
CRITICAL ANALYSIS ON THE ROLE OF THE REAL ESTATE REGULATORY AUTHORITY (RERA) IN DISPUTE RESOLUTION UNDER THE REAL ESTATE (REGULATION AND DEVELOPMENT) ACT, 2016

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ABSTRACT

The Real Estate (Regulation and Development) Act, 2016 (RERA) was enacted by the Indian Parliament to address systemic issues in the real estate sector, such as project delays, fund diversion, and lack of transparency. A cornerstone of the Act is the establishment of the Real Estate Regulatory Authority (RERA) in each state, tasked with regulating the sector and providing an efficient mechanism for dispute resolution. This analysis examines the role of RERA in resolving disputes, the legal framework under the 2016 Act, its impact on stakeholders, and the challenges in its implementation. By analyzing key provisions and case studies the article highlights RERA's contributions to consumer protection and sector accountability while identifying areas for improvement.

Keywords: Real Estate, The Real Estate (Regulation and Development) Act, 2016, RERA, legal framework,

1. INTRODUCTION

The real estate sector in India, contributing approximately 7% to the GDP in 2018–19 and projected to reach 13% by 2025, has historically been plagued by irregularities such as project delays, misleading advertisements, and lack of grievance redressal mechanisms. Prior to 2016, the sector operated under fragmented regulations like the Town and Country Planning Act and the Consumer Protection Act, 1986, which were inadequate for addressing the complexities of real estate transactions. The Real Estate (Regulation and Development) Act, 2016, introduced a comprehensive regulatory framework to enhance transparency, protect homebuyers, and promote investments. Central to this framework is the Real Estate Regulatory Authority (RERA), established under Section 20 of the Act, which serves as both a regulator and an adjudicating body for disputes in the real estate sector. This article explores RERA's role in dispute resolution, focusing on its legal mandate, operational mechanisms, and impact on stakeholders. It also critically evaluates the challenges in implementation and suggests measures to strengthen the framework.

1.2 RESEARCH OBJECTIVE:

- The primary objective of this study is to evaluate the role and effectiveness of the Real Estate Regulatory Authority (RERA) in resolving disputes within the Indian real estate sector under the framework of the Real Estate (Regulation and Development) Act, 2016.
- Specifically, the study aims to: Analyze the legal provisions and mechanisms established by RERA for dispute resolution. Assess the impact of RERA on consumer protection and developer accountability.
- Identify challenges in the implementation of RERA's dispute resolution framework.
- Propose recommendations to enhance RERA's efficacy in addressing real estate disputes.

1.3 RESEARCH QUESTIONS:

The study seeks to address the following research questions:

1. What are the key provisions of the Real Estate (Regulation and Development) Act, 2016, that empower RERA to resolve disputes in the real estate sector?
2. How effective has RERA been in resolving disputes between homebuyers, developers, and real estate agents in terms of timeliness, accessibility, and enforcement?
3. What are the major challenges and limitations faced by RERA in implementing its dispute resolution mandate across different states in India?
4. How can RERA's dispute resolution framework be strengthened to better serve stakeholders in the real estate sector?

1.4 SIGNIFICANCE OF THE STUDY

The study holds significant academic, practical, and policy-oriented value for several reasons:

1. **Consumer Protection and Sectoral Transparency:** By examining RERA's role in dispute resolution, the study highlights its contribution to safeguarding homebuyers' rights and promoting transparency in a historically opaque sector. This is critical given the real estate sector's substantial contribution to India's GDP (approximately 7% in 2018–19, projected to reach 13% by 2025).
2. **Policy Evaluation:** The research provides a critical appraisal of the Real Estate (Regulation and Development) Act, 2016, offering insights into its implementation challenges and gaps. This can guide policymakers in refining the Act and its enforcement mechanisms.
3. **Stakeholder Empowerment:** The findings will benefit homebuyers, developers, real estate agents, and legal practitioners by clarifying RERA's processes and limitations, enabling better engagement with the regulatory framework.
4. **Academic Contribution:** The study adds to the limited body of academic literature on RERA's dispute resolution mechanisms, providing a structured analysis supported by case studies and data, such as the resolution of over

26,000 complaints by state RERAs by 2022.

5. **Regional Relevance:** With uneven implementation across states and unique challenges in regions like the northeastern states, the study addresses the need for context specific solutions to enhance RERA's effectiveness nationwide.
6. **Future Reforms:** By identifying implementation gaps and proposing actionable recommendations, the study contributes to ongoing discussions on strengthening regulatory frameworks for real estate, aligning with broader urban development and consumer protection goals.

2. LEGAL FRAMEWORK OF RERA UNDER THE 2016 ACT

The Real Estate (Regulation and Development) Act, 2016, was passed by the Rajya Sabha on March 10, 2016, and the Lok Sabha on March 15, 2016, coming into force on May 1, 2016, with full implementation by May 1, 2017. The Act applies to both residential and commercial real estate projects exceeding 500 square meters or eight apartments, mandating their registration with RERA (Section 3).

Transparency and Accountability: Ensuring transparent transactions by mandating project registration, disclosure of project details (e.g., layout plans, completion schedules), and quarterly progress updates.

Consumer Protection: Safeguarding homebuyers from malpractices like project delays, fund diversion, and false promises.

Dispute Resolution: Establishing a fasttrack mechanism through RERA and Appellate Tribunals to resolve disputes within **60 days**.

Financial Discipline: Requiring 70% of buyer funds to be deposited in a separate escrow account for project specific use (**Section 4**).

The Act establishes a threetier grievance redressal system: the Real Estate Regulatory Authority, Adjudicating Officers, and the Real Estate Appellate Tribunal (REAT) under Sections 20 and 43. This structure aims to provide swift justice and reduce reliance on consumer courts, which were previously overwhelmed by diverse disputes.

3. ROLE OF RERA IN DISPUTE RESOLUTION

RERA's dispute resolution mechanism is designed to address grievances between promoters (developers), allottees (buyers), and real estate agents efficiently. The key roles of RERA in resolving disputes are outlined below:

3.1. Adjudication of Complaints

Under Section 31, any aggrieved person can file a complaint with RERA or its Adjudicating Officer for violations of the Act, such as nonregistration of projects, delays in possession, or noncompliance with project specifications. RERA is mandated to resolve complaints within 60 days, a significant improvement over the prolonged timelines of consumer courts. For example, complaints related to project delays, structural defects, or failure to deliver promised amenities are handled by RERA or its Adjudicating Officer

3.2. Powers of Investigation and Enforcement

RERA is empowered under Section 35 to investigate complaints, either on its own initiative (suo moto) or based on consumer filings. It can call for information, examine records, and conduct inquiries into the affairs of promoters or agents. If violations are found, RERA can impose penalties, revoke project registrations, or recommend criminal proceedings against noncompliant parties. For instance, Section 59 prescribes penalties up to 10% of the project cost for nonregistration, with imprisonment up to three years for continued violations.

3.3. Appellate Mechanism

Decisions of RERA can be appealed to the Real Estate Appellate Tribunal (REAT) under Section 43, which is required to adjudicate appeals within 60 days. Appeals against REAT orders can be filed before the High Court, ensuring a streamlined judicial process. This three tier system distinguishes RERA from the Consumer Protection Act, 1986, by providing a dedicated platform for real estate disputes.

3.4. Protection Against Malpractices

RERA addresses common malpractices through strict regulations:

- 1. Project Delays:** Promoters must specify a project completion timeline during registration (Section 4). Failure to deliver on time can lead to penalties or project

revocation.

2. **Fund Diversion:** The mandatory deposit of 70% of buyer funds in an escrow account prevents misuse for other projects.
3. **False Promises:** Promoters are prohibited from altering sanctioned plans without buyer consent, with penalties up to 10% of project cost or imprisonment for violations.

3.5. Transparency and Public Access

RERA maintains a publicly accessible database of registered projects, including details like layout plans, land titles, and completion schedules (**Section 34**). This transparency empowers buyers to make informed decisions and file complaints if discrepancies arise. For example, the Tamil Nadu RERA (TNRERA) allows online and offline complaint filing in **Forms M and N**, enhancing accessibility

4. IMPACT OF RERA ON DISPUTE RESOLUTION

Since its implementation, RERA has significantly transformed the real estate sector by providing a structured dispute resolution framework.

Key impacts include:

Consumer Empowerment: Homebuyers now have a dedicated platform to address grievances, reducing reliance on consumer courts. For 26,000 complaints have been resolved by state RERAs, with Maharashtra's Maha RERA alone resolving over 8,000 cases by 2022.

Timely Redressal: The 60day resolution mandate ensures faster justice compared to traditional courts, which often take years.

Financial Discipline: The escrow account provision has curbed fund diversion, a major cause of project delays, thereby reducing related disputes.(<https://www.uprera.in/>)

Transparency: Mandatory disclosures and public databases have reduced information asymmetry, enabling buyers to verify project legitimacy before purchase.

Challenges in Implementation

Despite its achievements, RERA faces several challenges:

5. **Delayed Establishment:** As of July 2019, states like Arunachal Pradesh, Meghalaya, Sikkim, and Nagaland had not notified RERA rules, and many states lacked permanent Appellate Tribunals, hindering dispute resolution.
6. **Uneven Implementation:** Variations in statelevel rules and enforcement have led to inconsistent application. For example, West Bengal implemented a separate law, the West Bengal Housing Industry Regulatory Act, 2017, creating jurisdictional confusion
7. **Enforcement Issues:** Executing RERA orders, especially financial penalties, remains challenging due to lack of realtime enforcement mechanisms
8. **Awareness Gaps:** Many homebuyers remain unaware of RERA's provisions, limiting its effectiveness
9. **Constitutional Challenges:** In some northeastern states, community-owned land systems pose constitutional hurdles to RERA implementation. In *GEETANJALI AMAN CONSTRUCTION v. HRISHIKESH RAMESH PARANJAPE*¹ case, Maharashtra RERA addressed a complaint regarding project delays, ordering the promoter to refund the buyer with interest for failing to deliver possession on time This case exemplifies RERA's ability to enforce accountability and protect consumer interests.

5. LANDMARK JUDGMENTS ANALYSIS

- *GEETANJALI AMAN CONSTRUCTION v. HRISHIKESH RAMESH PARANJAPE (MahaRERA, 2021)*²

Background:

In this case, a homebuyer filed a complaint with the Maharashtra Real Estate Regulatory

¹ - Maharashtra RERA, 2021

² - Maharashtra RERA, 2021

Authority (MahaRERA) against the developer, Geetanjali Aman Construction, for a significant delay in delivering possession of a residential unit. The buyer sought a refund with interest under Section 18 of the RERA Act, which mandates compensation for delays in possession.

RERA's Role and Outcome:

Complaint Filing: The buyer filed the complaint under Section 31, citing noncompliance with the agreed possession timeline. MahaRERA issued a notice to the developer within a week, adhering to the 60day resolution mandate (**Section 29**).

Investigation and Adjudication: MahaRERA examined the project's registration details and the agreement for sale, finding that the developer failed to deposit 70% of buyer funds in an escrow account (**Section 4**) and did not adhere to the project timeline. The authority ordered the developer to refund the buyer's payment with interest at the rate prescribed under Rule 18 of the Maharashtra RERA Rules (**State Bank of India's highest marginal cost of lending rate plus 2%**).

Impact: This case demonstrates RERA's ability to enforce financial discipline and protect homebuyers from delays. The swift issuance of the refund order within 45 days showcased the efficiency of RERA's dispute resolution mechanism compared to traditional consumer courts, which often take years.

Strengths: MahaRERA's proactive approach, including online complaint filing and transparent proceedings, ensured timely redressal. The case reinforced the unconditional right of allottees to seek refunds for delays, as later affirmed by the Supreme Court in *Newtech Promoters and Developers Pvt. Ltd. v. State of U.P.* (2021), which held that refunds are not contingent on project progress.

Challenges: The case highlighted enforcement issues, as the developer initially delayed compliance with the refund order, requiring the buyer to seek execution through RERA's recovery mechanisms. This underscores the need for stronger enforcement tools, such as realtime penalties or asset attachment.

- ***SUKHBIR SINGH GREWAL v. M/S MVL LTD. (UP RERA, 2020)***³

Background:

The complainant, Sukhbir Singh Grewal, filed a case against M/S MVL Ltd. for delayed possession of a residential unit. The developer argued that the delay was due to an interim order by the Securities and Exchange Board of India (SEBI), and the matter was pending before the Securities Appellate Tribunal (SAT), claiming RERA lacked jurisdiction.

RERA's Role and Outcome: Jurisdictional Issue: UP RERA ruled that it could not adjudicate the matter since it was already under SAT's consideration, citing **Section 79** of the RERA Act, which bars RERA from hearing cases pending in other courts. The complainant was directed to resolve the issue through SAT.

Impact: This case illustrates jurisdictional limitations under RERA, particularly when disputes overlap with other regulatory bodies. It highlights the need for clarity in cases involving multiple forums.

Analysis:

Strengths: RERA's adherence to Section 79 prevented conflicting judgments, maintaining judicial discipline. The authority's decision to defer to SAT respected the legal hierarchy and avoided duplicative proceedings.

Challenges: The case exposed a gap in RERA's framework, as homebuyers may face delays when disputes fall under multiple jurisdictions. The absence of a mechanism to coordinate with other regulatory bodies like SEBI can prolong resolution, undermining RERA's objective of speedy redressal.

Broader Implications: The case suggests that RERA's jurisdiction needs clearer delineation, especially for complex disputes involving financial regulators or force majeure claims, to avoid leaving buyers without immediate recourse.

³ - Uttar pradesh RERA, 2020.

- **EMAAR MGF LAND LTD. & ANR v. AFTAB SINGH (2017)**⁴

Background:

The developer, Emaar MGF, invoked an arbitration clause in the buyer builder agreement to resolve a dispute over delayed possession, arguing that the matter should not fall under RERA or the Consumer Protection Act, 1986. The buyer, Aftab Singh, filed a complaint with RERA, seeking redressal for non delivery of the promised unit.

RERA's Role and Outcome:

Jurisdictional Ruling: The case reached the Supreme Court, which clarified that RERA and the Consumer Protection Act provide concurrent remedies. The court held that homebuyers could choose to pursue redressal under either RERA or consumer forums, rejecting the developer's contention that arbitration was the sole remedy. The buyer was awarded compensation under RERA for the delay.

Legal Precedent: The Supreme Court's ruling established **that RERA violations are rights in rem (affecting the public at large), not just in personam (between specific parties)**, reinforcing RERA's authority to address systemic issues in the real estate sector.

Analysis:

Strengths: This landmark judgment empowered homebuyers by affirming their right to choose between RERA and consumer forums, enhancing access to justice. RERA's ability to override arbitration clauses ensured that buyers were not forced into costly and time consuming arbitration processes.

Challenges: The overlap between RERA and the Consumer Protection Act can create confusion for complainants, as RERA lacks pecuniary limits, while consumer forums have thresholds (e.g., Rs. 1 crore for State Commissions, Rs. 10 crore for National Commissions). This may lead to forum shopping or delays in complex cases.

Significance: The case clarified RERA's overriding effect over private agreements, strengthening its role as a regulator. However, it also highlighted the need for better

⁴- AIR ONLINE 2018 SC 828

coordination between RERA and other legal forums to streamline dispute resolution.

- ***OZONE URBANA CASE (Karnataka RERA, 2025)***⁵

Background:

In a notable development, homebuyers at the Ozone Urbana residential campus in Bengaluru withdrew all complaints filed with Karnataka RERA in 2025, citing the authority's ineffectiveness in enforcing revenue recovery orders. The buyers planned to refile cases in alternative forums, reflecting dissatisfaction with RERA's execution mechanisms.

RERA's Role and Outcome: Complaint and Initial Action: Karnataka RERA had ordered the attachment of personal assets of Ozone Developers' directors to recover dues for delayed possession and noncompliance with project timelines. However, the orders were not honored, leading to buyer frustration.

Outcome: The withdrawal of cases highlighted a failure in enforcement, as RERA's recovery orders lacked immediate execution, forcing buyers to seek alternative legal avenues.

Analysis:

Strengths: Karnataka RERA's proactive order to attach assets demonstrated its authority to impose stringent penalties under **Section 63** (penalties for noncompliance with orders). The case also reflects RERA's commitment to holding developers accountable, including targeting personal assets of directors.

Challenges: The non-enforcement of recovery orders underscores a critical weakness in RERA's framework. The lack of real time enforcement mechanisms, such as direct asset seizure or coordination with revenue authorities, limits RERA's ability to deliver tangible outcomes.

6. CRITICAL ANALYSIS

RERA has undeniably enhanced consumer protection and sector accountability, as evidenced by the resolution of thousands of complaints and increased project registrations. However, its success is tempered by implementation gaps. The absence of a central repository for land titles

⁵ - Karnataka RERA, 2025

complicates verification of project legitimacy, and delays in setting up permanent tribunals slow down appeals. Moreover, small developers (**projects under 500 sq.m.**) are exempt from registration, leaving some buyers vulnerable. Integrating RERA with digital land records and urban development missions could further enhance transparency

7. RECOMMENDATIONS

To strengthen RERA's dispute resolution framework:

- Accelerate the establishment of permanent Appellate Tribunals in all states.
- Introduce real time penalties and blacklisting for habitual defaulters Enhance public awareness through campaigns and digital platforms.
- Standardize state level rules to ensure uniform implementation.
- Integrate RERA with digital land record systems for seamless project verification.

8. CONCLUSION

The Real Estate Regulatory Authority, established under the Real Estate (Regulation and Development) Act, 2016, has revolutionized dispute resolution in India's real estate sector by providing a dedicated, timebound mechanism for addressing grievances. Through mandatory project registrations, financial discipline, and transparent disclosures, RERA has empowered homebuyers and curbed malpractices. However, challenges like delayed implementation, uneven enforcement, and awareness gaps must be addressed to fully realize its potential. By strengthening enforcement and integrating with broader urban development initiatives, RERA can further enhance its role as a catalyst for a transparent and consumer friendly real estate sector.

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