

# A constructive decision!

With a promise to become RERA compliant, Ruparel Realty has once again proven that customer confidence is on their priority list.

Ruparel Realty is a name that has become synonymous with quality construction. HOT Property sought the views of its Managing Director-Amit Ruparel on GST, RERA and other important factors affecting the realty industry. Excerpts from the interview...

## What according to you are the reasons why property prices may or may not increase post RERA?

RERA is expected to bring the much-needed relief to homebuyers as it ushers in accountability and efficiency in the sector with the Act defining the rights and obligations of the buyers. The builder-buyer deals shall be made more equitable and transparent and it will be mandatory for the developers to furnish accurate project details namely layout plans, legal status, approvals received, interior specifications, well-defined product typology and time required for the completion and delivery of the project. The maintenance of funds in the escrow account shall regulate the cash flow movements so that the funds are not transferred into some other project. Property prices are determined by demand and supply in the market. People who had delayed their home-buying decisions are now expected to return as RERA has brought the much-needed transparency into the market. Prices are not expected to rise immediately, but demand is expected to pick up during the festive season with buyers returning to the market. The Act will help in quick redressal of any sort of builder-buyer disputes thus boosting the confidence of the prospective homebuyers.

## Will the Developers face challenges and what are the various challenges the Developers would face on the RERA Act?

The expectations from RERA are huge as it will change the way the real estate sector functions and there will be challenges initially. Most developers have to completely change the way they have operated in the real estate business so far. Internal systems and processes need to be

changed to ensure they are Rera-compliant. We have been preparing ourselves to be RERA-compliant. We believe improved project planning will help developers avoid delays and manage project funds efficiently.

## How it will benefit from the prospective Builders and Developers point of view?

The Real Estate Regulation and Development Act (RERA) aims to bring in the much-needed discipline in real estate sector. This sector will see a change in terms of a more transparent, competitive, value offering, hassle-free and definitely consumer-focused industry. It is directed to aid a regulated market in the real estate sector and it will act as a boon making a positive impact both on developers and buyers. Many developers have started to re-design



their business practices and processes to suit the regulations perfectly.

## What are the segments that have the potential to transform the future of real estate?

The major segments that can transform the real estate scenario are infrastructure and affordable housing. Many areas have flourished from infra projects, like the monorail, Eastern Freeway and the Mumbai Metro. With government already favouring the affordable housing scheme it will not only benefit the buyer but the developers as well as the timeline to complete these projects have been extended from 3 years to 5 years giving the developer ample time to complete the project.

## Will the affordable housing segment be able to fulfil its

## promises and change the fate of the real estate sector in the country?

There was always a demand for affordable housing, however the supply was less but now the scenario is different with government favouring this segment by providing tax benefits under Prime Minister's Awas Yojana (Urban), people belonging to economically weaker sections, low income groups and middle income groups with incomes up to Rs.18 lakh per year have been made eligible for central assistance up to Rs 2.35 lakh per each beneficiary. It is also favouring the builders

as they can now complete the projects in 5 years giving them enough time.

## What will be your company's contribution to the realty sector down the decade?

Ruparel projects are present across Mumbai with price bracket of 1cr - 6cr onwards with best in class internal and external amenities. The company plans to develop more homes across MMR which will cater to the needs of every mumbaiker and will be on everyone's wishlist.

## Do you see a trend of 1BHK flats witnessing bigger de-

## mand? Does this enable home ownership by making the pricing more feasible for home seekers?

Over the past few years there has been steady a growth in demand for 1bhk. Today projects offering 1bhk with lifestyle amenities are on consumers wishlist thereby enabling the builders to construct more of these apartments at attractive price points.

## What are your views on GST?

Prior to the implementation of Goods and Service Tax, builders and home-owners had to pay heavy taxes,

like service tax, VAT, entry tax, customs duty, excise duty and many other charges. With enactment of Goods and Service Tax the real estate sector will incorporate all indirect taxes under one consolidated tax thus bringing transparency and ease of operation in all property deals. With GST and Real Estate Development and Regulation Act (RERA) in practice, India will now be an attraction as an investment destination thus boosting the economy. Since real estate sector is the second largest employer in the country it will also generate employment at a large scale."

