

GOVERNMENT OF INDIA
MINISTRY OF HOUSING AND URBAN AFFAIRS
RAJYA SABHA
UNSTARRED QUESTION NO. 1499
ANSWERED ON 05/08/2024

INCOMPLETE REAL ESTATE PROJECTS

1499. SMT. GEETA ALIAS CHANDRAPRABHA

Will the Minister of HOUSING AND URBAN AFFAIRS be pleased to state;

- (a) whether Government has formulated any plan to tackle the problem of incomplete real estate projects in the country;
- (b) if so, whether incomplete real estate projects have been identified in the country under the said scheme;
- (c) if so, the total number of such projects identified;
- (d) the total number of such projects identified in Uttar Pradesh; and
- (e) the details of plan formulated by Government to tackle the said problem?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF HOUSING AND URBAN AFFAIRS

(SHRI TOKHAN SAHU)

(a) to (e): 'Land' and 'Colonization' are State subjects. However, by deriving powers from the concurrent list of seventh schedule of the Constitution of India, the Real Estate (Regulation and Development) Act, 2016 [RERA] was enacted by the Parliament to regulate the contractual relationship between homebuyers and promoters. RERA aims to ensure transparency & accountability in the Real Estate Sector, thereby protecting the interests of the homebuyers. Under the provisions of RERA, the real estate projects are required to be registered with the Real Estate Regulatory Authority of the State / Union Territory (UT) concerned. Further, on lapse or revocation of the registration under RERA, the Regulatory Authority, in consultation with the appropriate Government, is empowered to take action for carrying out the remaining development works of the project by competent authority or by association of allottees.

Further, to give relief to homebuyers of stalled projects, Government has established a Special Window for Completion of Affordable and Mid-Income Housing (SWAMIH) investment fund for funding stalled projects that are net-worth positive and registered under RERA, including those projects that have been declared as Non-Performing Assets (NPAs) or are pending proceedings before the National Company Law Tribunal under the Insolvency and Bankruptcy Code. As on 30th June 2024, under SWAMIH, 328 proposals aggregating to ₹35,500 Crore have been approved to benefit over 2,11,000 homebuyers and unlock projects worth ₹95,000 Crore. This includes 72 proposals aggregating to around ₹11,350 crore which have been approved to benefit over 65,250 homebuyers and unlock projects worth about ₹27,500 Crore in the State of Uttar Pradesh.

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Moreover, the Government of India had constituted a Committee under the Chairmanship of Shri Amitabh Kant, G20 Sherpa, to examine the issues related to legacy stalled real estate projects. The Committee recommended various measures to complete these stalled projects and handover the same to the homebuyers. The Committee observed that the primary reason for stress in real estate projects is lack of financial viability of these projects. Accordingly, the Committee has recommended a slew of measures aimed towards improving the financial viability of these real estate projects, so as to enable their completion.

The report of the Committee has been shared with the States and all the stakeholders concerned and the same has also been uploaded on Ministry's website.
