

# REAL ESTATE AGENTS/ BROKERS/ CHANNEL PARTNERS/ PROPERTY DEALERS- DUE DILIGENCE -RERA

Due diligence is crucial for promoters, allottees, and real estate agents to comply with statutory obligations.

## Key Due Diligence Requirements:

### 1. Project Registration (Sections 3 & 4)

- Mandatory for projects above 500 sq. meters or more than 8 units.
- Promoters must submit sanctioned plans, project timelines, and ownership details before advertising or selling.

### 2. Land Title Verification (Section 4(2)(I)(A))

- Promoter must provide clear title certification, ensuring no encumbrances on the land.

### 3. Escrow Account (Section 4(2)(I)(D))

- 70% of funds from allottees must be deposited in a RERA escrow account for construction and land costs.

### 4. Approval & Clearances

- All land use approvals, environmental clearances, and building permits must be obtained before project launch.

### 5. Agreement for Sale (Section 13)

- Cannot collect more than 10% of the total cost as advance without a registered Agreement for Sale.

### 6. Adherence to Declared Plans (Section 14)

- Project must follow approved plans; modifications require approval from two-thirds of allottees.

### 7. Possession & Compensation for Delay (Section 18)

- Promoters must deliver possession on time or compensate the allottee with interest or refund.

### 8. Prohibition on Misleading Advertisements (Section 12)

- False advertisements are prohibited; promoters must refund payments if found misleading.

### 9. Obligations of Real Estate Agents (Sections 9 & 10)

- Must register with RERA and provide verified information to buyers.

### 10. Dispute Resolution (Sections 31 & 44)

- Allottees, promoters, and agents can file complaints with RERA Authority & Appellate Tribunal.