

Legal Issues and Challenges in Real Estate Valuation

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Abstract— In general Real Estate sector plays a crucial role in the economy of every country. A large component of the Indian economy is still in the unorganized or informal sector. Real estate sector is also an unorganized sector in India. Real estate is property comprised of land and the buildings on it as well as the natural resources of the land including uncultivated flora and fauna, farmed crops and livestock, water and minerals. Real estate is considered to be one of the best avenues for investment since the risk involved is much less as compared to the investment in stock market, mutual funds, debentures/bonds etc., In recent years, Real Estate was one of the fastest growing sectors in India. Since the land available for real estate development is limited, the prices would continue to increase in the long run. Therefore, investment in real estate is likely to fetch good returns in the long term. However, the rising interest rates in India, the problems in US economy due to sub-prime mortgage crisis and the consequent global turmoil are creating pressure on the Indian Real Estate sector. Every individual in his life time dreams of owning a house but sometimes, investors are reluctant due to complexity of various laws and awareness about social, Economic, Environmental, and Governmental & Legal factors that influences the Real Estate Valuation for investment. A person can make his dream come true if he carefully observes the various influencing factors such as Social, Economic, Environmental, Governmental & Legal issues involved in Real Estate transactions and, if necessary, takes the help of an legal experts or Advocate for carrying out due diligence etc., to ensure that his dream doesn't end up into a nightmare in the form of protracted litigation in a Court of Law. Government also should come forward to protect the rights of every individual to have secured property for the betterment of the Land Economics and Legally secured investments. Thru this study an attempt to identify the factors relating to legal issues and challenges in real estate investors.

Index Terms— Real Estate Valuation, Legal issues, Environment, Land Economics, Indian Economy.

1 INTRODUCTION

THE large component of the Indian economy is still in the unorganized or informal sector. (Srinivasan. R., 2017).

Real estate sector is also an unorganized sector in India. Real Estate sector in general Plays a Crucial role in the economy of every country. (Liming Hong, 2014). Real estate is property comprised of land and the buildings on it as well as the natural resources of the land including uncultivated flora and fauna, farmed crops and livestock, water and minerals. (Oxana Snajberga, 2015). Although media often refers to the "real estate market" from the perspective of residential living, real estate can be grouped into three broad categories based on its use: residential, commercial and industrial. (Edelstein et al., 2012). Examples of residential real estate include undeveloped land, houses, condominiums and townhomes; examples of commercial real estate are office buildings, warehouses and retail store buildings; and examples of industrial real estate are factories, mines and farms. (Linda Kauskale Ineta Geipele, 2017). Thru this study an attempt has been made to identify the factors relating to legal issues and challenges in real estate investors.

2 REAL ESTATE VALUATION IN INDIA

2.1 Real Estate Valuation

Valuation of real estate depends not only on how it can be used according to local rules and regulations but also on the nature of its current use (residential, office, retail etc.) Whether you are a land owner, or a developer, or an investor, it is important to understand how valuation is typically done in real estate. (Klaus Deiningner, et.al., 2014). (Oxana Snajberga, 2015). Proper valuation of potential future uses helps determine the maximum value for a land parcel which a developer would be willing to pay or which a land owner would be willing to accept. There are several methods used in the valuation of real estate but almost all of these methods include making some key assumptions. (Rotimi Boluwatife, Abidoye Albert, P.C.Chan, 2017) Assumptions must be made about future macroeconomic conditions (such as future interest rates or the level of economic growth) and future local market conditions so that future income, expenditure and financing costs can be properly estimated. Knowing how to make these assumptions and understanding the sensitivity of the valuation to these assumptions is therefore critical for any stakeholder who needs to value real estate correctly. Estimating the value of real property is important to a variety of endeavors, including real estate financing, listing real estate for sale, investment analysis, property insurance and the taxation of real estate. (Martin Cupal, 2014). For most people, determining the asking or purchase price of a property is the most useful application of real estate valuation. (Yavas and Yildirim, 2011).

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2.2 Indian Scenario

The real estate sector in India lacks a standard process for valuation of prices. Unlike in the West, there are no standard agencies in India that can value real estate properties. (Searle.L.G., 2014). Individual investors in real estate may, therefore, find it daunting to narrow down on a fair-price range for the property of their choice. Evaluating real estate is roundly difficult, if not impossible. It involves two major steps. The first is to take the prevailing valuation in a specific area. The second step is to consider the individual property and add a premium based on the features and parameters outlined here.

Govt plan for the area: From time to time, governments select a specific area to set up factories, airport, technology parks, export zones or entertainment zones as part of town planning schemes. When such schemes are planned, the valuation of the properties in those areas shoots up. (PatcharinLimlomwongse, SuksmithVilas Nitivattananon1, 2015).

Property without dispute: Disputes and litigations on properties are a major source of headache for many buyers. However, banks have professional teams that do effective due diligence before sanctioning loans, so it may be safer to prioritise on bank-approved properties. Properties without any litigation and dispute command higher price than disputed ones. (SigitaMitkus, TomasMitkus, 2014)

Social milieu of locality: Property prices also depend on the social and economic condition of the locality. Properties located at upper middle class zone are more expensive. Similarly, there are specific colonies for NRIs, expatriates, and foreign nationals, which command higher prices. (Smalla.N, Munday.M, Durance.I., 2017)

Saleability: An easily saleable property commands higher prices. This is also linked to the demand and supply situation in the market. (Soei Y.T.Ma, Edwin H.W.Chan, Lennon H.T.Choy, 2018).

Technology & safety: Properties with video surveillance, security guards and gated premises enjoy higher valuation. Many housing complexes instal intercom for communication, guest arrival system, burglar protection system and many such technology-enabled services, all of which come at a price. (Yannis M.Ioannides, 2003).

Public utilities: Properties having schools, hospitals, parks, station, shopping malls or cinema halls nearby are more expensive. Self-sustained ecosystems in themselves, these are dubbed 'hubs' in real estate parlance and can command a premium over properties in remote areas or city outskirts. (IstvánHajnal, MiklósHajdu, 2017)

3 LEGAL FORCES THAT IMPACT VALUATION

Ownership of real estate in the United States of America is a direct function of constitutional guarantees. Our government

tal heritage, especially related to the ownership of real estate, is English in its origin, and legal implications that affect ownership evolved from this heritage. (B.Misra., 1986)This focuses on the various legal considerations involved in the ownership of real property that a professional appraiser must understand. Legal considerations are Fundamental definitions of legal interests, Limitations on ownership of real estate, Forms of legal interests, Property ownership forms, Four types of legal descriptions and Types of real estate transfers. (Birungi Korutaro, Nicholas Biekpe, 2013), (Tran Van Khaia, 2016). Some of the identified legal factors that includes are Ownership of real estate, ownership rights, ownership forms, legal considerations, unique characteristics, bundle of rights, personal property, public restrictions, private restrictions, legal interest, fee simple estate, partial interest, individual (severalty), tenancies, legal descriptions, title transfers, and deeds. (Ghada FaroukHassan., 2011).

3.1 Factors Involved in the legal forces

OWNERSHIP OF REAL ESTATE is a direct function of constitutional guarantees that consists of various legal considerations that involved in the ownership of real property that a professional appraiser should classify.

OWNERSHIP RIGHTS of real estate include but not limited are, the right to sell, right to lease, right to mortgage, right to sell or lease a partial interest, right to build improvements thereon, and right not to do any of the above.

OWNERSHIP FORMS: Appraisers are concerned with the valuation of an ownership interest (real property) in specified real estate and the bundle of rights of real property can be divided. Special types of ownership evolved in recent years as the bundle of rights separated in more creative ways are Condominium, Cooperative and Time-share.

LEGAL CONSIDERATIONS for ownership of Real property includes Fundamental definitions of legal interests, Limitations on ownership of real estate, Forms of legal interests, Property ownership forms, are the four types of legal descriptions, and types of real estate transfers.

UNIQUE CHARACTERISTICS relate to the physical attributes of land and/or improvements of Real estate property are Unique in location, composition, Durability, Finite in supply and Useful.

BUNDLE OF RIGHTS are the rights that help a party to own or control certain rights whereby another party owns or controls the rights can be divided through various instruments including leases, easements, and mortgages. (Oxana Šnajberga, 2015).

PERSONAL PROPERTY is an item that is not real property that usually falls outside the subject of an appraisal. Some of the personal property that may appear to be related to the real estate is portable microwave oven, window air-conditioning unit, and Furniture. Fixture is an item that was once personal property that has become part of the real estate.

PUBLIC RESTRICTIONS: Four public or governmental re-

strictions known as the powers of government that limits the ownership of all real property are legal power, Eminent domain, Escheat, and Taxation.

PRIVATE RESTRICTIONS: Any individual may place private limitations on property, and it may or may not transfer with the property when it sells that includes Deed restrictions, Easements, Leases, Mortgages, Liens and Encroachments and Adverse Possession. (Oxana Šnajberga, 2015).

LEGAL INTEREST in different forms of ownership of real property exist, varying from state to state, technically appraising real property rather than real estate, with clear understanding of the ownership interest being appraised.

FEE SIMPLE ESTATE is the complete form of ownership that cannot be claimed by heirs or private restrictions.

PARTIAL INTEREST is interest less than a fee simple interest known as partial interest and certain important interests are Life Estate, Leased Fee Estate, Leasehold Estate, Air Rights and Surface / Subsurface Rights.

INDIVIDUAL (SEVERALTY): The most common form of ownership where one person or corporation owns the entire bundle of rights, subject to governmental and private restrictions.

TENANCIES: The most common forms of tenancies related to ownership: Joint tenancy, Tenancy in common, and Tenancy by the entirety.

LEGAL DESCRIPTIONS: are methods of describing real estate so that each property can be recognized from all other properties, recognizing its unique characteristics with regard to location. They are Metes-and-bounds Description, Government (rectangular) survey system, Lot-and-block system, and Monuments system.

TITLE TRANSFERS: Title is conveyed by deeds, as instrument that conveys ownership of property and that refers to the right to possess or control property.

DEEDS are General warranty deeds, Special warranty deeds, and Quitclaim deeds in three types.

4 METHODOLOGY

The study has adopted the Descriptive and Analytical type of research and extensively used the common Survey Method effectively. The pertinent use of the information has been collected from the base on both Primary and Secondary Data according to the nature of investigation. The study has been restricted from the sample respondents of Indian real estate organizations, those who are invested and interested to invest in the Real Estate business. Thus, this study is confined to 230 respondents by adopting convenience sampling technique. The relevant statistical tools such as Descriptive Analysis and Factor Analysis have been utilized.

5 ANALYSIS AND INTERPRETATION

To study the demographic profile of the respondents who is getting the awareness of the Real Estate Valuation.

TABLE 1: DESCRIPTIVE STATISTICS

	Category	No. of Respondent	Percent
Gender	Male	143	62.1
	Female	87	37.9
Age	Below 30 Years	25	11
	30 to 40 Years	94	41
	40 to 50 Years	63	35
	Above 50 Years	30	13
Marital Status	Single	92	40
	Married	138	60
Experience	Less than 5 years	104	45
	5 to 10 Years	58	25
	10 to 20 Years	46	20
	Above 20 Years	23	10
Occupation	Engineers	54	23.5
	Promoters	45	19.5
	Builders	40	17.4
	Developers	43	18.7
	Legal Consultant	48	20.9

In Table.1 shows that 62.1% of the respondents are belong to the male category, and 37.9% of the respondents belong to the female category. It is evident that, 11% of the respondents are belong to the age below 30 and 41% of the respondents are belong to the age between 30 and 40 years, 22.0% of the respondents are belong to the age between 40 and 50 years and 13% of the respondents are belong to the age between 50 and 60 years. Highest quantum of investors is between the age group of 30 - 40 years and 40 - 50 Years. Also it clears to infer that age group of below 30 years and above 50 years are less in investing in the Real Estate Investments. It is evident that 60% of the respondents belong to the married category and 40% of the respondents belong to the unmarried category. From this we can infer that 60 % of the real estate investors are got married and 40 % of the investors are entering into the business before they got married. It reveals that 45% of the respondents belong to the experience below 5 years, 25% of the responds belong to the experience greater than 5 and less than or equal to 10 years, 20% of the respondents belong to the greater than 10 and less than or equal to 20 years and 10% of the respondents belong to the experience above 20 years. It easy to infer that from the above table, among the respondents, the highest percentages of investors are with less than five years experi-

ence that is 45%. And above twenty years' experience only 23 % of the investors are live in the Real Estate Business. And the others are in between. Also, the Table.1. reveals that 23.5% of the respondent's professions belong to the Engineers, 19.5% of the responds belong to the Promoters, 17.4% of the respondents belong to the Builders, 18.7% of the respondents belong to the Developers and 20.9% of the respondents belong to the legal consultant. It is evident to infer from the above table and chart is that Highest working occupation of the respondents are Engineers and Next to Engineers are Legal Consultants are in the field working occupation.

5.1 Factors That Identifying Issues and Challenges

Factor analysis is one of the most appropriate multivariate techniques to identify the group of determinants. Factor analysis identifies common dimensions of factors from the observed variables that link together the seemingly unrelated variables and provides insight into the underlying structure of the data. In this study Principal component Analysis has been used since the objective is to summarize most of the original information in a minimum number of factors for prediction purpose.

A Principal Component Analysis is a factor model in which the factors are based on the total variance. Another concept in factor analysis is the rotation of factors. Varimax rotations are one of the most popular methods used in the study of simplify the factor structure by maximizing the variance of a column of pattern matrix. Another technique called latent root criteria is used. An Eigen Value is the column sum of squares for a factor. It represents the amount of variance in data. After determination of the common factors, factor scores are estimated for each factor. The common factors themselves are expressed as linear combinations of the observed variables.

Factor Model : $F_i = W_{i1}X_1 + W_{i2}X_2 + \dots + W_{ik}X_k$

Where F_i = Estimate of the 'ith factor,
 W_1 = Weight or Factor score coefficient
 k = Number of variables.

Factors are considered for measuring on a five point scale. Factor matrix and their corresponding factor loading after the Varimax rotation are presented in the table.2.

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		
		.594
Bartlett's Test of Sphericity	Approx. Chi-Square	2302.483
	Df	66
	Sig.	.000

TABLE 3. COMMUNALITIES

	Initial	Extraction
OWNERSHIP OF REAL ESTATE is a direct function of constitutional guarantees that consists of various legal considerations that involved in the ownership of real property that a professional appraiser should classify.	1.000	.515
OWNERSHIP RIGHTS of real estate include but not limited are, the right to sell, right to lease, right to mortgage, right to sell or lease a partial interest, right to build improvements thereon, and right not to do any of the above.	1.000	.564
OWNERSHIP FORMS: Appraisers are concerned with the valuation of an ownership interest (real property) in specified real estate and the bundle of rights of real property can be divided. Special types of ownership evolved in recent years as the bundle of rights separated in more creative ways are Condominium, Cooperative and Time-share.	1.000	.784
LEGAL CONSIDERATIONS for ownership of Real property includes Fundamental definitions of legal interests, Limitations on ownership of real estate, Forms of legal interests, Property ownership forms, are the four types of legal descriptions, and types of real estate transfers.	1.000	.439
UNIQUE CHARACTERISTICS relate to the physical attributes of land and/or improvements of Real estate property are Unique in location, composition, Durability, Finite in supply and Useful.	1.000	.643
BUNDLE OF RIGHTS are the rights that help a party to own or control certain rights whereby another party owns or controls the rights can be divided through various instruments including leases, easements, and mortgages.	1.000	.580
PERSONAL PROPERTY is an item that is not real property that usually falls outside the subject of an appraisal. Some of the personal property that may appear to be related to the real estate is portable microwave oven, window air-conditioning unit, and Furniture. Fixture is an item that was once personal property that has become part of the real estate.	1.000	.651
PUBLIC RESTRICTIONS: Four public or governmental restrictions known as the powers of government that limits the ownership of all real property are legal power, Eminent domain, Escheat, and Taxation.	1.000	.727

PRIVATE RESTRICTIONS: Any individual may place private limitations on property, and it may or may not transfer with the property when it sells that includes Deed restrictions, Easements, Leases, Mortgages, Liens and Encroachments and Adverse Possession.	1.000	.603
LEGAL INTEREST in different forms of ownership of real property exist, varying from state to state, technically appraising real property rather than real estate, with clear understanding of the ownership interest being appraised.	1.000	.651
FEE SIMPLE ESTATE is the complete form of ownership that cannot be claimed by heirs or private restrictions.	1.000	.766
PARTIAL INTEREST is interest less than a fee simple interest known as partial interest and certain important interests are Life Estate, Leased Fee Estate, Leasehold Estate, Air Rights and Surface / Subsurface Rights.	1.000	.582
INDIVIDUAL (SEVERALTY): The most common form of ownership where one person or corporation owns the entire bundle of rights, subject to governmental and private restrictions.	1.000	.491
TENANCIES: The most common forms of tenancies related to ownership: Joint tenancy, Tenancy in common, and Tenancy by the entirety.	1.000	.402
LEGAL DESCRIPTIONS: are methods of describing real estate so that each property can be recognized from all other properties, recognizing its unique characteristics with regard to location. They are Metes-and-bounds Description, Government (rectangular) survey system, Lot-and-block system, and Monuments system.	1.000	.400
TITLE TRANSFERS: Title is conveyed by deeds, as instrument that conveys ownership of property and that refers to the right to possess or control property.	1.000	.390
DEEDS are General warranty deeds, Special warranty deeds, and Quitclaim deeds in three types.	1.000	.385

Extraction Method: Principal Component Analysis.

In Table Bartlett's test of sphericity and KAISER MEYER OLKIN -KMO, measures of sample adequacy were used to test the appropriateness of the factor model. Bartlett's test was used to test the null hypothesis that the variables of this study are not correlated. Since the approximate chi-square satisfaction is 2302.483 which is significant at 1% level, the test leads to the rejection of the null hypothesis. The value of KMO statistics (0.594) was also large and it revealed that factor analysis might be considered as an appropriate technique for analyzing the correlation matrix. The communality table showed the initial and extraction values.

From the table it was observed that the labeled "Initial Eigen Values" gives as the EIGEN values. The EIGEN Value for a factor indicates the 'Total Variance' attributed to the factor.

TABLE 4. TOTAL VARIANCE EXPLAINED

Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.769	23.078	23.078	2.769	23.078	23.078	2.539	21.158	21.158
2	2.269	18.904	41.982	2.269	18.904	41.982	1.937	16.140	37.299
3	1.327	11.055	53.037	1.327	11.055	53.037	1.772	14.767	52.065
4	1.141	9.511	62.548	1.141	9.511	62.548	1.258	10.483	62.548
5	.989	8.243	70.791						
6	.746	6.219	77.010						
7	.733	6.124	76.042						
8	.699	5.976	80.950						
9	.671	5.591	82.600						
10	.603	4.902	86.083						
11	.586	4.887	87.488						
12	.484	4.036	91.524						
13	.471	4.001	92.001						
14	.453	3.774	95.298						
15	.422	3.088	98.002						
16	.360	2.999	98.297						
17	.204	1.703	100.000						

Extraction Method: Principal Component Analysis.

From the extraction sum of squared loadings, it was learnt that the I factor accounted for the variance of 2.769 which was 23.078%, the II factor accounted for the variance of 2.269 which was 18.904%, the III factor accounted for the variance of 1.327 which was 11.055%, the IV factor accounted for the variance of 1.141 which was 9.511%. The four components extracted accounted for the total cumulative variance of 62.548%.

5.2 Determination of factors based on Eigen Values

In this approach only factors with Eigen values greater than 1.00 are retained and the other factors are not included in this model. The four components possessing the Eigen values which were greater than 1.0 were taken as the components extracted.

TABLE 5. COMPONENT MATRIX

	COMPONENT			
	1	2	3	4
Ownership of Real Estate	.766			
Ownership Rights	.692			
Ownership Forms	.613			
Deed	.513			
Public Restrictions	.501			
Bundle of Rights	.447			
Personal Property	.401			
Unique Restrictions	.399			
Legal Considerations		.715		
Legal Interest		.626		
Fee Simple Estate		-.600		
Partial Interest		-.536		
Individual (Severalty)		-.453		
Tenancies		.389		
Legal Descriptions			.661	.538
Title Transfers				.506
Private Restrictions				.488
Extraction Method: Principal Component Analysis.				
a. 4 components extracted.				

TABLE 6. ROTATED COMPONENT MATRIX

	COMPONENT			
	1	2	3	4
Ownership Rights	.726			
Ownership Forms	.715			
Deed	.677			
Public Restrictions	.615			
Bundle of Rights	.573			
Legal Considerations		.732		
Legal Interest		.620		
Legal Descriptions	.531	-.541		
Public Relations			.800	
Title of Transfer			.652	
Fee Simple Real Estate				.852
Extraction Method: Principal Component Analysis.				
Rotation Method: Varimax with Kaiser Normalization.				
a. Rotation converged in 7 iterations.				

The rotated component matrix shown in Table is a result of VARIMAX procedure of factor rotation. Interpretation is facilitated by identifying the variables that have large loadings on the same factor. Hence, those factors with high factor loadings

in each component were selected. The selected factors were shown in the Table.7.

Table 7. Clustering Of Inducing Variables Into Factors

Factor	Inducing variable	Rotated factor loadings
I (21.158) Legal Ownership (Rights and Forms)	Ownership Forms	0.852
	Ownership Rights	0.800
II(37.299) Legal Remedies	Legal Considerations	0.732
	Legal Interest	0.726
	Deed	0.715
III(52.065) Legal Restrictions	Private Restrictions	0.677
	Public Restrictions	0.652
IV(62.548) Legal Rights	Title of Transfer	0.620
	Bundle of Rights	0.615
	Tenancies	0.573
	Partial Interest	0.541

5.3 Result and Discussion

It was found that male members are investing higher in real estate sector than female members. It was found that Highest quantum of investors are in between the age group of 30 - 40 years and 40-50 Years. It was found that the age groups of below 30 years and above 50 years are less interested in investing in the Real Estate Investments. It was found that married people are higher in investing Real Estate than the unmarried. It was found that less than five years experienced investors are higher in investing Real Estate investments and Valuation. And above twenty years experience of the investors are live in the Real Estate Business. And the others are in between the years of experiences. It was found that highest working occupations of the respondents are Engineers and Legal Consultants interested in Real Estate Business. Also it was found that interests of Builders in investing Real Estate Sectors are the lowest.

It was found that the rotated component matrix shown in Table is a result of VARIMAX procedure of factor rotation. Interpretation is facilitated by identifying the variables that have large loadings on the same factor. Hence, those factors with high factor loadings in each component were selected. The selected factors were high factor loadings in each component were selected Ownership Rights, Legal Considerations, Public Relations, and Fee Simple Real Estate were identified factors that have large loadings on the same factor. Hence, those factors with high factor loadings in each component were selected.

6 POLICY IMPLICATION

The outcome of this study may support regulating authorities to initiative actions to motivate to involve the investors in gender, age group, marital status, business experience in the aspects of aspects of secured investment to all the common public especially builders , developers, engineers about vari-

ous about the real estate influencing factors with security investment aspects and various contributing forces, particularly legal aspects. Hence, those other factors should be well focused to get aware of for better real estate valuation.

7 CONCLUSIONS

Real estate is considered to be one of the best avenues for investment since the risk involved is much less as compared to the investment in stock market, mutual funds, debentures/bonds etc. In the case of other investments, one has to act with great caution looking into various parameters affecting the return as well as the safety of capital invested. Investment in real estate gives decent return, if the basic principles on which it works are observed. In recent years, Real Estate was one of the fastest growing sectors in India. It was growing at an average annual rate of 12% as a result of tremendous upsurge in the demand for commercial real estate due to BPO boom. The foreign investments in India have increased the employment opportunities and consequently the disposable income in the hands of middle class, which has fuelled the growth of the housing sector. In a country like India, with a population of more than one billion and that too consisting of a large middle class, the demand for real estate would continue to grow. Since the land available for real estate development is limited, the prices would continue to increase in the long run. Therefore, investment in real estate is likely to fetch good returns in the long term. However, the rising interest rates in India, the problems in US economy due to sub-prime mortgage crisis and the consequent global turmoil are creating pressure on the Indian Real Estate sector. In India Government may take initiative to facilitate for interested investors irrespective of Gender, to invest and protect their interest, with different age group, years of experience in the business, and those who are interested Real Estate investments, and their awareness about the real estate influencing factors such as Social, Economical, Environmental, Governmental & Legal aspects in both macro level and micro level factors. Every individual in his life time dreams of owning a house but some times, they are reluctant due to complexity of various laws and awareness about social, Economical, Environmental, and Governmental & Legal factors that influences the Real Estate Valuation for investment. A person can make his dream come true if he carefully observes the various influencing factors such as Social, Economical, Environmental, Governmental & Legal issues involved in Real Estate transactions and, if necessary, takes the help of an legal experts or Advocate for carrying out due diligence etc., to ensure that his dream doesn't end up into a nightmare in the form of protracted litigation in a Court of Law. Government also should come forward to protect the rights of every individual to have secured property for the betterment of the Land Economics and Legally secured investments.

7.1 Contribution of the study

Outcome of this study may help to analyze the impact of legal attributes on the value and issues of the property valuation which may ultimately help to identify real estate properties in the aspects of regulations. Also, it may help the Real

Estate investors to understand and prioritize of the important legal factors to be considered as determinants in investment decisions, while investing in the Real Estate in the aspect of valuation or estimation.

7.2 Scope for future research

It would be an interesting task to conduct another study within the same area of research with the incorporation of more micro level factors which will give more clarity and transparency in real estate investment. It may encourage the investors to come forward to invest and feel secured. A study incorporating all the micro level factors of one of the major factors such as Economical, Environmental, Social, Governmental & Legal factors may help the research scholar or the investors to have more awareness and clarity. Based on this legal impact study, further study about micro forces under legal factors may help to keep more awareness to have secured investment in each and every aspects and that may avoid future litigations in legal aspects in the real estate industry, which is major challenge to the government of India's legal system and may reduce the quantum of litigations in real estate industry in the aspects of valuation. Even though this study is for Post Graduate level Project, it has been developed like a Research Project. Hence there will big opportunities to continue and carry over this project for M.Phil level or Doctoral Level, are very high. Hence the scope for future reach is obvious.

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