

Impact assessment of Indian real estate regulations on urban homebuyers

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Abstract

The research approach relied on both secondary data sources and empirical study. The secondary data sources were the websites of the central and state governments. Besides, the review of the Act applicable to *homebuyers*, analysis of judicial pronouncements and the Act's impact on FDI policy add quality input to the method. Moreover, invoking the Right to Information Act, 2005, solicited information usually not available in the public domain from government sources to supplement the research database.

The study's empirical aspect assessed the Act's impact on *homebuyers*, mainly and society at large through a field study of 540 *homebuyers* eight metro cities such as Bengaluru, Bhubaneswar, Delhi, Kochi, Hyderabad, Indore, Kolkata, and Mumbai. The sample covered the prior RERDA, 2016 enactment period and had at least two years of involvement in owning a property in a real estate project and a minimum of another two years post-legislation as of the interview date. Since the Act primarily benefits urban "middle-income settlers" dreaming of a sweet home in a lifetime, *homebuyers* buying up to three residential units included in the sample and investors who wanted purely for resell or rental purposes were out of consideration.

The information was collected through discussion using a pre-tested semi-structured questionnaire about flat possession, apartment life and society management, and the developers' approach towards *homebuyers* between January and May 2021. The questionnaire was reasonably trustworthy at a 1% significance level, with acceptable internal consistency and overall internal reliability (Cronbach's alpha = 0.652). Since the sample collection was from eight capital cities, the chi-square test was used to validate the regional variation on the Act's impact on *homebuyers* in the country. Root-cause analysis-Fishbone diagrammatic presentation explains the Act's impact on *homebuyers* and the society.

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