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REalVIEW

Dear Readers,

REalVIEW is a monthly news digest bringing to our clients and well-wishers news updates on major developments in the realty industry. The periodical will keep the readers updated on the significant changes and trends affecting real estate development within the country as well as globally, thus helping them in taking informed and calculated investment decisions

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Sunil Kumar V
Founder & Managing Director
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KARNATAKA RERA ISSUES RS 707 CRORE RECOVERY ORDERS FOR DELAYED PROJECTS



BENGALURU: It's a double whammy for Sudhakar Lakshmanaraja, 37, having to pay both rent and interest on loans for the past six years for a flat he had purchased in 2018 thanks to the delayed project.

While Lakshmanaraja and the other apartment buyers at the project in Thanisandra were promised they would get possession of their properties by 2019, nearly half the project is still incomplete. Given this delay, Karnataka Real Estate Regulatory Authority (K-Rera) had issued a revenue recovery order in 2022 against the builder/promoter after the latter failed to pay a compensation or make a refund within the stipulated time.

However, two years on, affected homebuyers are yet to receive any money. According to latest available data accessed by TOI, as of Aug 31, 2024, K-Rera has issued recovery orders worth more than Rs 707 crore in 1,539 cases, involving 257 projects in the state.

"I have repeatedly raised the ineffectiveness of Rera's recovery process with multiple authorities. It's my hard-earned money and savings from years," Lakshmanaraja said.

According to K-Rera, while it is empowered to issue a revenue recovery order, the power to recover the money lies with the district administration.

Of these, only Rs 79 crore or about 11% has been recovered in 185 cases, while builders still owe homebuyers more than Rs 627 crore from 1,354 cases.

Advocate Anil Kalgi, a real estate investigator and secretary, Bangalore City Flat Owners' Association, pointed out that first, K-Rera orders builders or promoters to pay compensation to homebuyers and if that is not done within 60-90 days, the revenue recovery order is issued.

"However, this money can be recovered only by the DC (deputy commissioner) and there's no time limit for this in the rules. Also, in many of these cases, the projects are incomplete or haven't started at all. How will the DC recover the money?" Kalgi said.

K-Rera chairperson Rakesh Singh clarified to TOI: "Recovery orders are issued when the person/organisation liable to pay does not honour it within the stipulated period. We are in constant touch with the district administrations. There will be some perceptible improvement in days to come."

Vikram Rai, president, Bangalore Apartments Federation (BAF), said while the builder has an obligation to build and deliver homes, in many cases, one of the two things happens: They either don't deliver it on time and don't deliver it to the quality and features they are supposed to provide or there are different kinds of compliance issues that individual consumers or homebuyers don't know about.

"Rera is supposed to ensure these don't happen. Unfortunately, it's a law where every state must implement it, and strict implementation is not happening equally in every state, including in Karnataka," he added.

Dhananjaya Padmanabhachar, sanchalak, Karnataka Home Buyers' Forum, mooted the idea of a special revenue recovery officer under K-Rera.

"The chairman must appoint a revenue officer within Rera who will be responsible for the recovery of the money from the promoters with full execution powers. Such recovery agents have been placed in other state Reras. Why not in our state? If this happens, we can expect Rera orders to get executed faster so that homebuyers get justice," he further said.

Good news for real estate in India: Institutional investment up 45% in Q3 - Report



India's real estate sector attracted institutional inflows of USD 1.1 billion in Q3 2024, marking a 45% year-on-year increase. The office segment led with a 54% share, followed by residential at 33%. Chennai and Mumbai together drove 57% of total investments during the quarter.

Institutional investments in India's real estate sector reached USD 1.1 billion in Q3 2024, reflecting a 45% increase compared

to the same period last year, according to Colliers India. This surge in investments is driven by continued confidence in the Indian economy, marking a significant upswing after steady inflows in the first two quarters of 2024. The total institutional investment in Indian realty during the first nine months of 2024 has reached USD 4.7 billion, nearly matching the levels seen in 2023.

<https://www.etnownews.com/real-estate/good-news-for-real-estate-in-india-institutional-investment-up-45-in-q3-report-article-113883232/amp>

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Kochi Metro Rail proposes new metro line from Kazhakkootam to Putharikandam



THIRUVANANTHAPURAM: Kochi Metro Rail Ltd (KMRL) has sent a fresh proposal to the state transport department recommending the construction of Thiruvananthapuram Metro from Kazhakkootam Junction to Putharikandam ground. The new proposal is just 14.9km long and its cost will be estimated once govt takes a final call on the alignment. The earlier plan to begin the service at Technocity in Pallippuram was abandoned after govt issued a directive to consider a new alignment. This decision was made after realizing that National Highways Authority of India (NHAI) may not give its nod to dig up roads for the construction of Metro pillars, citing the 'defect liability' period. "We submitted a technical report incorporating the recommendations of various stakeholders. A Metro starting at Kazhakkootam Junction will have many advantages and we can start work quickly by avoiding procedural delays. We can even think of Pallippuram at a later stage. We do have three to four alternatives that cannot be disclosed until the govt takes a final decision in this matter," said KMRL MD Loknath Behera, adding that fixing the alignment is the current task before sending a final report to the govt before inviting tenders later. The national highway construction work will

be complete by the time Metro begins its project and the middle part of the road has to be dug up if Metro pillar works begin in Pallippuram. The elevated highway at Kazhakkootam would mean raising the height of the Metro pillars and the cost of the project will increase as well, said transport department sources. The new alignment will link Technopark, Kariavattom university campus, Ulloor, Murinjapalam, Pattom, PMG, legislative assembly, Palayam, Bakery Junction, Thampanoor and Putharikandam ground. Additionally, KMRL also suggested three more alignments by including LuLu Mall, other prominent colleges, spots in the proposal. The new proposal suggested that the Metro may be extended to Pallippuram in Technocity in phase-II. KMRL said in its proposal that extensions to Kudappanakunnu and Neyyattinkara can be considered in phase-II. As per the detailed project report submitted by Kerala Rapid Transit Corp Ltd (KRTL) earlier, phase-I of Light metro project (21.8km) from Pallippuram to Karamana was expected to cost Rs 4,673 crores. KRTL was formed in 2021 for the implementation of the project, but state govt dissolved it in 2022 over Centre's objection.

<https://realty.economictimes.indiatimes.com/news/infrastructure/kochi-metro-rail-proposes-new-metro-line-from-kazhakkootam-to-putharikandam/113694408>



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