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ASSET

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REalVIEW

Dear Readers,

REalVIEW is a monthly news digest bringing to our clients and well-wishers news updates on major developments in the realty industry. The periodical will keep the readers updated on the significant changes and trends affecting real estate development within the country as well as globally, thus helping them in taking informed and calculated investment decisions

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Sunil Kumar V
Founder & Managing Director
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KERALA RERA'S LANDMARK RULING: LAND OWNERS MUST SHARE LIABILITY WITH BUILDERS

The Kerala Real Estate Regulatory Authority (K-RERA) has delivered a landmark judgment that strengthens homebuyer protection in joint development projects. The Authority ruled that landowners who actively participate in the financial or commercial aspects of a project cannot escape responsibility if the project is delayed or fails.

The decision clarifies that such landowners may be treated as joint promoters under the Real Estate (Regulation and Development) Act (RERA), making them equally accountable alongside developers for fulfilling obligations made to homebuyers.

1 WHY THIS RULING IS SIGNIFICANT

Traditionally, landowners involved in Joint Development Agreements (JDAs) argued that their responsibility ended with providing the land, leaving developers solely liable for construction and delivery.

K-RERA has now clarified that where landowners:

- Share project profits
- Participate in financial arrangements
- Receive payments connected to the development
- Mortgage project land for construction finance

they may be considered joint promoters under RERA.

This means they can also be held responsible for:

- Timely project completion
- Delivery of promised amenities
- Compliance with RERA provisions
- Obligations owed to homebuyers

2 THE CASE THAT LED TO THE DECISION

The ruling arose from a residential apartment project where buyers had paid nearly the full purchase amount, yet construction remained incomplete and essential services such as electricity and water were not provided.

During the proceedings, K-RERA found that the landowner had played an active financial role by:

- Mortgaging the project land to obtain construction finance
- Participating in project-related financial transactions
- Receiving payments linked to the development

Based on these facts, the Authority concluded that the landowner could not avoid liability by claiming to be merely the owner of the land.

3 WHAT THIS MEANS FOR HOMEBUYERS

The judgment significantly strengthens consumer protection by expanding accountability beyond the builder alone.

Key benefits include:

- Stronger legal protection in delayed projects
- Greater chances of project completion
- More parties accountable for buyer interests
- Better transparency in joint development projects
- Increased confidence among homebuyers

The ruling reinforces the principle that responsibility should depend on actual involvement rather than contractual labels.

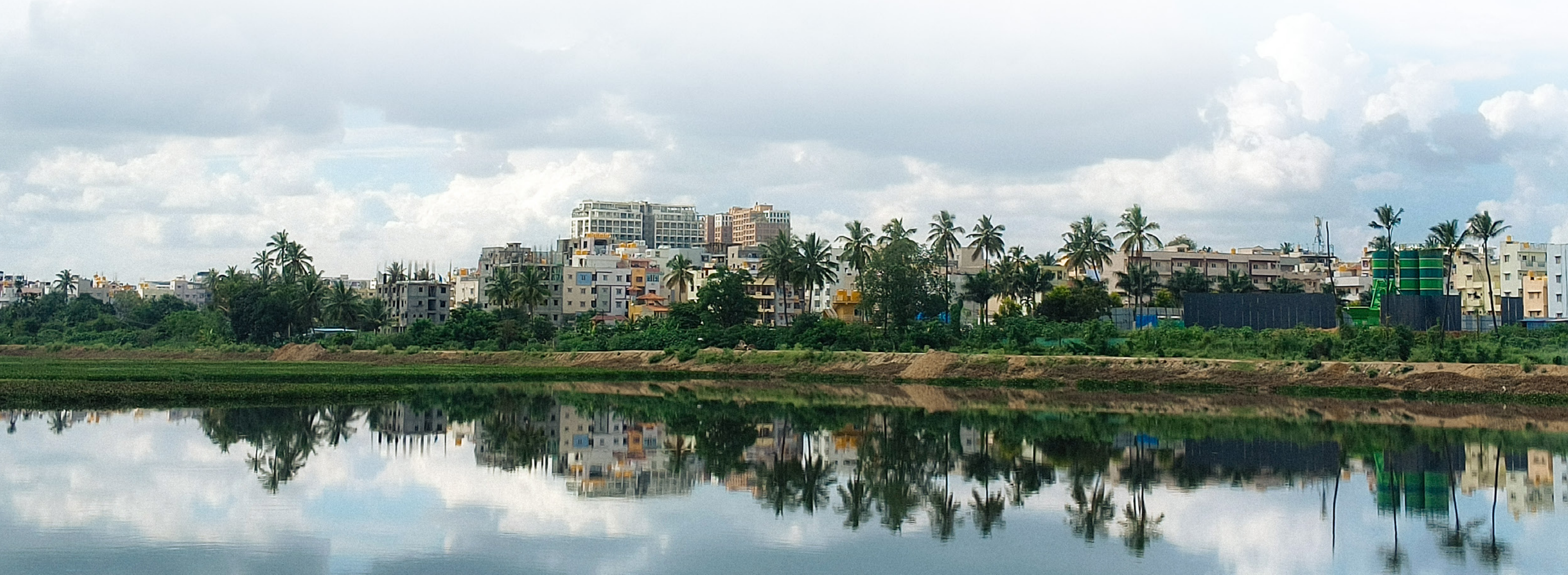
4 IMPACT ON DEVELOPERS & LANDOWNERS

The ruling encourages both developers and landowners to clearly define their respective responsibilities from the beginning of every project.

Going forward, stakeholders may need to:

- Structure Joint Development Agreements more carefully
- Maintain greater financial transparency
- Clearly disclose financial obligations
- Ensure full compliance with RERA requirements
- Adopt stronger governance practices

The decision is expected to reduce disputes and improve accountability across Kerala's real estate sector.



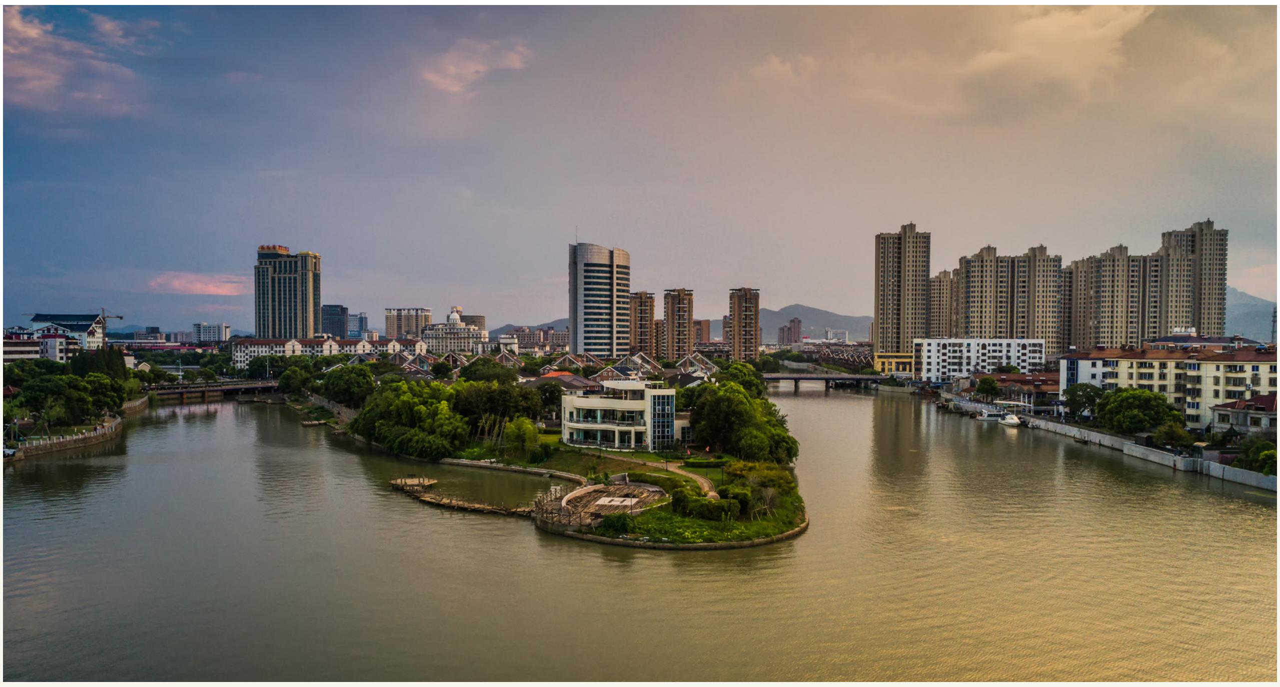
5 WHAT THIS MEANS FOR KERALA'S REAL ESTATE MARKET

This ruling marks an important step toward greater accountability in Kerala's real estate industry.

For homebuyers, it offers stronger safeguards against project delays and defaults.

For developers and landowners, it highlights the importance of transparent partnerships, responsible financial practices and regulatory compliance.

Overall, the judgment is expected to improve trust, strengthen governance and create a healthier, more transparent real estate ecosystem.



OUTLOOK

K-RERA's landmark decision signals a major shift toward shared responsibility in joint development projects. By recognising financially involved landowners as joint promoters wherever appropriate, the Authority has strengthened homebuyer protection while encouraging higher standards of transparency and accountability.

As Kerala's real estate market continues to evolve, this ruling is expected to become an important benchmark for responsible development, improved governance and increased buyer confidence.

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