is no central Appellate Tribunal to hear the cases<sup>44</sup>. Thus, a dispute that arises out of a project registered under a particular authority has to be registered in a particular state, as a result of which a person who lives in Tamil Nadu but has a dispute regarding a property in Haryana has come all the way to Haryana in order to get the dispute addressed. Furthermore, the Act lacks a mechanism for online redressal of disputes. This is where CPA, 2019 comes into play. District Consumer Dispute Redressal Commission are present in every district which provides an aggrieved buyer a sigh of relief to file a complaint at his convenience.

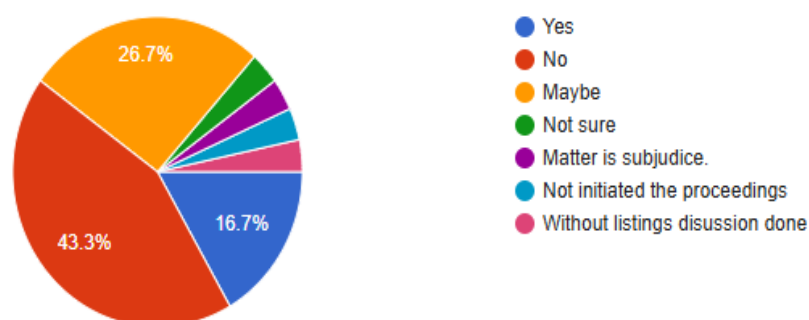


<sup>43</sup> *Imperia Structures Ltd. v. Patni*, Civil Appeals Nos. 3581–3590 of 2020 (India Nov. 2, 2020).

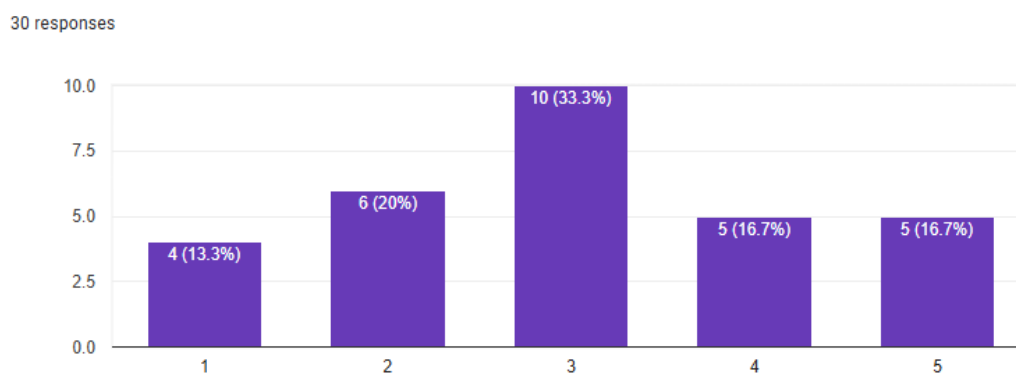
<sup>44</sup> S. Debnath, *Huge Backlog of Cases in the Real Estate Sector: Time for a Re-Look at RERA?* Ctr. for Bus. & Fin. Laws, Nat'l L. Univ. Delhi (July 26, 2023), <https://www.cbflnludelhli.in/post/huge-backlog-of-cases-in-the-real-estate-sector-time-for-a-re-look-at-rera>.

## Impact on Consumers of Real Estate

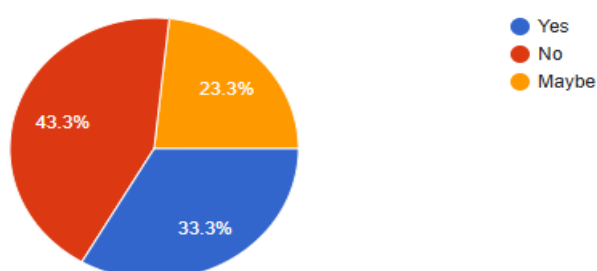
*Has HRERA improved homebuyer confidence in investing in Haryana's real estate sector?*



The respondents have not shown any viable and positive responses, even when they were asked whether RERA has effectively and satisfactorily solved their grievances. Moreover, 43.3% of respondents think that the pre-RERA and the post-RERA situations have not changed much.

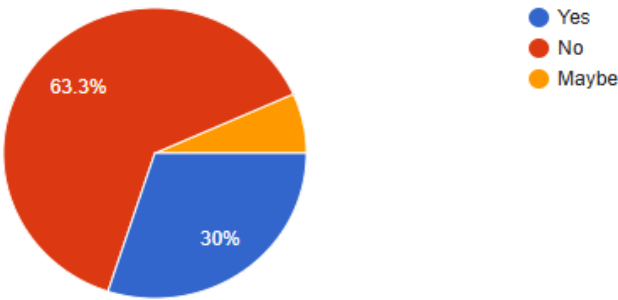


A dissatisfaction can be gauged on asking the respondents about their confidence in investing in RERA.



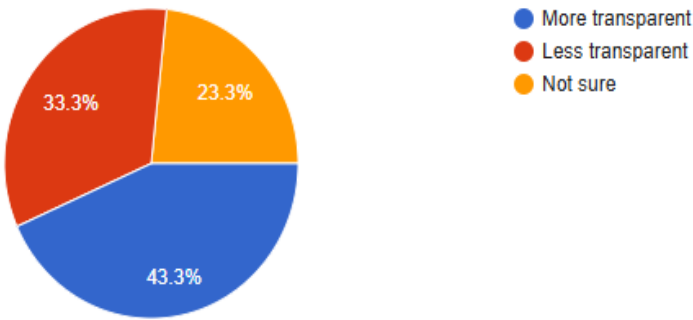


The respondents have also responded negatively on usefulness of the role of real estate agents in helping to assess the RERA and its legal provisions in furthering a complaint.

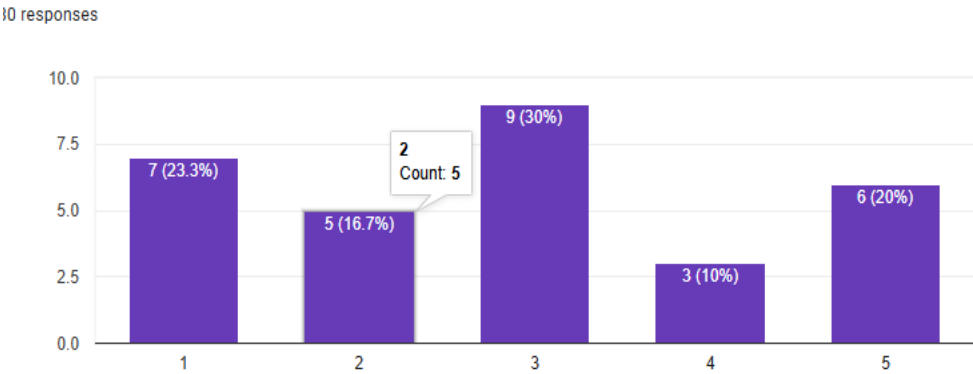


**To what extent has HRERA helped in protecting homebuyers from fraud and malpractices in Haryana?**

31.8% of respondents show HRERA showing lesser transparency even when the Act is in swing and is implementable.



The respondents have rated the HRERA on its policy of providing information and whether is it sufficient to understand how RERA protects homebuyers and all of them have given moderate responses on the same.



## CHALLENGES

### Regulatory Gaps

- Section 4 of the Act<sup>45</sup> lays down a statutory mandate for a project to receive a Commencement Certificate (CC) to qualify for registration with the RERA. This prerequisite is important to receive funds from the buyers. However, the interviews suggested that there are instances where the developers are in practice of receiving funds without the CC.
- Another problem is posed by Section 18<sup>46</sup>. The language of S. 18 encourages the buyers to claim the compensation in the event of non-completion of the project with the desired time frame. This Section has resulted in generating a tendency amongst the buyers to push the completion of projects to seek interest over their principal amount.

### Awareness and Accessibility

- The homebuyers do not have adequate means of timely information, neither from the developers nor from the authorities, therefore, lacking the awareness, which ultimately hinders their accessibility.
- A lot of homebuyers are not made aware of their rights or the basic information that RERA itself mandates the developers to reveal, subsequently leading to malpractices and rampant fraud in the real estate sector.

### Impact on developers

- The time to complete the conveyance of the project is deemed very inappropriate. Section 17 of the Act<sup>47</sup> lays down the responsibilities of the promoters where a promoter must carry out the conveyance deed within 3 months of the Occupancy Certificate (OC) being issued. It was claimed by the RE agents that many times buyers with a malafide intent avoid the conveyance so that the builder remains a stakeholder of the project and could carry out repair and maintenance works for as long as possible. Thus, in the face

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<sup>45</sup> The Real Estate (Regulation and Development) Act, 2016, § 4, <https://www.indiacode.nic.in/show-data?sectionId=8628>.

<sup>46</sup> Id., § 18, <https://www.indiacode.nic.in/show-data?sectionId=8642>.

<sup>47</sup> Id., § 17, <https://www.indiacode.nic.in/show-data?sectionId=8642>.

of such behaviour, it becomes impractical for the developers to meet the 3 months timeline.

- The legislation appears to have a slight tilt towards the buyers, negating all concepts of equity. Section 14(3)<sup>48</sup> erroneously categorises structural defects and defects in workmanship as the same, which results in putting an extra burden on the promoters. The time to rectify them is the same: 5 years from the date of handing over the possession if such defect is brought to the promoter's attention.

### Effectiveness of Dispute Resolution Mechanism

- While *the provisions of* RERA sufficiently complement the Consumer Protection Act, which mandates it to be a more transparent, accountable and speedy institution, the dispute redressal mechanism is just another of its hectic and lengthy processes<sup>49</sup>.
- Even when people are aware, the law lacks stringent provisions for implementation under the Acts, making it difficult for people to avail their rights at the earliest. Arbitration and negotiation do not find enough space among buyers since the developers show reluctance to respond to the issues raised by the consumers. Furthermore, the consumers keep demanding an efficient system without having a suitable platform to raise their grievances on<sup>50</sup>.
- RERA should develop a robust mechanism for online disposal of disputes where the aggrieved homebuyers get a chance to attend the hearing at their convenience. Currently, there is no Central Appellate Tribunal to deal with the cases of Real Estate. Thus, with the advancement of technology the Authority should work towards the online redressal mechanism at a regular basis.

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<sup>48</sup> Id., § 14, <https://www.indiacode.nic.in/show-data?sectionId=8642>.

<sup>49</sup> Dr. Parineeta Goswami & Gurmanpreet Kaur, Real Estate Dispute Resolution: A Study of Remedies Available Under Real Estate Regulation Act and Consumer Protection Act (Jan. 7, 2025), <http://dx.doi.org/10.2139/ssrn.5085787>.

<sup>50</sup> S. Bharti, M.K. Chenchu & K.N. Jha, Revitalizing Real Estate: Decoding Disputes, Propelling Policies, and Pioneering Solutions, 16(4) J. Legal Aff. & Disp. Resol. in Eng'g & Constr. (2024), <https://doi.org/10.1061/jladah.ladr-1181>.

## **Compliance and Transparency**

- With the advancing digitalisation of all possible enactments and procedures<sup>51</sup> RERA is far behind. People still find it cumbersome to rely on RERA portals, and most of the developers do not legally comply with revealing important provisions. Normalising non-compliance then becomes a lacuna at the part of the authorities, leaving the consumers helpless.
- Consumers are devoid of any routine updates on their case status, and there remains a hindrance in communication. This creates a loophole for the beneficiaries of the Act to believe in the ineffectiveness of RERA, which blurs the line of trust in the system, leaving many issues unaddressed.

## **CONCLUSION AND RECOMMENDATIONS**

Though the Legislation was adopted to cater to the needs of aggrieved homebuyers in the real estate sector and to observe and register significant progress in giving a boost to consistent implementation across states, the doctrinal analysis conducted reflects altogether a different story. A significant majority remained dissatisfied with the enforcement of HRERA's provisions. They are of the view that there is a wide range of non-compliance with the framework, which lacks the true potential to safeguard homebuyers.

While RERA, and by extension HRERA, was adopted as a centric reformist tool but the broader dimensions are not that overwhelming.

Additionally, several projects are still not registered or their license has long been suspended by the Authority, but HRERA is still silent upon these serious issues, which expose the limitations that have failed to empower buyers.

- There must be inclusion of special third-party intermediaries that facilitate the completion of the projects, inspect the entire compliance and hand over the possession.
- As the Act has put structural defects and workmanship defects under the same basket, there should be a separation between the two and a period to rectify the reduction from

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<sup>51</sup> Ranjith Karat et al., *Transparency in Real Estate Sector in Digital India: A Study*, 21 *Empirical Econ. Letters* 139 (2022).

5 years to 1 year after the defects are brought to in notice of the promoter.

- The legislature must amend the language of the Act by enhancing the penal provisions and increasing the penalty on the promoters rather than encouraging the buyers to seek compensation.
- The statute of limitations and the time to claim compensation or a refund should be reduced to one year after the completion of the project.

Thus, the research substantiates the hypothesis that HRERA, despite its legislative intent, has not served the purpose of buyer protection, and there seems to be an urgent need to revamp the enforcement mechanism, without which HRERA risks becoming another regulatory body that acts as a mere illusion rather than shielding the investors.