

IMPACT OF RERA ON LANDOWNERS AND INVESTORS

Through **Order No. Maha-RERA/LA/32/2017** dated **11th May 2017**, the Maharashtra Real Estate Regulatory Authority has passed a very important Order clarifying the impact of Real Estate (Regulation and Development) Act, 2017 **on Landowners, Investors**, etc.

The following are the synopsis of the said Order:

1. **Landowner** in a Joint Development Agreement or **Investor Partner** will be **termed as Co-Promoters** under RERA
2. **Sale proceeds** to be given to such Co-Promoters **would not be** considered as a **Cost of the Project** for withdrawal from Designated Bank Account.
3. **Co-Promoters** means and includes any person(s) or organization(s) who, under any agreement or arrangement with the promoter of a Real Estate Project is allotted or entitled to a share of total revenue generated from sale of apartments or share of the total area developed in the real estate project.
4. The **liabilities of Co-Promoters** shall be restricted to **agreement/arrangement** with the Promoters, however for **withdrawal from Designated Bank Account**, they shall be **at par with the Promoter** of the Real Estate Project.
5. Co-promoter should submit a **declaration in Form B** of Maha-RERA (Regulation and Development) (Registration of Real Estate Project, Registration of Real Estate Agents, Rates of Interest and Disclosures on Website) Rules, 2017.
6. Co-promoter should **upload the arrangement/agreement** with Promoter clearly showcasing the **details of the share** of the Co-Promoter.
7. Every Co-Promoter/Individual/Organization, entitled to share of the total area developed would have to **open a Separate Bank Account** for deposit of 70% of the sale proceeds realized from the allottees.

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C.T.S. No. 6616, Plot No 491, 5th Floor, Centre Point, Mitra Mandal Chowk, Next to Balasaheb Thackrey Hospital, Parvati Pune 411009.

Landline No 020-6744 7171 E-Mail : - accounts@spcm.in Website: www.spcm.in