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PART I

Acts, Ordinances, President's Orders and Regulations

NATIONAL ASSEMBLY SECRETARIAT

Islamabad, the 6th February, 2021

No. F. 23(17)/2020-Legis.—The following Acts of *Majlis-e-Shoora* (Parliament) received the assent of the President on the 9th November, 2020 is hereby published for general information:—

ACT NO. I OF 2021

AN

ACT

to establish the Real Estate Regulatory Authority for regulation and promotion of the real estate sector and for matters connected therewith

WHEREAS it is expedient to establish the Real Estate Regulatory Authority for regulation and promotion of the real estate sector and to protect the interest of buyers in the real estate sector by ensuring that the sale and purchase of plot, apartment or building, as the case may be, or sale of real estate project, to

(41)

Price : Rs. 80.00

the buyer by a developer or owner holding title by himself or through a company or an agent is by an efficient and transparent manner and to regulate mega projects in the real estate sector by any developer and provide a mechanism for speedy dispute redressed by establishing an Appellate Tribunal to hear appeals from the decisions, directions or orders of the Real Estate Regulatory Authority and the recommendations of the inquiry officer and for matters connected therewith or incidental thereto follows:—

CHAPTER I

PRELIMINARY

1. **Short title, extent and commencement.**—(1) This Act may be called the Islamabad Real Estate (Regulation and Development) Act, 2020.

(2) It extends to the Islamabad Capital Territory.

(3) It shall come into force at once.

2. **Definitions.**—(1) In this Act, unless the context otherwise requires,—

(a) “Authority” means the Islamabad Real Estate Regulatory Authority established under this Act;

(b) “Appraisal or inquiry officer” means the inquiry officer appointed by the Authority or the Appellate Tribunal under this Act;

(c) “Advertisement” means any document by the developer or his authorized agent described or issued as advertisement through any medium and includes any notice, circular or other documents or publicity in any form, informing persons about a real estate property or real estate project, or offering for sale of a plot, building or apartment or inviting persons to purchase in any manner such plot, building or apartment or to make advances or deposits for such purposes;

(d) “allottee” in relation to a real estate project or a real estate holding, means the person to whom a plot, apartment or building, as the case may be, has been sold (whether as freehold or leasehold which is not less than thirty three years) by way of a sale, transfer or otherwise or transferred by the developer having sale of real estate rights given to him by the owner of the real estate, and includes the person who subsequently acquires the said allotment but does not

include a person to whom such plot, apartment or building, as the case may be, is given on rent;

- (e) "Agreement for sale" means an agreement entered into between the developer and the allottee to sell and to purchase the property respectively;
- (f) "apartment" whether called block, chamber, dwelling unit, flat, office, showroom, shop, godown, premises, suit, tenement, unit or by any other name, means a separate and self-contained part of any immovable property, including one or more rooms or enclosed spaces, located on one or more floors or any part thereof, in a building or on a plot of land, used or intended to be used for any residential or commercial use such as residence, office, shop, showroom or godown or for carrying on any business, occupation, profession or trade, or for any other type of use ancillary to the purpose specified;
- (g) "Appellate Tribunal" means the Real Estate Appellate Tribunal established under this Act;
- (h) "Government" means the Federal Government;
- (i) "architect" means a person registered as an architect under the provisions of the Pakistan Council of Architects and Town planners Act, 1983 (Ordinance No. IX of 1983);
- (j) "building" includes any structure or erection or part of a structure or erection which is intended to be used for residential, commercial or for the purpose of any business, occupation, profession or trade, or for any other related purposes;
- (k) "carpet area" means the net usable floor area of an apartment, excluding the area covered by the external walls, areas under services shafts, exclusive balcony or verandah area and exclusive open terrace area, but includes the area covered by the internal partition walls of the apartment.

Explanation.—For the purpose of this clause, the expression "exclusive balcony or verandah area" means the area of the balcony or verandah, as the case may be, which is appurtenant to the net usable floor area of an apartment, meant for the exclusive use of the allottee; and "exclusive open terrace area" means the area of open terrace which is appurtenant to the net usable floor area of an apartment, meant for the exclusive use of the allottee.

- (l) "Chairperson" means the Chairperson of the Real Estate Regulatory Authority appointed under this Act;
- (m) "commencement certificate" means the commencement certificate or the building permit or the construction permit, by whatever name called issued by the an authority empowered by law or the owner if so permitted by law to allow or permit the developer to begin development works on an immovable property, as per the sanctioned plan approved and issued an authority empowered by law;
- (n) "common areas" mean—
- (i) the entire land for the real estate project even when the project is developed in phases and registration under this Act is sought for only a phase out of the entire land;
 - (ii) the cases, lifts, fire escapes, and common entrances and exits of buildings;
 - (iii) the common basements, terraces, parks, play areas; open parking areas and common storage spaces;
 - (iv) the premises for the lodging of persons employed for the management of the property including accommodation for watch and ward staffs or for the lodging and offices of community service personnel;
 - (v) Installations of central services such as electricity, gas, water and sanitation, air-conditioning, system for water conservation and renewable energy and incinerating;
 - (vi) the water tanks, sumps, motors, fans, compressors, ducts and all apparatus connected with installations for common use;
 - (vii) all community and commercial facilities as provided in the real estate project; and
 - (viii) all other portion of the project necessary or convenient for its maintenance, safety, etc., and in common use;
- (o) "company" means a company incorporated and registered under the Companies Act, 2017 (XIX of 2017) to develop and construct real estate projects;

- (p) "corporation" means a corporation established by or under any Federal Act;
- (q) "development authority" means any public authority established by the Government in this behalf under any law for the time being in force;
- (r) "completion certificate" means the completion certificate, or such other certificate, by whatever name called, issued by the an authority empowered by law certifying that the real estate project has been developed according to the sanctioned plan, layout plan and specifications, as approved by the an authority empowered by law under the local laws;
- (s) "day" means the working day, in the Federal territory, notified by the Federal Government from time to time;
- (t) "Land owner" means any local authority or the Capital Development Authority created or established under any law for the time being in force by the Federal Government holding a land lawfully which can be sold to the public or a lawful owner of the land having authority over land under its jurisdiction to sell it, and has powers to give permission for development of such immovable property to a developer;
- (u) "development" with its grammatical variations and cognate expressions, means carrying out the development of immovable property, engineering or other operations in, on, over or under the land or the making of any material change in any immovable property or land and includes re-development;
- (v) "development works" means the external development works and internal development works on immovable property;
- (w) "engineer" means a person who is registered as an engineer with the Pakistan Engineering Council;
- (x) "estimated cost of real estate project" means the total cost involved in developing the real estate project and includes the land cost, taxes, development and other charges;
- (y) "external development works" includes roads and road systems landscaping, water supply, sewerage and drainage systems, electricity supply transformer, sub-station, solid waste management and disposal or any other work which may have to be executed in

- the periphery of, or outside, a project for its benefit, as may be provided under the local laws;
- (z) "family" includes husband, wife, minor son and unmarried daughter, father or mother wholly dependent on a person;
- (za) "garage" means a place within a project having a roof and walls on three sides for parking any vehicle, but does not include an unenclosed or uncovered parking space such as open parking areas;
- (zb) "immovable property" includes land, buildings, rights of ways, lights or any other benefit arising out of land and things attached to the earth or permanently fastened to anything which is attached to the earth, but not standing timber, standing crops or grass;
- (zc) "interest" means the rates of interest payable by the developer or the allottee, as the case may be.

Explanation.—For the purpose of this clause,—

- (i) the rate of interest chargeable from the allottee by the developer, in case of default in the payment scheme agreed upon in the agreement, shall be equal to the rate of interest which the developer shall be liable to pay the allottee, in case of default; and
- (ii) the interest payable by the developer to the allottee shall be from the date the developer did not deliver the possession of the premises/ real estate project as per the agreement between the Seller developer and buyer allottee.
- (zd) "internal development works" in relation to a real estate project means roads, footpaths, water supply, sewers, drains, parks, tree planting, street lighting, provision for community buildings and for treatment and disposal of sewage and silage water, solid waste management and disposal, water conservation, energy management; fire protection and fire safety requirements, social infrastructure such as educational, health and other public amenities or any other work in a project for its benefit, as per sanctioned plans;
- (ze) "local authority" means the Municipal Corporation or Municipality or Capital Development Authority or Panchayats or any other Local Body constituted under any law for the time being in force for providing municipal services or basic services, as the case may be, in respect of areas under its jurisdiction;

- (zf) "Member" means the member of the Real Estate Regulatory Authority appointed under this Act;
- (zg) "Ministry" means the Ministry of Interior, Government of Pakistan;
- (zh) "notification" means a notification published in the Official Gazette and the expression "notify" shall be construed accordingly;
- (zi) "occupancy certificate" means the occupancy certificate, or such other certificate by whatever name called, issued by the an authority empowered by law permitting occupation of any building constructed reasonably within the approved plan or layout as provided under local laws, which has the civic infrastructure such as water, sanitation and electricity available;
- (zj) "person" includes,—
- (i) an individual;
 - (ii) an undivided family;
 - (iii) a company;
 - (iv) a firm under the Pakistani Partnership Act, 1932 (IX of 1932) or the Companies Act, 2017 (XIX of 2017) as the case may be;
 - (v) an authority established and empowered by law;
 - (vi) an association of persons or a body of individuals whether incorporated or not;
 - (vii) a co-operative society registered under any law relating to co-operative societies; and
 - (viii) any such other entity as the Federal Government may, by notification, specify in this behalf;
- (zk) "planning area" means a planning area or a development area or a local planning area or a regional development plan area, by whatever name called, or any other area specified as such by the Federal Government or any authority having such power under the law and includes any area designated by the Federal Government or any authority or an owner to be a planning area for future planned

development, under the law relating to Town and Country Planning for the time being in force and as revised from time to time;

- (zl) "prescribed" means prescribed by the Rules made under this Act;
- (zm) "project" means the real estate project as defined under this Act;
- (zn) "developer" means,—
 - (i) a person who constructs or causes to be constructed an independent building or a building consisting of apartments, or converts an existing building or a part thereof into apartments, for the purpose of selling all or some of the apartments to other persons himself or through his legally nominated and declared assignees; or
 - (ii) a person who develops a land given to him by an land owner for conversion of the land into a real estate project, whether or not such person also constructs structures on any of the plots, for the purpose of selling to other persons all or some of the plots in the said project; or
 - (iii) any development authority or any other public body in respect of allottees of—
 - (a) buildings or apartments, as the case may be, constructed by such authority or body on lands owned by them or placed at their disposal by the Government for allotment or for selling out; or
 - (b) plots owned by such authority or body or placed at their disposal by the Government for the purpose of selling all or some of the apartments or plots for allotment or for selling out; or
 - (iv) a co-operative housing finance society and a primary co-operative housing society which holds a land lawfully and constructs apartments or buildings for its Members or in respect of the allottees of such apartments or buildings owned by it; or
 - (v) any other person who acts himself as a builder, coloniser, contractor, developer, estate developer or by any other name or claims to be acting as the holder of a power of attorney

from the owner of the land on which the building or apartment is constructed or plot is developed for sale; or

- (vi) such other person who constructs any building or apartment for sale to the general public.

Explanation.—For the purposes of this clause, where the person who constructs or converts a building into apartments or develops a plot for sale and the persons who sells apartments or plots are different persons, both of them shall be deemed to be the developers and shall be jointly liable as such for the functions and responsibilities specified, under this Act or the Rules and regulations made thereunder.

- (zo) “prospectus” means any document described or issued as a prospectus or any notice, circular, or other document offering for sale or any real estate project or inviting any person to make advances or deposits for such purposes;

- (zp) “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;

- (zq) “real estate project” means the development of a plot into a building or a building consisting of apartments, or converting an existing building or a part thereof into apartments, or the development of land into plots for residential houses and commercial plots for commercial use or apartments in an apartment building or in a portion of a building, as the case may be, for the purpose of selling all or some of the said apartments or plots or building, as the case may be, and includes the common areas, the development works, all improvements and structures thereon, and all easement, rights and appurtenances belonging thereto;

- (zr) “regulations” means the regulations made by the Authority under this Act;

- (zs) "rule" means the rules made under this Act; and
- (zt) "sanctioned plan" means the site plan, building plan, service plan, parking and circulation plan, landscape plan, layout plan, zoning plan and such other plan and includes structural designs, if applicable, permissions such as environment permission and such other permissions, which are approved by the an authority empowered by law prior to start of a real estate project shall continue at the pleasure of the Authority under this Act.

(2) The words and expressions used herein but not defined in this Act and defined in any law for the time being in force or in the municipal laws or such other relevant laws of the Federal Government shall have the same meanings respectively assigned to them in those laws.

CHAPTER II

REGISTRATION OF REAL ESTATE PROJECT AND REGISTRATION OF REAL ESTATE AGENTS

3. Prior Registration of real estate project with Real Estate Regulatory Authority.—(1) No developer shall advertise, market, book, sell or offer for sale, or invite persons to purchase in any manner any plot, apartment or building, as the case may be, in any real estate project or part of it, in any planning area, without registering the real estate project with the Real Estate Regulatory Authority established under this Act:

Provided that projects that are ongoing on the date of commencement of this Act and for which the completion certificate has not been issued, the developer shall make an application with the documents required to the Authority for registration of the said project within a period of three months from the date of commencement of this Act:

Provided further that if the Authority thinks necessary, in the interest of allottees, for projects which are developed beyond the planning area but carry a permission of the local authority, it may, by order, direct the developer of such project to register with the Authority so that the provisions of this Act or the rules and regulations made thereunder become applicable to such projects.

(2) Notwithstanding anything contained in sub-section (1), no registration of the real estate project shall be required with the Authority where the developer has received completion certificate for a real estate project prior to commencement of this Act.

4. **Application for registration of real estate project.**—(1) Every developer shall make an application to the Authority for registration of the real estate project in such form, manner, within such time and accompanied by such fee as may be specified by the regulations made by the Authority.

(2) The developer shall enclose the following documents along with the application referred to in sub-section (1), namely:—

- (a) Undisputed ownership documents of the land on which the real estate project is being built and sold;
- (b) if the developer is other than the owner of the land, then a legal authorization for the developer to carry out the real estate project clearly specifying whether he will be developing commercial plots or buildings or residential plots or buildings or apartments and the proposal as to how he will sell these properties after development along with a time frame;
- (c) a brief details of his enterprise including its name, registered address, type of enterprise proprietorship, societies, partnership, companies, an authority empowered in accordance with the Capital Development Authority law and regulations and the particulars of registration, and the names and photographs of the developer;
- (d) a brief detail of the projects launched by him, in the past five years, whether already completed or being developed, as the case may be, including the current status of the said projects, any delay in its completion, details of cases pending, details of type of land and payments pending;
- (e) an authenticated copy of the approvals and commencement certificate from the an authority empowered by law obtained in accordance with the laws as may be applicable for the real estate project mentioned in the application, and where the project is proposed to be developed in phases, an authenticated copy of the approvals and commencement certificate from the an authority empowered in accordance with the Capital Development Authority law and regulations for each of such phases;
- (f) the sanctioned plan, layout plan and specifications of the proposed project or the phase thereof, and the whole project as sanctioned by the an authority empowered by law ;
- (g) the plan of development works to be executed in the proposed project and the proposed facilities to be provided thereof including

firefighting facilities, drinking water facilities, emergency evacuation services, use of renewable energy;

- (h) the location details of the project, with clear demarcation of land dedicated for the project along with its boundaries including the latitude and longitude of the end points of the project;
- (i) proforma of the allotment letter, agreement for sale, and the conveyance deed proposed to be signed with the allottees;
- (j) the number, type and the carpet area of apartments for sale in the project along with the area of the exclusive balcony or verandah areas and the exclusive open terrace areas apartment with the apartment the number and areas of garage for sale in the project, if any;
- (k) the names and addresses of his real estate agents or his advertisers and promoters, if any, for the proposed project;
- (l) the names and addresses of the contractors, architect, structural engineer, if any and other persons concerned with the development of the proposed project;
- (m) a declaration, supported by an affidavit and documents, which shall be signed by the developer or any person authorized by the developer, stating:—
 - (i) that he has a legal title to the land on which the development is proposed along with legally valid documents with authentication of such title, if such land is owned by another person;
 - (ii) that the land is free from all encumbrances, or as the case may be details of the encumbrances on such land including any rights, title, interest or name of any party in or over such land along with details;
 - (iii) the time period within which he undertakes to complete the project or phase thereof, as the case may be;
 - (iv) that seventy per cent of the amounts realized for the real estate project from the allottees from time to time and this shall be deposited in a separate account to be maintained in a scheduled bank to cover the cost of construction and the land cost and shall be used only for that purpose;

Provided that the developer shall withdraw the amounts from the separate account, to cover the cost of the project, in proportion to the percentage of completion of the project:

Provided further that the amounts from the separate account shall be withdrawn by the developer after it is certified by an engineer, an architect and a chartered accountant in practice that the withdrawal is in proportion to the percentage of completion of the project:

Provided also that the developer shall get his accounts audited within six months after the end of every financial year by a chartered accountant in practice, and shall produce a statement of accounts duly certified and signed by such chartered accountant and it shall be verified during the audit that the amounts collected for a particular project have been utilized for the project and the withdrawal has been in compliance with the proportion to the percentage of completion of the project.

- (v) that he shall take all the pending approvals on time, from the authorities concerned; and
- (vi) that he has furnished such other documents as may be prescribed by the rules or regulations made under this Act; and
- (n) such other information and documents as may be required by the Authority from time to time.

(3) The Authority shall operationalize a web based online system for submitting applications for registration of projects within a period of one year from the date of the First meeting of the Authority, however hardcopy applications can also be submitted to the Authority.

5. Registration of the Developer with the Authority.—(1) On receipt of the application from the developer for grant of registration to it, the Authority shall, within a period of thirty days,—

- (a) grant registration subject to the provisions of this Act and the rules and regulations made thereunder, and provide a registration number, including a Login Id and password to the applicant for accessing the website of the Authority and with directions to the developer to create his web page and to fill therein the details of the proposed project and prominently mention the registration number

issued by the Authority in all its correspondence and advertisements; or

- (b) reject the application for reasons to be recorded in writing, if such application does not conform to the provisions of this Act or the rules or regulations made thereunder:

Provided that no application shall be rejected unless the applicant has been given an opportunity of being heard in the matter.

(2) If the Authority fails to grant the registration or reject the application, as the case may be, as provided under sub-section (1), the project shall be deemed to have been registered, and the Authority shall within a period of seven days of the expiry of the said period of thirty days specified under sub-section (1), provide a registration number and a Login Id and password to the developer for accessing the website of the Authority and to create his web page and to fill therein the details of the proposed project. If the Authority wishes not to grant registration to the developer it can do so but only after a reasonable opportunity of hearing.

(3) The registration granted under this section shall be valid for a period as requested by the developer in his application for completion of the project or phase thereof, as the case may be.

6. Extension of registration of the Developer.—The registration granted under section 5 may be extended by the Authority on an application made by the developer due to force majeure, in such form and on payment of such fee as may be specified by regulations made by the Authority:

Provided that the Authority may in reasonable circumstances, without default on the part of the developer, based on the facts of each case, and for reasons to be recorded in writing, extend the registration granted to a project for such time as it considers necessary, which shall, in aggregate, not exceed a period of one year:

Provided further that no application for extension of registration shall be rejected unless the applicant has been given an opportunity of being heard in the matter.

Explanation.—For the purpose of this section, the expression “force majeure” shall mean a case of war, flood, drought, fire, cyclone, earthquake or any other calamity caused by nature affecting the regular development of the real estate project.

7. **Revocation of registration of the Developer.**—(1) The Authority may, on receipt of a complaint or suo motu in this behalf or on the recommendation of the an authority empowered by law , revoke the registration granted under section 5, after being satisfied that—

- (a) the developer makes default in doing anything required by or under this Act or the rules or the regulations made thereunder;
- (b) the developer violates any of the terms or conditions of the approval given by the an authority empowered by law; and
- (c) the developer is involved in any kind of unfair practice or irregularities.

Explanation.—For the purposes of this clause, the term “unfair practice means” a practice which, for the purpose of promoting the sale or development of any real estate project adopts any unfair method or unfair or deceptive practice including any of the following practices, namely:—

- (A) the practice of making any statement, whether in writing or by visible representation which,—
 - (i) falsely represents that the services are of a particular standard or grade;
 - (ii) represents that the developer has approval or affiliation which such developer does not have; and
 - (iii) makes a false or misleading representation concerning the services; and
- (B) the developer permits the publication of any advertisement or prospectus whether in any newspaper or otherwise of services that are not intended to be offered;
- (d) the developer indulges in any fraudulent practices.

(2) The registration granted to the developer under section 5 shall not be revoked unless the Authority has given to the developer not less than thirty days notice, in writing, stating the grounds on which it is proposed to revoke the registration, and has considered any cause shown by the developer within the period of that notice against the proposed revocation.

(3) The Authority may, instead of revoking the registration under sub-section (1), permit it to remain in force subject to such further terms and conditions as it thinks fit to impose in the interest of the allottees, and any such terms and conditions so imposed shall be binding upon the developer.

- (4) The Authority, upon the revocation of the registration,—
- (a) shall debar the developer from accessing its website in relation to that project and specify his name in the list of defaulters and display his photograph on its website and also inform the public about such revocation or registration;
 - (b) shall facilitate the remaining development works to be carried out in accordance with the approved proposal;
 - (c) shall direct all the banks holding the project bank account of the Developer, to immediately freeze the account, and thereafter provide an opportunity of hearing within seven working days and take such further necessary actions, including consequent de-freezing of the said account, towards facilitating the remaining development works; and
 - (d) may, to protect the interest of allottees or in the public interest, issue such directions as it may deem necessary.

8. Obligation of Authority consequent upon lapse of or on revocation of registration of a Developer.—Upon lapse of the registration or on revocation of the registration under this Act, the Authority, may consult the Federal Government to take such action as it may deem fit including the carrying out of the remaining development works by an authority empowered by law or by the association of allottees or in any other manner, as may be determined by the Authority:

Provided that no direction, decision or order of the Authority under this section shall take effect until the expiry of the period of appeal provided under the provisions of this Act:

Provided further that in case of revocation of registration of a project under this Act, the association of allottees shall have the first right of refusal for carrying out of the remaining development works.

9. Registration of real estate agents.—(1) No real estate agent shall facilitate the sale or purchase of or act on behalf of any person to facilitate the sale or purchase of any plot, apartment or building, as the case may be, in a real estate project or part of it, being the part of the real estate project registered under

section 3, being sold by the developer in any planning area, without obtaining registration under this section.

(2) Every real estate agent shall make an application to the prescribed Authority for registration in such form, manner, within such time and accompanied by such fee and documents as may be prescribed by the Islamabad Real Estate Agents and Motor Vehicle Ordinance, 1984.

(3) The Authority shall, within such period, in such manner and upon satisfying itself of the fulfillment of such conditions, as may be prescribed—

- (a) grant a single general registration to the real estate agent for two years which can be renewed after every two years; Or
- (b) grant a single registration to the real estate agent for a particular project; or
- (c) reject the application for reasons to be recorded in writing, if such application does not conform to the provisions of the Act or the rules or regulations made thereunder:

Provided that no application shall be rejected unless the applicant has been given an opportunity of being heard in the matter.

(4) Whereon the completion of the period specified under sub-section (3), if the applicant does not receive any communication about the deficiencies in his application or the rejection of his application, he shall be deemed to have been registered.

(5) Every real estate agent who is registered as per the provisions of this Act or the rules and regulations made thereunder, shall be granted a registration number by the Authority, which shall be quoted by the real estate agent in every sale facilitated by him under this Act.

(6) Every registration shall be valid for such period as may be prescribed, and shall be renewable for a period in such manner and on payment of such fee as may be prescribed.

(7) Where any real estate agent who has been granted registration under this Act commits breach of any of the conditions thereof or any other terms and conditions specified under this Act or any rules or regulations made thereunder, or if there is any complaint against a real estate agent or where the Authority is satisfied that such registration has been secured by the real estate agent through misrepresentation or fraud, the Authority may, without prejudice to

any other provisions under this Act, revoke the registration or suspend the same for such period as it thinks fit:

Provided that no such revocation or suspension shall be made by the Authority unless an opportunity of being heard has been given to the real estate agent.

10. **Functions of real estate agents.**—Every real estate agent registered under section 9 shall—

- (a) not facilitate the sale or purchase of any plot, apartment or building, as the case may be, in a real estate project or part of it, being sold by the developer in any planning area, which is not registered with the Authority;
- (b) maintain and preserve such books of account, records and documents as may be prescribed;
- (c) not involve himself in any unfair trade practices, namely:—
 - (i) the practice of making any statement, whether orally or in writing or by visible representation which—
 - (A) falsely represents that the services are of a particular standard or grade;
 - (B) represents any approval or affiliation which the agent or the developer does not have; and
 - (C) makes a false or misleading representation concerning the services;
 - (ii) permitting the publication of any advertisement whether in any newspaper or otherwise of services that are not intended to be offered.
- (d) facilitate the possession of all the information and documents, as the allottee, is entitled to, at the time of booking of any plot, apartment or building, as the case may be; and
- (e) discharge such other functions as may be prescribed.

CHAPTER-III

FUNCTIONS AND DUTIES OF DEVELOPER

11. **Functions and duties of developer.**—(1) The developer shall, upon receiving his Login Id and password under clause (a) of sub-section (1) or under sub-section (2) of section 5, as the case may be, create his webpage on the website of the Authority and enter all details of the proposed project as provided under sub-section (2) of section 4, in all the fields as provided, for public viewing, including—

- (a) details of the registration granted by the Authority;
- (b) quarterly up-to-date the list of number and types of apartments or plots, as the case may be, booked;
- (c) quarterly up-to-date the list of number of garages booked;
- (d) quarterly up-to-date the list of approvals taken and the approvals which are pending subsequent to commencement certificate;
- (e) quarterly up-to-date status of the project; and
- (f) such other information and documents as may be specified by the regulations made by the Authority.

(2) The advertisement or prospectus issued or published by the developer shall mention prominently the website address of the Authority, wherein all details of the registered project have been entered and include the registration number obtained from the Authority and such other matters incidental thereto.

(3) The developer at the time of the booking and issue of allotment letter shall be responsible to make available to the allottee, the following information, namely:—

- (a) sanctioned plans, layout plans, along with specifications, approved by the an authority empowered by law, by display at the site or such other place as may be specified by the regulations made by the Authority;
- (b) the stage wise time schedule of completion of the project, including the provisions for civic infrastructure like water, sanitation and electricity.

- (4) The developer shall--
- (a) be responsible for all obligations, responsibilities and functions under the provisions of this Act or the rules and regulations made there under or to the allottees as per the agreement for sale, or to the association of allottees, as the case may be, till the conveyance of all the apartments, plots or buildings, as the case may be, to the allottees, or the common areas to the association of allottees or the an authority empowered by law, as the case may be:

Provided that the responsibility of the developer, with respect to the structural defect or any other defect for such period as is referred to in sub-section (3) of section 14, shall continue even after the conveyance deed of all the apartments, plots or buildings, as the case may be, to the allottees are executed;

- (b) be responsible to obtain the completion certificate or the occupancy certificate, or both, as applicable, from the relevant an authority empowered by law as per local laws or other laws for the time being in force and to make it available to the allottees individually or to the association of allottees, as the case may be;
- (c) be responsible to obtain the lease certificate, where the real estate project is developed on a leasehold land, specifying the period of lease, and certifying that all dues and charges in regard to the leasehold land has been paid, and to make the lease certificate available to the association of allottees;
- (d) be responsible for providing and maintaining the essential services, on reasonable charges, till the taking over of the maintenance of the project by the association of the allottees;
- (e) enable the formation of an association or society or co-operative society, as the case may be, of the allottees, or a federation of the same, under the laws applicable:

Provided that in the absence of local laws, the association of allottees, by whatever name called, shall be formed within a period of three months of the majority of allottees having booked their plot or apartment or building, as the case may be, in the project;

- (f) execute a registered conveyance deed of the apartment, plot or building, as the case may be, in favour of the allottee along with the undivided proportionate title in the common areas to the association

of allottees or an authority empowered by law, as the case may be, as provided under this Act;

- (g) pay all outgoings until he transfers the physical possession of the real estate project to the allottee or the associations of allottees, as the case may be, which he has collected from the allottees, for the payment of outgoings (including land cost, ground rent, municipal or other local taxes, charges for water or electricity, maintenance charges, including mortgage loan and interest on mortgages or other encumbrances and such other liabilities payable to competent authorities, banks and financial institutions, which are related to the project):

Provided that where any developer fails to pay all or any of the outgoings collected by him from the allottees or any liability, mortgage loan and interest thereon before transferring the real estate project to such allottees, or the association of the allottees, as the case may be, the developer shall continue to be liable, even after the transfer of the property, to pay such outgoings and penal charges, if any, to the authority or person to whom they are payable and be liable for the cost of any legal proceedings which may be taken therefore by such authority or person; and

- (h) after he executes an agreement for sale for any apartment, plot or building, as the case may be, not mortgage or create a charge on such apartment, plot or building, as the case may be, and if any such mortgage or charge is made or created then notwithstanding anything contained in any other law for the time being in force, it shall not affect the right and interest of the allottee who has taken or agreed to take such apartment, plot or building, as the case may be.

(5) The developer may cancel the allotment only in terms of the agreement for sale:

Provided that the allottee may approach the Authority for relief, if he is aggrieved by such cancellation and such cancellation is not in accordance with the terms of the agreement for sale, unilateral and without any sufficient cause.

(6) The developer shall prepare and maintain all such other details as may be specified as required from time to time by Authority.

12. Obligation of developer regarding veracity of the advertisement or prospectus.—Where any person makes an advance or a deposit on the basis of the information contained in the notice advertisement or prospectus, or on the basis of any model apartment, plot or building, as the case may be, and sustains

any loss or damage by reason of any incorrect, false statement included therein, he shall be compensated by the developer in the manner as provided under this Act:

Provided that if the person affected by such incorrect, false statement contained in the notice, advertisement or prospectus, or the model apartment, plot or building, as the case may be, intends to withdraw from the proposed project, he shall be returned his entire investment along with interest at such rate as may be prescribed and the compensation in the manner provided under this Act.

13. No deposit or advance to be taken by developer without first entering into agreement for sale.—(1) A developer shall not accept a sum more than ten per cent of the cost of the apartment, plot, or building as the case may be, as an advance payment or an application fee, from a person without first entering into a written agreement for sale with such person and register the said agreement for sale, under any law for the time being in force.

(2) The agreement for sale referred to in sub-section (1) shall be in such form as may be prescribed and shall specify the particulars of development of the project including the construction of building and apartments, along with specifications and internal development works and external development works, the dates and the manner by which payments towards the cost of the apartment, plot or building, as the case may be, are to be made by the allottees and the date on which the possession of the apartment, plot or building is to be handed over, the rates of interest payable by the developer to the allottee and the allottee to the developer in case of default, and such other particulars, as may be prescribed.

14. Adherence to sanctioned plans and project specifications by the developer.—(1) The proposed project shall be developed and completed by the developer in accordance with the sanctioned plans, layout plans and specifications as approved by the authorities approved by the Federal Government.

(2) Notwithstanding anything contained in any law, contract or agreement, after the sanctioned plans, layout plans and specifications and the nature of the fixtures, fittings, amenities and common areas, of the apartment, plot or building, as the case may be, as approved by the an authority empowered by law, are disclosed or furnished to the person who agree to take one or more of the said apartment, plot or building, as the case may be, the developer shall not make—

- (i) any additions and alterations in the sanctioned plans, layout plans and specifications and the nature of fixtures, fittings and amenities described therein in respect of the apartment, plot or building, as

the case may be, which are agreed to be taken, without the previous consent of that person:

Provided that the developer may make such minor additions or alterations as may be required by the allottee, or such minor changes or alterations as may be necessary due to architectural and structural reasons duly recommended and verified by an authorized Architect or Engineer after proper declaration and intimation to the allottee.

Explanation.—For the purpose of this section, “minor additions or alterations” excludes structural change including an addition to the area or change in height, or the removal of part of a building, or any change to the structure, such as the construction or removal or cutting into of any wall or a part of a wall, partition, column, beam, joist, floor including a mezzanine floor or other support, or a change to or closing of any required means of access ingress or egress or a change to the fixtures or equipment, etc., and

- (ii) any other alterations or additions in the sanctioned plans, layout plans and specifications of the buildings or the common areas within the project without the previous written consent of at least two-thirds of the allottees, other than the developer, who have agreed to take apartments in such building.

Explanation.—For the purpose of this clause, the allottees, irrespective of the number of apartments or plots, as the case may be, booked by him or booked in the name of his family, or in the case of other persons such as companies or firms or any association of individuals, etc., by whatever name called, booked in its name or booked in the name of its associated entities or related enterprises, shall be considered as one allottee only.

(3) In case any structural defect or any other defect in workmanship, quality or provision of services or any other obligations of the developer as per the agreement for sale relating to such development is brought to the notice of the developer within a period of five years by the allottee from the date of handing over possession, it shall be the duty of the developer to rectify such defects without further charge, within thirty days, and in the event of developer's failure to rectify such defects within such time, the aggrieved allottees shall be entitled to receive appropriate compensation in the manner as provided under this Act.

15. Obligation of developer in case of transfer of a real estate project to a third party.—(1) The developer shall not transfer or assign his majority rights and liabilities in respect of a real estate project to a third party