# Regulator for real estate to benefit home buyers, developers

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*The Cabinet's decision to set up a Real Estate Regulator is a positive move for the sector, and will benefit both the home buyers as well as developers in the coming times.*

The basic tenet behind this landmark move is to infuse greater transparency into the entire system, and this will go a long way in instilling good practices into the system. It will benefit the consumers by authenticating genuine developers and their credentials, guide them on well composed builder-buyer agreements, get builders to focus funds for the projects for which they have been collected and also fast track complaints. So it is bound to bring in a very high level of safety for the consumers, and save them from a lot of ground work in terms of establishing the genuineness of a project. It will also work to erase malpractices indulged by certain sections of the industry. For example, the ambiguity surrounding super built-up area and carpet area gave unscrupulous players a chance to misguide buyers and lure them away from better projects.

But the beauty is that it will also benefit the developers significantly. By bringing in sharp transparency and building safety for the buyers, it will actually encourage more confident purchases and drive up the volumes. This means that not only will the built-up inventories evaporate, but the new projects too shall see enthusiastic off-takes from genuine buyers and users, and reduce speculative activities.

So professional and ethical developers would actually welcome it, and the reason is simple. When any industry enters a default mode of high transparency and corporate governance, it moves up to a still higher plane of growth - and the same is set to happen for the Indian real estate industry.