

GOA REAL ESTATE REGULATORY AUTHORITY

No. 11/35/2017-DMA/3390(A)

Date: 13/02/2018

Circular

Subject: Land Owners/Investors having Area/Revenue Share in Real Estate Project to be treated as Promoter (landowner/investor)

Section 2(zk) of the RERA Act defines the term 'a Promoter' as follows:

"promoter" means, - (i) a person who constructs or causes to be constructed an independent building or a building consisting of apartments, or converts an existing building or a part thereof into apartments, for the purpose of selling all or some of the apartments to other persons and includes his assignees; or

(ii) a person who develops land into a project, whether or not the person also constructs structures on any of the plots, for the purpose of selling to other persons all or some of the plots in the said project, whether with or without structures thereon; or

*(iii) any development authority or any other public body in respect of allottees of-
(a) buildings or apartments, as the case may be, constructed by such authority or body on lands owned by them or placed at their disposal by the Government; -
(b) plots owned by such authority or body or placed at their disposal by the Government, for the purpose of selling all or some of the apartments or plots; or*

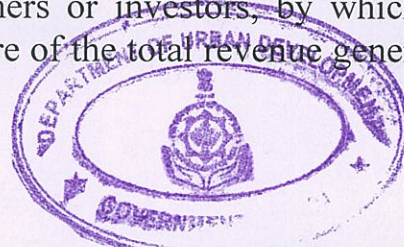
(iv) an apex State level co-operative housing finance society and a primary cooperative housing society which constructs apartments or buildings for its Members or in respect of the allottees of such apartments or buildings; or

(v) any other person who acts himself as a builder, coloniser, contractor, developer, estate developer or by any other name or claims to be acting as the holder of a power of attorney from the owner of the land on which the building or apartment is constructed or plot is developed for sale; or

(vi) such other person who constructs any building or apartment for sale to the general public.

Explanation. - For the purposes of this clause, where the person who constructs or converts a building into apartments or develops a plot for sale and the persons who sells apartments or plots are different persons, both of them shall be deemed to be the promoters and shall be jointly liable as such for the functions and responsibilities specified, under this Act or the rules and regulations made thereunder; "

It is observed that several developers (who actually obtain building permissions and construct) of the real estate project, have entered into arrangement with individuals/organizations like land owners or investors, by which the said individuals/organizations are entitled to a share of the total revenue generated from



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sale of apartments or share of the total area developed for sale which are also marketed and / or sold by such individuals organizations.

Such individuals/organizations are covered within the aforesaid definition of the term 'Promoter'. They are therefore jointly liable for the functions and responsibilities specified in the Act in the same manner as the Promoter who actually obtains building permissions and carries out construction.

For the ease of filing online registration application and for the benefit of the consumers it is necessary to distinguish and / or identify whether such Promoter is the land owner, investor or is actually obtaining the building permissions for carrying out the construction and is in fact carrying out construction.

Such individual organizations who fall within the aforesaid definition of the term 'Promoter' on account of being landowners or investors, shall be specified as such, at the time of online registration with Goa RERA.

Though liabilities of such land owner Promoter or investor Promoter shall be as co-terminus with the written agreement/arrangement governing their rights in the real estate project, for the purpose of withdrawal from the designated bank account of a real estate project, the obligations and liabilities of all such Promoters shall be at par with each other.

A copy of the written agreement or arrangement between Promoters (whether landowner or investor) which clearly specifies and details the rights and shares of each Promoter, should be uploaded on the Goa RERA website, along with other details for public viewing.

Further each such landowner Promoter or investor Promoter, who is entitled to a share of the total area developed, should also open separate bank account for deposit of 7 0% of the sale proceeds realised from the allottees of their share.

This is issued with the approval of Interim Authority.



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13/2/18

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