“RERA will win back the trust in the real estate sector”

In an exclusive interview, newly-appointed CREDAI president, JAXAY SHAH, talks about the real estate sector, its future and how CREDAI will play an important role in improving the sector.

JAXAY SHAH, president, CREDAI (Confederation of Real Estate Developers’ Associations of India), gives an insight into various issues pertaining to the real estate sector, with a special focus on RERA.

Q: THE REAL ESTATE MARKET HAS STARTED TO BOUNCE BACK AFTER A SLOWDOWN POST DEMONETISATION. WHAT, ACCORDING TO YOU, WILL BE THE SCENARIO NOW, NATIONALLY?
A: The higher growth trajectory of more than 7 per cent growth; tax concessions given to the housing sector, particularly affordable housing and the expansion in the coverage of Credit Linked Subsidy Schemes, are all positive developments which, by themselves, are sufficient to ensure an annual growth of 20 per cent in the real estate sector at a national level. The scenario is improving and we are hopeful that things will get better in the days to come.

Q: WITH A HOST OF NEW REGULATIONS LIKE RERA AND GST IN PLACE AND THE INFRASTRUCTURE STATUS BEING ACCORDED TO AFFORDABLE HOUSING, WHAT CHANGES DO YOU FORESEE AND HOW DO YOU THINK THESE WILL IMPACT THE SECTOR?
A: We have been partners with the government in framing the Real Estate (Regulation and Development) Act, 2016. We consider this as a major move towards the protection of consumer interest, which is expected to win back their trust in the real estate sector. The Goods and Services Tax (GST) is expected to help evolve a unified and integrated national market. However, as far as real estate is concerned, the benefits from GST are limited as states would continue to levy disclosures and compliances. Thus, it may impose some additional costs. Promoters would have to bring in requisite professional and organisational strengths or they would face irretrievable consequences.

Q: IN SEVERAL MARKETS ACROSS THE COUNTRY, THE FOCUS OF REAL ESTATE PLAYERS IS NOW TO
A: The joint responsibility of the promoter, the regulatory apparatus entrusted with the grant of approvals and the financial institutions. Solutions have to be found on a case-to-case basis, with the basic understanding that if a promoter is not at fault, he should be given due accommodation to complete the project.

Q: WHAT IS THE STATUS OF ADVERTISING POST RERA?
A: There are a lot of rumours circulating in the industry with regards to advertising; do not believe them. The act nowhere says that the developers cannot advertise or market their projects. We can continue to advertise for our ongoing projects till July 31 and apply for the RERA registration simultaneously. The RERA registration is mandatory for new projects. I want to clarify this to the entire fraternity that there is no ambiguity and the law is very clear. CREDAI will also be holding a series of workshops on RERA, GST and affordable housing for its members in the days to come. Instead of believing hearsay that there is a blanket ban on advertising or marketing of the projects, please contact and confirm with CREDAI.

Q: COMPLETE THE DELAYED PROJECTS AND REGAIN BUYER CONFIDENCE. DO YOU THINK CREDAI CAN PLAY A FUNDAMENTAL ROLE IN THIS AND IF YES, HOW?
A: CREDAI is playing a transformational role in the real estate sector, not only for the promotion of developers but more importantly, for the consumers. We believe that the completion of delayed projects is the joint responsibility of the promoter, the regulatory apparatus entrusted with the grant of approvals and the financial institutions. Solutions have to be found on a case-to-case basis, with the basic understanding that if a promoter is not at fault, he should be given due accommodation to complete the project.