

5 Years of RERA Progress

The Journey of Increasing Trust

February 2023



THE ASSOCIATED CHAMBERS OF COMMERCE AND INDUSTRY OF INDIA

Follow us on:     

*Your own home isn't a place but a feeling.
Created with hopes and dreams, not just bricks and beams.*

*Where late night laughter can freely echo within its halls,
and children's unbound imagination adorn the walls.*

*Where the answers to peace of mind lie,
and questions about lease or rent do not arise.*

*It's a feeling that welcomes you each time with open doors,
and lets in the sweet smell of your success through its windows.*

**INDEPENDENT
FLOORS
FOR THE
INDEPENDENT
YOU**

GURUGRAM & SOUTH OF GURUGRAM

**APNA GHAR,
TOH APNA HI HOTA HAI!**



Signatureglobal (India) Limited, Ground Floor, Tower A, Signature Tower, South City -1, Gurugram, Haryana-122001

7053-121-121 | WWW.SIGNATUREGLOBAL.IN

Disclaimer: Promoter urges every applicant to inspect the project site and shall not merely rely upon any architectural impression, plan or sales brochure and, therefore, requests to make personal judgment prior to submitting an application for allotment. The Project is being developed in phases, hence, certain facilities/amenities etc. may be used by allottee of other phases. Unless otherwise stated, all the images, visuals, materials and information contained herein are purely creative/artistic and may not be actual representations of the product and/or any amenities. Further, the actual design may vary in the fit and finished form, from the one displayed above. Journey time shown, if any, is based upon Google Maps which may vary as per the traffic at a relevant point of time. *Rate mentioned above does not include GST and other statutory charges, if applicable. T & C Apply. 1 sq. mt. = 10.7639 sq. ft.



5 Years of RERA Progress

The Journey of Increasing Trust

February 2023

The Associated Chambers of Commerce and Industry of India

4th Floor, YMCA Cultural Centre and Library Building

01, Jai Singh Road, New Delhi-110001

Tel: 011-46550500 (Hunting Line) • Fax: 011-23017008, 23017009

www.assocham.org



MESSAGE

Deepak Sood

Secretary General

ASSOCHAM

The Real Estate sector is an essential segment of the Indian economy which has linkages with more than 250 ancillary industries and employs more than 10% of India's workforce. The growth of the real estate sector in the last two decades has had a multiplier impact on the Indian economy. After agriculture, real estate is the second highest employment-generating sector. Since India is a fast-growing economy, the demand and delivery of quality and affordable real estate have been of prime concern for the Government and the industry.

The rapid urbanisation being witnessed in India since the last decade has further accentuated the need for affordable housing and demand for commercial and retail spaces, warehouses, education and hospitality assets. The growth of Indian real estate has further shifted from metro cities to tier 1 and 2 cities. This pace of growth in the sector has attracted a significant amount of domestic and foreign investments and further increased the demand for affordable housing, which has always remained a focus for the Central Government.

The Government of India has been supportive of the growth and development of the real estate sector and has been addressing various issues through policy interventions and reforms from time to time. RERA has improved the sector's operational performance by instilling higher transparency and trust. A higher number of new real estate projects are now getting registered under RERA across states. Another positive factor is that real estate agents operating without any regulations have also been brought under the ambit of the RERA.

I am happy that ASSOCHAM and JLL have come out with this report to highlight the various developments and challenges in the Indian real estate sector, which will be released at the Conference on Real Estate India- Ease of Business and Affordability for sustainable growth. I am confident this report will provide valuable insights to stakeholders.

Deepak Sood



MESSAGE

Dr. Samantak Das

Executive Director and
Head - Research and REIS, India, JLL

The Real Estate (Regulation and Development) Act (RERA), which was passed in 2016 with the final rules getting notified in May 2017, is the most reformatory regulation for Indian real estate. The real estate sector being a state subject, the adoption of the RERA regulation by the states was key to its success. The adoption of RERA by almost all states has been an achievement. The completion of five years of effective implementation of RERA reveals the extent to which it has been able to achieve its objectives. It also helps us to gauge the way forward and some key changes that are needed to make the reforms beneficial for homebuyers and other stakeholders. The report covers the progress of RERA on various parameters through the lens of creating a sense of trust by increasing transparency and accountability in the sector.

The impact of RERA can be assessed from the operational progress of the residential sector during the 2016-22 period. Though broader policy reforms that impacted real estate were introduced during the same period, the performance of the residential sector was primarily due to the increased transparency and trust infused by RERA. Residential sector sales and launches improved once the new process was in place and all stakeholders were aligned with changes made by RERA. The growth of the residential sector and other factors that supported the growth barring the hiatus led by the pandemic have been dwelled upon.

The impact of RERA led to improvement in accountability which brought financial discipline to the sector. This has been reflected in a shift in the capital flows witnessed by the sector. Since a large portion of home buyers avail of mortgage loans, the increased home sales led to a sharp rise in home loan growth which was disbursed to developers based on the stagewise completion of the project. The escrow mechanism introduced by RERA led to the proper utilisation of funds. The increased home sales led to improved cash flow for developers and reduced dependence on institutional capital funding needs. Thus the overall impact has been improving the financial health of the sector.

We hope the report provides you with valuable insights into the progress of RERA and the way forward.

घर हो या व्यापार

• आसान लोन •

से करें अपना हर सपना साकार



आज ही मिस्ट कॉल दें ८ 80101 54321

CONTENTS

RERA - Instilling Trust through Transparency in Indian Real Estate	1
RERA regulations adopted in more than 90%of States and Union territories	2
56 per cent of total projects registered during 2019-2022	3
5 states account for 75% share of projects registered; states with metros dominate the list	3
21% CAGR growth in agent registration from 2019 to 2023	4
79% of the agents are registered in five states with Maharashtra accounting for more than half	5
Over 1 lakh disputes closed in the last five years providing relief to home buyers.....	5
Uttar Pradesh leads with a 40% share of disputes closed	6
Initiatives by various State RERA authorities	7
Maharashtra RERA (MahaRERA)	7
Gujarat RERA	7
Uttar Pradesh RERA.....	8
Improvement in home buyer confidence.....	8
 Residential Sector: RERA-led era of transparency and market alignment	9
Review of the residential market from 2016-22	9
Development focus on mid as well as premium segments	11
Price increase witnessed in 2022 after remaining range-bound in the last few years.....	12
 Home Loan Finance after RERA implementation-1.8 Times Increase in Home Loan Credit	12
Improved trust boosted home sales and home finance by 78%.....	13
Improved financial position reduces dependence on institutional finance.....	13
Need for 360° review of entire real estate ecosystem to make RERA more effective	14
 Conclusion	15



**WE'RE THE KEY TO
YOUR NEW HOME**
BUILD YOUR HOME WITH VASTU



100+ Branches



13 States

UNIQUE SELLING POINT

- Minimum documentation
- Paperless process
- Loan as per requirement & ability
- Fast track approval

TYPES OF LOAN



**Purchase of Home
(New & Re-sale)**



**Home Extension/
Renovation**



**Home
Construction**



**Business Expansion/
Loan Against Property**

RERA - Instilling Trust through Transparency in Indian Real Estate

Trust is an essential element for well-functioning of institutions, including governments, markets, businesses, and society at large. Trust is key to all financial transactions as it implies commitment, certainty, predictability, and transparency. The journey of Indian real estate towards building trust has been quite challenging. The lower capital commitment towards the sector despite its growth potential was primarily due to a lack of trust among its stakeholders. The sector witnessed its first steps towards building trust to attract capital by opening the sector for foreign direct investments (FDIs). However, the global financial crisis (GFC) snapped the journey, and it took a while for the faith to be restored. SEBI issued Real Estate Investment Trusts Regulations, 2014 to create an institutional mechanism for investments in real estate. However, the residential segment with a substantial share of the real estate sector needed reforms. The Real Estate (Regulation and Development) Act (RERA) was passed in 2016 to protect the interest of consumers through the regulation and promotion of the sector and also provide grievance redressal mechanisms to resolve disputes. The RERA after acceptance of all the rules in May 2017 has effectively completed five years. The progress of the RERA in achieving its objectives has been assessed on various parameters in the following paragraphs.

22 out of 28 States adopted RERA within one year of its notification

Year	States	Union Territory
2018	22	6
2019	24	6
2020	26	8
2021	26	8
2022	26	8
2023	27	8

Note: Total States -28 and UT-9

Source: JLL Research and Ministry of Housing and Urban Affairs (MOHUA)

Since Real estate sector is a state subject, the adoption of RERA by various states was imperative for its success. The RERA Act envisaged the creation of a regulatory authority, a website for statutory disclosure of information and an adjudication tribunal for addressing disputes and violations. RERA was notified by 22 out of 28 states indicating the success in the first step of its implementation. The union territories had also notified RERA due to the central government initiatives.

RERA regulations adopted in more than 90% of States and Union territories



Source: JLL Research and MOHUA

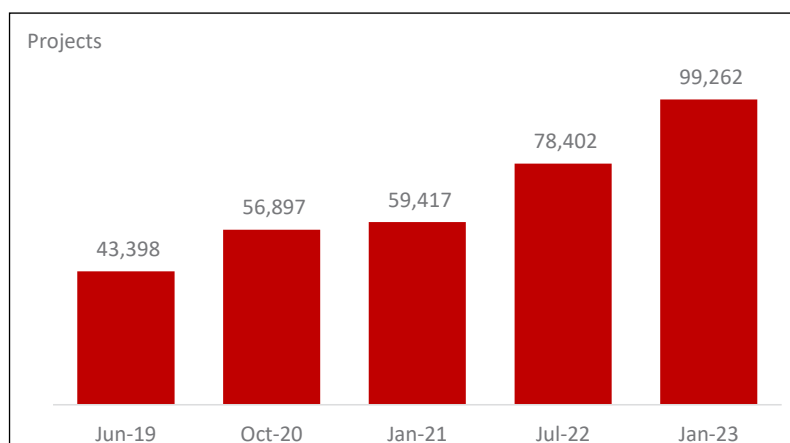
States that are notified and have a basic setup which includes having a regulatory, appellate tribunal, web portal, and auditing officer can be considered to be fully operational as per RERA guidelines. Adoption of RERA at different stages represented in the map implies that it has covered all metros as

well as tier 2/3 cities across the country. The mandatory registration of projects RERA has ensured that all the necessary approvals related to the project are in place. Since these are uploaded on the respective states' RERA websites, it has addressed the landmark need of improving the transparency of the projects and the real estate sector. Since the project-related information is available on the RERA website, they have become the default option to verify the information for homebuyers. The setting up of a tribunal to address the disputes has provided an avenue for home buyers to seek solutions to their problems. Thus, the implementation of RERA has been successful in creating the entire ecosystem for residential real estate. The registration of the projects since the inception of RERA in various states and progress would be another parameter to judge its success.

56 per cent of total projects registered during 2019-2022

The mandatory registration of projects under RERA brought much-needed uniformity in collating information essential for homebuyers. The registration of projects reflects the trends in the residential sector as is evident from the lowest registration during the pandemic year 2020. The state-wise analysis of the registrations indicates that few states account for a large share of registrations.

55,865 projects registered during 2019-22 period



Note: data indicates cumulative projects registered

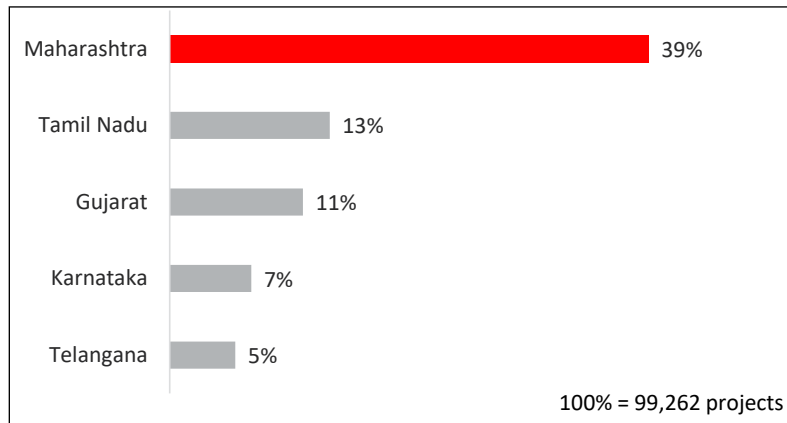
Source: JLL Research and MOHUA

5 states account for 75% share of projects registered; states with metros dominate the list

States with key metros account for a higher share of registrations as evident from the top 6 states. The national capital territory of Delhi comprises three states and one union territory and hence the registration is divided among its constituents. Maharashtra accounts for the largest share of 39% due to the presence of large cities like the Mumbai metropolitan region (comprising Thane, Navi-Mumbai and Mumbai suburban areas), Pune, Nagpur and Nashik. Tamil Nadu has the second largest share of 13% due to cities like Chennai, Coimbatore, and Madurai. The presence of cities like Ahmedabad, Surat, Vadodara and Rajkot in Gujarat makes it the state with the third largest registrations at 11%. Karnataka and Telangana rank in the top 6 states due to Bengaluru and Hyderabad cities respectively states. Since

estate agents form a key part of residential real estate, registration of agents was mandatory to sell projects registered under RERA. Separate rules were made for the registration of agents as home buyers rely on the information shared by the agents.

Maharashtra accounts for highest share of registrations at 39%

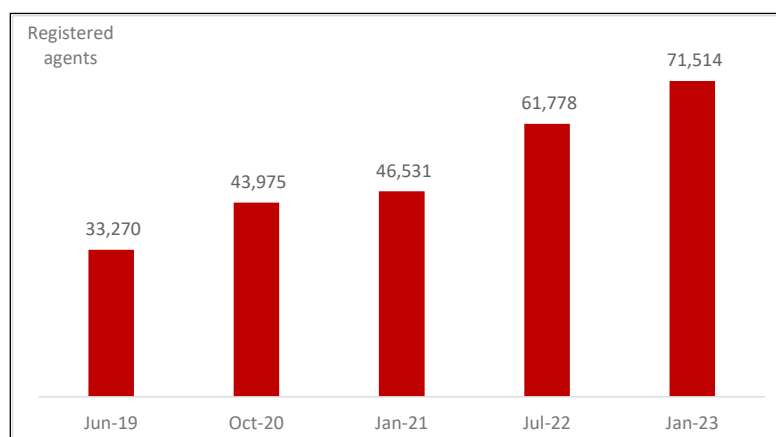


Source: JLL Research and MOHUA

21% CAGR growth in agent registration from 2019 to 2023

Real estate agents are an integral part of the marketing of real estate projects. Hence RERA Act introduced rules for real estate agents to make them accountable for selling units of RERA-registered projects. Section 9 of the RERA act laid down rules for the registration of agents. Agent registration grew from 33,270 as of January 2019 to 71,514 as of January 2023 translating to a CAGR growth of 21%.

38,244 agents registered during the last four years 2019-2022



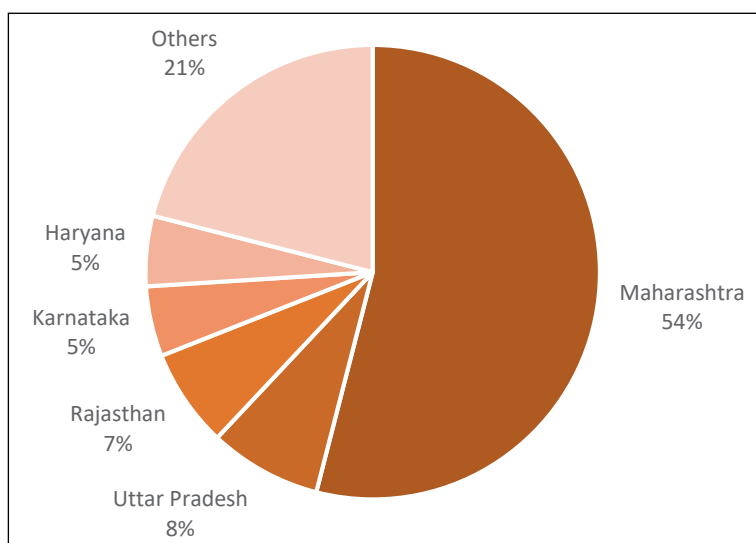
Note: Data indicates cumulative number of registered agents

Source: JLL Research and MOHUA

79% of the agents are registered in five states with Maharashtra accounting for more than half

The state-wise share of agents registered till January 2023 reveals that just five states account for 79% of total share. Maharashtra accounts for the largest share of registered agents on account of the higher income potential arising largely from the Mumbai residential market. The large ticket size of average residential homes in Mumbai has led to presence of many real estate professionals in the residential segment. Uttar Pradesh accounts for the second largest share of 8% as NOIDA which falls under the state jurisdiction has the largest share of residential markets of NCR-Delhi. Developers in the NCR-Delhi region mostly rely on real estate agents' channel partners for marketing their projects. Haryana which accounts for a 5% share is mainly due to Gurugram, which is an important commercial and residential zone in the NCR region. Rajasthan share of agent registration at 7% is due to the inclusion of Alwar and Bharatpur districts as part of the NCR -Delhi region. The project and agent registration has helped in improving transparency and protecting the rights of the homebuyers, there was a huge backlog of grievances and dispute between home buyers and developers. The setting of an appellate tribunal for grievance redressal was an important pillar of the RERA act. Since most states have set up a tribunal, the progress of dispute resolution would be one of the key parameters to assess the successful working of RERA laws.

Maharashtra leads with a 54% share of registered agents



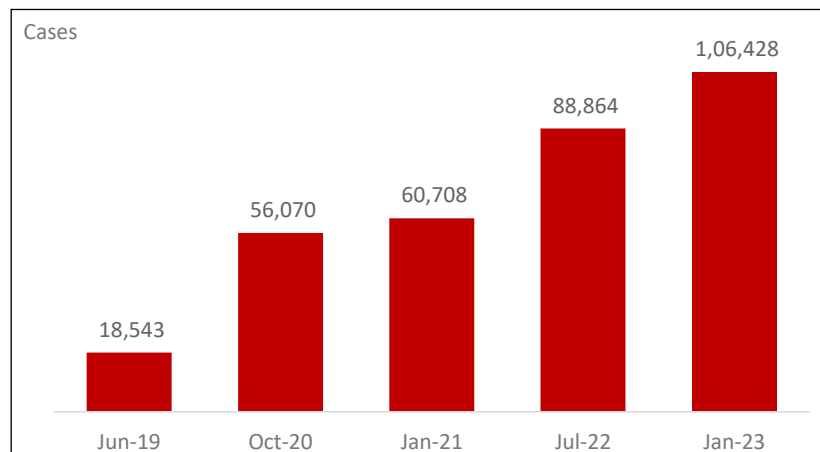
Source: JLL Research and MOHUA

Over 1 lakh disputes closed in the last five years providing relief to home buyers

One of the important pillars of the RERA regulation was grievance redressal. Homebuyers who suffered due to incomplete projects, project delays, layout alterations, additional charges, false promises and one-sided home-buying agreements were looking for justice. RERA sought to address this issue by creating a separate system to address the complaints of home buyers. Homebuyers had the option of filing a complaint with the RERA Authority, RERA Tribunal and RERA Adjudicating Officer. The success of the system can be gauged from the fact that the cumulative cases disposed of by various RERA authorities

have witnessed a sharp rise annually. The cumulative number of cases disposed increased sharply from 18,543 as of 2019 to 106,428 cases as of January 2023.

5.7 times increase in cases closed since 2019



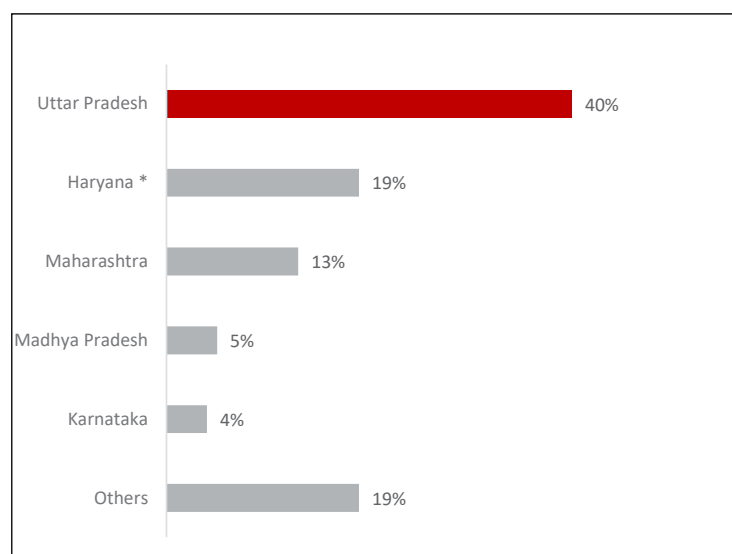
Note: Data indicates cumulative number of cases disposed

Source: JLL Research and MOHUA

Uttar Pradesh leads with a 40% share of disputes closed

Home buyers in some of the residential markets were saddled with a lot of grievances. Some of these markets witnessed a sharp surge in the filing of complaints which were ably addressed by the RERA authorities in their respective states. Uttar Pradesh (UP) accounted for the largest share of dispute resolution with a 40% share of total cases closed.

5 states account for 81% of cases closed as of January 2023



Source: JLL Research and MOHUA

Initiatives by various State RERA authorities

The notification of RERA by various states evolved over the period with the involvement of various stakeholders. As home buyers across states utilized the services provided under RERA, each state took various initiatives to address the issues faced during the implementation of the Act. Some noteworthy initiatives by various states indicate that RERA is being implemented in true spirit and ensuring a level playing field among all stakeholders.

Maharashtra RERA (MahaRERA)

Maharashtra has been the first state to take initiative for regulatory authority for the housing sector. Maharashtra Legislative assembly had cleared the Housing (Regulation and Development) Bill, 2012. The State subsequently adopted the RERA regulation in 2017 by establishing the RERA Authority and appointing the Authority Chairperson and Members in May 2017. Maharashtra Real Estate Regulatory Authority is referred to as MahaRERA. Some of the initiatives of the MahaRERA that have increased the transparency of real estate in the state are as follows:

Conciliation forum - MahaRERA formed the Conciliation forum in March 2018 to enable the disputed parties to connect and also appear before the expert conciliators to resolve their problems, clear doubts and mitigate misunderstandings. The forum consists of representatives from CREDAI-Pune Metro, Mumbai Grahak Panchayat, a leading consumer body and other promoters' associations. The forum helps to facilitate disputes between homebuyers and developers amicably to save cost and time of litigation. The forum received 1095 conciliation cases of which 554 cases have been disposed of.

Digital mapping: MahaRera has digitally mapped the entire state to help home buyers get information on their projects and nearby social amenities. The GIS mapping will help homebuyers to assess the social and physical infrastructure of an area where projects are coming up.

Virtual Hearings and Helpline Service – As the pandemic forced a complete lockdown, MahaRERA used online modes like video conferencing to re-start regular hearing of cases which saved time and avoid delays. The digital initiative ensured that all services and operations were delivered digitally, without the need for a physical visit. An online helpdesk was set up where homebuyers could call to resolve their queries.

Gujarat RERA

The Gujarat government notified the Gujarat Real Estate (Regulation and Development) rules in 2017 which led to the formation of Gujarat RERA, also called GUJRERA. The key initiatives of the GUJRERA are as follows:

Regional Investment Maps- Gujarat RERA has prepared investment maps in the top 5 cities where the highest registrations have happened with help of technology. The projects are categorized into Elite,

Premium and Economy categories based on the attributes of the project. This feature along with project progress can help investors to select projects that suit their needs.

Project Progress Monitoring – The information collated through digital compliance has been used to monitor and classify projects based on their progress. These projects are classified into Complete, Regular, First Timers and Under Watch. The project progress is further classified as on-track, slow, very slow and ill projects. This information will help the state to identify stalled or delayed projects and help homebuyers to take timely action in form of complaints.

Uttar Pradesh RERA

The Uttar Pradesh RERA Rules were notified in 2016 and the state's RERA website was launched on July 26, 2017. The UPRERA established Permanent Authority in 2018 to ensure the disposal of the complaints through the officers authorized by it under section 81 of the Act using a web-based management system. UPRERA has taken the initiative of grading projects so that homebuyers can make an informed choice.

Project Grading- UPRERA will soon start grading projects and developers based on various parameters such as financial quality, organizational structure and certifications, track record, compliance adherence and customer feedback. CRISIL Ltd has been appointed as a consultant for setting up a system and assigning the grades to developers and projects, according to set parameters. The grading would be on a scale of I to V, where I is the lowest, benchmarked against the parameters as set in the grading framework. The objective of the grading system, which will be done annually, is to assess the promoters and projects registered with UPRERA and rate them so that homebuyers can make an informed choice. This grading scale will help create a track record for promoters and a better understanding of issues such as delays in possession.

Improvement in home buyer confidence

It was a long-standing demand of the home buyers for Government level intervention to address the issues of project delays, lack of transparency and accountability, diversion of funds from one project to another and lengthy litigation process. The RERA Act addressed the immediate concerns of homebuyers and became the first point of reference for homebuyers. The fact that the first information that a homebuyer looks for is the RERA number of the project to verify its information speaks volumes about the confidence that RERA has created in the minds of the consumers. Surveys state-level surveys conducted indicate that RERA has been able to instil trust and improve consumer confidence. The JLL Global Real Estate Transparency Index 2022 which ranks India 36th globally has tracks improvement in regulatory and legal parameters on which India has improved consistently over the years. Another important barometer has been the complaints filed and resolved so far. Various state regulatory authorities have been successful in resolving over 1 lakh disputes in the last five years indicating the confidence posed by home buyers in RERA being the right forum to address their grievances. The trust posed by the homebuyers will increase further if RERA authorities are given judicial powers to enforce their judgements.

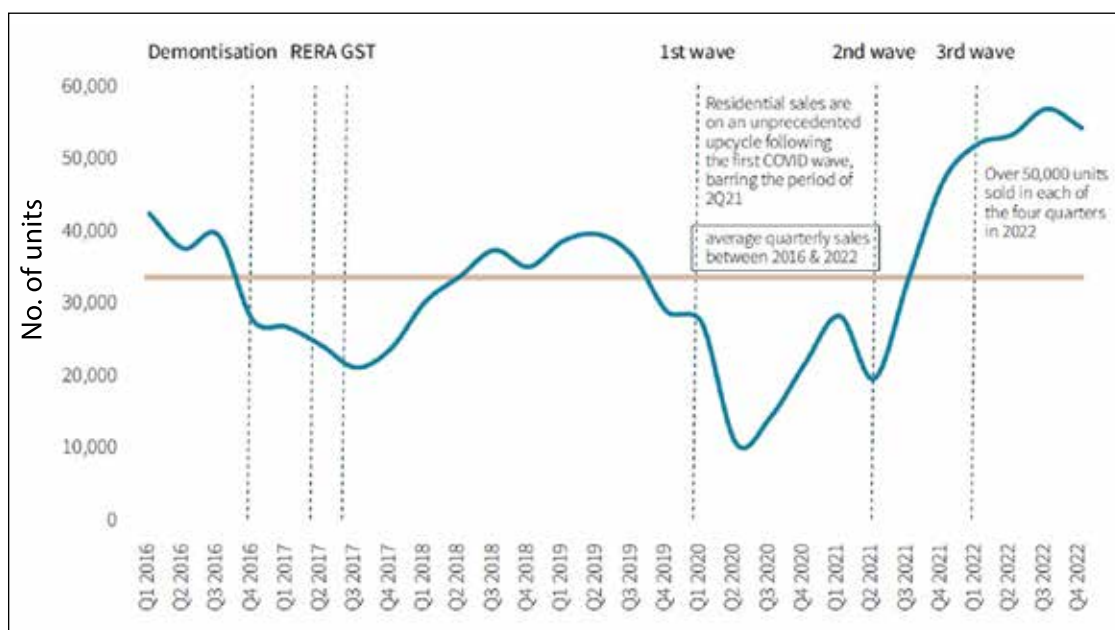
The impact of the RERA is more visible when we look at the residential sector performance in terms of operational parameters for the top seven cities.

Residential Sector: RERA-led era of transparency and market alignment

Review of the residential market from 2016-22

The residential sector set new benchmarks in 2022 as the year recorded a decadal high in residential sales and launches. This became possible as all the stakeholders came forward to align themselves with changing consumer preferences and product metrics. The government supported this growth in the residential market by introducing benchmark RERA reform. Along with RERA, other policy reforms like GST and affordable housing initiatives paved the way for a transparent and resilient residential sector. However, when these reforms were initially introduced, there were teething problems as developers took time to align with the structural changes and new regulations.

Residential sales witnessed unabated growth due to policy reforms and increased consumer confidence



Source: JLL Research

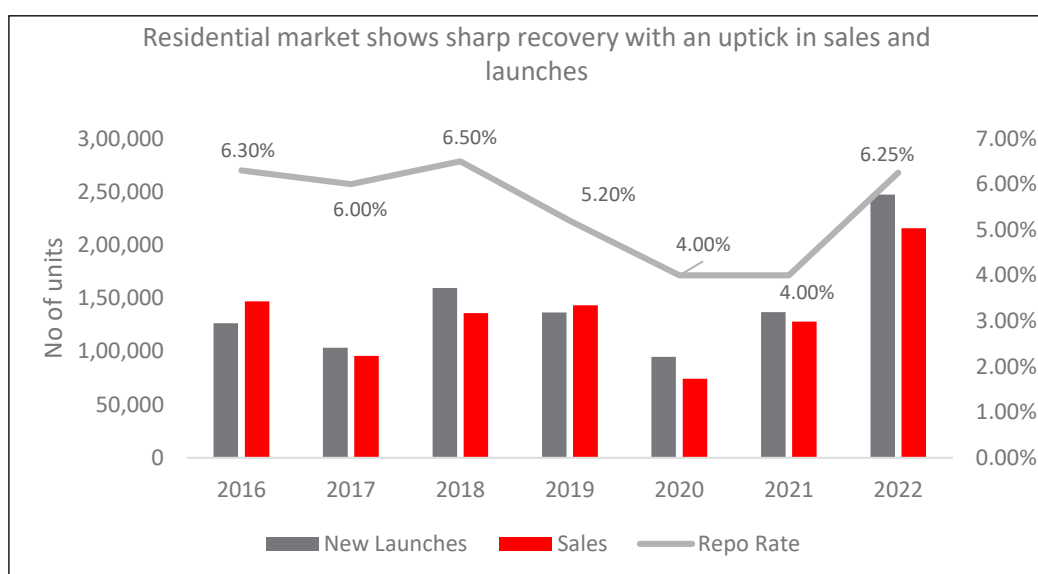
The years 2016 and 2017 were witness to the immediate uncertainties these reforms (especially RERA and GST) brought about, and this was reflected in muted growth in residential launches and sales. The year 2018 witnessed markets moving towards revival, setting a strong growth path for 2019. Post RERA, developers focussed on the timely delivery of projects and clearing their unsold inventory. A new wave of optimism and rising consumer confidence was seen in 2019 in the Indian residential sector. Branded developers with healthy balance sheets registered robust sales and project launches.

In 2019, the residential sector was on a growth trajectory and was set to gain further momentum. However, the global pandemic in 2020 put the brakes on the growth momentum as sales and launches turned southwards. However, the residential sector emerged stronger and showed remarkable resilience in the last two years. The quarterly sales numbers recorded since Q3 2021 speak the story of how the residential market adapted to change and stepped into a new growth and expansion phase. The recovery trend has resulted in quarterly sales rising to their historic peaks with sustained buying. Despite the challenges of global headwinds and an increase in interest rates, quarterly residential sales were over 50,000 units in each of the four quarters of 2022.

The residential sector has become more structured and organised due to reforms introduced by RERA. Along with government support, developers played their role by keeping the residential prices range-bound and the monetary policy was instrumental in reducing the mortgage rates to a decadal low. The above factors created a recovery scenario and affordable synergy in the residential sector. Also, the pandemic brought with it an enhanced realisation of the importance of owning a home.

By end-2022, we saw affordability gains mitigated as inflationary pressures from increased input costs compelled developers to partially pass on the rise in costs to buyers and the RBI's repo rate hikes have resulted in higher home loan interest rates. Likewise, macroeconomic headwinds and global inflationary pressures are likely to slow down household income growth. Price pressures and slower income growth are further likely to create a temporary glitch in affordability, though it should remain attractive and second only to the highest affordability levels seen in 2021. Sales momentum is likely to sustain on the expectations of moderating inflation, supporting a reversal in repo rate hikes even as longer loan tenures and pricing deals will be likely measures from stakeholders to keep buyers' affordability levels within comfort levels.

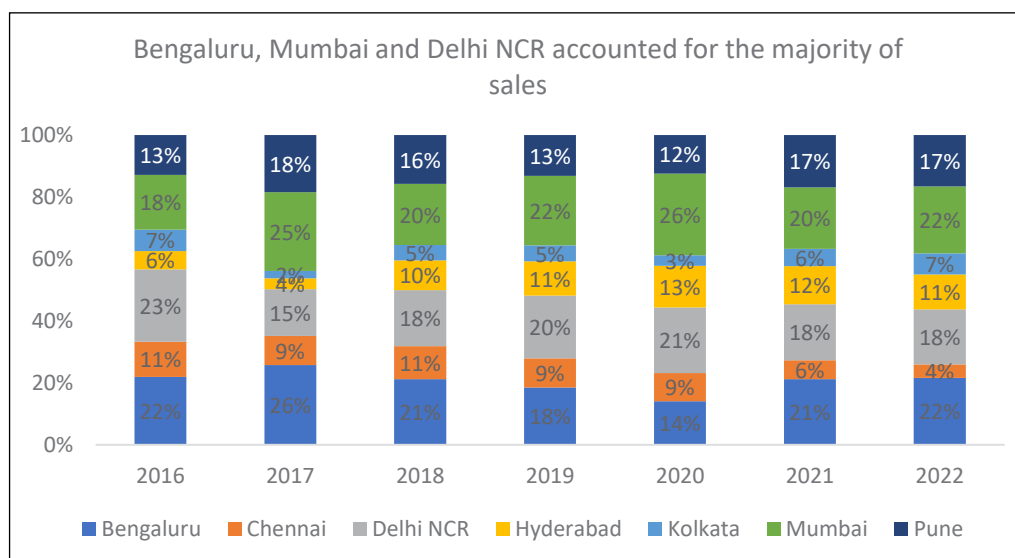
Residential market rebounded strongly with robust sales and launches



Source: JLL Research

The residential sector charted a new chapter of growth in 2022, as the sales and launches of more than 200,000 units were recorded, next to the peak seen in 2010. Sales at 215,000 units witnessed a growth of 68% on a y-o-y basis in 2022. Encouraged by robust sales and strong economic fundamentals, developers actively launched residential projects across the top seven cities of India. Compared with the previous year, new launches in 2022 witnessed a growth of 81% y-o-y.

Sales activity concentrated in the three larger markets



Source: JLL Research

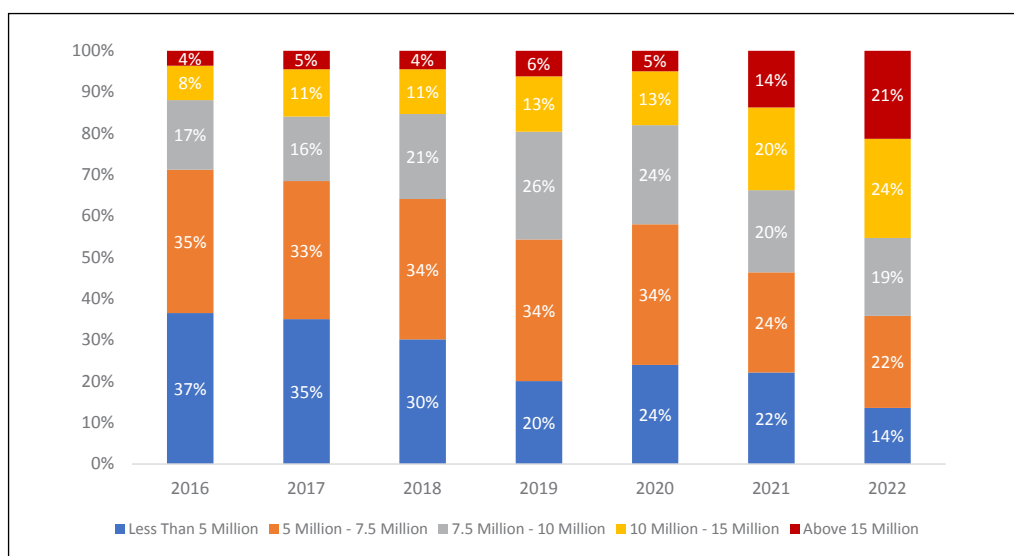
The three larger markets of Mumbai, Bengaluru and Delhi NCR accounted for nearly 60% of the sales in the past five years. The Pune and Hyderabad markets also have a double-digit share in annual sales. It is pertinent to note that Bengaluru, Hyderabad, Mumbai and Pune achieved the highest sales post-2008, thus witnessing remarkable growth. Delhi NCR and Kolkata recorded the highest sales post-2014.

While Mumbai and Hyderabad continue to be the leaders in terms of new launches, the supply in the Delhi NCR market has been limited with developers focusing on clearing their unsold inventory. The Pune and Bengaluru markets have also witnessed robust levels of new launches in 2022.

Development focus on mid as well as premium segments

As the demand for bigger homes with good amenities and a supporting ecosystem is increasing, the development focus is shifting toward the premium segment in addition to the mid-segment. Interestingly, the proportion of new launches has increased in the premium segment in the last two years. In 2022, nearly 21% of the new launches were in apartments in the price bracket of above INR 1.5 crore. It increased from just a 4–6% share from 2016–2020 to 21% in 2022. On the other hand, the share of the affordable segment (apartments priced less than INR 50 lakh) in new launches declined from 37% in 2016 to 14% in 2022. Established developers have launched premium projects, catering

to the demand of buyers in prime locations as well as emerging residential corridors. The trend of launching plotted development and low-rise independent floors is also gaining traction.



Source: JLL Research

Price increase witnessed in 2022 after remaining range-bound in the last few years

The affordability synergy that was prevailing in 2020 and 2021 has faced some challenges. There was a rise in residential prices across the top seven cities of India in the range of 4–11% y-o-y, along with the home loan interest rate that moved up by around 200 bps in the last 7–8 months. The increase in prices is seen across the spectrum of projects that have high demand and less ready-to-move inventory. New phases of existing projects are also getting launched at higher prices.

While affordability is likely to be dented, job stability and economic growth will continue to provide the necessary impetus to homebuying activity. Also, it is expected that measures will be taken by various stakeholders to combat inflationary pressures. As developers become cognizant of buyer preferences and focus on developing or launching projects that are more relevant and aligned with evolving customer requirements, the residential market is expected to carry forward the growth momentum witnessed in the past year. This growth will be further supported by the changes in RERA regulations that will bring more accountability to the sector. The impact of the RERA on housing finance has been analysed in the following section.

Home Loan Finance after RERA implementation-1.8 Times Increase in Home Loan Credit

The effectiveness of regulation lies in improved growth of the sector and RERA has stood the test. The improved transparency and trust were reflected in the increased confidence of the homebuyers. The growth in aggregate home loan credit by the banking sector is an apt indicator. Though the entire

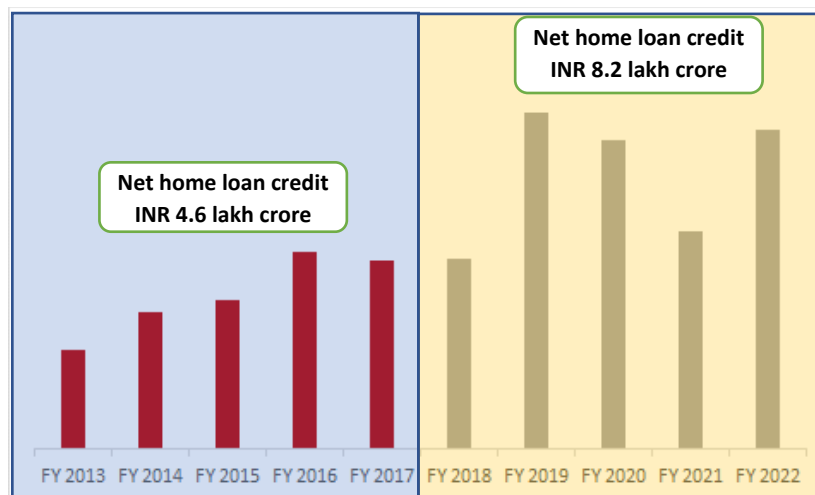
credit for housing demand growth cannot be solely attributed to RERA implementation, the changed atmosphere of increased trust set the foundation for higher housing demand. A review of the flow of capital post the RERA implementation reveals the following trends.

Improved trust boosted home sales and home finance by 78%

The home loan net credit¹ growth during 2013 - 2017 was INR 4.6 lakh crore which nearly doubled to INR 8.2 lakh crore. It is to be noted that annual growth in home loan credit has been higher during the pandemic period over the year before RERA implementation from 2013-2017.

Apart from RERA, other reforms like GST and Benami Prohibition act led to a structural shift in the residential sector. The pandemic era was supported by as lower home loan rates, policy incentives and a gradual return to normalcy. RERA led to developers with professional management, transparent operations and the ability to walk the talk gaining prominence. The increased home sales improved the liquidity of the developers thereby reducing the need for accessing institutional finance.

78% growth in home loans credit during FY 2018-22 over FY 2013-17 period



Note: Net home loan credit is for the Financial year

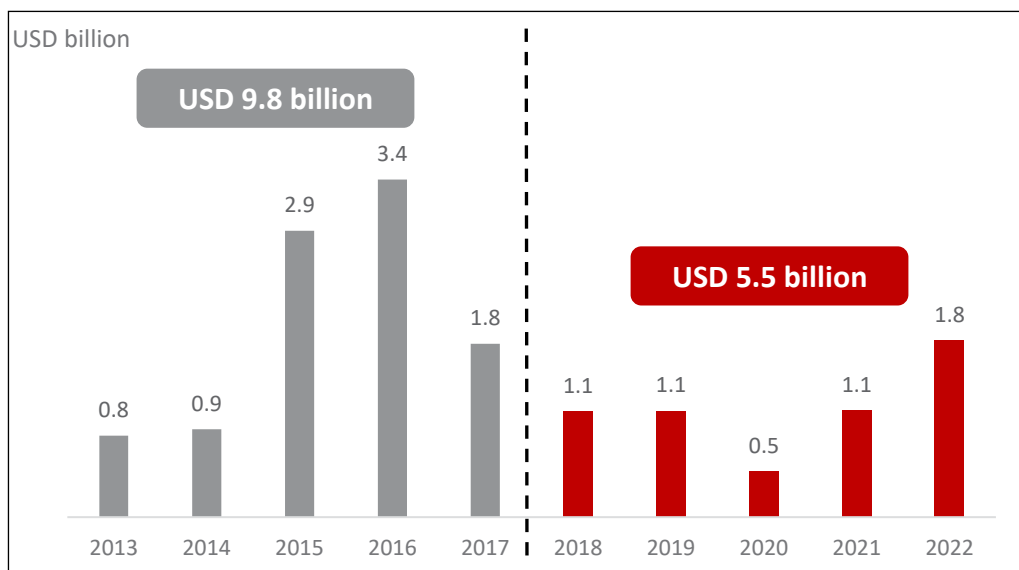
Source: JLL Research

Improved financial position reduces dependence on institutional finance

Residential real estate developers rely on home loans availed as the primary source of finance during the construction period of housing projects. Since most home buyers resort to home loans, payments received by the developers on the completion stage of the projects help the need for other sources of finance. The continuous rise in housing sales after the RERA implementation led to reduced dependence on institutional finance. The residential sector saw an infusion of USD 9.8 billion in the capital during 2013-17. However, the need for funding was reduced by 44% to USD 5.5 billion.

¹ New home loans disbursed less loan repayments

Dependence on Institutional finance reduced by 44% after the RERA implementation



Note: Institutional finance data is for the Calendar year

Source: JLL Capital markets Research

Need for 360° review of entire real estate ecosystem to make RERA more effective-

RERA Act is the most ground-breaking reform in the Indian real estate sector post-independence. It uprooted the opaqueness by mandating a uniform disclosure process, regular financial monitoring mechanism and grievance redressal system. The progress achieved by RERA has been stupendous in light of the re-alignment of interests that were not so welcomed by its stakeholders.

Though RERA has tried its best to address the immediate concerns of the home buyers, it has addressed not included all stakeholders in the system. The need for local bodies and authorities that are involved in regulatory approvals to be part of RERA accountability is conspicuous. Similarly, other areas like insolvency, financial providers' responsibilities, and the judicial powers of the RERA needs to be addressed. Some of the key measures needed to make RERA effective are:

- The orders passed by RERA authorities will not gain credibility unless they are backed by judicial powers. This is one of the most pressing needs of the hour.
- The state regulatory and development authorities should define processes and timelines for various approvals and be held accountable for lapses
- RERA should consider reviewing state performance by publishing important metrics/annual reports as per standards described by MoHUA
- Learning from the success of the mutual funds marketing campaign, a RERA awareness campaign through various mediums to make home buyers aware of their rights and responsibilities

- State RERA authorities should conduct quarterly /half-yearly surveys with home buyers to understand the effectiveness of the implementation process and understand the expectations of stakeholders to make the system more efficient
- Various state-specific discussions should be facilitated to recommend various policy-level shifts required in the ACT to MoHUA
- Data collated by RERA authorities should data collated for overall urban planning and providing inputs for infrastructure planning and resource allocation
- Make the RERA websites user-friendly by promoting an app-based interface since India has the world second largest mobile user population globally
- Various state-specific forums for fast-track grievance redressal and improvement of developer compliance should be initiated
- Establishing Central RERA authority to provide a unified vision and achieve nationwide objectives like unique property numbers, mortgage market development and many other technologies linked to improvements

Conclusion

The genesis of RERA to address the homebuyer's concerns of trust and accountability is well-begun but is a work in progress. The adoption of RERA by 27 states and 8 union territories in the last five years has been the first successful step in acceptance at a national level. Ever since the RERA has been implemented in various states, close to one lakh projects and 71,514 agents have been registered to date while over 1 lakh cases of consumer disputes have been resolved. Some states have taken various initiatives to address the needs of homebuyers in areas of dispute resolution, ease of information access and reconciliation councils. The RERA has been unique regulation with the absence of similar precedent regulations globally. The future progress of RERA is expected to address the need of all stakeholders with the underlying principles of trust and transparency. In this regards creation of national-level body with representation of state RERA authorities can help to benefit from synergies and best practices and evolve national-level consensus for improving the real estate sector.

About JLL

JLL (NYSE: JLL) is a leading professional services firm that specializes in real estate and investment management.

JLL shapes the future of real estate for a better world by using the most advanced technology to create rewarding opportunities, amazing spaces and sustainable real estate solutions for our clients, our people and our communities. JLL is a Fortune 500 company with annual revenue of \$19.4 billion, operations in over 80 countries and a global workforce of more than 102,000 as of September 30, 2022. JLL is the brand name, and a registered trademark, of Jones Lang LaSalle Incorporated. For further information, visit jll.com

About JLL India

JLL is India's premier and largest professional services firm specialising in real estate. The Firm has grown from strength to strength in India for the past two decades. JLL India has an extensive presence across 10 major cities (Mumbai, Delhi NCR, Bengaluru, Pune, Chennai, Hyderabad, Kolkata, Ahmedabad, Kochi and Coimbatore) and over 130 tier-II and III markets with a cumulative strength of close to 12,000 professionals. The Firm provides investors, developers, local corporates and multinational companies with a comprehensive range of services. These include leasing, capital markets, research & advisory, transaction management, project development, facility management and property & asset management. These services cover various asset classes such as commercial, industrial, warehouse and logistics, data centres, residential, retail, hospitality, healthcare, senior living, and education. For further information, please visit jll.co.in

Authors

Shweta Kakkar

Director
Research and REIS, India, JLL
shweta.kakkar@jll.com

Jitesh Karlekar

Director
Research India, India, JLL
jitesh.karlekar@jll.com

Bina Udeshi

Senior Executive
Research India, India, JLL
bina.udeshi@jll.com

Research Enquiries

Dr. Samantak Das

Chief Economist and Head
Research & REIS, India, JLL
Samantak.Das@jll.com

About ASSOCHAM

The Knowledge Architect of Corporate India

The Associated Chambers of Commerce & Industry of India (ASSOCHAM) is the country's oldest apex chamber. It brings in actionable insights to strengthen the Indian ecosystem, leveraging its network of more than 4,50,000 members, of which MSMEs represent a large segment. With a strong presence in states, and key cities globally, ASSOCHAM also has more than 400 associations, federations, and regional chambers in its fold.

Aligned with the vision of creating a New India, ASSOCHAM works as a conduit between the industry and the Government. The Chamber is an agile and forward-looking institution, leading various initiatives to enhance the global competitiveness of the Indian industry, while strengthening the domestic ecosystem.

With more than 100 national and regional sector councils, ASSOCHAM is an impactful representative of the Indian industry. These Councils are led by well-known industry leaders, academicians, economists and independent professionals. The Chamber focuses on aligning critical needs and interests of the industry with the growth aspirations of the nation.

ASSOCHAM is driving four strategic priorities – Sustainability, Empowerment, Entrepreneurship and Digitisation. The Chamber believes that affirmative action in these areas would help drive an inclusive and sustainable socio-economic growth for the country.

ASSOCHAM is working hand in hand with the government, regulators, and national and international think tanks to contribute to the policy making process and share vital feedback on implementation of decisions of far-reaching consequences. In line with its focus on being future-ready, the Chamber is building a strong network of knowledge architects. Thus, ASSOCHAM is all set to redefine the dynamics of growth and development in the technology-driven 'Knowledge-Based Economy'. The Chamber aims to empower stakeholders in the Indian economy by inculcating knowledge that will be the catalyst of growth in the dynamic global environment.

The Chamber also supports civil society through citizenship programmes, to drive inclusive development. ASSOCHAM's member network leads initiatives in various segments such as empowerment, healthcare, education and skilling, hygiene, affirmative action, road safety, livelihood, life skills, sustainability, to name a few.

NOTES

[illegible]

NOTES

[illegible]



BRIEF ON SMART CITIES PROJECTS BY “LANDMARK VICTORYONE (JV)” IN PAN INDIA

We, Landmark Victoryone JV are a rapidly growing infrastructure development Joint Venture Company. In smart cities, our principle domain is sewerage, roads, water, electrical, duct, and hydraulic infrastructure etc. Presently we have been doing Smart City Projects in Indore, Jhansi, Sagar & Trivanthapuram. The value of these Projects is app 1 K Crore.

- (1) Smart City Mission - Indore Projects (2) Smart City Mission - Jhansi Projects
(3) Smart City Mission (KRFB) - Thiruvananthapuram
(4) Smart City Mission - Sagar (MP)

Iconic commercial destination



Pre - certified gold rated building from IGBC (Indian Green Building Council)
HARERA Approved

Architectural breakthrough

- Spread over 6.50 acres (approx.)
- Development of approx. 1.1 million sq.ft.
- Floor plate up-to approx. 50,000 sq.ft. (leasable)
- 30 FT. height entrance lobby
- Multi-sized spaces for restaurants & retail
- Elegantly planned office spaces
- Banks, ATMs & much more
- Electric vehicle charging stations

Offer of Possession - May, 2023*

*Subject to change



**Sector - 58, Golf Course
Extn., Gurugram**

LAUNCHING SOON



Artistic Rendition

ENRICH YOUR LIFE

INDEPENDENT FLOORS AT



**DLF
GARDENCITY**

**ENCLAVE
PHASE 2**



One air-conditioned
home per floor



Secure basement
storage



Exclusive
car parking

SECTOR 93, GURUGRAM. | 3BHK FROM 1.4CR.* | CALL: +91 99867 02885

License No.94 of 2021 dtd 12.11.2021 for an area of 26.91875 acres of village Hayatpur at Sector 93, Gurugram, Haryana ; Developer: DLF Limited. Revised Layout Plan drawing no. 8166 dtd 21.02.2022.

Disclaimers: All information, images and visuals, drawings, plans or sketches shown in this advertisement are only an architect's impression, representative images or artistic renderings and not to scale. Nothing contained herein intends to constitute a legal offer and does not form part of any legally binding agreement. The Company endeavours to keep the information up to date and correct. Recipients/ viewers are advised to exercise their discretion in relying on the information shown/ provided and are requested to verify all the details, including area, amenities, services, terms of sales and payments and other relevant terms independently with the Sales Team/ Company, have thorough understanding of the same and take appropriate advice prior to concluding any decision for buying any Unit(s) in the Project. *Taxes and statutory charges extra as applicable and terms and conditions apply. Website - www.gardencityenclave.dlf.in. Project address - Sector-93, Gurugram.