



Advancing India's housing and urban development agenda

This report provides a consolidated summary of four roundtable discussions held during the National Urban and Real Estate Development Conclave 2026.

June 2026

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Foreword by KPMG in India

India's urban transformation is entering a decisive phase, underpinned by sustained policy focus, rising private sector participation and an increasing push towards planned, infrastructure-led development. The housing sector is evolving as a key driver of economic activity while also playing a central role in improving liveability and enabling inclusive growth across cities of varying scale and maturity. This momentum is further reinforced by ongoing investments in infrastructure, digital governance and urban planning frameworks, which are reshaping how cities are designed and experienced.

We are pleased to collaborate as a knowledge partner for NAREDCO Real Estate Conclave 2026, organised in association with Bharat Buildcon, convening leading industry stakeholders, innovators and visionaries for a focused and value-driven exchange of perspectives.

On this occasion, we are pleased to launch a report on 'Advancing India's housing and urban development agenda' which draws from the key insights that were shared at the roundtable discussions held during the National Urban and Real Estate Development Conclave 2026 in February, reflecting a synthesis of diverse perspectives from policymakers, industry leaders and experts. It focuses on four critical themes: affordable housing, rental housing, safeguarding homebuyer interests within the RERA-IBC framework and strengthening the implementation of RERA, each of which is instrumental in shaping the sector's trajectory.

Together, these themes reflect both the structural constraints and the emerging opportunities that can influence the next phase of growth.

A consistent theme emerging from these discussions is the need for structural reforms to unlock housing supply, particularly for economically weaker and low-income segments. Streamlining approval processes, enhancing land availability and improving access to low-cost financing remain essential to accelerate affordable housing delivery. At the same time, there is a strong case for developing rental housing into a formal, institutional asset class supported by coherent regulatory frameworks and targeted incentives. This dual focus on ownership and rental models can be critical in addressing diverse urban housing needs.

Equally important is reinforcing trust within the ecosystem. Strengthening the alignment between RERA and IBC, along with ensuring consistent and technology-enabled implementation of regulatory mechanisms, can significantly enhance transparency, accountability and project execution. In parallel, innovative financing models, public-private partnerships and sustainability-led planning can play a vital role in building resilient and future-ready urban habitats.

The recommendations outlined in this report reflect a broad consensus on the need for pragmatic, implementable solutions that balance regulatory oversight with market efficiency. As India progresses towards its long-term development aspirations, including Viksit Bharat 2047, the real estate sector may play a central role in enabling economic growth, job creation and social inclusion. Sustaining this momentum may require continued collaboration among stakeholders and a strong focus on execution.



Neeraj Bansal
Partner and
Head – India Global
KPMG in India

Foreword from the desk of the President, NAREDCO

India stands at an extraordinary inflection point. As we advance with conviction towards the vision of Viksit Bharat 2047, the real estate sector is no longer merely a reflection of economic growth, it is one of its most powerful architects.

The NAREDCO Real Estate Conclave 2026, organised in association with Bharat Buildcon and supported by our esteemed knowledge partner KPMG in India, represents precisely the kind of purposeful convergence that this moment demands. When policymakers, developers, investors, urban planners, technologists and the next generation of leaders come together under one roof, the outcome is not just dialogue, it is direction.

India's real estate market is entering a defining era. With urbanisation projected to reach 40 per cent by 2036 and nearly half our population living in cities by 2050, the decisions we make today, on housing, infrastructure, transit, technology and inclusive finance, are set to shape the quality of life for hundreds of millions of our fellow citizens^{1,2}. The sector's potential to reach USD5.8 trillion by 2047 and beyond, is not merely an aspiration. It is an obligation we need to rise to meet³.

At NAREDCO, our commitment has always been to serve as the bridge between policy intent and industry execution. Landmark reforms such

as RERA have restored trust and discipline to the sector. The next phase demands that we go further, embracing digital transformation, accelerating affordable housing delivery, deepening housing finance ecosystems and building cities that are not only modern but genuinely inclusive.

This knowledge report, prepared by KPMG in India, offers a rigorous and forward-looking perspective on the road ahead. I commend it to every stakeholder who shares our belief that real estate is not just an industry, it is the foundation upon which a developed India could be built.

Together, let us build that India.

1. India is far more urban in economic and functional terms than official definitions suggest: Economic survey 2025-26, PIB, 29 January 2026
2. The Talent Tsunami: Harnessing India's Demographic Dividend for Global Impact, IBEF, July 2025
3. Indian Real Estate Industry, IBEF, February 2026

Parveen Jain
National President
NAREDCO



Executive summary (1/3)

This report provides a consolidated summary of four roundtable discussions held during the National Urban and Real Estate Development Conclave 2026.

Key questions discussed at the roundtable

How can Indian cities sustainably scale affordable housing supply through planning, land supply and master plan reforms?

What are the measures that can lower the cost of funds for affordable housing lenders and expand home-loan outreach to tier-II/III and peri-urban markets?

How can rental housing demand be stimulated in both urban and rural markets, including GST benefits, tourism campaigns and affordable models?

How do we rapidly absorb unsold and unoccupied inventory into rental supply and what operating model makes this viable at scale?

How can the RERA and IBC frameworks be better aligned to prioritise project completion and safeguard homebuyers' interests, while balancing recovery objectives of financial creditors?

What mechanisms can be introduced to enable early detection of stress in real estate projects to prevent disruptions and protect homebuyers?

How can RERA registration be expanded to include rehabilitation components and standardised PAA arrangements in redevelopment projects?

What measures can strengthen RERA's institutional authority and reduce jurisdictional overlaps with other forums to enable more efficient dispute resolution?

GST: Goods and services tax, RERA: Real Estate (Regulation and Development) Act, IBC: Insolvency and Bankruptcy Code, PAA: Permanent Alternate Accommodation



Executive summary (2/3)

Key challenges and structural gaps

<p>Land supply constraints</p>	<p>Approval delays and regulatory overlaps</p>	<p>High-cost funding and limited LIG credit access</p>	<p>Low rental yields and limited institutional participation</p>	<p>Urbanisation pressures and infrastructure gaps</p>
<p>Delayed stress detection and intervention</p>	<p>Limited RERA-IRP information exchange</p>	<p>Company insolvency affecting stable projects</p>	<p>RERA registration in redevelopment limited to sale component</p>	<p>Competent authorities not included as stakeholders</p>

Executive summary (3/3)

Proposed recommendations

	Augment EWS/LIG housing supply through reservations, higher FAR, infrastructure support and cost concessions		Enable early stress detection and milestone tracking to mitigate potential disruptions
	Facilitate low-cost financing, expand credit access and promote long-tenure loan products		Explore project-wise insolvency resolution to prevent cross-project impact
	Introduce tax incentives and rationalise GST for affordable housing		Develop a structured, digitally integrated data-sharing framework between RERAs and IRPs
	Promote rental housing development through ARH models, co-living and public asset conversion		Strengthen enforcement of RERA orders through digital coordination
	Drive rental demand via segment-specific housing and improved vacancy utilisation		Enhance QPR monitoring with automated red flags and reviews

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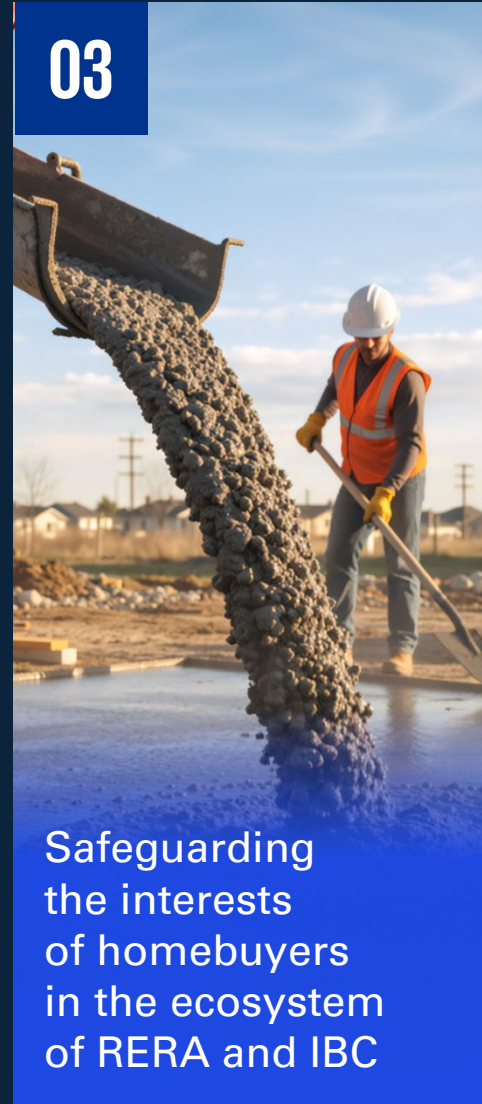
Affordable housing:
Issues and solutions

02



Rental housing:
Constraints and
way forward

03



Safeguarding
the interests
of homebuyers
in the ecosystem
of RERA and IBC

04



Strengthening
the implementation
of Real Estate
(Regulation and
Development)
Act (RERA)

01

Affordable housing: Issues and solutions

Discussion overview:

- Address key structural and regulatory challenges in the affordable housing sector
- Streamline approvals, improve access to finance and align policies with on-ground realities
- Emphasise on practical and implementable measures to improve project viability and accelerate supply for EWS and LIG segments
- Promote sustainable, inclusive and well-coordinated urban housing development.

EWS: Economically weaker section, LIG: Low-income group



Key questions raised at the roundtable

1

How can Indian cities sustainably scale affordable housing supply through planning, land supply and master plan reforms?

2

How can approval systems be streamlined through rationalised environmental clearances and integrated multi-agency approvals?

3

What are the measures that can lower the cost of funds for affordable housing lenders and expand home-loan outreach to tier-II/III and peri-urban markets?





4

How can stronger planning and infrastructure ensure that higher FAR supports liveable, well-connected cities?

5




How can sustainability standards in affordable housing embed labour welfare while improving thermal comfort to mitigate climate risks?

Structural challenges (1/2)

Key challenges	Description
 <p>Supply and land constraints</p>	<ul style="list-style-type: none"> • Developers are focusing mainly on MIG, HIG, luxury and ultra luxury segments due to better margins • Rising land prices, significantly post-COVID-19, have made EWS/LIG housing commercially unviable, making policy support crucial • Restrictive FAR/FSI norms in many cities limit supply potential • Large parcels are locked due to litigation, poor connectivity or underutilisation.
 <p>Approval bottlenecks and regulatory overlaps</p>	<ul style="list-style-type: none"> • Sequential multi-agency approvals cause delays, while litigation renders project timelines unpredictable • Numerous real estate projects are awaiting resolution at the NCLT, leading to financing lock-ups and structural deterioration • Environmental clearance procedures may require rationalisation to reduce approval-related delay.
 <p>LIG financing gaps</p>	<ul style="list-style-type: none"> • High cost of funds for affordable housing finance companies compared to banks results in elevated borrowing rates for LIG households • Credit access remains constrained, with limited penetration in smaller cities and peri-urban areas.
 <p>Policy-planning misalignment</p>	<ul style="list-style-type: none"> • High FAR without corresponding infrastructure and last-mile connectivity reduces feasibility and liveability • Policies are designed for all Indian cities, yet affordable housing delivery is largely driven by formal interventions in larger urban centres, whereas smaller cities continue to be predominantly self-construction-led • Master plans are often static, with limited GIS integration and may not fully reflect current land-use patterns.

MIG: Middle-income group, HIG: High income group, LIG: Low-income group, EWS: Economically weaker section, FSI: Floor space index, NCLT: National Company Law Tribunal, GIS: Geographic Information System

Structural challenges (2/2)

Key challenges	Description
 <p data-bbox="360 475 607 544">Redevelopment hurdles</p>	<ul data-bbox="667 448 2024 576" style="list-style-type: none">• Limited delegation of approval powers to local authorities for small projects, while larger projects require state-level approvals, slowing execution• Despite payment of betterment levies, trunk infrastructure upgrades often lag, leading to project delays and weakening buyer confidence.
 <p data-bbox="360 746 584 815">PPP execution issues</p>	<ul data-bbox="667 719 1935 847" style="list-style-type: none">• Many state governments and ULBs have varying levels of capacity to structure PPPs and monetise existing land banks, affecting the effective use of owned land for affordable housing• PPP implementation remains constrained by bureaucratic delays, multiple approvals, evolving accountability frameworks and persistent investor distrust stemming from past project delays.
 <p data-bbox="360 1018 577 1086">Sustainability limitations</p>	<ul data-bbox="667 991 1906 1118" style="list-style-type: none">• Sustainability discourse remains environment-centric, with labour welfare and camp conditions overlooked• Rising temperatures are driving overdependence on air-conditioners, while modern glass-heavy buildings lock in long-term, unsustainable energy loads.

Proposed recommendations (1/2)

Key recommendations based on the discussion



Supply-side housing reforms

- Provision for reservation of 5 per cent each for EWS and LIG housing in the master plans, town planning schemes and zonal plans, out of the total residential land area in such plans
- Introduce side-margin, parking and setback relaxations to allow vertical development to enable higher FAR
- Increase FAR up to two times for projects dedicated to EWS and LIG housing
- Provide higher FAR, reservations for EWS and LIG housing in TOD zones. Parking norms may further be relaxed in TOD zones
- Ensure timely trunk infrastructure delivery for projects under EWS and LIG housing
- Concession of at least 50 per cent to be given for projects under EWS and LIG housing for all kinds of development charges/statutory charges/betterment charges/premiums charged by ULBs
- Expand planned urban areas
- Digitally map all unused and vacant public and private land parcels to support affordable housing development
- Allow commercial/convenient shopping use (G+1) in affordable housing projects to fund maintenance.



Coherent regulatory framework

- Streamline approvals through a single-window platform that integrates all agencies
- Raise environmental clearance thresholds from 20,000 sq.m to 50,000 sq.m, which could help eliminate delays in projects by simplifying compliance requirements
- Reduce redundant compliance loops where environmental requirements are already embedded in DCRs
- Strict compliance of timelines recommended under IBC for CIRP.

Proposed recommendations (2/2)

Key recommendations based on the discussion



Financing affordable housing

- Improved access to low-cost funding for affordable housing finance companies
- Expand credit access by lowering NBFC risk premiums and enabling deeper penetration across tier-II and III markets
- Position HUDCO as the NABARD-equivalent for urban India by enabling priority sector funds
- Enable REITs for affordable and rental housing
- Introduce long-tenure loans (more than 25 years) to lower EMI burdens and improve project viability.



Incentivising LIG housing

- Introduce a section similar to 80-IBA of Income Tax Act for EWS and LIG (affordable) housing
- GST on 'work contract service' for affordable housing may be reduced
- A special two-year window may be introduced during which GST may not be levied on affordable housing to boost the segment
- An alternative could be explored allowing builders to opt between the old regime with higher GST and ITC or the new regime with lower GST and no ITC, on the lines of the Income Tax Act.



PPP enablement measures

- Establish state-level PPP facilitation cells/ boards/authorities for approvals, monitoring and decision-making, with limited departmental interference
- Implement fast-track resolution for disputes pertaining to EWS and LIG housing by establishing separate benches
- Affordable and rental housing projects may also be supported through the Urban Challenge Fund under MoHUA.

02

Rental housing: Constraints and way forward

Discussion overview:

- Address structural and regulatory gaps in the rental housing sector
- Highlight challenges such as fragmented governance, limited institutional participation and the need for a more coherent policy framework
- Recommend policy coherence, stronger incentives and improved dispute resolution mechanisms
- Aim to enable practical and market-driven measures to make rental housing a sustainable and scalable asset class.



Key questions raised at the roundtable (1/2)

- 1** How can rental housing demand be stimulated in both urban and rural markets, including GST benefits, tourism campaigns and affordable models?
- 2** What strategies and fiscal incentives can attract investment into rental housing, while resolving GST-related issues between companies and tenants?
- 3** How can corporate partnerships and monitoring mechanisms improve efficiency in the rental housing market, ensuring compatibility and transparency between landlords and tenants?
- 4** Can structured frameworks be designed for both large-scale and small-scale rental housing agreements and how can third-party service providers be integrated to strengthen governance?
- 5** What measures can reduce risks and enhance investor confidence, ensuring rental housing evolves into a sustainable, mainstream asset class?

Key questions raised at the roundtable (2/2)

6 How can residential rental assets owned by companies be treated and billed as residential not commercial, so electricity, water and property tax charges do not double and kill viability?





7 What fast dispute resolution and enforcement mechanism is required, including dedicated tribunals and time bound processes, to reduce landlord fear and unlock vacant homes at scale?

8 How do we rapidly absorb unsold and unoccupied inventory into rental supply and what operating model makes this viable at scale?

9 What framework can convert public and institutional assets into rental supply, including housing board inventory, dilapidated government quarters and university hostels, using long leases where transfer is constrained?

10 What differentiated solutions are needed for segments such as students, industrial workers, working women, medical-stay households and seniors and how should city strategies be localised to align with demand patterns?

Structural challenges

Key challenges	Description
 <p>Demand and supply gaps</p>	<ul style="list-style-type: none"> • Strong demand from students, migrant workers, job seekers and medical-stay patients. However, supply remains dominated by informal co-living and one-room units • Affordable housing pipeline is contracting due to rising land/construction costs and GST limitations.
 <p>Regulatory and institutional gaps</p>	<ul style="list-style-type: none"> • Limited centralised institutional framework for rental housing • Delays in approvals, overlapping jurisdictions and fragmented governance • Absence of residential REIT frameworks, limits institutional participation.
 <p>Market limitations</p>	<ul style="list-style-type: none"> • Builders are reluctant due to low rental yields and better returns in ownership models • Large informal rental sector with unregulated practices • Vacant properties not incentivised for rental conversion • Limited adoption of green building and construction technology due to cost and awareness barriers.
 <p>Urbanisation and infrastructure pressures</p>	<ul style="list-style-type: none"> • Rapid urbanisation, with the urban population projected to reach ~50 per cent by 2050¹ • Congested roads, fragmented land use and inadequate transit integration • Transit-oriented development (TOD) initiatives are slow due to fragmented implementation • Infrastructure lag relative to housing needs leads to a supply mismatch.

1. The Talent Tsunami: Harnessing India's Demographic Dividend for Global Impact, IBEF, July 2025

Proposed recommendations (1/4)

Key recommendations based on the discussion



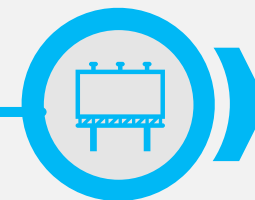
Demand creation and market development

- Promote rental income under tourism campaigns
- Encourage budget-friendly hostel models and industrial worker housing
- Disincentivise vacant properties via higher property tax rates
- Incentivise conversion of vacant housing into rental stock
- Prioritise segment-specific rental formats such as working-women hostels and medical-stay housing near hospitals
- Consider slum rental patterns as indicators of unmet formal housing demand near workplaces and prioritise developing formal rental housing closer to employment hubs.



Policy and institutional framework

- Introduce property tax incentives, GST rationalisation and rental tax deductions
- Establish a coherent regulatory framework for rental housing with tenancy reforms and digital platforms
- Establish a uniform rule ensuring that company-owned residential rentals are billed as residential rather than commercial
- Reduce lease-contracting friction by lowering stamp duty and simplifying digital lease registration
- Establish a robust regulatory framework for residential REITs drawing on global models by including uniform policies.



Market enablement and governance

- Launch state/local rental housing portals and a centralised national rental portal
- Transparent listing, Aadhaar-based onboarding and tenant verification
- FAR/FSI relaxations, Development Control Regulations (DCR) incentives and mixed-use zoning for developers
- Strengthen dispute resolution and reduce adjudication timelines
- Promote CSR and trust-led investments in rental housing to expand affordable options for students, women and senior citizens.

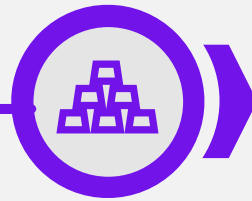
Proposed recommendations (2/4)

Key recommendations based on the discussion



Models and innovation

- Leverage ARH models (I and II) and pilot rental housing by trusts/institutions
- Adopt TOD principles for compact, transit-linked urban clusters
- Promote co-living models for students, women and senior citizens near hospitals
- Encourage adoption of property technology to enhance transparency, enable digital KYC and support AI-driven monitoring
- Scale rental supply by converting public and institutional assets, housing board stock, old government quarters and university hostels into rental housing.



Incentives and financial support

- Government subsidies and direct benefit transfer (DBT)-linked rental voucher programmes
- Include rental housing under priority sector lending
- Create dedicated rental housing funds and state shelter funds
- Seamless refinancing and alternative credit assessment for housing finance
- Create GST parity for institutional rentals and allow input tax credit to ensure organised rentals remain competitive with informal housing.



Sustainability and investor confidence

- Expand green financing mechanisms and accelerate ECBC implementation
- Promote advanced construction technologies (BIM and modular design)
- Build a low-risk, high-trust rental housing ecosystem
- Position rental housing as a mainstream asset class aligned with Viksit Bharat 2047.

Proposed recommendations (3/4)

Key government-specific recommendations

Government: Transforming urban rental markets



- Equalise formal rental economics by fixing GST parity and ensuring residential-use assets are billed as residential (GST parity and classification harmonisation)
- Make rental rules work in practice by setting up a fast system to settle disputes and enforce rental agreements, so landlords and tenants both feel secure (fast-track rental dispute system and stronger tenancy enforcement)
- Increase rental supply by using what already exists, converting unsold or empty homes into rentals and reusing government or institutional buildings through long leases
- Help projects secure funding and keep rents affordable by expanding access to lower-cost, long-term loans and providing targeted support to priority groups such as women and students
- Include rental housing under RBI's priority sector lending framework (a benefit already extended to affordable housing) to improve access to construction finance
- Incentivise co-living formats through Development Control and Promotion Regulations (DCPR) incentives such as increased FAR, zoning variances, fast track approvals and scrutiny fee concessions in the following zones:
 - Co-living for students and working women in Transit-oriented zones (TOZ) for ease of mobility
 - Senior living near major hospitals
 - Industrial workers near industrial zones.

Proposed recommendations (4/4)

Key government-specific recommendations

National government: Enabling rental housing infrastructure



- Include rental housing under RBI's priority sector lending framework to improve access to construction finance
- Enactment of a National Tenancy Act under the concurrent list on the lines of RERA and the constitution of State Rules, State Rental Authority and Rental Portal to create enabling institutional framework for rental housing
- Set-up rental housing task force at national level under chairmanship of NAREDCO Chair to formulate and track reform agenda and monitor implementation.

State and local government: Improving rental assistance framework



- Implement a rental voucher programme through Direct Benefit Transfer (DBT) supported by rental portal set up by appropriate authority to create virtual marketplace for owners and tenants
- Accelerate ARHC model 2 through public land bank for concessionaires
- Develop SOPs for timebound inventory of vacant public housing stock and tendering for ARHC Model.

03

Safeguarding the interests of homebuyers in the ecosystem of RERA and IBC

Discussion overview:

- Address stress in real estate projects and misalignment between RERA and IBC frameworks
- Identify gaps such as lack of early-warning systems, complexities in CIRP and company-level insolvency issues
- Highlight systemic constraints arising from misapplication of IBC and company-level insolvency approaches
- Emphasise on homebuyer-centric reforms and practical measures to ensure project continuity.

RERA: Real Estate (Regulation and Development) Act, IBC: Insolvency and Bankruptcy Code, CIRP: Corporate insolvency resolution process



Structural challenges

1

A default in one project triggers company-level CIRP, affecting all projects, including completed

2

Priority given to resolution over completion

3

Homebuyer seeks possession of the booked unit, while financial creditors focus on recovery, creating a fundamental divergence. Unlike financial creditors who are willing to take a higher cut, homebuyers expect no such reduction

4

Limited availability of both systems to detect stress and special situation funds for real estate projects that are in or approaching default

5

The presence of multiple forums, such as RERA, IBC and consumer courts for addressing the same issues, creates ambiguities

Proposed issues and recommendations (1/3)



Stress is often identified at a later stage leading to delayed interventions

- Establish an early detection and flagging mechanism for projects, along with systematic tracking of construction milestones, to help prevent the risk of project disruptions and safeguard the interests of allottees.



RERA framework for resolving stressed projects remain underutilised

- Develop a robust framework under Section 8 of RERA as a primary recourse for resolving stressed real estate projects, to prioritise project completion and safeguard the interests of homebuyers, before invoking the CIRP before the NCLT.



Company-level insolvency proceedings adversely impacting homebuyers of stable projects

- Explore project-wise insolvency resolution to ensure that financial distress in one project does not affect the viability of other ongoing or completed developments.



Absence of structured information exchange between RERA and IRPs

- Establish a structured, digitally integrated data-sharing mechanism between RERAs and IRPs.

Proposed issues and recommendations (2/3)



Inadequate protection of contractual rights of homebuyers

- Ensure stringent nationwide enforcement of the RERA mandate requiring registration of the AFS once the buyer has paid 10 per cent of the property value
- Further, mandate a transparent adjustment of the stamp duty paid at the AFS stage against the final sale deed.



Adverse impact on homebuyers' credit scores due to the builder's failure to pay EMIs under tripartite agreements

- Protect homebuyers from adverse credit score impact by categorising such EMI defaults as builder-induced during CIRP
- Strengthen safeguards for buyers, bound by one-sided agreements in which builders had committed to pay EMIs until possession.



Unfair treatment of homebuyers in compensation and interest demands

- Mandate the RERA-prescribed interest rate across all compensation matters
- Ensure parity in interest rates by allowing homebuyers to claim the same rate of interest charged on delayed payments.



Initiating IBC for settling disputes instead of insolvency resolution

- Increase the threshold default amount for invoking IBC proceedings in real estate projects to INR5 crore to prevent unnecessary disruptions and better protection of the interests of homebuyers. (The same has been recommended by the committee headed by Mr. Jayanti Prasad, Whole Time Member, Insolvency and Bankruptcy Board of India, in the 'Report of the Committee on Framing Guidelines for Insolvency Proceedings in Real Estate Sector').

Proposed issues and recommendations (3/3)



Stalled construction upon initiation of CIRP

- Empower the RP/IRP during CIRP to appoint a PMC and utilise up to 70 per cent of RERA funds, along with linked receivables, for project completion activities
- Majority of the stalled housing projects pertain to the pre-RERA period. Moreover, a government PSU is successfully completing one of the major stalled housing projects under the direction of the Apex Court. This model may be replicated for the completion of legacy stalled housing projects as a one-time measure. Notably, it is observed that only a limited share of stalled projects originated after the enactment of RERA
- Introduce additional funding mechanisms, similar to SWAMIH, through government and private sector participation.



Absence of clear, time-bound construction milestone in the AFS

Standardise the inclusion of clearly defined, date-wise and legally enforceable construction milestone in every AFS.





04

Strengthening the implementation of Real Estate (Regulation and Development) Act (RERA)

Discussion overview:

- Address challenges in strengthening RERA implementation and ensuring greater uniformity across states
- Highlight gaps in regulatory practices, enforcement mechanisms and early-warning systems
- Underscore coordination issues among stakeholders affecting project timelines and homebuyer protection
- Focus on practical, homebuyer-centric reforms to improve transparency, accountability and project continuity.



A decade of RERA: Transforming India's real estate landscape

An Act recognising responsibilities and duties of key stakeholders in the real estate sector: Allottees, promoters, agents, government authorities and financial institutions

97%

States/UTs have notified general rules and regulatory authority (35 states/UTs)

81%

States/UTs have established appellate tribunal (29 state /UT's)

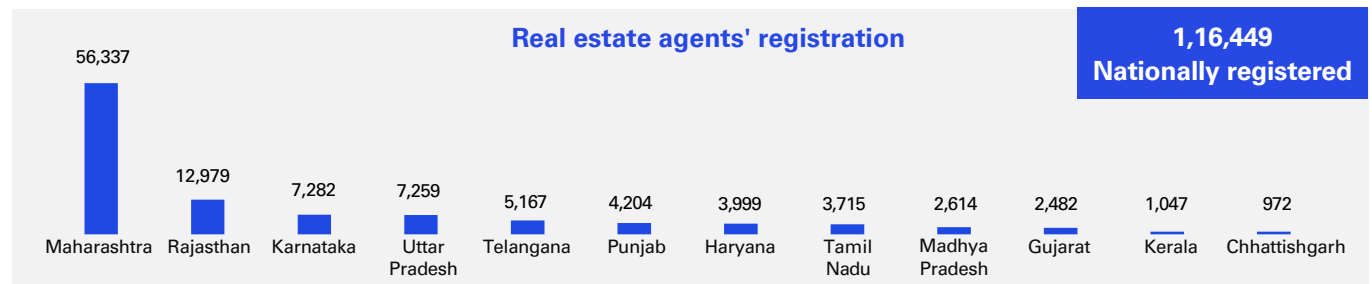
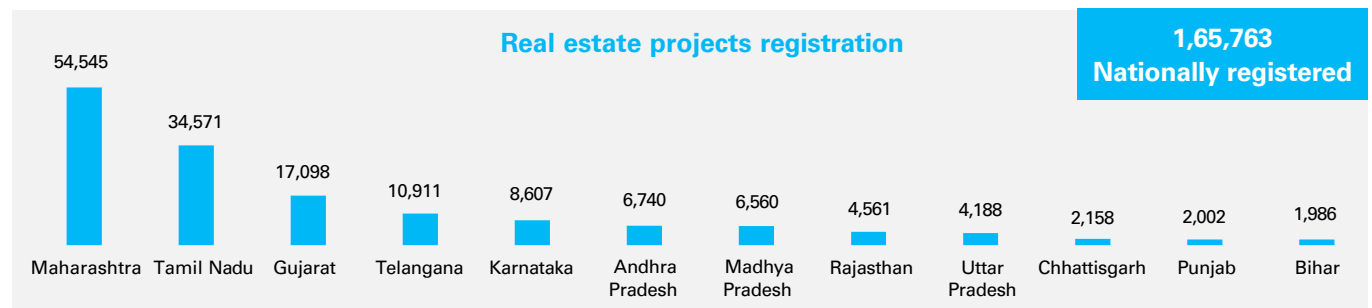
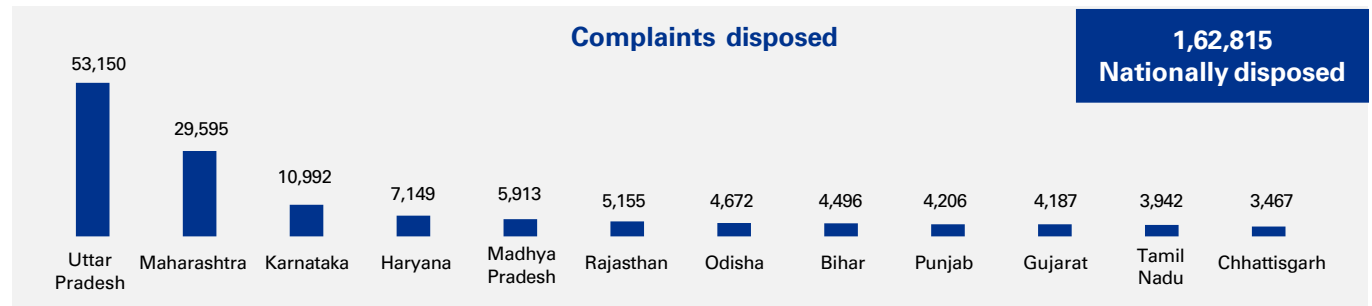
83%

States/UTs have operationalised web portal (30 states/UTs)

75%

States/UTs have appointed adjudicating officers (27 states/UTs)

UT: Union territory



Source: RERA implementation status report, Ministry of Housing and Urban Affairs (MoHUA), 8 June 2026

Key objectives discussed at the roundtable

A

Amendments required, if any, in the Real Estate (Regulation and Development) Act, 2016 with justification

B

Strengthening the implementation system of RERA across the country



A. Proposed amendments (1/4)



Registration of entire redevelopment project (including rehab and sale components)

- At present, RERA registration in redevelopment projects covers only the sale component
- Existing occupants effectively 'pay in kind', surrendering their homes or land rights in exchange for improved accommodation
- As urban assets age, redevelopment could form a growing share of future real estate supply
- Amend Section 2 to mandate registration of the entire redevelopment project, not just the sale component
- Under Section 13, introduce a model agreement for Permanent Alternate Accommodation (PAA), rehabilitation and associated arrangements.



Exclusive jurisdiction of RERA on real estate cases

- Consumer courts are adjudicating real estate matters, leading to jurisdictional conflicts
- RERA should be designated as the exclusive forum for real estate disputes under Section 71.



Clarity on threshold: '8 apartments or 500 sq.m'

- Some RERAs/Tribunals interpret 'or' as 'and' excluding projects where only one condition is met (e.g., a 490 sq.m project with 32 apartments being kept outside RERA)
- Provide a clear statutory clarification on the '500 sq.m or 8 apartments' threshold under Section 3 to ensure uniform interpretation and application across all states and union territories.

A. Proposed amendments (2/4)



Central Monitoring Cell (CMC) for effective implementation of RERA

- A CMC may be established under the Central Advisory Council (CAC) within the MoHUA to track RERA implementation, analyse State/UT data and enhance regulatory performance while protecting homebuyer interests
- CMC, in coordination with RERAs, could monitor misleading advertisements and malpractices, support uniform regulatory frameworks and generate periodic, data-driven insights for informed policymaking.



Stakeholder definition and inclusion

- Competent authorities are not explicitly included as stakeholders, limiting RERA's ability to direct them in cases of delay
- Introduce a comprehensive definition of 'stakeholders' to include competent authorities and empower RERA under Section 37 to issue directions to all stakeholders.



Revival of lapsed or revoked projects

- Limited success in revival of lapsed or revoked projects by RERA
- Develop a detailed standard operating procedure (SOP) under Section 8, for effective project completion.



Alternate dispute resolution

- Conciliation has been successfully implemented by certain RERAs for amicable dispute resolution
- Need for statutory provision for mediation and conciliation mechanisms in the Act (Section 32(g)).

A. Proposed amendments (3/4)



Clarity on compensation in force majeure situations

- The Act allows for extension under force majeure situations, as observed during the COVID-19 pandemic
- Need explicit provision for no penalty/interest/compensation due to delays arising from force majeure (Section 6).



Extension of projects beyond one year

- The Act allows only a one-year extension; however, in practice many projects require longer extensions for genuine reasons
- Introduce explicit statutory provision for extension beyond one year under Section 7(3).



Interest and compensation for delay

- Two kinds of allottees: One that want to exit the project and one that want to continue till possession
- Need different remedies for both in case of delay in project (Section 18):
 - Allottees that exit the project: Refund + interest
 - Allottees that want to continue: Rental compensation - as decided by RERA.

A. Proposed amendments (4/4)



Ownership and transfer of common areas

- Lack of clarity on ownership of common areas, whether with the RWA or individual homebuyers. Homebuyers pay for both the unit and proportionate common areas, while RWAs manage these areas for operational efficiency
- Section 17 mandates conveyance of common areas to the RWA, resulting in double conveyance and additional stamp duty
- Several RERAs permit conveyance of apartments along with proportionate undivided share of common areas, with the Agreement for Sale specifying both RERA Carpet Area and Super Area (carpet area plus share of common areas such as lobbies, lifts, corridors and appurtenant land)
- Introduce a clear statutory provision under Section 11 to recognise ownership and ensure timely transfer of proportionate common areas to allottees.



Clarity on inclusion of leased properties under RERA

- Commercial buildings and alternative housing formats, such as retirement homes and student housing, are increasingly being developed at scale, many of which operate on lease or rental models
- Need to clearly define the circumstances under which leased or lease-based real estate projects fall within the ambit of RERA (Section 2).



Withdrawal of funds post completion

- Delays in formal project closure processes have led to funds remaining locked in RERA-designated bank accounts
- Insert an explicit provision allowing promoters to withdraw the entire balance amount upon issuance of the Occupancy Certificate (OC) or Completion Certificate (Section 4).

B. Strengthening the implementation of RERA (1/3)



Strengthening the execution of RERA orders

- Enforcement of RERA orders relies primarily on recovery as arrears of land revenue under Section 40, with varying effectiveness across states
- An effective digital coordination and follow-up mechanism with revenue authorities may be established.



Strengthening implementation through robust QPR monitoring

- While QPRs are filed, they are not effectively analysed or monitored
- Introduce structured monitoring of QPRs, automated red flags and periodic review of both physical and financial progress to detect early signs of stress or diversion (Section 11).



Awareness and education

- Lack of awareness among stakeholders in tier-II and III cities
- RERAs should mandate regular stakeholder outreach programmes across the states, in coordination with urban local bodies (ULBs), planning authorities and professional bodies (Section 33).



RERA as a facilitator of sustainable and affordable development

- Section 32 empowers RERAs to recommend measures for promoting environmentally sustainable and affordable housing; however, this mandate remains largely unutilised
- Issue clear guidelines to enable and incentivise RERAs to actively implement their advisory role under Section 32.

B. Strengthening the implementation of RERA (2/3)



Segregation of project loans from RERA designated accounts

- Several RERAs mandate routing all project finance through designated RERA bank accounts
- Project finance from financial institutions is distinct from allottee advances and should not be routed through RERA-designated project accounts under Section 4.



Robust online tracking mechanism and consistency

- Orders across RERAs lack consistency and often reflect divergent interpretations of the law
- Deploy advanced technologies such as Artificial Intelligence (AI) and Blockchain to enable consistent implementation, facilitate cross-learning and improve adjudication outcomes.



RERA renewal in specific project scenarios

- Institutional lenders typically require valid RERA registration for project financing; however, stressed projects often face lapsed registrations, with renewals taking significant time and causing distress
- RERA authorities may consider granting conditional and time-bound renewals, linked to the renewal of underlying statutory approvals under Section 7(3).

B. Strengthening the implementation of RERA (3/3)



Change in designated RERA project accounts

- Many RERAs either do not permit or take considerable time to approve changes in project bank accounts
- Permit changes to RERA project bank accounts subject to safeguards such as no adverse impact on homebuyers' interest protections and appropriate disclosures and certifications (Section 4).



Standardise payment schedule linked to construction progress

- A standard operating procedure (SOP) may be framed to align payment schedules with the stage-wise completion of housing projects, ensuring that payments are proportionate to actual construction progress
- This SOP could bring uniformity in implementation across the country and provide better clarity and transparency for all stakeholders, including homebuyers and developers
- Linking payments to construction milestones is likely to enhance financial discipline and reduce disputes.



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