

No. O-17034/101/2016-H/EFS-3018177
Government of India
Ministry of Housing & Urban Poverty Alleviation
Housing Section

Nirman Bhawan, New Delhi-110011
Dated **the 12th June, 2017**

To,

Sh. NAREDCO <naredco@naredco.in>

Sub: RERA: Clarification regarding Advertisement and Sale in Ongoing Projects.

Sir,

I am directed to inform that the Ministry of Housing & Urban Poverty Alleviation has received your representation (Email) letter dated 14.05.2017 on the subject mentioned above.

2. As you are aware, in order to safeguard the interest of buyers towards ensuring timely completion of projects and also towards ensuring fast track adjudication of disputes, Ministry of Housing & Urban Poverty Alleviation has piloted the Real Estate (Regulation & Development) Act, 2016. Section 3(1) of the Act prohibits advertisement for all projects (ongoing/future) without registration with the Real Estate Regulatory. This provision has come into effect from 01st May, 2017.

Yours faithfully,



(Mahesh Kumar Singh)
Section Officer (Housing)
Tele.: 2306 1039

Subject: **RERA: Clarification regarding Advertisement and Sale in Ongoing Projects.**

Date: 05/14/17 10:27 PM
From: NAREDCO <naredco@naredco.in>

To: officemvnaidu@gmail.com, pshupa@gmail.com
Cc: 'secy-mhupa' <secy-mhupa@nic.in>, secyurban@nic.in, cs-andaman@nic.in, cs@ap.gov.in, csap@nic.in, cs-arunachal@nic.in, cs-assam@nic.in, cs-bihar@nic.in, admr-chd@nic.in, vivekdhand@nic.in, administrator-dd-dnh@nic.in, csdelhi@nic.in, cs-goaa@nic.in, cs-gujarat@nic.in, cs-haryana@nic.in, cs-hp@nic.in, cs-jandk@nic.in, cs@jharkhand.gov.in, cs@karnataka.gov.in, chiefsecy@kerala.gov.in, lk-admin@nic.in, cs-madhyapradesh@nic.in, cs@maharashtra.gov.in, cs-manipur@nic.in, cs-meghalaya@nic.in, cs-mizoram@nic.in, cs-nagaland@nic.in, cs-orissa@nic.in, cs-pondicherry@nic.in, cs-punjab@nic.in, cs-rajasthan@nic.in, cs-skm@hub.nic.in, cs-tamilnadu@nic.in, cs@telangana.gov.in, cs-tripura@nic.in, cs-uttaranchal@nic.in, csup@nic.in, cs-westbengal@nic.in



May 12, 2017

P-28778-R/55(CH)
15/05/17

Shri M. Venkaiah Naidu

Hon'ble Minister for Urban Development, Housing &
Urban Poverty Alleviation and Information & Broadcasting, Govt. of India
Room No. 104C, Nirman Bhavan
Maulana Azad Road
New Delhi – 110011

Handwritten notes and signatures: JS(CH) - on tour, NG (LPP), Shri M. Venkaiah Naidu, 15/5, ML

Sub: RERA: Clarification regarding Advertisement and Sale in Ongoing Projects.

Respected Sir,

The Realtors Apex Body NAREDCO and its members would like to express their gratitude to your Ministry for the Real Estate (Regulation and Development) Act 2016, passed in Parliament as well as the Rules notified by various State Governments/UTs.

As promulgated by Central Government, RERA Act is now operational from May 1st, 2017 onwards. At the same time, NAREDCO and its state chapter members have observed that **“notification of Rules under RERA”** as well as the **“effective regulatory mechanism”** is yet to be completed/implemented by many State(s)/UT(s) Governments.

In this regard, our members have one major observation, specifically regarding “How to proceed for booking of new sales and advertisement of on-going projects before 31st July, 2017”?

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it may please be noted that as per Clause 3(1) of Chapter II of Real Estate (Regulation and Development) Act 2016, *no new project will be advertised or marketed, in any manner, without prior registration of the project with the concerned Real Estate Regulatory Authority and on-going project, for which completion certificate has not been issued, will be registered within a period of three months from the date of commencement of the Act.*

From the above, it is interpreted that ongoing projects will carry on business in the same manner as it was before the notification of the Act, till they are registered, which would be maximum up to three months from the date of notification of the Act. Further, this also implies that advertising, sale and construction in the case of ongoing projects will carry on unhindered till they are registered on or before 31.07.2017.

However, confusion has been created by some media reports that irrespective of being a “new Project or an on-going Project, **no sales can take place without being registered.** Certainly, it would not be the intention of the Act to stop ongoing projects from the date of notification, as this would impact all stakeholders adversely, be it buyers or developers or country’s economy.

NAREDCO, in the interest of the sector, would suggest that ongoing projects, which are at different stages of completion, should continue with all activities related to the project in the 90 days period available for Registration and to definitely complete registration within that time frame. New project launches would start only after the registration has been completed with the relevant authority(s).

To prevent subjective interpretation of the Act and its provision(s), it is requested Sir, that the above clarification may be issued or incorporated as a part of FAQs in the HUPA’s website, as was done earlier for various concerns and issues related to RERA.

With esteemed regards,

Yours Sincerely,

Brig. R R Singh (Retd.)

Director General

Copy to:-

Dr. Nandita Chatterjee, IAS [Download Source- www.taxguru.in](http://www.taxguru.in)

Secretary

Ministry of Housing & Urban Poverty Alleviation, Govt. of India

Room No. 125-C, Nirman Bhawan

Maulana Azad Road, New Delhi – 110011

Shri Rajiv Gauba

Secretary,

Ministry of Urban Development,

Nirman Bhawan, C - Wing,

Dr. Maulana Azad Road, New Delhi – 110011.

All Chief Secretaries of States

All Administrators of UTs