

# Impact of the Real Estate (Regulation and Development) Act on Homebuyers

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**Abstract:** *The Real Estate (Regulation and Development) Act, 2016 (RERA) was introduced to enhance transparency, accountability, and consumer protection within India's real estate sector. This research paper evaluates the impact of RERA on homebuyers, focusing on its effects on transparency, accountability, project delays, and overall satisfaction. Analysis of data from 183 respondents reveals that RERA has positively influenced the real estate market. The mean score for transparency is 4.2, indicating that homebuyers generally perceive improvements in clarity and openness of transactions. Accountability also shows a positive mean score of 4.0, reflecting enhanced builder responsibility. However, project delays remain a moderate concern with a mean score of 3.8, suggesting ongoing challenges despite RERA's implementation. Overall satisfaction with the real estate market has a mean score of 4.1, indicating general approval of RERA's impact. The findings highlight RERA's success in improving regulatory practices but also underscore the need for further improvements, particularly in addressing project delays and ensuring consistent enforcement. This study provides valuable insights into the effectiveness of RERA and identifies areas for future reform to strengthen the real estate sector's integrity.*

## I. INTRODUCTION

The Real Estate (Regulation and Development) Act, 2016 (RERA) represents a pivotal reform in India's real estate sector, aiming to enhance transparency, accountability, and consumer protection. This landmark legislation was enacted in response to growing concerns about malpractices, project delays, and disputes between developers and homebuyers. With its emphasis on establishing a regulatory framework, RERA seeks to address systemic issues within the real estate market and provide a robust mechanism for resolving grievances, thereby safeguarding the interests of homebuyers.

Before the enactment of RERA, the Indian real estate sector was characterized by a lack of uniform standards, frequent project delays, and inadequate dispute resolution mechanisms. Homebuyers often faced challenges such as incomplete or delayed possession of properties, discrepancies between promised and delivered specifications, and difficulties in obtaining refunds or compensation. The sector's fragmentation and the absence of regulatory oversight led to a significant imbalance of power, with homebuyers frequently finding themselves at a disadvantage.

RERA was introduced with the objective of creating a more structured and transparent real estate market. Key provisions of the Act include the mandatory registration of real estate projects and developers with the Real Estate Regulatory Authority, the requirement for developers to adhere to project timelines, and the obligation to provide accurate project details to buyers. Additionally, the Act mandates the establishment of a Real Estate Appellate Tribunal to resolve disputes, thereby providing a more efficient and accessible means of redressal.

One of the primary impacts of RERA on homebuyers is the increased transparency it brings to the real estate sector. By requiring developers to register their projects and disclose detailed information, including project plans, timelines, and financial statements, RERA aims to mitigate the risks of misinformation and ensure that homebuyers are well-informed before making investment decisions. This transparency is expected to reduce instances of fraud and misrepresentation, thus enhancing buyer confidence.

RERA also introduces stringent measures to ensure accountability and adherence to project deadlines. Developers are now obligated to deliver projects on time and in accordance with the specifications agreed upon with buyers. Failure to meet these obligations can result in penalties and compensation claims, thus providing a legal recourse for homebuyers in case of defaults. This shift is anticipated to lead to a more reliable and predictable real estate market, where buyers can have greater assurance of timely possession and quality of their purchased properties.

Furthermore, the establishment of the Real Estate Regulatory Authority and the Appellate Tribunal under RERA provides a formalized mechanism for addressing grievances and disputes. This framework is designed to streamline the resolution process and offer homebuyers a more accessible and effective means of seeking redressal compared to the previously fragmented and often ineffective legal remedies.

Despite these positive developments, the implementation of RERA has faced challenges. The effectiveness of the Act depends on the proper functioning of regulatory bodies, the prompt registration of projects, and the consistent enforcement of its provisions. Homebuyers' experiences with RERA are likely to vary based on factors such as regional differences in implementation and the responsiveness of regulatory authorities.

This research paper aims to evaluate the impact of RERA on homebuyers, examining how the Act has influenced transparency, accountability, and dispute resolution in the real estate sector. By analyzing the experiences of homebuyers and the performance of regulatory mechanisms, the study seeks to provide insights into the effectiveness of RERA and identify areas for further improvement. Understanding these dynamics is crucial for assessing the overall success of the Act in achieving its intended objectives and enhancing the real estate market's integrity and reliability.

## **II. REVIEW OF LITERATURE**

Ahuja (2017) provides a comprehensive analysis of RERA, emphasizing its implications for homebuyers. The study explores how the act aims to address issues related to transparency and accountability in real estate transactions, thereby enhancing homebuyer protection.

Bhardwaj (2018) reviews the overall impact of RERA on the real estate market in India. This review discusses how RERA has influenced market practices and investor confidence, highlighting both positive outcomes and ongoing challenges.

Bhatia and Sharma (2020) focus on consumer protection under RERA, examining how the act has strengthened the legal framework for safeguarding homebuyers. Their study highlights improvements in transparency and dispute resolution mechanisms.

Chaudhary (2019) investigates the regulatory reforms introduced by RERA and their effects on homebuyer protection. The case study approach provides insights into how these reforms have altered the landscape of real estate transactions.

Das (2021) addresses the implementation challenges of RERA and its prospects for the future. The study identifies obstacles encountered during the enforcement of the act and proposes solutions for improving its effectiveness.

Gupta (2020) conducts an empirical study on the role of real estate regulatory authorities in protecting homebuyers. This research highlights the effectiveness of regulatory bodies in ensuring compliance with RERA provisions.

Jain and Menon (2021) analyze the impact of RERA on homebuyer confidence. Their study assesses how the act has affected consumer trust in the real estate market and the perception of regulatory efficacy.

Kapoor (2019) assesses RERA's effectiveness in the Indian real estate sector. The study evaluates the act's success in addressing key issues such as project delays and builder accountability.

Kumar (2018) provides insights into the legal frameworks and protections afforded to homebuyers under RERA. This research explores how the act has shaped the legal landscape of real estate transactions in India.

Mehta (2020) discusses transparency and accountability in real estate as influenced by RERA. The study highlights how the act has promoted a more transparent and accountable real estate market.

Mukherjee and Singh (2021) explore RERA's role in ushering a new era for homebuyers. Their study examines the act's impact on homebuyer rights and market practices.

Patel (2021) critically analyzes RERA's impact on real estate development. The study evaluates how the act has influenced development practices and its implications for the real estate sector.

Rao (2020) provides a comparative study of dispute resolution mechanisms under RERA. The research examines how the act has improved mechanisms for resolving disputes between homebuyers and developers.

Sharma (2019) investigates the impact of RERA on project delays and completion. The study assesses whether the act has been successful in reducing delays and ensuring timely project completion.

Singh and Bhardwaj (2021) examine consumer awareness and the effectiveness of RERA. Their research highlights the level of awareness among homebuyers and the practical impact of RERA on consumer protection.

Srivastava (2020) analyzes the evolution of real estate regulation in India, focusing on RERA's impact. The study provides a historical perspective on regulatory changes and their effects on the real estate market.

Verma (2018) reviews the implications of RERA for real estate sector governance. The study discusses how the act has influenced governance practices and regulatory oversight in the sector.

Verma and Gupta (2022) explore homebuyers' perspectives and outcomes related to RERA. Their study provides insights into how the act has affected homebuyers' experiences and satisfaction.

Yadav (2021) investigates the regulatory impact on homebuyer satisfaction with RERA implementation. The study assesses how effectively the act has addressed homebuyers' concerns and improved satisfaction levels.

Yadav and Kapoor (2020) examine RERA's effect on real estate market dynamics in India. The study explores how the act has influenced market behavior and transaction practices.

**III. ANALYSIS**

The analysis focuses on key variables such as transparency, accountability, project delays, and overall satisfaction.

**Transparency**

The variable measuring transparency captures homebuyers' views on the clarity and openness of real estate transactions since the implementation of RERA.

Table 1: Descriptive Statistics for Transparency

Measure	Value
Mean	4.2
Standard Deviation	0.75
Standard Error of Mean	0.06

Interpretation: The mean score of 4.2 indicates that respondents generally view the transparency of real estate transactions positively, with a relatively low standard deviation suggesting consistent responses across the sample.

**Accountability**

This variable assesses perceptions of builder accountability under RERA.

Table 2: Descriptive Statistics for Accountability

Measure	Value
Mean	4.0
Standard Deviation	0.80
Standard Error of Mean	0.06

Interpretation: The mean score of 4.0 reflects a favorable perception of builder accountability. The standard deviation of 0.80 indicates a bit more variation in responses compared to transparency.

**Project Delays**

Respondents' views on changes in project delays since the implementation of RERA are captured by this variable.

Table 3: Descriptive Statistics for Project Delays

Measure	Value
Mean	3.8

Measure	Value
Standard Deviation	0.90
Standard Error of Mean	0.07

Interpretation: The mean score of 3.8 suggests that respondents perceive a moderate impact on project delays. The higher standard deviation indicates greater variability in opinions regarding this aspect.

Overall Satisfaction

This variable measures the general satisfaction of homebuyers with the real estate market post-RERA.

Table 4: Descriptive Statistics for Overall Satisfaction

Measure	Value
Mean	4.1
Standard Deviation	0.70
Standard Error of Mean	0.05

Interpretation: With a mean score of 4.1, overall satisfaction is reported positively by respondents. The standard deviation of 0.70 suggests relatively consistent satisfaction levels among the respondents.

The descriptive statistics indicate that homebuyers generally perceive RERA positively in terms of transparency and accountability, with a moderate view on project delays. The overall satisfaction with the real estate market is also high, reflecting the effectiveness of RERA in addressing some of the issues in the real estate sector. The variability in responses suggests areas where further improvements could be made, particularly concerning project delays.

IV. RESULTS

The results are summarized below:

Transparency

Table 1: Descriptive Statistics for Transparency

Measure	Value
Mean	4.2
Standard Deviation	0.75
Standard Error of Mean	0.06

The average score for transparency is 4.2, indicating a positive perception among respondents. The relatively low standard deviation (0.75) shows that responses are fairly consistent, suggesting that RERA has effectively improved transparency in real estate transactions.

Accountability

Table 2: Descriptive Statistics for Accountability

Measure	Value
Mean	4.0
Standard Deviation	0.80
Standard Error of Mean	0.06

The mean score for accountability is 4.0, reflecting a favorable view on the accountability of builders. The standard deviation (0.80) indicates a moderate variation in responses, suggesting that while most respondents view accountability positively, there is some variation in individual opinions.

Project Delays

Table 3: Descriptive Statistics for Project Delays

Measure	Value
Mean	3.8
Standard Deviation	0.90
Standard Error of Mean	0.07

The mean score for project delays is 3.8, showing a moderate impact of RERA on reducing delays in project completion. The higher standard deviation (0.90) suggests greater variability in how respondents perceive changes in project delays, indicating that while some respondents have experienced improvements, others may still face issues.

Overall Satisfaction

Table 4: Descriptive Statistics for Overall Satisfaction

Measure	Value
Mean	4.1
Standard Deviation	0.70
Standard Error of Mean	0.05

The mean score for overall satisfaction is 4.1, indicating a generally positive response from homebuyers about their experiences in the real estate market post-RERA. The standard deviation (0.70) is relatively low, suggesting that most respondents are consistently satisfied with the improvements brought by RERA.

The results indicate that the Real Estate (Regulation and Development) Act has had a generally positive impact on various aspects of the real estate market. Transparency and accountability have seen notable improvements, with high mean scores reflecting positive perceptions among homebuyers. However, project delays remain a moderate concern, as indicated by the mean score and higher variability in responses. Overall, homebuyers report a high level of satisfaction with the real estate market post-RERA, suggesting that the Act has successfully addressed several issues within the sector. The variability in responses highlights areas where further enhancements could be made to maximize the benefits of RERA for all stakeholders.

### V. CONCLUSION

The analysis of the impact of the Real Estate (Regulation and Development) Act (RERA) on homebuyers reveals several significant insights. The data indicates that RERA has positively influenced the real estate market, particularly in terms of transparency and accountability. Homebuyers report an improved perception of transparency in real estate transactions, with a high mean score of 4.2. This suggests that RERA's provisions for greater disclosure and transparency have been effective in fostering trust between buyers and developers.

Accountability also received a favorable response, with a mean score of 4.0. This reflects a positive view of the enhanced accountability measures introduced by RERA, which hold builders to higher standards of conduct and provide mechanisms for redressal of grievances.

However, the issue of project delays remains a concern, despite a moderate improvement post-RERA, with a mean score of 3.8. The higher variability in responses indicates that while RERA has contributed to reducing delays, challenges still persist for some homebuyers. This variability underscores the need for continuous monitoring and enforcement to address persistent issues effectively.

Overall, the high mean score of 4.1 for overall satisfaction suggests that RERA has had a generally positive impact on the homebuyer experience. The Act has succeeded in enhancing the regulatory framework of the real estate sector, leading to increased satisfaction among homebuyers. However, the analysis also highlights areas for further improvement, particularly in addressing project delays and ensuring consistent adherence to RERA regulations across the sector.

In conclusion, while RERA has significantly improved the real estate market by enhancing transparency and accountability, ongoing efforts are required to tackle remaining challenges and ensure that all homebuyers benefit from the Act's provisions. The findings underscore the importance of continued reforms and effective implementation to maintain and build upon the positive changes achieved through RERA.

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