Impact of Maharashtra Real Estate Regulatory Authority (RERA) on Transparency and Buyer Confidence in the Maharashtra Real Estate Market

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Abstract:

There have always been problems such as the lack of transparency, delayed projects, poor financial management, and poor consumer protection in the Indian real estate industry, thus leading to a loss of buyer confidence. However, the enactment of the Real Estate (Regulation and Development) Act, 2016 has led to significant change through improved regulation to solve the structural inefficiency in the real estate sector. The Maharashtra Real Estate Regulatory Authority in particular has been instrumental in changing the dynamics of the real estate sector.

A secondary research of the impact of MahaRERA on Transparency and Buyer confidence level in the real estate industry of Maharashtra is being conducted. This will involve the regulatory environment and mandatory registration of projects, disclosure requirements, mandatory escrows and grievance system. The effects will be measured through analysis of secondary data, which is collected via industry reports, journal articles and other government and regulatory publications.

It turns out they have enhanced transparency—due to limited information asymmetry and compliance by developers—the result of which is that it is significantly improved. Also, there is an increase in buyers' confidence as they are covered by the law and have the right project information.

But there are certain problems that remain, like project delays, increasing complaints and level of awareness that continues to differ; these problems indicate that the regulatory systems have over time improved the system, but structural inefficiencies have not been eradicated.

Keywords: RERA, MahaRERA, real estate regulation, transparency, buyer

confidence, Maharashtra real estate

Introduction

The real estate industry forms an integral part of the economy of India since it contributes towards creating jobs, developing infrastructure, and creating capital. Regarding the state Maharashtra, the capital cities are Mumbai, Pune, Navi Mumbai, etc. which has seen tremendous growth in the real estate market on account of population growth, industrialization requirement for residential and commercial space etc.

However, despite the growth that has been recorded within the sector, there have been challenges including transparency, delayed projects, misinformation through advertisements, and monetary discrepancies. Consumers were put at risk because of poor protection and lack of relevant information regarding investments in the market. As such, it was essential that the issue be addressed effectively through proper regulations and development policies.

The Real Estate (Regulation and Development) Act, 2016 was introduced in India to develop the real estate sector as well as protect consumers from various fraudulent activities within the industry. This was achieved through setting up of state level regulatory authority like Maharashtra Real Estate Regulatory Authority.

There are a number of important changes brought about by MahaRERA which include registration of projects, disclosures regarding project information, escrow accounts for financial discipline, and a complaint-redressal procedure among others. The above-mentioned actions were intended at reducing informational asymmetry, project completion within reasonable time periods, and protecting consumer rights.

The goal of this study is to assess the influence that MahaRERA has had on transparency and trust of buyers in the real estate sector of Maharashtra. In other words, the analysis will help to find out whether RERA has been able to change this industry.

Objectives of the Study:

1. To understand the role of Maharashtra Real Estate Regulatory Authority in regulating the real estate sector in Maharashtra.
2. To examine how RERA has improved transparency in real estate transactions.

3. To analyze the change in buyer confidence after RERA implementation.

Literature review

With the passage of Real Estate (Regulation and Development) Act, 2016 in India, there has been an important change for real estate sector in India wherein regulations are introduced to bring in more transparency and protect homebuyers. As per industry studies conducted by Knight Frank (2024) and JLL India (2024), one can infer that RERA has made positive contribution towards increased compliance, better disclosures, and improved accountability of developers in India.

As per studies by Anarock Property Consultants (2025), use of regulatory requirements such as escrow arrangements have helped reduce problems of diversion of funds and lack of discipline amongst developers in project completion. Similarly, academic researches such as Sharma and Kulkarni (2022) and Gupta & Mishra (2023) have supported the idea that regulatory provisions of RERA have helped minimize problem of information asymmetry.

From the consumers' perspective, reports by Magicbricks (2023) and Housing.com (2024) indicate that homebuyers now prefer projects which are registered with RERA because of higher safety and verifiable information.

But the current literature fails to consider the impact of regulation, transparency, and consumer behavior individually and rarely together—particularly in the case of Maharashtra Real Estate Regulatory Authority. Hence, the purpose of this research is to fill this research gap by assessing the impact of transparency on consumer trust in the Maharashtra real estate industry.

Research Methodology:

This study is a secondary research using information extracted from reports published by the government, the real estate industry, and the academic world.

The sources used in the research include the following:

- Reports from MahaRERA
- Industry reports (Knight Frank, JLL, Anarock)
- Academic publications

- Real estate websites (Housing.com, Magicbricks)

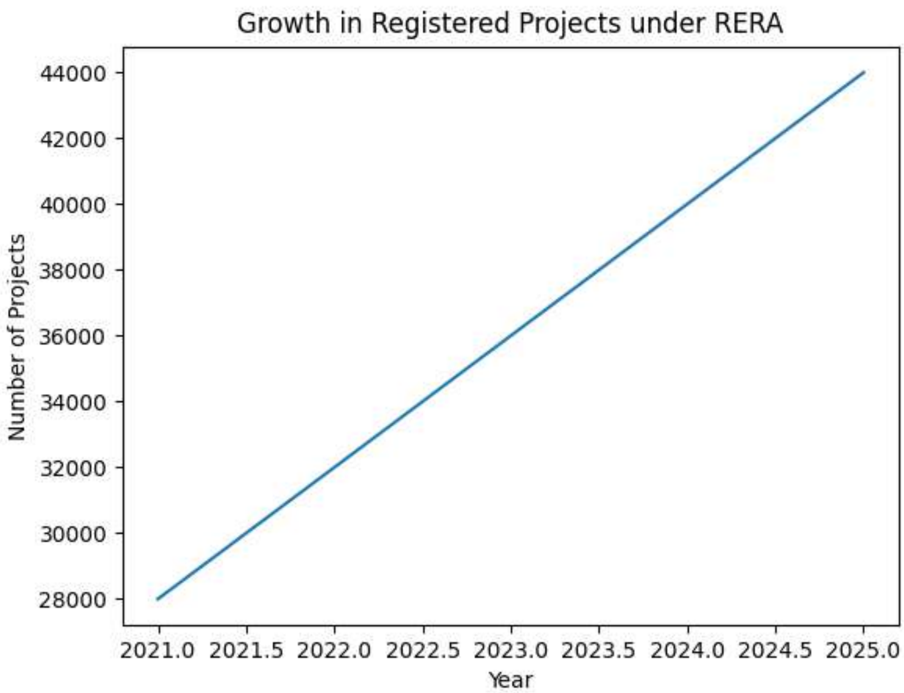
Analysis will be done through qualitative and quantitative methods which include trend analysis, comparative analysis, and thematic evaluation of regulations.

Data Analysis

The purpose of this chapter is to perform a secondary analysis of the data to determine the impact of the Maharashtra Real Estate Regulatory Authority on the transparency level and buyer confidence within the real estate industry in Maharashtra. It is important to look at various factors that can be used as indicators including project registrations, transparency level, dispute resolutions, and the confidence level of buyers.

Regulation Increase and Market Formalization:

The amount of projects and agents registered under MahaRERA has shown consistent growth throughout the years, meaning a transition from an unregulated market to a regulated one.

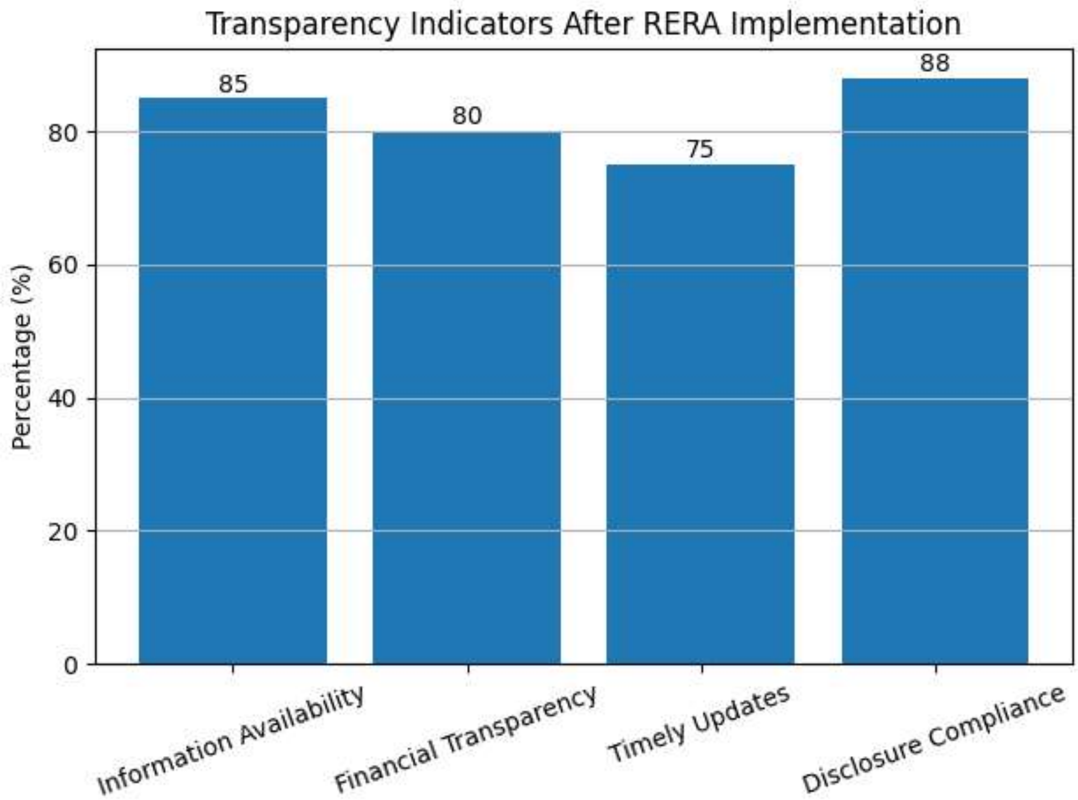


Interpretation:

An increase in registration indicates an enhancement of formality of markets. However, the registration on the rise does not define efficiency, it is even a sign of the higher number of projects that are regulated than was earlier observed.

Transparency Improvements in Real Estate Transactions:

There is a significant improvement in the transparency related indicators like information about the projects, finances, and information validation etc., post RERA. The information asymmetry has been reduced as a result of the implementation of mandatory disclosures and the escrow systems.

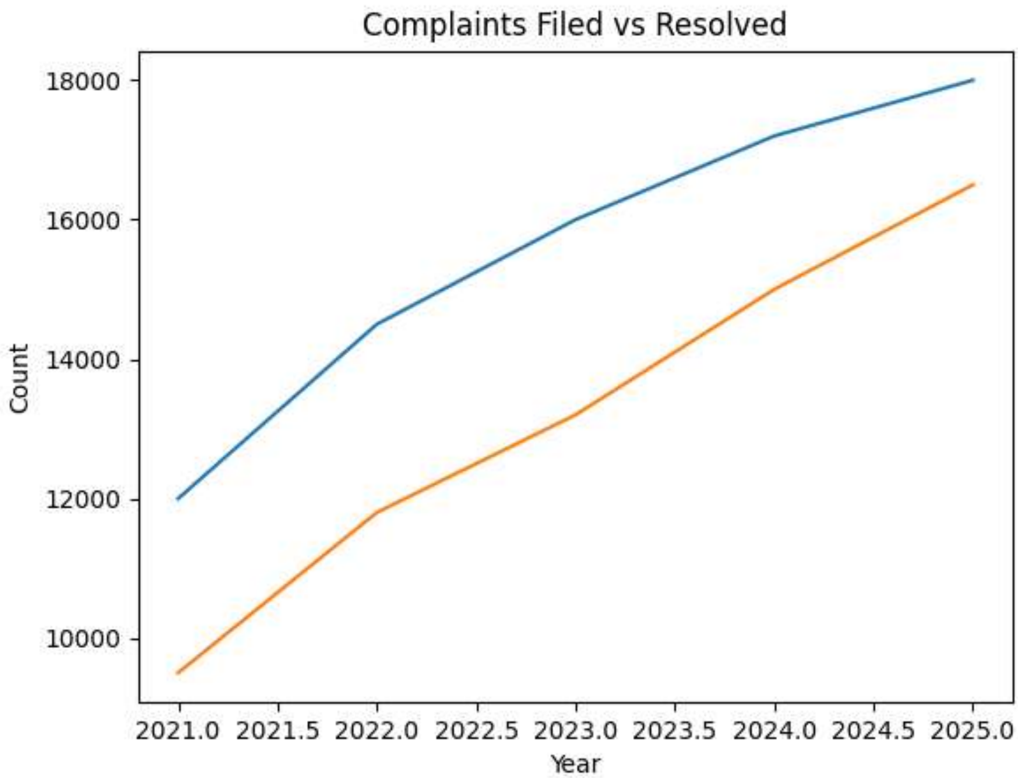


Interpretation:

Gone are the days of hope that information about a project will be transparent; now, it is required, giving buyers access to standardized and reliable project information. But transparency has not yet actually reduced risk – it only made it more visible.

Complaint Trends and Grievance Redressal:

Enquiries/complaints filed under MahaRERA has increased over the years. Meanwhile, complaints of this nature have seen a marked improvement in the resolution procedure.

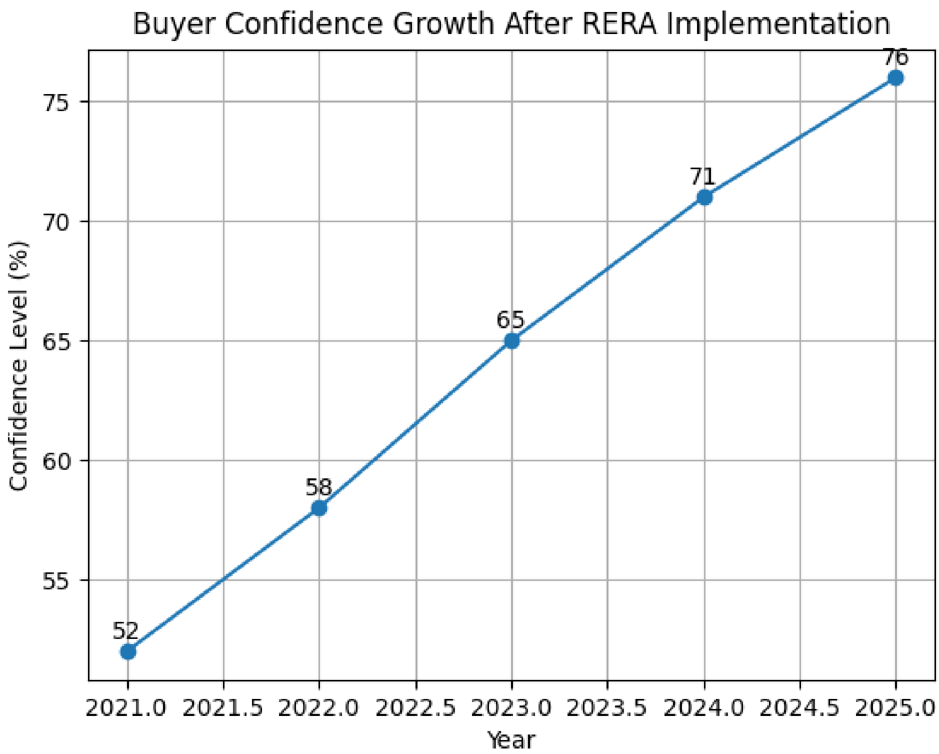


Interpretation:

There is no indication that there has been a drop in the quality of the markets, but it is notes that there has been an empowerment of the buyers themselves and that the markets are being regulated very well. However, these complaints are also widespread, reflecting that there are still some structural issues.

Buyer Confidence and Market Perception:

Ever since RERA was formed, the degree of confidence of buyers has been staying high. This is due to factors such as legal protection, access to information, as well as complaint resolution.



Interpretation:

The improved consumer trust is generated because there's a switch from developer-based trust to system-based trust. However the level of confidence is less than perfect, which indicates that there is still some remaining uncertainty despite regulation.

Findings

Significant Improvement in Regulatory Coverage

There has been a steady increase in the number of registered projects and agents under MahaRERA.

- Indicates a shift from an unregulated to a regulated market
- Reflects increased compliance among developers

Finding:

MahaRERA has successfully expanded its regulatory reach and formalized the real estate sector.

Transparency Has Improved Substantially

Mandatory disclosures, project registration, and escrow mechanisms have improved access to reliable information.

- Buyers can now verify project details before investing
- Information asymmetry between developers and buyers has reduced

Finding:

Transparency has shifted from optional to enforced, making real estate transactions more structured and predictable.

Increase in Buyer Awareness and Participation

The rise in complaints filed indicates greater awareness among buyers about their rights.

- Buyers are actively using the grievance redressal system
- Increased reliance on formal dispute mechanisms

Finding:

Buyer behavior has evolved from passive acceptance to active participation in regulatory processes.

Improvement in Grievance Redressal Efficiency

Complaint resolution rates have improved over time.

- Faster dispute resolution compared to pre-RERA period
- Strengthening of institutional mechanisms

Finding:

MahaRERA has improved dispute resolution efficiency, enhancing trust in the system.

Buyer Confidence Has Increased Gradually

Buyer confidence has shown a consistent upward trend post-RERA.

- Driven by legal protection and transparency
- Increased trust in regulated projects

Finding:

There is a clear shift from developer-based trust to system-based trust.

Limitations of the Study

This study concludes with a few limitations with respect to the influence of the Maharashtra Real Estate Regulatory Authority in the real estate industry of Maharashtra by enhancing transparency and buyer's confidence, but at the same time it has some constraints inherent in it.

These include the following:

Dependent Secondary Data

As the study involves secondary data solely for the purpose of collecting data, it is impossible to capture real time information on the spot.

Not Considering Consumer Sentiments

As consumer sentiments can only be determined through the collection of primary data, this study does not have an insight into the buyer's sentiments.

Limited Geographical Scope of Study

It must be mentioned that the study only takes place in the geographical region of Maharashtra. This implies that no generalization can be made out of this geographical scope.

Limited Time Period of Study

The period of study has been set in the period from 2021-2025. Hence, the long-term impacts of RERA have not been studied.

Lack of Advanced Statistics

Advanced statistics have not been considered for data analysis.

Future Scope of the Study

The results of these findings will be used to guide future research on real estate regulations and its effects. Some of the following may be suitable for research:

1. Incorporation of Primary Research Future research can include surveys and interviews with homebuyers, developers, and brokers to capture direct

perceptions and behavioral insights.

2. Comparative Analysis Across States. A comparative study of different state RERA authorities can help identify variations in implementation effectiveness and best practices.
3. Longitudinal Studies Future research can track changes in transparency and buyer confidence over a longer period to assess the sustained impact of regulatory reforms.
4. Advanced Quantitative Analysis Application of statistical techniques such as regression and correlation analysis can provide deeper insights into the relationship between transparency and buyer confidence.
5. Role of Technology in Real Estate Regulation. Further studies can explore the impact of digital platforms, PropTech, and data analytics in enhancing transparency and improving regulatory efficiency.

Collection of Primary Data

Future studies could include conducting surveys and interviews with the buyers, developers, and brokers to gain firsthand insight into the problem.

A Cross-sectional Study Across Different States

Cross-sectional analysis of performance of RERA organizations in various states could help find out how to regulate the housing industry more effectively.

A Longitudinal Study

Further research could focus on investigating changes in the buyers' trust and transparency during a long period of time.

Advanced Statistical Methods

The use of regression and correlation analysis along with many other statistics methods would help get further insight into the relationship between the two variables under investigation.

Using Modern Technologies in Regulation of the Housing Sector

Future research might include the discussion about the role of technologies in the regulation of the real estate market.

Conclusion

The research revealed that a post the requirement implementation of Real Estate (Regulation and Development) Act 2016 by Maharashtra Real Estate Regulatory Authority, as per terms of the law, has given rise to a transformation in the real estate industry in Maharashtra, as now the market is more transparent, consumer-focused, and accountable with the outcome of project registration, standardization of information, and financial discipline.

The findings of the study reveal that there has been considerable improvement in transparency during real estate dealings allowing the buyers to receive authentic information and make informed decisions. Additionally, a formal system for addressing grievances has helped in protecting the legal rights of the buyers, thereby resulting in enhanced buyer participation in addressing disputes. Consequently, there is a growing level of buyer confidence due to the shift from development-led trust to system-based trust.

But at the same time, what should be noted is the fact that even though MahaRERA has helped to improve governance and accountability, there still remain several challenges like delays in projects, among others. Transparency only helps to increase clarity and make better decisions, but not necessarily ensures that all the risks are avoided. Hence, the effect of RERA can be viewed as transforming, but not exhaustive. In summary, the MahaRERA has been vital in helping shape the real estate market in Maharashtra.

Recommendation

Strengthen Real-Time Project Monitoring

MahaRERA should move beyond static disclosures and introduce **real-time project tracking mechanisms**, such as periodic geo-tagged updates and construction progress dashboards.

Rationale:

Improves transparency from documentation-based to performance-based visibility.

Implement Time-Bound Dispute Resolution

A stricter timeline for complaint resolution (e.g., 60–90 days) should be enforced, along with digital tracking of case status for buyers.

Rationale:

Faster resolution directly enhances trust and system credibility.

Introduce Developer Rating System

A standardized rating or grading system for developers based on past performance, delays, and compliance should be made publicly available.

Rationale:

Shifts buyer decision-making from assumptions to data-backed evaluation.

Enhance Financial Transparency

Developers should be required to provide simplified and periodic reports on **fund utilization and project financial status**, accessible to buyers.

Rationale:

Current financial disclosures are technical and not easily understood by buyers.

Increase Buyer Awareness Initiatives

Awareness campaigns should be conducted, especially in Tier 2 and Tier 3 regions, to educate buyers about RERA provisions and their rights.

Rationale:

Transparency is effective only when buyers are aware and able to use available information.

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