

FAQs

1. Q. Which real estate project needs to be registered with RERA?

Ans: According to Section 3 of the Real Estate (Regulation and Development) Act, 2016, any real estate project where the area of land proposed to be developed exceeds 500 Sqmt or the number of apartments proposed to be developed exceeds eight in Planning/Special areas and plot area more than 2500 Sqmt in Deemed Planning Areas, inclusive of all phases is required to be registered with RERA.

2. Q. When can a promoter start advertising his project or accept booking for sale from people?

Ans: The promoter can do so after the project has been registered with the Real Estate Regulatory Authority as stipulated by Section 3 (1) of the Real Estate (Regulation and Development) Act, 2016.

3. Q. Can a promoter start work on his project before registration?

Ans: Yes. There is no bar on starting work on a project before registration in RERA. Promoter, however, cannot advertise or accept bookings from customers before registration.

4. Q. Do I need to register a project which is being developed for ownuse or for the purpose of giving it on rent?

Ans: No. A project needs to be registered only if it is being developed for selling it to others. The project need not to be registered if being developed for own use or for the purpose of giving it on rent.

5. Q. What documents does a promoter need to submit while applyingfor registration of a project?

Ans: A promoter needs to be conversant with Section 4 of the Real Estate (Regulation and Development) Act, 2016 and Rule 3 of the HP Real Estate (Regulation and Development) Rules, 2017 before filing an application for registration of a new project. In case of ongoing project, the promoter needs to submit additional documents. The details of which have been provided in Rule 4 of the HP Real Estate (Regulation & Development) Rules, 2017.

6. Q. In how many days an application for registration of a project needs to be disposed of by the Authority?

Ans: According to Section 5 (1) of the Real Estate (Regulation and Development) Act, 2016, the Authority shall, within thirty working days, grant registration or reject the application. Registration is granted only if all the requisite documents are submitted by the applicant.

7. Q. Can a promoter apply again for registration of a project if it has been rejected once by the Authority due to non-submission of documents?

Ans: Yes. A promoter may apply again for registration of the same project along with all the requisite documents. There is no bar on applying again for the registration of the same project once it has been rejected by the Authority.

8. Q. What details does promoter need to upload on the website regarding registered project?

Ans: Promoter needs to make available the following information regarding registered project on the website of the Authority:

- **Details of promoter** including profile of company, background of promoter, track record of promoter, details of litigation in the past five years in relation to the real estate projects developed by the promoter, web link of company, web link of project.
- **Details of the real estate project** including advertisement and prospectus of the project, authenticated copy of approvals and commencement certificate, the sanctioned plan, payout plan, details of registration granted by the Authority, details of the number, type and carpet area of the apartment available for sale, details of number and area of garages for sale, details of number of open parking, location, plan of development works to be executed in the project, details of amenities to be provided, project schedule with stage wise time schedule of completion of the project.
- **Financial details** of promoter including auditor's report, profit and loss account, balance sheet, cash flow statement/return of preceding three financial years.
- **Quarterly update** regarding number of flats and garages booked in the project, status of construction with photograph, approvals received, modifications, revisions, if any.
- **Details of approvals**, permissions clearances and proforma of application form, allotment letter, agreement for sale, authenticated copy of legal title over project land etc.

9. Q. What are the functions and duties of promoter?

Ans: The Real Estate (Regulation and Development) Act, 2016 has provisions mentioning the functions and duties of promoter. Promoters should be conversant with Sections 11 to 18 while executing a project. This would help in executing the project as per the Act. In addition to this, promoters should also be conversant with Rule 16 of HP Real Estate (Regulation and Development) Rules, 2017 in which detailed information to be provided by promoter has been given.

10. Q. Does a promoter need to maintain a separate bank account for each real estate project?

Ans: Yes. Promoter needs to maintain a separate bank account for every registered real estate project and 70% of the amount received from allottees shall be deposited in the earmarked bank account to cover the cost of construction and the land. Promoter shall withdraw the amount from the earmarked bank account to cover the cost of the project in proportion to the percentage of completion of the project.

11. Q. Can a promoter deviate from the sanctioned plan as approved by the competent authority?

Ans: According to Section 14 (1) of Real Estate (Regulation and Development) Act, 2016, the proposed project shall be developed and completed by the promoter in accordance with the sanctioned plans, layout plans and specifications as approved by the competent authority.

However, Section 14 (2) (ii) states that notwithstanding anything contained in any law, contract or agreement, after the sanctioned plans, layout plans and specifications and the nature of the fixtures, fittings, amenities and common areas of the apartment, plot or building, as the case may be, as approved by the competent authority, are disclosed or furnished to the person who agree to take one or more of the said apartment, plot or building, as the case may be, the promoter shall not make any other alterations or additions in the sanctioned plans, layout plans and specifications of the building or the common areas within the project without the previous written consent of at least two-thirds of the allottees, other than the promoter, who have agreed to take property in such building.

12. Q. What should you check before investing in any real estate project?

Ans: Please check the RERA registration no. of the project. It begins with the letters HPRERA before investing in any real estate project. It is advisable not to invest in any real estate project, which does not have RERA

registration as per Section 3 (1) of the RERD Act, 2016.

13. Q. What should you check in case the project is registered?

Ans: All the registered projects are supposed to maintain a website in which all the details related to the promoter, details of the project and details of projects developed by promoter in past five years are supposed to be uploaded. Please visit the website of RERA HP – <https://hprera.nic.in/> – and click the Project/Agent Dashboard i.e. <https://hprera.nic.in/PublicDashboard> then in the project tab type the name of the project to assess the background of the promoter and details of projects done by him in the past before investing.

14. Q. What is the booking amount one needs to pay while investing in any project?

Ans: Section 13 (1) of the Real Estate (Regulation and Development) Act, 2016 reads: “A promoter shall not accept a sum more than ten per cent of the cost of the apartment, plot or building as the case may be as an advance payment or an application fee from a person without first entering into a written agreement for sale with such person and register the said agreement for sale under any law for the time being in force.” Thus, the booking amount cannot be more than 10% of the project cost.

15. Q. What details a promoter is supposed to provide to a buyer at the time of booking and issue of allotment letter?

Ans: A promoter is supposed to provide copy of sanctioned plans, layout plans, along with specifications, approved by the competent authority, the stage wise time schedule of completion of the project, including the provisions for civic infrastructure like water, sanitation and electricity to the customer.

16. Q. What is the proforma of Agreement for Sale?

Ans: HP Real Estate (Regulation and Development) Rules, 2017 has provided a proforma of Agreement for Sale which needs to be used by promoters while entering into agreement for sale with an allottee. The proforma has been provided in the Form-L of the Rules. Promoters need to follow this proforma and any change is not permissible. Buyers should also satisfy themselves that the document in the – Proforma of agreement for sale – given by promoter is in conformity with the proforma given in Form-L of HP Real Estate (Regulation and Development) Rules, 2017.

17. Q. Who is responsible for obtaining completion/occupation certificate from competent authority?

Ans: According to HP TCP Building Bye laws, promoter is responsible for submitting the completion report prepared by empanelled architect or engineer to the competent authority from where project map had been approved and obtain the completion certificate from the same competent authority.

18. Q. Who is responsible for formation of association of allottees?

Ans: The promoter shall enable formation of an association/society/cooperative society as the case may be, of allottees and in absence of local laws, the association of allottees by whatever name called, shall be formed within a period of three months of majority of allottees having booked their plot or apartment or building as the case maybe in the project.

19. Q. Can a promoter cancel allotment?

Ans: Promoter may cancel the allotment only in terms and conditions of the agreement for sale. The allottee, however, may approach the Authority for relief if he is aggrieved by such cancellation and such cancellation is not in accordance with the terms and conditions of the agreement for sale, unilateral and without any sufficient cause.

20. Q. What are the rights and duties of allottees?

Ans: Rights and duties of allottees are as follows:

- To obtain information relating to sanctioned plans, layout plans along with the specifications, approved by the competent authority.
- To obtain information about stage-wise time schedule of completion of the project including provisions for water, sanitation, electricity and other amenities.
- Allottee shall be entitled to claim the possession of apartment/plot and the association of allottees shall be entitled to claim the possession of common areas.
- The allottee shall be entitled to claim the refund of amount paid along with interest as well as compensation of the promoter fails to comply or is unable to give possession of apartment/plot or buildings in accordance with the terms for agreement for sale.
- The allottee shall be entitled to have the necessary documents and plans, including that of common areas after handing over the physical possession of the apartment/plot.
- Every allottee, who has entered into an agreement for sale, shall be responsible to make necessary payments in the manner and within time as specified in the agreement.
- Every allottee of the apartment/plot or buildings shall participate towards formation of an association of allottees.

- Every allottee shall take physical possession of apartment/plot or buildings within a period of two months of the occupancy certificate issued.
- Every allottee shall participate towards registration of the conveyance deed of the apartment/plot or buildings.

21. Q. Can a promoter transfer or assign his majority rights and liabilities in respect of a real estate project to a third party?

Ans: The promoter can do so with written consent from two-third allottees, except the promoter, and with the written approval of the Authority. However, such transfer shall not affect the allotment or sale of the apartments, plots or buildings, as the case may be, in the real estate project made by the erstwhile promoter.

22. Q. How can a complaint be filed with the Authority for any violations under the Act?

Ans: Section 31 of the Real Estate (Regulation and Development) Act, 2016 provides for filing of complaint by an aggrieved person. According to this Section, any aggrieved person may file a complaint with the Authority or the Adjudicating Officer, as the case may be, for any violation of the provisions of the Act or the Rules and Regulations made thereunder against any promoter, allottee or real estate agent as the case may be.

23. Q. Who can file a complaint with the Authority for any violations under the Act?

Ans: Any aggrieved person including allottee, association of allottees, voluntary consumer association registered under any law and promoter can file a complaint with the Authority.

24. Q. What types of complaints may be filed with the Authority?

Ans: Any complaint in which compensation is not being sought may be filed with the Authority and it should be filed in Form 'M' as mentioned in the H.P. Real Estate (Regulation and Development) Rules, 2017.

25. Q. Does the Real Estate (Regulation and Development) Act, 2016 protect the allottees in case there is any structural or any other defect in workmanship, quality or provision of services or any other obligations of the promoter as per the agreement for sale?

Ans: Yes. According to Section 14 (3) of the Act, in case any structural

defect or any other defect in workmanship, quality or provision of services or any other obligations of the promoter as per the “agreement for sale” relating to such development is brought to the notice of the promoter within a period of five years by the allottee from the date of handing over possession, it shall be the duty of the promoter to rectify such defects without further charge, within thirty days, and in the event of promoter’s failure to rectify such defects within such time, the aggrieved allottees shall be entitled to receive appropriate compensation in the manner as provided under the Act *ibid.*.

26. Q. Can anyone act as real estate agent without getting registered with RERA?

Ans: No. People working as real estate agents need to register themselves with H.P. RERA for their work. Those willing to register themselves as real estate agents need to apply for registration along with the requisite fee. Details regarding documents which need to be submitted for registration of a real estate agent have been provided in Section 9 of Real Estate (Regulation and Development) Act, 2016 and Rule 9 of HP Real Estate (Regulation and Development) Rules, 2017.

27. Q. How much does a real estate agent need to pay as fee for getting registered with RERA?

Ans: The fee amount depends on the type of applicant. According to Rule 9 (2) of HP Real Estate (Regulation and Development) Rules, 2017 a sum of Rs 5,000 needs to be paid as fee in case the applicant is an individual and Rs 20,000 in case of the applicant being other than an individual.

28. Q. Does the term ‘real estate agent’ include web-portals engaged in selling of apartments or plots?

Ans: Section 2 (zm) of the Act has defined the term ‘real estate agent’ in a very broad and inclusive manner and covers all form of agencies involved in sale and purchase of projects, registered under the Act. Hence, web-portals and similar platforms engaged in selling apartments or plots are also covered under the Real Estate (Regulation and Development) Act, 2016 and are required to comply with the duties and responsibilities as provided therein in the Act and Rules.

29. Q. What is the punishment prescribed for non-registration of a project under the Act?

Ans: As per Section 59 of the Act, if any promoter contravenes provisions of Section 3 of the Act, which deals with registration of projects, he shall be

liable to a penalty which may extend up to ten per cent of the estimated cost of the real estate project as determined by the Authority.

Also, if any promoter does not comply with the orders, decisions or directions issued by the Authority and continues to violate the provisions of Section 3, he shall be punishable with imprisonment for a term which may extend up to **3 years** or with fine which may extend up to a further **ten per cent** of the estimated project cost or with both.

30. Q. What is the penalty prescribed for violation of other provisions of the Act by the promoter?

Ans: As per Section 61 of the Act, if any promoter violates any other provisions of the Act or the Rules and Regulations made thereunder, he shall be liable to pay a penalty up to five per cent of the estimated cost of the real estate project.

31. Q. What is the penalty prescribed for non-compliance of the orders of the Authority by the promoter?

Ans: Section 63 of the Act deals with this aspect and it says that if any promoter fails to comply with the orders or directions of the Authority, he shall be liable to a penalty for every day during which such defaults continues, which may cumulatively extend up to five per cent of the estimated cost of the real estate project.

32. Q. What is the penalty prescribed for non-compliance of the orders of the Authority by a real estate agent?

Ans: According to Section 65 of the Act, if any real estate agent fails to comply with the order or direction of the Authority, he shall be liable to a penalty for every day during which such default continues, which may cumulatively extend up to five per cent of the estimated cost of plot, apartment or building, as the case may be, of the real estate project for which the sale or purchase has been facilitated and as determined by the Authority.

33. Q. Can the Authority revoke the registration of a real estate project?

Ans: Yes. According to Section 65 of the Act the Authority may, on receipt of a complaint or suo motu in this behalf or on the recommendation of the competent authority, revoke the registration of a project after being satisfied that –

- Promoter makes default in doing anything required by the Act or

Rules and Regulations made thereunder.

- Promoter violates any of the terms or conditions of the approval given by competent authority
- Promoter is involved in any kind of unfair practice or irregularities.
- Promoter indulges in any fraudulent practices.

34. Q. What is the obligation of Authority consequent upon lapse of or on revocation of registration?

Ans: Upon lapse of registration or on revocation of the registration under this Act, the Authority may consult the appropriate Government to take such action as it may deem fit including carrying out of the remaining development works by competent authority or by the association of allottees or in any other manner, as may be determined by the Authority.

Provided further that in case of revocation of registration of a project, the association of allottees shall have the first right of refusal for carrying out of the remaining development works.

35. Q. Can an allottee be also penalised by the Authority?

Ans: Yes. According to Section 67 of the Act, if any allottee fails to comply with the order of directive of the Authority, he shall be liable to a penalty for the period during which such default continues, which may cumulatively extend up to five per cent of the plot, apartment or building cost, as the case may be, as determined by the Authority.

36. Q. If you are a promoter, real estate agent or allottee, do you need to make yourself conversant with the relevant provisions of Real Estate (Regulation and Development) Act, 2016 and HP Real Estate (Regulation and Development) Rules, 2017?

Ans: Yes. The knowledge about the Act and Rules would help you in knowing your rights and duties related to real estate projects. The Act and the Rules are available on the website of RERA HP – <https://hprera.nic.in> - under the head Act and Rules. You can download the document for free to make yourself conversant with the Act and Rules. You can also buy book from the market.

37. Can general public access HPRERA website?

Ans. Yes anyone can access the website by clicking on the given link i.e. <https://hprera.nic.in/>

38. How can a promoter register a real estate project on HPRERA?

Ans. A Promoter can register their real estate project online on HPRERA website, after the necessary approval from Competent Authority i.e. MC, TCP, SADA etc. The registration can be done after creating a Promoter User account using the following link i.e. <https://hprera.nic.in/Accounts/SignUp?Section=1> and then apply to register project from their (Promoter) dashboard.

39. How can an agent register on HPRERA?

Ans. An Agent can register in HPRERA by creating an agent user account using the following link i.e. <https://hprera.nic.in/Accounts/SignUp?Section=2> and then apply to register agent from their (Agent) dashboard.

40. How can anyone search HPRERA registered projects?

Ans. HP RERA registered project can be searched using this link i.e. <https://hprera.nic.in/PublicDashboard> . There are different search options available to enable the user to search the projects as per their convenience and choice.

41. Can decisions taken by authority be accessed by everyone?

Ans. Yes, anyone can see/view the Judgement, Interim Order passed by the Authority by clicking on the following link i.e. <https://hprera.nic.in/Home/ReraJudgements?qs=h/yhm1mKjnAXnoO5Wns0vwL8PS+RKFMo1dTazcaDhgGNylIBTKwB0+Rm2NKi0W0l>

42. How to file a complaint in HPRERA?

Ans. Any aggrieved person/ allottee can file a complaint online on HPRERA website by using following link <https://hprera.nic.in/Accounts/SignUp?Section=3>