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PROTECTING HOMEBUYERS UNDER RERA: A CRITICAL EVALUATION OF KARNATAKA'S REAL ESTATE DISPUTE RESOLUTION FRAMEWORK

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ABSTRACT

The Real Estate (Regulation and Development) Act, 2016 (RERA) was enacted to promote transparency, accountability, and consumer protection in India's real estate sector. This paper critically examines Karnataka's implementation of RERA, focusing on the dispute resolution framework established through the Karnataka Real Estate Regulatory Authority (K-RERA). It analyses the role of the Regulatory Authority, the Adjudicating Officer, the Real Estate Appellate Tribunal, and the Conciliation and Dispute Resolution Cell in addressing grievances of homebuyers.

While K-RERA has significantly improved regulatory oversight and access to specialised remedies, the article identifies key challenges including procedural fragmentation, enforcement difficulties, institutional capacity constraints, and the reactive nature of the regulatory framework. It argues that the effectiveness of homebuyer protection must be assessed not merely through compliance measures but through the delivery of timely and meaningful relief. The article concludes by suggesting reforms aimed at strengthening enforcement, enhancing institutional capacity, and fostering a more consumer-centric approach to real estate governance in Karnataka.

Keywords: RERA, K-RERA, Homebuyer Protection, Real Estate Disputes, Consumer Rights.

I. INTRODUCTION

Indian real estate has been facing problems like delay in the construction process of projects, non-transparency, misuse of money, and lack of remedy for buyers for decades before the

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passing of the Real Estate (Regulation and Development) Act, 2016 (RERA). Before RERA, consumers had only two options for addressing unfair practices in the real estate sector: the civil court and the consumer forum. Both options involved tedious and costly proceedings for the consumer. To solve these issues, RERA has provided a specific regulatory regime to promote transparency, accountability, and consumer protection in the real estate industry[1].

This Act has provided for the Real Estate Regulatory Authority (RERA), Adjudicating Officer, and Appellate Tribunal, providing the mechanism of dispute resolution for a specific time period. This Act has also provided important measures for consumer protection, like registration, disclosures, escrow accounts, and punishment for violation of these provisions.

The Karnataka Real Estate Regulatory Authority (K-RERA)plays a significant role in the regulation of real estate transactions as well as the resolution of disputes between the home buyer and the developer. This State adopts a three-tier dispute resolution process, which consists of conciliation, adjudication by the Authority/Adjudicating Officer and appeal to the Real Estate Appellate Tribunal. Although this system has established a special mechanism for dispute resolution, issues remain regarding delays in disposing of cases and in implementing orders[2].

II. LEGAL FRAMEWORK FOR HOMEBUYER PROTECTION UNDER RERA

The Real Estate (Regulation and Development) Act, 2016, offers the dispute resolution process wherein the aim is to offer a special, fast and cost-effective remedy to the concerned parties in the real estate business. The dispute resolution process is basically based on Sections 31, 35, 40, 43, and 71 of the Act, which deal with filing of complaint, investigation, determination of claim for compensation, enforcement of order and appeal[3].

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[1] Pioneer Urban Land & Infrastructure Ltd. v. Union of India, (2019) 8 SCC 416.
[2] Dr. Gurmanpreet Kaur & Dr. Parineeta Goswami, Real Estate Dispute Resolution: A Study of Remedies Available Under Real Estate Regulation Act and Consumer Protection Act 2–4
[3] Real Estate (Regulation and Development) Act, 2016, Sec 31, 35, 40, 43 & 71.

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Section 31 states that an aggrieved party has a right to raise a complaint against any violation of provisions of the Act, its rules and regulations[4]. The section follows a broad approach while granting standing rights not only to consumers but also to developers, real estate agents and consumer organisations.

Under Section 35[5], the Authority can seek information, make investigations and start an inquiry either on receipt of complaints or suo motu. The Authority has the power to summon people, demand production of records, scrutinize documents and investigate the business of promoters, allottees or real estate agents where it deems fit to make such an inquiry. Such investigative powers give a regulatory dimension to RERA and mark its difference from the traditional adjudicatory system.

Section 40[6] pertains to the enforcement of orders concerning interest, penalty, and compensation. In case a promoter, allottee, or real estate agent does not follow an order of the Authority, Adjudicating Officer, or Appellate Tribunal, then such unpaid sum shall be recoverable as arrears of land revenue from the appropriate revenue authorities.

The appellate structure provided under RERA is in Section 43[7], which requires the formation of the Real Estate Appellate Tribunal (REAT) for dealing with the appeals against the orders passed by the Authority and Adjudicating Officer. The provision ensures that the appeal process is not abused for filing frivolous cases, as in certain instances, promoters are required to pay the prescribed amount of penalty, compensation or refund to the Appellate Tribunal.

Under Section 71[8], the appointment of an Adjudicating Officer, who is usually a former District Judge, is allowed in respect of the determination of any claim arising out of compensation and interest payable under the Act. The Adjudicating Officer has the power to hold summary

[4] Real Estate (Regulation and Development) Act, No. 16 of 2016, Sec 31, India Code (2016).
[5] Real Estate (Regulation and Development) Act, No. 16 of 2016, Sec 35, India Code (2016)
[6] Real Estate (Regulation and Development) Act, No. 16 of 2016, Sec 40, India Code (2016)
[7] Real Estate (Regulation and Development) Act, No. 16 of 2016, Sec 43, India Code (2016)
[8] Real Estate (Regulation and Development) Act, No. 16 of 2016, Sec 71, India Code (2016).

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proceedings, call for witnesses, take evidence and decide the amount of compensation payable for claims made due to delay in delivery, misrepresentation, construction faults, or statutory breaches. The Act provides for a time period of 60 days for the disposal of such claims.

These provisions create a special and closed system of dispute resolution that brings together regulation, investigation, compensation, enforcement, and appeal. This statutory structure demonstrates the intention of Parliament to offer a more efficient alternative to civil proceedings to buyers of homes, while at the same time increasing accountability in the real estate industry.

III. KARNATAKA'S REAL ESTATE DISPUTE RESOLUTION FRAMEWORK

A. INSTITUTIONAL FRAMEWORK OF K-RERA

As per the Karnataka Real Estate (Regulation and Development) Rules, 2017[9], the Karnataka Real Estate Regulatory Authority (K-RERA) regulates all the real estate projects in Karnataka, including the major cities such as Bengaluru, Mysuru, Mangaluru, Hubballi-Dharwad, and Belagavi.

The important feature with respect to the implementation of the RERA in Karnataka is the digital governance and disclosure mechanism. Using the online portal of K-RERA makes the project registration, complaint registration, regulation orders and monitoring of the progress of real estate projects possible[10]. The developers need to make disclosures related to the approvals, construction, finance, and project timeline, ensuring that the buyers' decision-making process becomes easy.

Apart from the regulation function, the dispute resolution mechanism of K-RERA involves multi-tier system of regulatory oversight and alternative dispute resolution mechanism. The

[9] Karnataka Real Estate (Regulation and Development) Rules, 2017, Gazette of Karnataka, Extraordinary, Part IVA, No. 662, July 11, 2017.

[10] Karnataka Real Estate Regulatory Authority, Karnataka RERA Portal, https://rera.karnataka.gov.in

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establishment of Karnataka Conciliation and Dispute Resolution Cell shows the willingness of the body to resolve disputes using conciliatory approach.

B. ALTERNATE DISPUTE RESOLUTION FRAMEWORK

Karnataka's implementation of RERA included the application of Alternative Dispute Resolution (ADR) through the Conciliation and Dispute Resolution Cell. The provision provides for a method of resolving disputes between the promoter and allottees through conciliation without involving any judicial process in accordance with Sections 32(g) and 38(2) of the Act.[11]

The CDR Cell includes representatives of homebuyer and developer associations who serve as conciliators to help disputing parties reach an agreement that is acceptable to them. The disputes that are already filed before the Authority or Adjudicating Officer will be sent to the Cell if there is a chance of settling the dispute and both parties agree to conciliation. In case a settlement is arrived at, a consent agreement will be executed which binds both parties. In case of failure, the dispute is taken up in the adjudicatory forum under RERA[12].

The creation of the CDR Cell shows that K-RERA believes that not all disputes should be subjected to adjudication. Consequently, the ADR framework serves as an important complement to Karnataka's formal dispute resolution structure and contributes to the broader objective of ensuring efficient and consumer-friendly real estate governance.

C. ADJUDICATORY FUNCTIONS OF THE REGULATORY AUTHORITY

[11] Real Estate (Regulation and Development) Act, No. 16 of 2016, Sec 32(g) and Sec 38(2) (2016).
[12] Karnataka Real Estate Regulatory Authority, Notification No. RERA/ADM/C.R.51/2019-20, dated Nov. 27, 2019

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K-RERA is the primary forum for adjudicating disputes arising from violations of the Real Estate (Regulation and Development) Act, 2016. Section 31 of the Act allows complaints to be brought before the authority arising out of delayed possession, non-disclosure of project information, deviations from sanctioned plans, false representations, and other instances of non-compliance. To facilitate accessibility, Karnataka has adopted an online complaint-filing system through which aggrieved parties may initiate proceedings.

While discharging the adjudicatory functions, the Authority is authorised to hold investigations, seek information, summon parties and inspect documents as per Section 35 of the Act. The proceedings would essentially be in summary form and are meant to serve as a faster mode of resolving disputes instead of resorting to conventional civil litigation. The Karnataka Real Estate (Regulation and Development) Rules, 2017, also lay down the procedure for filing complaints and empower the Authority to resolve disputes based on documentary evidence, parties' arguments, etc.

In case of any contravention of the Act or rules, K-RERA may initiate appropriate steps, including issuing directions, compliance or penal action against the non-complying parties. The directions made by K-RERA are binding and can be enforced under Section 40 of the Act. Although the time period given in the act is 60 days[13].

D. COMPENSATION AND APPELLATE REMEDIES UNDER K-RERA

Dispute resolution mechanism under the K-RERA includes not only the Regulatory Authority but also the Adjudicating Officer and Real Estate Appellate Tribunal (REAT). The violations, claims involving compensation, interest, refunds, and other monetary reliefs are adjudicated by the Adjudicating Officer as per Section 71 of the Act. The compensation cases generally occur on account of delay in delivery, false representation, building defects,

[13] Karnataka Real Estate (Regulation and Development) Rules, 2017, rr. 29–30.

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and non-compliance of obligations by promoters. The Act lays down a mechanism to dispose of such disputes in a summary manner and within a period of 60 days.

For providing the opportunity for judicial review to all persons, the Act also provides for an appeal mechanism through Real Estate Appellate Tribunal. Any person aggrieved by the order of the Authority or Adjudicating Officer shall have an option to file an appeal before the Tribunal within a period of 60 days of receipt of the order in question. The appellate process acts as an effective mechanism to prevent any error or arbitrariness in decision-making while still keeping a specialised forum for real estate disputes. In some cases, promoters will have to deposit a specified part of compensation, refund, or penalty before entertaining the appeal[14].

Compensation and appeal mechanisms enhance the framework of dispute resolution as it not only ensures that there are provisions of redressal available to the concerned parties but also give an opportunity to rectify their mistake. The combination of Adjudicating Officer and Appellate Tribunal results in a more organised and systematic method of protecting homebuyers under Karnataka's version of RERA.

IV. KEY CHALLENGES IN KARNATAKA'S RERA DISPUTE RESOLUTION FRAMEWORK

A. THE ILLUSION OF SPEEDY JUSTICE

Amongst the key reasons for the formation of RERA was the claim that disputes would be settled swiftly. Unfortunately, the goal of resolving the complaint within 60 days enshrined in the statute has become more mythical than practical in many cases. Although it can be said without doubt that K-RERA has managed to make itself less dependent on traditional civil litigation, the problem of delay persists. In the case of

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[14] M/s Newtech Promoters & Developers Pvt. Ltd. v. State of Uttar Pradesh, (2021) 10 SCC 750.

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many home buyers, who also have to bear the burden of their home loans as well as rent, the matter becomes all the more important. It should not be considered to be successful simply on account of its speed.

B. ENFORCEMENT REMAINS THE WEAKEST LINK

The efficacy of K-RERA can be gauged based on the number of complaints that have been disposed of along with the number of orders passed. This evaluation is flawed. The only true test of success is whether the complainants get their possession back, refund, compensation, or compliance with the order passed by the authority. It is not uncommon for the enforcement phase to turn into a fight all by itself after the adjudication process is completed. What this leads to is a paradoxical situation where the consumers win in court, but face problems thereafter.

C. FRAGMENTATION OF REMEDIES AND CONSUMER BURDEN

This division of roles in terms of the Regulatory Authority versus that of the Adjudicating Officer may have a valid legal justification but it does not serve the interest of consumers well. Consumers who are in search of relief on a full scale can face the prospect of having to engage in several processes based on the same facts[15]. While what is perceived as procedural specialization from the point of view of institutions results in extra work for consumers.

D. CONCILIATION AND THE REALITY OF UNEQUAL BARGAINING POWER

The cell for Conciliation and Dispute Resolution is often seen as a positive move within the RERA structure of Karnataka. However, the notion that all settlements reached under the process are fair and just needs to be examined carefully. The whole concept

[15] M/s Imperia Structures Ltd. v. Anil Patni, (2020) 10 SCC 783; Pioneer Urban Land & Infrastructure Ltd. v. Union of India, 2019 SCC OnLine SC 1005

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of conciliation works on the principle of equality of bargaining power, which does not exist when there is a difference in size between the homebuyer and the developer company. A consumer who has financial burdens and uncertainty and faces delay in taking possession of his or her property may agree to settle the matter out of desperation[16].

E. COMPLIANCE DOES NOT NECESSARILY TRANSLATE INTO CONSUMER PROTECTION

Current regulatory policies point out that K-RERA is becoming increasingly concerned about the importance of reporting, the obligations for quarterly submission, and compliance monitoring. Although transparency is certainly very important, it seems that the focus of regulatory policies is being shifted from substance to procedure. A developer can make quarterly submissions while at the same time failing to provide possession to the consumers as per the schedule[17]. Compliance standards cannot, therefore, be used as measures of consumer well-being. The primary purpose of the law is not just to produce disclosures but to safeguard consumers from the negative impacts of project delays, poor management, and contract failure[18].

F. A PREDOMINANTLY REACTIVE REGULATORY MODEL

The Authority steps in when there has already been damage done to the consumers by means of project delays and other infractions. Consumers come to the authority once there have been delays in possession, construction work, or other breaches. An important issue is whether a regulator should try to deal with disputes after harm has been done to the consumers or whether it should try to prevent disputes from happening.

[16] Karnataka Real Estate Regulatory Authority, Notification No. RERA/ADM/C.R.51/2019-20 (Nov. 27, 2019
[17] KRERA Circular on Quarterly Progress Reports, Jan. 20, 2026.
[18] Riya Kapoor, KRERA Imposes Penalty for Delay or Non-Submission of Quarterly Progress Reports (FY 2025–26), RERA Filing (Jan. 20, 2026).

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The continuous complaints about delays indicate that the framework has proven itself better in handling disputes than preventing them.[19]

V. THE WAY FORWARD

For increasing the efficiency of the RERA framework in Karnataka, the focus needs to be more on the enforcement aspect and compliance with the orders made by the regulator in a timely manner. There should also be an effort to improve the adjudicatory system and avoid duplication in the process due to procedural fragmentation.

Additionally, for K-RERA to be able to handle the growing number of cases effectively, there should be sufficient institutional capability, financial independence, and technical expertise available at its disposal. Moreover, there should be certain safeguards to be put into place within the context of the conciliation process to ensure that the settlement is a fair one and does not put the homebuyer at a disadvantage.

Lastly, the approach towards regulation should change from the current reactive approach to a more preventive one involving stricter project monitoring and early intervention.

VI. CONCLUSION

The enactment of the Real Estate (Regulation and Development) Act, 2016 can be considered an important step towards a greater emphasis on transparency, accountability and special forums of dispute resolution in India. With regard to Karnataka, it was thanks to K-RERA that the problem of protecting homebuyers in this state was greatly improved due to regulatory supervision, adjudicatory function and special measures for alternative dispute resolution.

Nevertheless, the efficiency of the legal framework should not be evaluated only on the grounds of its legislative design. Problems with procedure fragmentation, order enforcement, institutional capacity and a largely reactive approach to regulation still limit the possibility of

[19] Karnataka RERA Chairman Calls for Improved Real Estate Approval Processes and Coordination, ET Realty (June 16, 2026

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delivering comprehensive consumer protection. Although there have been significant improvements in transparency and regulatory compliance due to K-RERA, many experiences of homebuyers show that effective remedy is not always easily achieved.

Thus, the future success of RERA legislation in Karnataka will largely depend not only on regulatory compliance, but on actual results for consumers. Enforcement improvements, increase in institutional capacity and preventive approach are necessary for this purpose.