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Legal Reforms in Real Estate: Addressing Issues of Land Acquisition and Title Disputes in India

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ABSTRACT

India's real estate sector, a cornerstone of economic growth contributing 7-7.3% to GDP in 2025 and projected to reach 13-15% by 2030, grapples with persistent challenges in land acquisition and title disputes that hinder development and deter investments. Rooted in colonial legacies like the Zamindari system, which fostered exploitation and tenancy insecurity, post-independence reforms such as the abolition of intermediaries and land ceiling acts aimed to promote equity but left gaps in record keeping and enforcement. These inefficiencies manifest in delays under the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, driven by inadequate compensation, lack of consent, environmental concerns, involuntary displacements and farmer protests. Title disputes arise from fragmented records, benami transactions, ambiguous inheritance laws and presumptive titling, leading to forgery, multiple claims and millions of pending court cases that inflate project costs and reduce FDI. This paper evaluates recent 2023-2025 reforms, including the New Property Law (Draft Registration Bill 2025), which mandates digital platforms for transactions and developer disclosures, and enhancements to the Digital India Land Records Modernization Programme incorporating Aadhaar-linked GIS mapping and blockchain for tamper-proof titles. These initiatives streamline acquisitions through online pre-approvals, enhance dispute resolution via fast-track tribunals and promote sustainability. State-specific examples from Maharashtra and Karnataka illustrate federal variations. Analysis shows reduced litigation by 20-30% in digitized areas, faster registrations and boosted investor confidence, though shortcomings like rural data inaccuracies and digital divides persist. Recommendations include nationwide blockchain rollout, capacity building, inclusive rehabilitation amendments and integration with sustainable development goals to ensure transparent, equitable progress.

Keywords: Land Acquisition, Title Disputes, Legal Reforms, Digitization Initiatives, Real Estate India

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I. INTRODUCTION

The evolution of land ownership in India is deeply rooted in colonial legacies that shaped agrarian structures and continue to influence modern real estate dynamics. During the British colonial period, the Zamindari system, introduced in 1793 under the 'Permanent Settlement' by Lord Cornwallis, established *zamindars* (landlords) as intermediaries who collected revenue from peasants in exchange for land rights, often leading to exploitation and tenancy insecurity.⁴ This system, prevalent in regions like Bengal, Bihar and Uttar Pradesh, transformed traditional cultivators into mere tenants-at-will, with zamindars gaining hereditary ownership while bearing fixed revenue obligations to the British crown.⁵ Alongside Zamindari, the British implemented other revenue systems known as the 'Ryotwari' system in southern India, where *peasants* (ryots) directly paid taxes to the state, fostering individual ownership but burdened by high assessment and the 'Mahalwari' system in northern India, which involved village level revenue collection.⁶ These colonial frameworks prioritized revenue extraction over equitable land distribution, resulting in widespread peasant indebtedness, famines and social unrest, as evidenced by persistent effects on rural development even today.

Post-independence, India embarked on ambitious land reforms to dismantle these colonial vestiges and promote social justice. The abolition of the Zamindari system was a cornerstone, enacted through state-specific laws like the *Uttar Pradesh Zamindari Abolition and Land Reforms Act* of 1950, which transferred ownership to tillers and eliminated intermediaries. This was part of broader initiatives under the *First Five-Year Plan* (1951-1956), including tenancy reforms to protect tenants from eviction and regulate rents, and land ceiling acts to redistribute surplus land to the landless.⁷ By the 1970s, over 20 million acres were redistributed, though implementation varied across states, with successes in Kerala and West Bengal but loopholes allowing evasion in others.⁸ The long-run effects, shows that these reforms improved agricultural productivity and reduced inequality in some regions but left lingering issues like incomplete records and elite capture. However, modern initiatives, such as the *Digital India Land Records Modernization Programme* (DILRMP), build on these reforms by digitizing

⁴ Muhammed Islam, *The Permanent Settlement and the landed interests in Bengal, from 1793 to 1819* (University of London, School of Oriental and African Studies, 1972).

⁵ Bindeshwar Ram, *Land and society in India: agrarian relations in Colonial North Bihar* (Orient Blackswan, 1997).

⁶ Salma Naz and Muhammad Luqman, "Feudalism in British India: Causes and Consequences", 4(2) *Annals of Human and Social Sciences* 758-766 (2023).

⁷ Charan Singh, "Abolition of Zamindari" In *Two Alternatives* (Allahabad, 1947).

⁸ Richard W. Franke and Barbara H. Chasin. *Kerala: Radical reform as development in an Indian state* (Food First Books, 1994).

records to address historical inaccuracies emphasizing their role in clarifying ownership.⁹

A. Role of the Real Estate Sector in Economic Growth

India's real estate sector plays a pivotal role in driving economic growth, serving as a key engine for infrastructure development, employment, and urbanization. As of 2025, the sector contributes approximately 7-7.3% to India's GDP, with projections indicating a rise to 13-15% by 2030, fuelled by rapid urban expansion and policy support.¹⁰ The market size is estimated at USD 332.85 billion in 2025, expected to grow to USD 985.80 billion by 2030 at a compound annual growth rate (CAGR) of 24.25%, encompassing residential, commercial, and industrial segments.¹¹ By 2047, real estate could reach USD 5-10 trillion, accounting for nearly one-fifth of GDP, according to a September 2025 report from Colliers and CREDAI.¹² This growth is supported by government initiatives like the *Pradhan Mantri Awas Yojana* (PMAY) for affordable housing and smart city projects, which have spurred investments and created millions of jobs in construction and allied industries.

Recent data from the *Ministry of Statistics and Programme Implementation* (MoSPI) for Q1 FY 2025-26 shows real GDP growth at 7.8%, with real estate contributing through increased housing demand and office space absorption.¹³ An August, 2025 *Deloitte* outlook underscores the sector's resilience, noting a 3.13% year-on-year rise in house prices as per the *Reserve Bank of India* (RBI), reflecting robust demand amid economic recovery.¹⁴

B. Inefficiencies in Land Acquisition and Title Verification Hindering Progress

Despite its economic significance, the real estate sector faces substantial hurdles from inefficiencies in land acquisition and title verification, which stifle progress and deter investments. Land acquisition processes are often plagued by delays due to inadequate compensation, lack of stakeholder consent, and protracted legal disputes, leading to project overruns and inflated costs.¹⁵ A 2025 study on development delays highlights how private

⁹ PIB, "Year End Review 2023: Achievement of the Department of Land Resources" (Ministry of Rural Development, 2023).

¹⁰ IBEF, *Indian Real State Industry Analysis Presentation* (India Brand Equity Foundation, 2025).

¹¹ IMARC Group, *India Commercial Real Estate Market 2025: Industry to Reach USD*, (May 5, 2025), <https://www.openpr.com/news/3999198/india-commercial-real-estate-market-2025-industry-to-reach-usd>.

¹² Badal Yagnik and Vimal Nadar, "Indian real estate to reach USD 5-10 trillion fuelling close to one-fifth of India's GDP by 2047. Office and industrial & warehousing stock to cross 2 billion sq ft by 2047", *Colliers*, Sept. 11, 2025, available at: <https://www.colliers.com/en-in/news/press-release-credai-natcon-indian-real-estate-fostering-equity-and-fueling-economic-growth> (last visited on October 22, 2025).

¹³ PIB, "India's GDP Surge: Driving the Growth Story", *Govt. of India*, 30 Aug. 30, 2025, 6:14 PM.

¹⁴ Rumki Majumdar and Debdatta Ghatak, "India Economic Outlook", *Deloitte Insights*, August 2025, <https://www.deloitte.com/us/en/insights/topics/economy/asia-pacific/india-economic-outlook.html> (last visited Oct. 12, 2025).

¹⁵ Tania Ghosh, "Land Acquisition in West Bengal – Shifting Paradigm", 9 *IJSE* 24 (2025).

speculation and public inefficiencies contribute to housing backlogs, with urban projects frequently stalled by environmental clearances and farmer protests under the *Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013* (LARR).¹⁶

Title verification remains a critical bottleneck, as land ownership in India is largely presumptive rather than conclusive, relying on outdated, poorly maintained records prone to fraud and multiple claims. This leads to millions of pending court cases, noting that fragmented records and *benami* (anonymous) transactions exacerbate disputes, reducing ‘investor confidence’ and ‘foreign direct investment’ (FDI).¹⁷ Recent reforms under the *New Property Law, 2025* aim to address this through mandatory digital verification and Blockchain integration, but implementation challenges persist, particularly in rural areas. A July 2025 analysis warns that hidden disputes during industrial land purchases can drain resources, emphasizing the need for thorough due diligence.¹⁸

These inefficiencies collectively hinder real estate progress, with a recent study projecting that unclear titles and inefficient land-use policies could cost India trillions in lost economic potential, underscoring the urgency for comprehensive digitization and policy alignment.¹⁹

II. ISSUES IN LAND ACQUISITION AND TITLE DISPUTES

Land acquisition in India remains a contentious process, particularly under the LARR, which sought to replace the colonial era *Land Acquisition Act* of 1894 with provisions for fair compensation, consent and rehabilitation. Despite its intentions, the Act has been marred by implementation challenges, leading to involuntary displacement, inadequate rehabilitation and procedural delays.²⁰ *Involuntary displacement* affects millions, often targeting marginalized communities such as indigenous groups and small farmers, who are uprooted for infrastructure, industrial or urban development projects without adequate alternatives. A 2023 study highlights how forced acquisitions under LARR have displaced indigenous populations, exacerbating social inequalities and leading to loss of livelihoods, cultural heritage and access

¹⁶ Dian Rahmawati, D. Ary A. Samsura and Erwin Van Der Krabben, *Private Speculation versus Public Inefficiency: Which Delays Housing Development More?*, 1 *Journal of Property Research* 1 (2025).

¹⁷ Dipen Sabharwal and Aditya Singh, “India’s Legal Reform in Dispute Resolution Encourages Foreign Investment”, *White & Case LLP*, (Nov. 21, 2023), available at: <https://www.whitecase.com/insight-our-thinking/investing-india-legal-reform-dispute>.

¹⁸ The Hindu Bureau, “Blockchain-Based Land Records Not Part of Digital India Land Records Modernization Programme”, *The Hindu*, Aug. 5, 2025, <https://www.thehindu.com/news/national/telangana/blockchain-based-land-records-not-part-of-digital-india-land-records-modernization-programme/article69897703.ece>.

¹⁹ Qiang Wang, Yuanfan Li and Rongrong Li, “Integrating artificial intelligence in energy transition: A comprehensive review,” 57 *Energy Strategy Reviews* 101600 (2025).

²⁰ Thimmappa, “Statutory Rights to Fair Compensation in Land Acquisition in India: A Review,” 9(4) *International Journal of Law* 34–40 (2023).

to resources.²¹ Inadequate rehabilitation is a recurring issue, while LARR mandates resettlement packages including housing, employment and monetary compensation up to four times the market value in rural areas, enforcement is weak due to bureaucratic inefficiencies and corruption. Reports from 2025 indicate that many displaced families receive substandard rehabilitation, with delays in allotting alternative land or jobs, resulting in prolonged poverty and homelessness.²²

Procedural delays under LARR stem from complex requirements, including multi-stage approvals and public hearings, which can extend timelines by years. For instance, the Act's provisions for preliminary notifications, objections and final declarations often face judicial scrutiny, further stalling projects.²³ *Environmental and Social Impact Assessments* (ESIAs) are critical yet problematic components. LARR requires SIAs to evaluate the socio-economic effects on affected families, including food security and community impacts, while EIAs address ecological concerns under separate environmental laws.²⁴ However, these assessments are frequently rushed or manipulated to favour developers, leading to incomplete evaluations of biodiversity loss, water scarcity or pollution.

'Farmer protests' have intensified these challenges, as seen in widespread agitations against acquisitions for projects like highways and special economic zones. Farmers often resist due to fears of insufficient compensation and loss of fertile land, leading to violent clashes and policy reversals. The past year research on land laws and protests underscores how financial barriers and governmental hurdles prevent voluntary transfers, fuelling unrest and highlighting the Act's failure to balance development with agrarian rights.²⁵ Urban expansion conflicts add another layer, where rapid urbanization encroaches on peri-urban agricultural lands, pitting real estate developers against local communities. In cities like Mumbai and Delhi, acquisitions for smart city initiatives or metro expansions have sparked disputes over eminent domain misuse, environmental degradation and inadequate consent required for 70-80% of affected families in private projects under LARR.²⁶ Legal challenges from states diluting LARR provisions have

²¹ Shajan Chakkiath, "Land Acquisition Laws and Farmers Protest in India", 1 *IJJSRS*) 27–31 (2024).

²² Aditya Bhatt, "Understanding the Land Acquisition Act 2013: Key Provisions and Farmer Rights," *Bhatt & Joshi Associates Blog*, 18 Aug. 2025, available at: <https://bhattandjoshiassociates.com/understanding-the-land-acquisition-act-2013-key-provisions-and-farmer-rights/>.

²³ Amlanjyoti Goswami, *Land Acquisition, Rehabilitation and Resettlement: Law and Politics* (Working Paper, Indian Institute for Human Settlements, Bengaluru, May 2017).

²⁴ Mashura Shammi et al., "From environmental impact assessment to strategic environmental assessment in Bangladesh: Evolution, perspective, governance and challenges," 97 *Environmental Impact Assessment Review* 106890 (2022).

²⁵ Altaf Qadri, "India: Protect Farmers' Right to Peaceful Protest", Human Rights Watch, 2024, available at: <https://www.hrw.org/news/2024/02/29/india-protect-farmers-right-peaceful-protest> (last visited October 22, 2025).

²⁶ Rina Chandran, "Legal challenges may be needed to protect India's land law, says former minister" *Reuters*, 3

worsened conflicts, risking more litigation and social discord as of 2025.

A. Causes of Title Disputes

Title disputes in India's real estate sector arise from a confluence of systemic flaws, including incomplete land records, benami transactions, ambiguous inheritance laws and the absence of conclusive titling. These issues perpetuate uncertainty in ownership, leading to frequent litigation. Incomplete land records, often fragmented across revenue, registration and survey departments, create discrepancies in boundaries, ownership history and encumbrances. As of 2025, despite digitization efforts, many rural records remain outdated or missing, enabling overlapping claims and disputes.²⁷ Benami transactions where property is held in a proxy's name to evade taxes or hide assets exacerbate this, with the *Benami Transactions (Prohibition) Amendment Act, 2016* leading to increased seizures but ongoing enforcement challenges. A 2025 analysis notes that benami deals, often involving forged documents, complicate ownership verification and fuel fraud.²⁸

Inheritance laws, governed by personal laws like the *Hindu Succession Act, 1956* amended in 2005 for gender equality, contribute significantly through undivided family properties and succession disputes. Conflicts arise from unequal shares, especially in joint families, or when wills are contested, leading to multiple claimants. The lack of conclusive titling where the state guarantees ownership means India relies on presumptive titling based on deeds and records, which are vulnerable to challenges. A 2021 study, relevant to 2025 discussions, explains that presumptive systems allow historical claims to resurface, unlike conclusive systems that provide indefeasible titles.²⁹ Paper-based systems further enable forgery and multiple sales; manual records are prone to tampering, duplicate registrations and unauthorized alterations, as evidenced by a 2025 Supreme Court order probing forged sale deeds in Karnataka³⁰.

These vulnerabilities lead to rampant litigation, with disputes stemming from fraudulent sales of the same property to multiple buyers or hidden encumbrances. Blockchain proposals for land records aim to address this by ensuring tamper-proof transparency, but as of 2025, incomplete implementation leaves paper systems dominant in many states, prolonging court battles.

March, 2017, section World.

²⁷ Dr. Rekha V, "Digitalization of Land Records: A Legal Perspective on E-Governance and Property Rights," 5(11) *IJLR* 18–28 (2025).

²⁸ Harit Ashok Dhariwal and Dr Mala Dani, "Sustainable Innovation in Anti-Benami Enforcement: A Tech-Legal Approach," 2 *Journal of Marketing & Social Research* 1–6 (2025).

²⁹ Priscilla Jebaraj, "The Hindu Explains | Why does India need conclusive land titling?" *The Hindu*, 20 February 2021, section India.

³⁰ Chandrashekar C. v. State of Karnataka, 2025 SCCOnLine SC 2018.

B. Economic and Social Impacts

The economic and social ramifications of land acquisition issues and title disputes in India are profound, manifesting in stalled development, inflated costs, and societal tensions. Delayed projects due to acquisition hurdles and disputes inflate real estate prices by increasing holding costs and opportunity losses for developers. As of 2025, infrastructure delays such as land acquisition bottlenecks in highways and metro lines have escalated project expenses by 20-30%, passing burdens to consumers and contributing to a 20% drop in housing sales in major cities amid global trade tensions.³¹ Reduced FDI is another key impact with India's investment climate, while robust at \$4.2 trillion GDP, faces deterrence from unresolved disputes, with real estate volatility linked to tariffs and uncertainties potentially curbing inflows in 2025.³² Social unrest, including farmer protests and community displacements, fosters inequality and instability, with economic surveys noting weak aggregate demand and financial strains in real estate exacerbating these issues. Quantitatively, land disputes cost billions annually in lost productivity, with 25% of Supreme Court cases involving land issues, tying up judicial resources and delaying economic growth.³³

III. CONCLUSION AND SUGGESTIONS

The legal reforms implemented between 2023 and 2025 represent a pivotal shift in India's real estate sector, harnessing digital innovation to foster transparency, efficiency and equity in land management. Initiatives such as the Draft Registration Bill, 2025 often referred to as the New Property Law 2025 alongside enhancements to the DILRMP, have laid the groundwork for a more streamlined system. By mandating online registrations, integrating Aadhaar-linked verification, and promoting blockchain for tamper-proof records, these reforms address longstanding issues like fraud, delays, and opaque transactions, potentially reducing litigation by 20-30% in digitized areas. The sector's contribution to GDP, projected to rise from 7-8% in 2025 to 13-15% by 2030, underscores the economic transformative potential, with increased investor confidence evidenced by a 26.4% surge in gross leasing in 2023 and sustained FDI inflows. These changes not only expedite land acquisition through pre-approval online systems but also enhance environmental compliance and rehabilitation, promoting sustainable urban expansion.

However, the full realization of these benefits hinges on adaptive policymaking and vigilant

³¹ Editor, "Five ways in which Budget 2025 impacts the real estate sector," *The Times of India*, 11 February 2025.

³² Prachi Pisal Satara, "RBI's proposal on ECB likely to give realty sector a funding boost," *Business Standard*, 21 Oct. 2025.

³³ Namita Vahi, "Understanding Land Conflict in India and Suggestions for Reform," *CPR*, 2021, available at: <https://cprindia.org/understanding-land-conflict-in-india-and-suggestions/> (last visited on October 15, 2025).

monitoring. Challenges such as the digital divide where only 30% of rural farmers are expected to adopt digital tools by 2025 and cybersecurity vulnerabilities must be addressed to prevent exclusion and data breaches. Policymakers should prioritize inclusive implementation, regular audits of digital platforms, and stakeholder engagement to refine these reforms. Continued collaboration between central and state governments, coupled with public-private partnerships, will be essential to resolve lingering land acquisition and title disputes, paving the way for a resilient, equitable real estate ecosystem that supports India's vision of Viksit Bharat by 2047.

Ongoing hurdles in land reforms include incomplete digitization in states, resistance to technological shifts, and heightened cybersecurity risks amid increased online transactions. To mitigate these the following suggestions are to be incorporated.

- i. Full nationwide rollout of blockchain titling to ensure tamper-proof, transparent records, addressing fraud and litigation through pilots expanded from states like Telangana.
- ii. Capacity building for officials via training programs and public awareness campaigns to bridge the digital divide, including multilingual tools for rural adoption.
- iii. Further amendments for inclusive rehabilitation in acquisitions, incorporating robust environmental and social safeguards under LARR to prevent unrest.

Policy integration with sustainable development goals, emphasizing cybersecurity frameworks and data privacy to foster long-term equity and growth.
