

Evolving Legal Dimensions in Real Estate: Challenges, Regulations, and Future Perspectives

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Abstract

The Indian real estate and real estate all over the world has seen revolutionary changes affected by technological innovation, urbanisation, regulatory changes and market forces. These movements have created intricate legal issues and issues requiring an intervention of law. The paper explores the changing legal aspects of the real estate law, key recent challenges, and regulations, including RERA, and new legal trends that have grown due to the sustainability, digitisation, and the nature of investment. The study also investigates the way forward by looking into the policy frameworks and proposing policy reformation adaptation to achieve transparency, accountability and the security of players.

Keywords:

Real Estate Law; RERA; Land Acquisition; Property Rights; Digital Land Records

1. Introduction

Real estate law has turned out to be a live and multidimensional sphere of law that is defined by a combination of socioeconomic, ecological, and technological changes. No longer limited to the domains of land ownership and property sell and buy, a diverse set of rules and pieces of law exist between which players move, and which address the priced realities of contemporary urbanisation, complex growth of infrastructures, and global investments. Although the fundamentals of real estate law remain based on the concept of preservation and acquisition of property rights, it is gradually overlapping with the contractual laws, tenancy and lease laws, environmental certification, urban planning laws, foreign direct investment principles, and developing forms of digital governance like Blockchain and e-governance.

In India, the importance of the real estate sector can be highlighted by the fact that real estate industry contributes 7 percent and above to the GDP of the country and is the second-largest contributor to the employment in the country, next to agriculture. In spite of this economic significance, the industry has been marred with legal confusions, untransparency, unchecked actions of the developer and a long drawn litigation process of land titles, project renouncements

and violations of regulation. These issues jeopardized the overall trust and investment opportunities of the people and thus the government has brought drastic changes in the real estate industry such as the Real Estate (Regulation and Development) Act 2016 (RERA) with an aim of providing accountabilities, consumer protection, and system transparency. With the twin pressures of legal change and digital innovation, the world of law regulating real estate has to change as it addresses the development needs and weight them against equity, sustainability and the rule of law.

2. Historical and Legal Evolution

Historically, real estate law in India was governed by colonial-era statutes such as the **Transfer of Property Act 1882**, **Indian Contract Act 1872**, and various state-specific tenancy laws. The enactment of the Real Estate (Regulation and Development) Act 2016 (RERA) marked a transformative shift by bringing accountability and transparency to the sector.

3. Key Legal Challenges

3.1 Land Acquisition and Rehabilitation

Enacted in 2013, the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement, Act was put in place to provide equitable compensation and rehabilitation to the people who lost lands to development efforts. Nonetheless, uncertainty in the meaning of the concept of a public purpose and delays in the procedure still prevail.

3.2 Delayed Possession and Fraudulent Practices

Prior to RERA, consumers were not getting much redress in situations where the developers would either not deliver projects that are on time or in case the projects had been misrepresented and would accrue higher legal suits leading to bankruptcies.

3.3 Title and Ownership Disputes

The field of real estate law has become one of the most competitive and emerging fields of legal jurisprudence because of the changing landscape in terms of socio economic priorities, green environment, urban sprawl, and technological advancement. Real estate law has its historical connection with the idea of ownership, possession, and the legal procedure of transferring immovable property, and initially was limited to overly basic transactions, such as the sale, rental, or mortgaging of an estate and a building. But nowadays, it has become an interdisciplinary law, which exists at the nexus of several of these kinds of legal systems; such as the contract law and the tort law, land use regulation, environmental law, consumer protection laws, municipal governance, and the international investment regimes.

The role of real estate industry in India can hardly be overestimated. It is a major stake in the national economy as it provides over 7 per cent of gross domestic product of the country and only after agriculture does it presuppose the highest amount of employment. The sector is very crucial in sustaining and development of industries, business, and habitation, and the downstream effect is a ripple to more than 250 feed industries such as cement, steel, and building materials. However, India has been long marred with the dominance of obscurity and legal fractionation in the real estate business since long and lack of conformity amongst the populace towards the real estate business. Cases of unclear land title cases, informal market system, non-standardisation of contract,

corruption in land distribution and no consumer protection have caused more court cases and exposing both home buyer and the investments to huge losses.

Add to this, the new emerging issues of urban sprawl, environmental issues and digitalisation of land records and transaction. Urbanisation has cause very heavy strain on housing and infrastructure and there has been a need to reconsideration of laws on zoning, environmental impact assessments and acquisition of land. Moreover, blockchain and other technological advances, e.g. digital signature, online dispute resolution, land registries have been redefining the basics of governance, sale and purchase of real estate.

It is against these multi-faceted problems that the Indian legal system has seen a history of regulatory reforms within the past twenty years. The passage of the Real Estate (Regulation and Development) Act, 2016 (RERA) has been a milestone toward injecting transparency, accountability and buyer protection into the industry. On the same note, projects such as Digital India Land Records Modernisation Programme (DILRMP), Model Tenancy Act, 2021, and the liberalised Foreign Direct Investment (FDI) norms of the construction industry, are all indicators of a software-based concerted effort to recast and rationalise the regulatory environment.

It is against this background that real estate law is no longer just about legal transmission of property, but a trade off between conflicting interests, a balance between development and displacement, between rights of the person as against community rights, between economic welfare and environmental health. The legislative statute of real estate consequently has to be further developed due to needs of society as well as technological advancement, as also in terms of justice, equality and sustainable development of constitution. The radical and forward-looking solution is required: the solution that can be based on the rule of law, regulated by the clarity of regulations and informed by the technological flexibility.

.3.4 Environmental and Zoning Compliance

The Maradu flats demolition case in Kerala demonstrated the importance of significant shortcomings in zoning laws, observance of environmental clearance and the weakness of local administration, mobilization of accountability and the norms of the Coastal Region, which led to the judicial order to demolish the high buildings.

4. Regulatory Landscape

4.1 Real Estate (Regulation and Development) Act 2016 (RERA)

RERA aimed to protect consumer interests, promote transparency, and establish state-level authorities to oversee transactions. Key provisions include mandatory registration of projects, use of escrow accounts for buyer funds, and timelines for completion.

4.2 Model Tenancy Act 2021

Model Tenancy Act aims to open the rental housing through codifying fair rights and duties of the landlords and the tenants.

4.3 Foreign Direct Investment (FDI)

With liberalisation, 100% FDI was permitted in townships and construction projects under automatic route, subject to compliance with sectoral conditions.

5. Technological Disruptions and Legal Implications

5.1 Blockchain and Smart Contracts

The technologically potential land registries in Andhra Pradesh and Maharashtra can help settle land records through the blockchain concept of security and immutability.

5.2 PropTech and Data Regulation

The emergence of AI-powered websites and online lease control has transformed the art of conducting real estate deals and it provides efficiency in tenant vetting, automated reports creation, and forecasting in the valuation of the property. Nevertheless, many legal and ethical issues are also associated with this digital transformation, especially where online privacy, cybersecurity threats, and the validity of an electronic contract are concerned. The question of unauthorised data transfers, ineffective data encryption, transfers across national borders and legal uncertainty of digitally signed contracts creates the necessity of a transparent regulatory framework to provide security and legal positioning of AI-based real estate assistance.

5.3 Digital Land Records

The **Digital India Land Records Modernization Programme (DILRMP)** aims at improving land governance through the computerisation of land records, integration of textual and spatial data, and the use of **Geographic Information System (GIS) mapping**. By creating a unified and transparent land records management system, the programme seeks to reduce disputes, enhance service delivery, and lay the foundation for conclusive property titles across statesppping.

6. Comparative Legal Analysis

6.1 United Kingdom

The **Land Registration Act 2002** in the United Kingdom provides a **state-backed conclusive title guarantee**, which significantly reduces the scope for ownership disputes, streamlines property transactions, and minimises litigation and administrative delays.

6.2 United States

The use of **title insurance** and a system of **decentralised local governance** in the United States contributes to a more **transparent and efficient property market**, by safeguarding buyers against defects in ownership and ensuring that land records are maintained accurately at the county or municipal level.

6.3 Singapore

Singapore's **Urban Redevelopment Authority (URA)** regulates land use through a **highly digitised and centralised planning system**, supported by a **clear, consistent legal framework** that guides urban development, zoning, infrastructure integration, and long-term sustainability goals.

7. Future Perspectives

7.1 Sustainability and Green Norms

Future legal frameworks must **holistically integrate environmental impact assessments (EIAs), mandatory green building codes, and energy efficiency norms** to promote sustainable urban development, minimise ecological degradation, and ensure that real estate growth aligns with national and international environmental obligations.

7.2 Smart Cities and Legal Readiness

The **Smart Cities Mission** necessitates comprehensive reforms in **urban governance structures, infrastructure-related legal frameworks, and data management practices**, aiming to create technologically integrated, citizen-centric, and sustainable urban environments that can effectively respond to the challenges of rapid urbanization.

7.3 Uniform Code for Real Estate

A **uniform central real estate code** could play a pivotal role in **harmonising the currently fragmented state-specific laws**, reducing legal ambiguities, and establishing **consistency and predictability** in real estate governance across India, thereby fostering investor confidence and improving regulatory efficiency.

7.4 Legal Education

Including **real estate law** as a core component of **legal education and professional training** could foster a **more specialised and competent legal workforce**, better equipped to navigate the complex regulatory, financial, and technological dimensions of the evolving property and housing sectors.

8. Conclusion

Highly volatile and constantly fluctuating relationship between the trends in regulatory changes, social-economical requirements, technological advancements, and environmental demands are affecting real estate legislation in India and across the globe. This growth has culminated in a more dynamic, multidisciplinary legal world, with some aspects of consumer protection, sustainability, digital innovation and constitutional justice, a radical shift in the ancient paradigm of a fixed discipline that lives in the land ownership and transfer.

According to the progressive measures introduced by the legislature, such as the Real Estate (Regulation and Development) Act, 2016 (RERA) and the Model Tenancy Act, 2021, there has been increased transparency, responsibility, and clarity under the regulation of the law in the industry. These regulations are significant in the quest by an industry, which has been long hit by informality, exploitation, and regulatory evasion to formalize processes. In example, RERA has increased ownership control on homes and brought in transparency to developers and established a system to project registration, monetary discipline, and individual grumble resolutions with an identified period. In pursuit of the participation of the renters and landlords in the rental ecosystem,

the Model Tenancy Act aimed to modernize rental housing through the standardization of the functions and rights of renters and landlords.

Despite this, existing challenges still render the real estate law system not as effective and inclusive, with these advances. The lack of a final title system causes a great deal of doubt about property ownership, which is one of the most serious problems. Conflicts go on, investments stall, and trust in government plummets. In a similar vein, court and administrative enforcement bottlenecks make it harder to implement legal remedies. Even though RERA made strides in improving dispute resolution systems, issues including capacity limits and jurisdictional overlaps persist. While there has been some progress in digitizing land records and property transactions, there is still a lack of consistency from state to state and region to area when it comes to the resources and political will needed to execute citizen-centric changes on a timely basis.

Therefore, lawmakers, regulatory bodies, the courts, civil society, and technology providers must work together in a comprehensive and cooperative manner. A unified National Real Estate Code that harmonizes state laws, maintains consistency in land and construction standards, and offers conclusive title supported by governmental assurances is necessary for legislative changes to progress beyond fragmented attempts. Meanwhile, in order to make sure that people's legal rights are really being used, it's crucial to prioritize legal literacy and capacity training for all parties involved, including developers, purchasers, municipal authorities, and legal practitioners.

It is also necessary to quicken the pace of technological integration. The use of interoperable e-governance platforms, mapping facilitated by GIS, property valuations driven by AI, and blockchain-based land registries might lead to a reduction in transaction costs, simplification of compliance, and eventual elimination of corruption. When introducing these advances, it is of paramount importance to protect the privacy, inclusivity, and accessibility of data, especially among the underserved and rural populations.

Finally, larger constitutional and developmental objectives have to be satisfied neither by law nor the field of real estate law. Rights-based approaches should address such issues as involuntary relocation, inadequate access to urban housing and environmental decline in terms of social justice and environmental sustainability. There should be transformation in real estate regulation given that there is intertwining between urban development and the laws that govern it.

And lastly, what India requires is not more regulation, but consistent, open, responsive regulation of real estate law. India real estate industry can witness a sea change provided the country implements the legal system that is future ready, one that is constructive on the basis of equality, innovation, and institutional responsibility going forward.

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