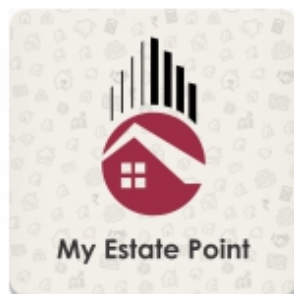




Simplified Version of

RERA For Real Estate Agents

- By My Estate Point



Real Estate Agents play a very crucial role in property transaction. They are the medium between buyer & promoter during property transaction. Majority of buyers rely on agents for information related to property they are buying. This includes searching property options, due diligence of property & promoter, pricing check, negotiation and legal paper work. It would be no excessive to say that buyer's trust on agent makes deal possible.

To regularise real estate sector and increase transparency in property transaction it becomes vital to define role, duties & responsibility of real estate brokers as they play a key role during property transaction.

RERA act clearly defines who is “ **Real Estate Agent**” along with their duties & responsibility. Act also enforces agents registration with RERA authority.

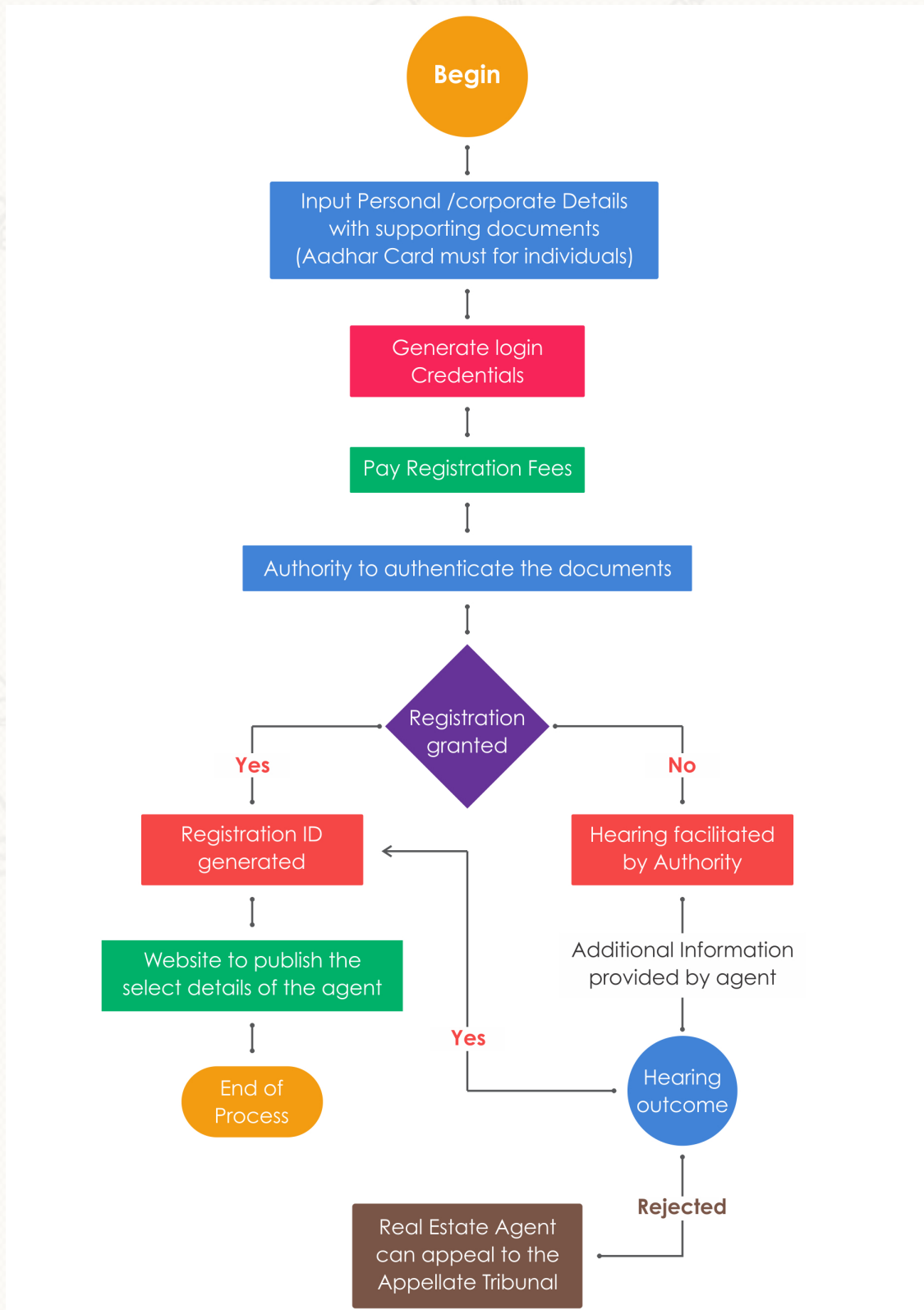
Definition of “Real estate Agent” As per RERA

“Real estate agent” means any person, who negotiates or acts on behalf of one person in a transaction of transfer of his plot, apartment or building, as the case may be, in a real estate project, by way of sale, with another person or transfer of plot, apartment or building, as the case may be, of any other person to him and receives remuneration or fees or any other charges for his services whether as commission or otherwise and includes a person who introduces, through any medium, prospective buyers and sellers to each other for negotiation for sale or purchase of plot, apartment or building, as the case may be, and includes property dealers, brokers, middlemen by whatever name called;

Registration of Real Estate Agent:

Every agent must make an application to the authority for registration within **3 months after implementation of RERA**.

Registration Process:



Document Required for Registration:

Agent have to submit below mentioned documents for registration:

- ▶ Name, address, contact details and photograph of the real estate agent, if it is an individual and the name, address, contact details and photograph of the partners, directors etc. in case of other entities;
- ▶ The brief details of his enterprise including its name, registered address, type of enterprise (proprietorship, societies, partnership, company etc.);
- ▶ The particulars of company registration (whether as a proprietorship, partnership, company, society etc.) including the bye-laws, memorandum of association, articles of association etc. as the case may be;
- ▶ Authenticated copy of the PAN card.
- ▶ Authenticated copy of the address proof of the place of business.
- ▶ Last 3 years Income tax returns (if exempted from filing return, declaration for the same)

Registration FEES :

- ▶ For individual : Rs. 10000
- ▶ For Company : Rs. 50000

Registration Number & Validity :

Upon Registration authority will grant registration number to agent. This number & registration will be valid for **entire state or union territory for 5 Years**

If agent want to work in different state or other union territory he has to register him self with RERA Authority of same state then only he is liable to work in that territory.

Revocation of Registration:

Real estate agent who has been granted registration **commits breach of any term & condition of act or** involve him self in any fraudulent activities then his registration can be suspended by RERA Authority.

Authority can not Revoke registration of agent unless **an opportunity of being heard** has been given to the real estate agent.

Renewal of Registration :

- ▶ Agent will have to apply for renewal 3 months prior to expire of his current registration along with updated documents.
- ▶ Renewal fees : For Individual Rs 5000 & For Companies Rs. 25000
- ▶ Authority will renew registration if agent has not violated any rules of act in last tenure and renewed registration will be valid for 5 Years

Application for renewal of registration will not be rejected unless the applicant has been given an opportunity of being heard in the matter.

Duties of Real Estate Agent Prescribe By RERA :

All registered agents will have to adhere to duties and fulfil compliance as described in table below

NO Sale of Non Registered project

Agent registered under RERA can not sale project which is required but not registered with RERA. This means if agent is found selling such projects he will be liable for penalty.

Registration Number in all Sales

Agents must mention his registration No in every sale facilitated by him.

Maintain book of Account & Records

Agent must maintain his books of account as well as records and documents related to transactions he has facilitated.

NO misrepresentation

Agent must not represents that the promoter or himself has approval or affiliation which promoter or himself does not have.

NO misleading information about Project

Agent registered under RERA must not provide any false or misleading information related to project ,its facility or services to be offered with project to buyers.

NO misleading advertisement

Agent must not permit any misleading advertising in any media (e.g.news paper, tv, web ,sms, email, WhatsApp etc.) about project they are selling or about his own services.

Facilitate complete information & documents:

Agents must facilitate buyer for getting all necessary information & documents related to project at the time of booking

Penalties for Real Estate Agents in RERA :

	TYPE OF DEFAULT	PENALTY PROVISION
1	Fails to comply with rules under RERA	Rs.10000 per day till such default continues which can go up to 5% of cost of plot, building or apartment for which he has facilitate Sale.
2	Fails to comply with orders of the Authority	Same As above
3	Fails to comply with orders of the Appellate Tribunal	<ul style="list-style-type: none">▶ Imprisonment for 1 year or▶ Rs.10000 per day up to 10% of cost of plot, building or apartment for which he has facilitate Sale. or▶ with both

How RERA will be going to Benefit Agents:

Along with rules , penalties and compliances RERA also brings many benefits to real estate agents.

1. Brand identity & Social Respect:

RERA establishes agents as key player in Real estate and also legitimise brokerage profession. By following all the professional norms of RERA agents will be able create their own professional brand. It will increase trust of buyers towards agent who are Registered with RERA Authority. This factor of trust help agents to increase their business, create his brand and gain social respect.

2. More Security of Brokerage:

It was very normal practice in current market where either buyer or developers are not paying due commission to agents on time or even in some cases they do not pay even single rupee to agent. With RERA it is compulsory to include agent

registration number in sales deed. This provides legal cover and greater security to agents for their hard earned commission.

3. Sale with more confident & keep his words

After RERA Developer/Promoter have to build Project and its amenities as per the plans submitted by them to RERA Authority and as advertised. So whatever promises given by developers in advertisement and in brochure, they have to deliver same product in reality. these give Guarantee of Product (Project, plot or Apartment) which will help agent to confidently sale Properties.

4.Improved financial security & assistance

Registration with RERA legitimises profession of Real estate agents. Also Under the RERA provisions Agents are required to keep books of account, file their income tax return and submit the same to RERA Authority. This will eventually help agents to get financial assistance (e.g loan) from financial institution (e.g. Bank) for their personal and professional needs.

This will help agents to stay stable and survive against the bad market conditions.



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