



Impact of MAHARERA Act 2016 on Real Estate Business in Nagpur City

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Abstract: The Maharashtra Real Estate Regulatory Authority (MAHARERA) Act, 2016 is a significant legislation enacted by the Government of Maharashtra, India, to regulate the real estate sector in the state. The Act provides a comprehensive set of regulations and guidelines for the registration, development, sale, and management of real estate projects in Maharashtra. It covers various aspects, including the registration of real estate agents and developers, disclosure of project details, financial safeguards, rights and obligations of homebuyers, the establishment of appellate tribunals, and dispute resolution mechanisms. One of the key features of the MAHARERA Act is the establishment of the Maharashtra Real Estate Regulatory Authority, which serves as the regulatory body responsible for the implementation and enforcement of the Act. The Authority ensures the registration of real estate projects and agents, monitors project progress, resolves disputes, and imposes penalties for non-compliance. The MAHARERA Act emphasizes transparency and accountability in the real estate sector by mandating the registration of all real estate projects with the Authority, requiring developers to disclose project-related information such as land titles, project plans, approvals, and timelines for completion. This provision aims to provide buyers with accurate and reliable information to make informed decisions while purchasing properties. This paper is designed in the context of an important component of the MAHARERA Act. These include land developers' builders and consumer, agents. The MAHARERA Act has come into existence with a view to converting the largest economic component of the unorganized sector into an organized sector. Under this, primary and secondary information was collected for this research writing, primary information was collected from Nagpur city and secondary information from various research articles have been reviewed in national and international as well as the MAHARERA website and various related literature. Using the simple random sampling method, data were collected from 140 respondents home buyers land developers' builders, and agents.

Keywords: Dispute Resolution Mechanism, financial safeguards, Investor, MAHARERA Act, Project Delays.



Introduction: The Maharashtra Real Estate Regulatory Authority (MAHARERA) Act, 2016 is a significant legislation enacted by the Government of Maharashtra, India, to regulate the real estate sector in the state. The Act was introduced with the objective of promoting transparency, accountability, and efficiency in the real estate industry and protecting the interests of homebuyers and investors. The MAHARERA Act is based on the Real Estate (Regulation and Development) Act, 2016 (RERA), which was enacted by the Government of India to establish a uniform regulatory framework for the real estate sector across the country. However, each state in India has the authority to establish its own regulatory authority to implement the provisions of RERA, leading to the creation of MAHARERA for the state of Maharashtra.

The Act provides a comprehensive set of regulations and guidelines for the registration, development, sale, and management of real estate projects in Maharashtra. It covers various aspects, including the registration of real estate agents and developers, disclosure of project details, financial safeguards, rights and obligations of homebuyers, the establishment of appellate tribunals, and dispute resolution mechanisms.

One of the key features of the MAHARERA Act is the establishment of the Maharashtra Real Estate Regulatory Authority, which serves as the regulatory body responsible for the implementation and enforcement of the Act. The Authority ensures the registration of real estate projects and agents, monitors project progress, resolves disputes, and imposes penalties for non-compliance. The MAHARERA Act emphasizes transparency and accountability in the real estate sector by mandating the registration of all real estate projects with the Authority, requiring developers to disclose project-related information such as land titles, project plans, approvals, and timelines for completion. This provision aims to provide buyers with accurate and reliable information to make informed decisions while purchasing properties.

Furthermore, the Act includes provisions to protect the interests of homebuyers by prohibiting misleading advertisements, ensuring timely delivery of projects, providing mechanisms for grievance redressal, and establishing an appellate tribunal to adjudicate disputes between developers and buyers.



The MAHARERA Act has brought about significant changes in the real estate landscape of Maharashtra by enhancing transparency, accountability, and consumer protection in the sector. It has empowered homebuyers with rights and avenues for redressal, while also establishing a framework for fair and ethical practices among developers and real estate agents. Overall, the MAHARERA Act plays a crucial role in regulating the real estate sector in Maharashtra, ensuring that it operates in a transparent and accountable manner, and safeguarding the interests of homebuyers and investors.

Consumer Protection: The Act prioritizes the protection of homebuyers' interests by ensuring transparency, fairness, and accountability in real estate transactions. It establishes mechanisms for addressing grievances, resolving disputes, and providing timely possession of properties, thereby safeguarding the rights of homebuyers.

Transparency and Disclosure: The MAHARERA Act mandates the registration of real estate projects with the regulatory authority, ensuring that developers provide comprehensive information about their projects. This promotes transparency in the sector and enables buyers to make informed decisions based on accurate project details, including timelines, plans, and approvals.

Reducing Project Delays: The Act places emphasis on the timely completion of real estate projects. Developers are required to adhere to declared project timelines, and failure to do so can result in penalties. This provision aims to minimize project delays and instil greater confidence among homebuyers.

Standardized Practices: The MAHARERA Act establishes uniform guidelines and regulations for the real estate sector in Maharashtra. It sets forth consistent practices, procedures, and norms for project registration, documentation, and financial management. This ensures a level playing field for developers, enhances industry professionalism and promotes a healthy business environment.

Dispute Resolution Mechanism: The Act establishes the Maharashtra Real Estate Appellate Tribunal and empowers the regulatory authority to resolve disputes between developers and homebuyers. This provides an efficient and specialized platform for dispute resolution, reducing the burden on the judicial system and enabling faster resolution of real estate-related conflicts.



Accountability of Developers: The MAHARERA Act imposes strict obligations on developers to comply with the rules and regulations governing the real estate sector. It holds developers accountable for the delivery of promised amenities, quality construction, and adherence to approved plans. This accountability fosters trust between developers and homebuyers.

Professionalization of Real Estate Agents: The Act requires real estate agents to register with the regulatory authority, promoting professionalism and ethical conduct in the sector. Registered agents are expected to follow prescribed norms and provide accurate information to homebuyers, ensuring transparency and reliable services.

Investor Confidence: The implementation of the MAHARERA Act enhances investor confidence in the real estate market of Maharashtra. The Act's focus on transparency, accountability, and consumer protection instils trust among investors, encouraging them to participate in real estate projects and contribute to the growth of the sector.

Overall, the MAHARERA Act plays a pivotal role in promoting transparency, accountability, and consumer protection in the real estate sector. By establishing a robust regulatory framework, it aims to create a fair and efficient marketplace for homebuyers, developers, and investors, contributing to the sustainable growth of the real estate industry in Maharashtra.

Review of literature:

Gupta, S., & Bansal, R. (2021).Explores the impact of the MAHARERA Act on real estate advertising, analyzing how the Act has affected advertising practices in the industry.

Sharma, P., & Kapoor, R. (2019).The review presents an empirical study on the awareness and compliance of developers with the MAHARERA Act, aiming to assess the level of understanding and adherence to the Act among developers.

Singh, A., & Tiwari, N. (2020).The review discusses the legal and procedural challenges faced in the implementation of the MAHARERA Act, providing a critical analysis of the hurdles encountered during its enforcement.

Sharma, R., & Jain, N. (2018).The review assesses the effectiveness of the MAHARERA Act in ensuring the timely delivery of real estate projects, examining its impact on project completion timelines.



Research Objectives:

1. To study important aspects of the MAHARERA Act.
2. To study the important issues that have been framed for consumer land developers' builders' agents buying a house under the MAHARERA Act.
3. Verification of the assumed act based on the initial information of Nagpur city and to know their views on the law through the respondents. As well as studying it

Hypothesis:

H₀:The MAHARERA Act has not affected all three components of land developer builders, home buyers, and agents.

H₁: The MAHARERA Act has had an impact on all three components of land developer builders, home buyers, and agents.

Research Methods:This paper is designed in the context of an important component of the MAHARERA Act. These include land developers' builders and consumer agents. The MAHARERA Act has come into existence with a view to converting the largest economic component of the unorganized sector into an organized sector. Under this, primary and secondary information was collected for this research writing, primary information was collected from Nagpur city and secondary information from various research articles have been reviewed in national and international as well as MAHARERA website and various related literature.

Sample Selection:

Using the simple random sampling method, data were collected from 140 respondents home buyers land developers' builders, and agents.

Limitations of Research:

1. The preliminary information has been collected only through land developer builders' agents and home buyers in Nagpur city.
2. The findings from the research are based solely on the information received.



Statistical Analysis of Data:

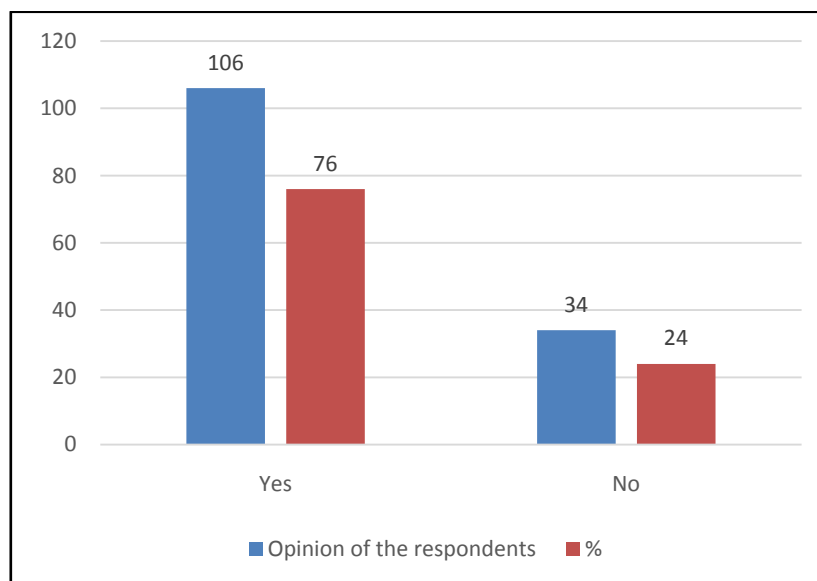
1) Do you get financial protection and flats under MAHARERA Act at a reasonable price?

Table No. 1

Sr. No	Types of votes of respondents	Opinion of the respondents	%
1	Yes	106	76
2	No	34	24
Total		140	100

Source: Based on preliminary information

Graph No.1



Financial protection and affordable MAHARERA Act flats are shown in the table and Graph. Responses are "Yes" or "No." The table also shows 140 respondents.

Table and graph data suggest:

106 (76%) of 140 respondents said the MAHARERA Act provides financial protection and affordable housing. The majority of respondents say the MAHARERA Act provides financial safety and cheap housing. 34 respondents (24%) said the MAHARERA Act does not provide financial protection or affordable housing. The MAHARERA Act's financial protection and affordability dissatisfied a minority of respondents. The table's scant information informs this interpretation. To better comprehend respondents' thoughts and how the MAHARERA Act affects their perceptions of financial protection and cheap apartments, more study and data are needed.

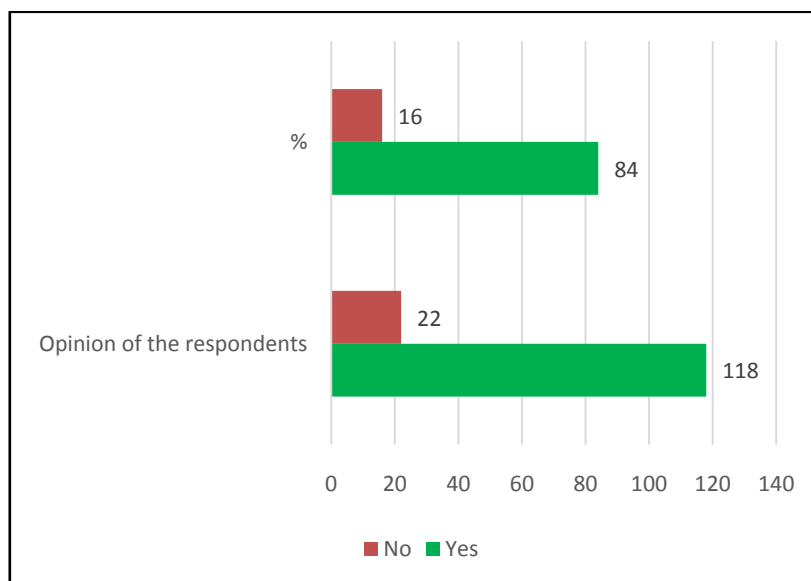
2) Under the MAHARERA Act, do you see the unorganized sector moving towards conversion to an organized sector?

Table No. 2

Sr. No	Types of votes of respondents	Opinion of the respondents	%
1	Yes	118	84
2	No	22	16
Total		140	100

Source: Based on preliminary information

Graph No. 2



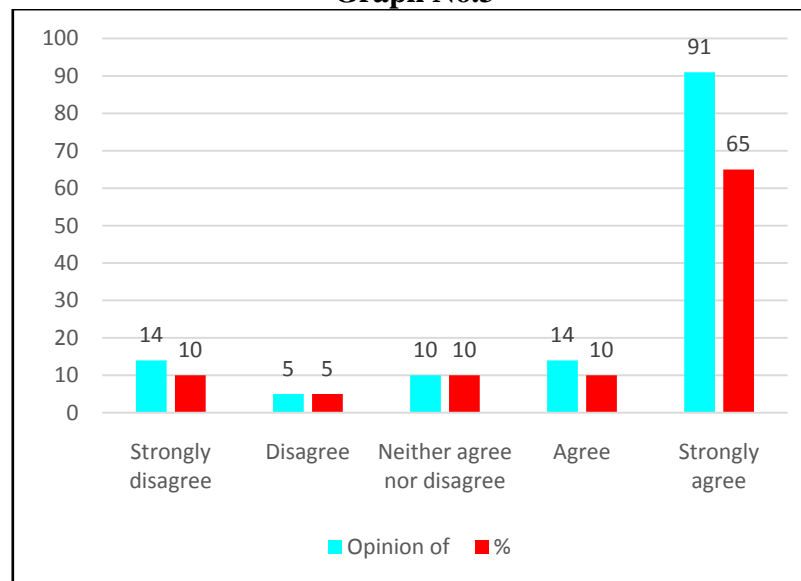
Under the MAHARERA Act, 118 (84%) of 140 respondents say the unorganized sector is becoming organized. This suggests that most respondents are optimistic and feel the MAHARERA Act is helping organize the unorganized sector. 22 respondents (16%) believed that the MAHARERA Act is not transforming the unorganized sector. This shows that a minority of respondents do not see major industry transformation. The table's scant information informs this interpretation. Further study and statistics are needed to understand respondents' perspectives and the precise elements impacting their thoughts on the MAHARERA Act's transition from an unorganized sector to an organized sector.

3) Show your views on whether all three components associated with the enactment of the MAHARERA Act will provide both protection and benefit to land builders developer agents and home buyers?

Table No. 3

Sr. No.	Types of votes of respondents	Opinion of the respondents	%
1	Strongly disagree	14	10
2	Disagree	5	5
3	Neither agree nor disagree	10	10
4	Agree	14	10
5	Strongly agree	91	65
Total		140	100
Source: Based on preliminary information			

Graph No.3



105 respondents (75%) agreed that all three MAHARERA Act components will safeguard and benefit land builders, developers, agents, and homebuyers. 14 (10%) agreed, whereas 91 (65%) strongly agreed. This implies that a large majority of respondents think the three MAHARERA Act components will safeguard and benefit real estate interests. This agreement shows trust in the MAHARERA Act to protect land builders, developers, agents, and homebuyers. To understand the causes influencing respondents' perceptions of the MAHARERA Act's components' effectiveness and advantages for all parties, a full analysis, including further research and data, is needed.



Justification of Hypothesis: H₁: The MAHARERA Act has had an impact on all three components of land developer builders, home buyers, and agents. 105 respondents (75%) agreed that all three MAHARERA Act components will safeguard and benefit land builders, developers, agents, and homebuyers. 14 (10%) agreed, whereas 91 (65%) strongly agreed. This implies that a large majority of respondents think the three MAHARERA Act components will safeguard and benefit real estate interests. This agreement shows trust in the MAHARERA Act to protect land builders, developers, agents, and homebuyers. To understand the causes influencing respondents' perceptions of the MAHARERA Act's components' effectiveness and advantages for all parties, a full analysis, including further research and data, is needed. Because it encourages transparency, consumer protection, responsibility, professionalism, and effective dispute resolution, the MAHARERA Act has a considerable impact on land developers, builders, consumers, and brokers. All of these factors contribute to a better-regulated, trustworthy, and equitable real estate sector in Maharashtra, which is to the benefit of all of the associated parties.

Conclusion: In conclusion, Maharashtra's real estate industry has been significantly impacted by the MAHARERA Act of 2016. The provisions of the Act have improved the sector's openness, accountability, and consumer protection, among other things.

First, by requiring the registration of real estate projects and the disclosure of project-related information by developers, the Act has promoted transparency. This guarantees that homebuyers have access to accurate and trustworthy information, enabling them to make decisions that are well-informed.

Second, the MAHARERA Act has increased transparency in the real estate industry. Developers are now required to follow the stated project schedules, and fines may apply if they don't. This clause encouraged prompt project completion and gave prospective homeowners more assurance.

Additionally, the Act gave priority to protecting consumers. It develops grievance redressal procedures, making sure that homebuyers have easy access to channels for resolving issues or disagreements. The Act also holds developers accountable for any structural flaws in construction, safeguarding homebuyers' interests long after they take ownership.

Standardized procedures have also been brought about by the MAHARERA Act in the real estate industry. The Act encourages professionalism and moral behavior among developers and real estate agents by establishing clear rules and restrictions. This has helped to create a more structured and ethical business climate. Overall, Maharashtra's real estate industry has seen a substantial transformation because of the MAHARERA Act. Homebuyers, it has improved reliability and confidence by increasing openness, accountability, and consumer protection. The Act has helped consumers by establishing a framework that prioritizes fairness and compliance. It has also encouraged sustainable growth and stability within the real estate sector.



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