

TRANSFORMING RURAL LAND TO URBAN – ETHICAL CONSIDERATIONS IN REAL ESTATE DEVELOPMENT

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Abstract

The rural-urban frontier is a constantly shifting one due to a variety of economic and social factors that trigger this transformation in the rural-urban continuum. The most intense changes in the built environment are taking place outside the borders of cities, in rural areas adjacent to them. Real estate development has become the most significant instrument for this transformation. Existing real estate industry ethical codes in India are short on specifics and lack enforceability; a statutory code of ethics could promote best business practices. A schematic diagram is developed to understand the complex interplay of ethical behaviour between agencies in the real estate ecosystem. Drawing on the deliberations of a high-powered focus group as well as a rich all-India sample of 103 respondents covering 15 States, the paper identifies what the various stakeholders perceive as priorities for incorporation in a common code of ethics. The surveyed sample includes 87 professionals and experts (administrators, planners, regulators, lawyers, chartered accountants, bankers, engineers, architects, academicians and researchers), and 16 stakeholder associations (of builders, consumers and realtors). Transparency, promise-keeping, accountability, professional excellence, law-abidance, fairness and integrity are identified as the main characteristics prioritised, but the perspectives of stakeholder segments are nuanced and vary considerably, necessitating a strategic approach towards the drafting of a common ethical code. It is suggested that the All-India Forum of Real Estate Regulatory Authorities is best placed to bring on board all stakeholders in the finalisation of a code of ethics that could get statutory moorings in the RERA Act of 2016.

Keywords: Peri-Urban, Stakeholder Perceptions, Ethics, Ethical Code, Real Estate, Built Environment, Regulation, RERA, AIFORERA .

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Introduction

The rural-urban frontier is a constantly shifting one due to a variety of economic and social factors that trigger this transformation in the rural-urban continuum. (Dias & Sudarshan, 2019). The most intense changes in the built environment are taking place outside the borders of cities, in rural areas adjacent to them. (Szczepańska et al., 2017). The major portion of construction activity for housing and new industries in India occurs in semi-rural and peri-urban areas. (Aijaz, 2019). Thus, real estate development has become the most significant instrument for transforming rural land into urban.

Frequently, the time lag between changing the legal status of the land so developed is longer, and it continues to remain part of a village panchayat despite having all the features of an urban landscape (Tiwari, 2019). This negatively impacts the availability of basic civic facilities such as water supply and waste disposal, and, frequently, even approach roads and public transport connectivity. (Saxena & Sharma, 2015)

When such transformation takes place as a result of rural land being compulsorily acquired, there is sometimes a question mark on the payment of compensation. In the case of Noida, for example, it transpired that in several cases, the Greater Noida Industrial Development Authority had not paid adequate compensation to farmers while acquiring the agricultural land for the projects. The farmland, acquired at a lower rate, invoking the urgency clause for industrial development, was allotted on discretionary grounds to influential companies for residential and leisure projects. (Sinha, 2022). Transactions were marked by fund rollover rather than project development. It was a variation on a Ponzi scheme in real estate. "The party lasted as long as there was liquidity in the system" (Sidhartha, 2022). Cowan (2018) asserts that the spectacular urbanisation of peri-urban rural areas has been underpinned by an "uneven integration of agrarian classes into emerging urban real estate markets."

The brunt of these governance challenges is borne both by the residents of the villages whose

land has been acquired, and whose villages then become rural islands in an urban landscape, as well as homebuyers who have bought into these projects without knowing the full facts, and then face the bleak situation of stalled projects. Real estate developers often entice rural landowners to enter into joint ventures (JVs), whereby the developer promises a certain share of the developed property to the owner in lieu of the land. However, if the project goes sour, the landowner is left high and dry. Such malpractices in real estate development are the result of lack of transparency and lack of regulation.

Real estate infractions are not restricted to builders and developers alone. There are case studies that point to misdemeanours by realtors. For instance, when real estate agents do not adequately disclose the commission they get on deals, it impacts their advice to potential homebuyers (NAR, 2023). Based on a case study of associate brokers, Sarmiento (2023) lists ten top unethical practices adopted by realtors; though the study was done in the Philippines, the practicality of his list is sufficiently reflective of real estate dealings in India.

Real estate is a major sector of the Indian economy. It accounted for 6.5 per cent of India's GDP in 2019, and is second only to the agricultural sector in being the largest generator of employment in the country (Joshi & Chowdhury, 2020). In 2019, 55 million people were engaged in real estate productive employment, (Mishra, 2021), the bulk of them from rural areas, as became apparent from the reverse migration witnessed in the early stages of the COVID-19 pandemic (De Sa et al., 2020). Since the real estate sector is a supplier of both residential and non-residential infrastructure, it performs the role of a 'growth fulcrum', particularly in the peri-urban areas which witness the bulk of such development (ONI & BCG, 2021).

Despite being such a huge sector of the Indian economy, real estate was virtually unregulated until very recently, when the Real Estate (Regulation and Development) Act – commonly referred to as

the RERA Act - became law in 2016. (Gazette of India, 2016). While the Act endeavours to establish ethical behaviour in the real estate sector, it falls short of prescribing a code of ethics.

It is the premise of this paper that if rural and peri-urban areas are to be spared of the manifold problems that have been visited upon them due to rampant real estate activity, then a formal code of ethics for the real estate sector would go a long way in mitigating such challenges.

Theoretical Context of Business Ethics

'Business ethics' is a term that is most frequently employed by commercial organisations when they describe their own working, and yet there seems to be a lack of clarity and adherence in actual practice. (Collins, 1994). But scepticism has a silver lining in it, which leads to the development of normative constructions in business ethics (Anquetil, 2013). Freeman (2000) goes so far as to propound the 'separation thesis', asserting that ordinary morality and business morality are fundamentally different or 'separated'. But generally, the literature is more forgiving: the majority of researchers indicate that business ethics is of key importance to commercial functioning. (Sroka & Lorinczy, 2015).

Salehei et al. (2012) observe that although personal character and principles are significant in business decision-making, this is merely one of the components that guide the decisions, policies and functioning of business organisations. Ultimately, it is the ethics of the organisation as a whole that come into play, not of its individual employees. Paswan (2015) draws a parallel between business ethics and the Indian philosophical concept of 'dharma', even quoting Gandhiji and Kautilya in support of this postulate.

Kelly, McGowan and Norris (2020b) make the argument that mere compliance with the letter of the law or statutory minimum standards is an insufficient demonstration of adherence to the highest ethical standards. Ethics is not a private matter; the fundamental idea of ethics connotes

engagement. In fact, Kelly et al. aver that the burgeoning ESG movement in real estate (environmental, social and corporate governance considerations) is an expression of concern for all stakeholders, not only in the immediate circumstances but also in time and space removed from the present.

There seems to be a degree of confusion in the literature in connection with corporate social responsibility (CSR) and business ethics, with some research writers using the concepts interchangeably, or at least treating CSR as a subset of business ethics (Dimitriadis, 2007; Lorinczy et al., 2015; Sroka & Szanto, 2018). This could be because CSR also has its roots and rationale in the premise that underpins society's preference for ethical behaviour. However, in the Indian context, it is important not to confuse the terms, since CSR has a definite legal connotation. With the inclusion of Section 135 in the Companies Act of 2013, India perhaps became the first country in the world to have statutorily mandated CSR for certain categories of companies, depending on their net worth, turnover and profit (Nangia, 2021). A concomitant legal provision for a code of ethics for companies, however, does not yet exist.

Singer (2021) points out that the term 'ethics' could be viewed in three different ways: (a) as a subject of study or philosophical discipline pertaining to what is morally right or wrong; (b) as a philosophical theory of what is morally desirable and what is not; and (c) a system of moral rules, principles, standards and values, or a code of appropriate conduct.

It is in this third sense that the issue of ethics concerns us in this paper.

Even though ethics and ethical issues are a dominant theme in the management literature as Schminke, Ambrose & Miles (1998) have pointed out, according to Roulac (1999), research on real estate in an ethics context is minimal when compared to the quantity that has been written relating to other fields of management, and there is a 'clear lack of a developed literature on ethics in real estate' (p. xix).

Real Estate Ethics – the Indian Context

In a large case study involving a survey of 751 respondents, Chawla & Kumar (2022) found that violation of ethical principles is a common occurrence in the Indian real estate sector, which is beset with unethical business practices. Though their study was conducted specifically to examine the protection available to urban homebuyers, their findings are relevant insofar as it is generally the same building companies that undertake the construction of projects in both urban and peri-urban rural areas.

It was precisely the issue of ethical behaviour – or rather the lack of it – in the real estate sector that propelled the Indian Parliament to enact the Real Estate (Regulation & Development) Act in 2016. In his address to the Lok Sabha, while presenting the Bill, the Minister for Urban Development spoke extensively on aiming to bring in transparency, information availability, fair play, curbing cost and time over-runs, and a set of rights and obligations for both consumers (property purchasers) and promoters (builders and developers) by means of the RERA Act (Lok Sabha Debates, 2016).

Para 3 of the ‘Statement of Objects and Reasons’ that preface the text of the Act says, inter alia, that the Act seeks to ‘establish symmetry of information between the promoter and purchaser, transparency of contractual conditions, [and] set minimum standards of accountability’; it goes on to state that the Act is intended to ‘induct professionalism and standardisation in the [real estate] sector’. Section 32 of the Act specifically provides that ‘The Authority shall’, inter alia, ‘facilitate the growth and promotion of a healthy, transparent, efficient and competitive real estate sector’ (Gazette of India, 2016).

The RERA Act requires that all real estate projects above a certain threshold are to be registered with the RERAs, which are the regulatory authorities that are established in each State to perform the role of an independent regulator. The independent regulator consists of a Chairman and at least two members and has been provided with an Adjudication Officer of judicial

background to fix the compensation, under the overall administrative control of the Authority. An Appellate Tribunal has been established for reaching RERA, headed by a retired High Court judge.

RERAs are mandated, inter alia, to:

- Bring transparency to the functioning of, and transactions in, the sector;
- Ensure builder accountability;
- Improve completion and delivery, along with promised facilities;
- Curb financial mismanagement;
- Speedily redress grievances of stakeholders;
- Promote the development of the real estate sector.

However, the Act stops short of actually prescribing a Code of Ethics, or specifically directing the Real Estate Regulatory Authorities from doing so, though numerous sections repeatedly mandate the RERAs to take all necessary steps to promote the real estate sector, which could, by interpretation, include the establishment of a Code of Conduct or Ethics.

The two major real estate developer associations in India, the National Real Estate Development Council (NAREDCO) and the Confederation of Real Estate Development Associations of India (CREDAI) have both sanctioned ethical charters for their members. CREDAI calls theirs ‘Code of Conduct’ (CREDAI, 2020), and NAREDCO refers to theirs as the ‘Code of Ethics’ (NAREDCO, 2020).

NAREDCO was established in 1998 to self-regulate the industry and weed out corruption. Apart from developing a code of ethics, NAREDCO also developed a rating system in association with CRISIL (Credit Rating and Information Services of India Limited).

Although more comprehensive, CREDAI’s code

has some provisions that begin with 'shall endeavour to' and also some exceptions; this word construction can provide loopholes for the less scrupulous among members to wriggle out of commitments. Additionally, it is to be noted that these are voluntary codes that do not have the force of law. Notably too, they are codes for only one segment of stakeholders (builders), and do not include in their ambit the players in the entire real estate ecosystem.

In a study conducted by Shirina, Bhatia and Agarwal (2017) which focused on the professional ethical standards adopted by the Royal Institute of Chartered Surveyors (RICS) for their members, and their applicability in India, the authors concluded that respondents felt it was important to institute a code of ethics for real estate because such a code could provide guidance for business conduct, would ensure compliance with the law and would assist in making companies socially responsible. The study was limited to surveying developers, and did not include professionals, administrators, regulators and consumer organisations.

Similarly, Kelly et al. (2020a) observed that mere knowledge of ethical principles is insufficient at a corporate level; a written code of ethics is essential if the business practice is to be shaped in conformity with the tenets contained therein.

Research Objectives

A downturn in the economy exacerbates the pressure on real estate developers to cut corners in order to improve their bottom line. Edwards and Pottinger (2012) found that such an atmosphere existed during the economic slump a decade ago. They found that new entrants to the sector were more vulnerable to 'counter-norms', i.e., unscrupulous practices that may be adopted by some companies in their pursuit of profit, justifying these as necessary in a dismal economic situation. It would not be inappropriate to fear that these findings could be applicable to the challenging post-COVID-19 situation that confronts real estate today.

It is in this background that this research project becomes relevant. Since it is universally accepted that there needs to be ethical behaviour on the part of the stakeholders in the real estate sector, and it is also a fact that no formal code exists at present in India that covers all stakeholders, it would be of great use to understand the perceptions of the various stakeholders as to what they considered to be the priorities in this respect. Such information would not only help in the drafting of the contents of a balanced Code, if such a proposal was undertaken by either the government or the RERAs, but it would also inform strategies for achieving consensual agreement amongst the stakeholders, without which any code would remain a dead letter.

This research aims to:

- Examine the interplay between the principal real estate stakeholders and agencies, and identify those relationships along which ethical behavioural issues could be manifested.
- Determine the ethical priorities as perceived by various stakeholders, and compare the differing priorities, if any, indicated by each category of experts/professionals, and also between associations of various categories of stakeholders.

Methodology and Data Collection

Two methods were employed for data collection:

For the first research objective, a focus group discussion was held. The focus group was high-powered, diverse and composed of experts in the field. It consisted of two senior administrators (Principal Secretaries of the Rural Development Department and Urban Development Department), a regulator (Member of RERA), an engineer, a chartered accountant, a lawyer, and an IT professional (all four who have been working at responsible levels on RERA-related matters for over three years), and one office-bearer each of a

State-level builders' association, a real estate agents' association and a consumer organisation. The discussions were held over two sessions: in the initial session, the matter was discussed threadbare, and after the deliberations were reduced to some points through coding and a memo, it was placed before the members during a second session to refine and validate the contents.

For the second research objective, an empirical survey was conducted. It needs to be mentioned that this was a segment of a larger survey undertaken as part of empirical research towards a doctoral research project on the impact of the RERA regulatory framework on the real estate sector in India. For the purposes of this research, 103 responses received from professionals and experts, and from stakeholder associations were considered. Furthermore, in this paper, we have considered only the part of the survey questionnaire that relates to a proposed code of ethics. These 103 responders represent a geographically diverse sample, from all parts of India, including 14 States and one Union Territory.

The participants were asked to respond to the question: *If a Code of Ethics is to be drafted for the real estate sector, what are the three most important issues that need to be incorporated into it?*

The question was deliberately kept open-ended and multiple choices were not indicated, so as to get the most unbiased responses in terms of perceived priorities.

Although in the larger survey block, random sampling was employed for certain categories of respondents, the sampling was purposive for the respondent categories under consideration in this paper. The cooperation of various State RERAs was enlisted in identifying suitable professionals, experts and stakeholder associations in their jurisdictions, and the questionnaires were sent to such persons and associations. Complete anonymity was assured to all respondents. The actual category-wise break-up of professionals and experts and associations is presented in the analysis section.

Analysis of Data

Research Objective 1:

The focus group agreed that while it could be held that the need for ethics informs all relationships at all levels, for the purpose of the current research exercise, it would be more practical to limit the identification of those relationships between stakeholders which are not comprehensively governed by an extant legal framework; the consequent room for discretion in behaviour would involve open questions of ethics.

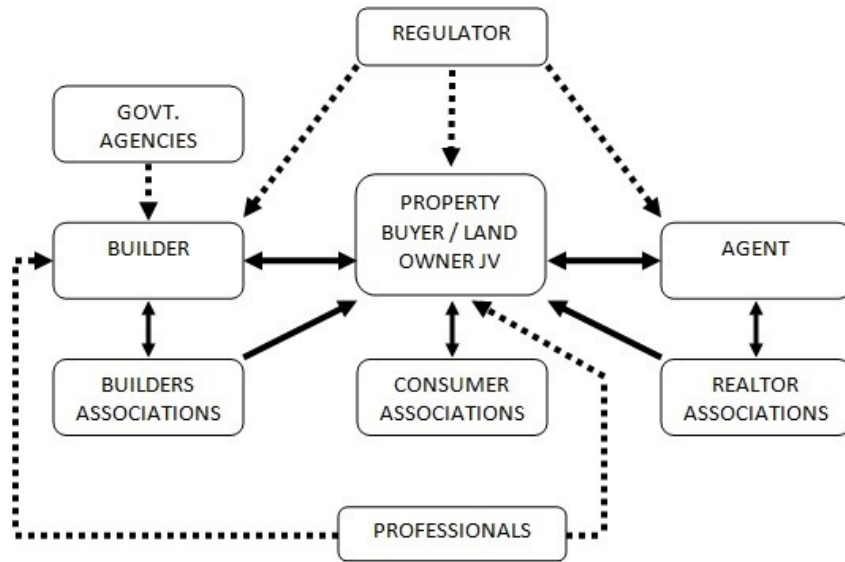
For example, even though there is certainly a relationship between government agencies (such as the Town & Country Planning Department, municipal bodies, Panchayats, or the Pollution Control Board) on the one hand, and builders and developers on the other, this relationship is governed by a clear set of laws already in place, and non-compliance with these would invite penal legal action – hence, in practical terms, no separate ethical code is required. In the same way, the relationship between professionals (such as lawyers, chartered accountants, engineers, architects and bankers) and their clients is subject to the extant law governing these professionals and their conduct towards clients. In the cases of builders and homebuyers, and builders' promises to landowners that they would be given a share of the built property in lieu of their land, however, the recently enacted RERA Act does bring in legal provisions relating to rights and obligations. These are not comprehensive enough to preclude room for discretion, nor legal precedents have yet been established, and thus there exists an appreciable 'space' in which guidance for ethical choices and behaviour become relevant.

The results of the discussion are best represented diagrammatically as depicted in Figure 1, in which each stakeholder in the real estate ecosystem is depicted in a rectangle, and relationships are shown by arrows. Broken lines indicate relationships in the real estate ecosystem for which the need for an ethical code is not manifest, as these are already governed comprehensively by established laws. Solid arrows

show relationships in which there is scope for ethical guidelines, the direction of the arrows indicating on whose part ethical behaviour is required and towards whom.

Figure 1

Web of Relationships in the Real Estate Ecosystem



Broken lines indicate relationships not requiring a new ethical code since these are already governed comprehensively by extant laws.

Solid arrows and their direction indicate relationships where there is scope for ethical guidelines

Source: Authors

Research Objective 2:

It can be seen from Table 1 that a rich all-India sample was obtained consisting of 103 responses from 14 States and 1 Union Territory. The regional distribution is reflective of the level of activeness of the RERAs – the western region shows the largest number of respondents, with Madhya Pradesh,

Maharashtra and Gujarat RERAs known for their pro-activeness. This is followed by the southern region. The Eastern region demonstrates the least level of activity because apart from Chhattisgarh, the other RERAs have been slow to pick up; in West Bengal, RERA has not been established, as also in several North-Eastern States.

Table 1*Geographical and Category-Wise Distribution of 103 Respondents*

S.No.	Region	Adm/ TP/ IT	Law	CA/ B/ F	E/ Arch/ Proj Man	Aca/ Res	Sub Total (Exp/ Prof)	R.E. Agen Assoc	Build. Assoc	Con. Asso	Tot Ass	TOTAL
		1	2	3	4	5	6	7	8	9	10	11
NORTH												
1	Punjab		3	2	1		6					6
2	Haryana					1	1					1
3	HP	2					2		1		1	3
4	Delhi		1			1	2					2
	Sub-total	2	4	2	1	2	11		1		1	12
WEST												
5	Rajasthan	1	3		1		5			1	1	6
6	MP	7	7	3	3	1	21	1	1		2	23
7	Maharashtra		2	2			4	2		1	3	7
8	Gujarat	4	3	5	4	1	17					17
9	Goa			2	1		3					3
	Sub-total	12	15	12	9	2	50	3	1	2	6	56
EAST												
10	Chhattisgarh	3	3				6		1		1	7
11	Odisha	1					1					1
	Sub-total	4	3				7		1		1	8
SOUTH												
12	TN	2	1		1		4		3		3	7
13	AP	1	2	1			4		3	1	4	8
14	Karnataka	2	4	2	1	1	10					10
15	Puducherry	1					1		1		1	2
	Sub-total	6	7	3	2	1	19		7	1	8	27
	TOTAL	24	29	17	12	5	87	3	10	3	16	103

- (1) Adm/TP/IT: Administrators/ Town Planners/ IT Professionals
- (2) Law: Lawyers/ Law Firms
- (3) CA/ B/F: Chartered Accountants/ Bankers / Financiers
- (4) E/Arch/PrM: Engineers/ Architects/ Project Managers
- (5) Aca/Res: Academicians/ Researchers
- (6) Total Experts & Professionals
- (7) Real Estate Agents Associations
- (8) Builders' Associations
- (9) Consumer Associations
- (10) Total Associations
- (11) Grand Total of Respondents

Source: Primary survey conducted by Lead Author.

The distribution of professionals and experts too is fairly balanced and reflective of the technical aspects of the regulatory framework. It was felt necessary to group the professionals into a manageable number of groups for a more coherent analysis. Those with similar interests and expertise were grouped as under:

- Administrators / Regulators / IT Professionals
- Lawyers and law firms
- Chartered Accountants / Bankers / Housing Financiers
- Engineers / Architects / Project Managers
- Academicians / Researchers

While professionals and experts were analysed group-wise as well as clubbed together for an overall viewpoint, industry associations needed to be analysed separately. It would make no sense to club them together and average out the results since they each represent a different segment:

- Builders Associations

- Consumer Associations
- Realtor Associations

Also, though stakeholder association respondents seem small in number, they actually represent large numbers of people.

Considering that the survey question was kept open-ended, allowing for descriptive answers if the respondents so chose, the principles of grounded theory were adopted in the analysis. In an initial review of the responses, repeating words and themes were identified and these were coded, and then grouped conceptually under labels. "Noise" was reduced, i.e., irrelevant or misplaced information (suggestions for amendments to the Act, or comments not relating to a code of ethics) was shifted for consideration to other questions in the survey, and only information relevant to the ethics question was considered. A second review of the data was then undertaken and tabulation was done under the identified labels.

The results of the coding and labelling process indicated that while similar sets of characteristics emerged for the professionals and experts, as well as the industry associations, the nuances of meaning attached to those characteristics differed

markedly among the industry associations, which were manifested in the descriptive responses.

The following seven labels were identified:

- Transparency (of project details, mode of payment, other charges, construction specifications, progress reporting, bookings etc, openness on all aspects).
- Promise-keeping (timely delivery, provision of facilities and specifications).
- Fairness (even-handedness between stakeholders, fairness in dealings).
- Integrity (Honesty, particularly in financial dealings, consistency of word and action).
- Law-abidance (adherence to various laws and regulations that govern the sector – town planning, municipal, environmental, taking of all required permissions and adherence to their conditions).
- Professional excellence (quality of

construction and facilities, commitment to creating pleasant layouts and planned developments).

- Accountability (specificity in enumeration of rights and duties of stakeholders, compliance with orders and decisions).

Four respondents were emphatic that there was no need for a separate code of ethics; strict adherence to the RERA Act by all concerned was all that was required. Therefore, an eighth label 'No Code' was also added for completeness.

Since respondents were not asked to list the elements in order of importance, no rank order was assigned to the choices, and an equal weightage of 1 was assigned to each of them. Where more than three characteristics were mentioned, the most emphasised three in the descriptive response were chosen. Thus, each respondent had three points to assign. Table 2 summarises the data relating to the priorities indicated by the various categories of professionals and experts, and their combined weighted percentages.

Table 2

Priorities Indicated by Professionals/Experts

S. No.		Admin./ Planners (24)	Lawyers (29)	CAs/ Bankers (17)	Engineers/ Architects (12)	Academic/ Research (5)	TOTAL (87)	%
1	Transparency	15	14	11	4	2	46	18.47
2	Promise-keeping	12	12	8	9	3	44	17.67
3	Fairness	7	12	5	3	2	29	11.65
4	Integrity	7	10	5	3	2	27	10.85
5	Law abidance	6	15	7	4	-	32	12.85
6	Professional excellence	12	7	4	10	2	35	14.05
7	Accountability	7	17	8	3	1	36	14.46
	TOTAL	66	87	48	36	12	249	100
8	No Code	2		1		1	4	

Source: Primary survey conducted by Lead Author.

Out of the 87 professional/expert respondents, four declared their view that no code was required. Three options from each of the remaining 83 give a total of 249 choices. The frequency of each chosen characteristic was calculated as a percentage of the total choices. The following conclusions can be drawn for all categories clubbed together from the data:

- Transparency and Promise-keeping rate as the two highest desired characteristics to be incorporated in the code, the difference between them being less than a percentage point.
- Although Fairness and Integrity seem to have relatively low scores, a perusal of the descriptive responses indicated that respondents often understood these values to be similar, and the line separating them was somewhat blurred. Therefore, one cannot rush to the conclusion that fairness and honesty are not a major priority. If clubbed together, these two similar characteristics would account for 22.5 per cent of the total choices.

- Similarly, the line between Promise-keeping and Law-abidance was not always a clear divide, as these two values were frequently mentioned in the same sentence.
- Even though all the seven labels identified for the priorities have different percentage values, the difference between the smallest and the largest values is not that much, especially if Fairness and Integrity are clubbed together.

In order to compare the difference in priorities, if any, between different categories of professionals and experts, the data was equalised by averaging for each category, since the sample size of each category was not the same. For the purposes of averaging, the four respondents who did not indicate any choices because they felt that a code of ethics was unnecessary, were not considered. The category-wise priorities equalised by averaging are shown in Table 3.

Table 3

Priorities indicated by Professionals/Experts Equalised by Averaging

S.No.		Admin/ Planners (22)	Lawyers (29)	CAs/ Bankers (16)	Engineers/ Architects (12)	Academic/ Research (4)
1	Transparency	0.68	0.48	0.69	0.33	0.50
2	Promise-keeping	0.54	0.41	0.50	0.75	0.75
3	Fairness	0.32	0.41	0.31	0.25	0.50
4	Integrity	0.32	0.34	0.31	0.25	0.50
5	Law-abidance	0.27	0.52	0.44	0.33	-
6	Professional excellence	0.54	0.24	0.25	0.83	0.50
7	Accountability	0.32	0.59	0.50	0.25	0.25
Total value of choices		3	3	3	3	3

Source: Primary survey conducted by Lead Author.

Comparing the priorities indicated by each separate category of professionals/experts, the following observations are significant:

- Administrators and planners indicate transparency to be the top-most priority, as do Chartered Accountants.
- Lawyers, expectedly, indicate accountability/enforcement of decisions and orders and law-abidance as the topmost priorities.
- Engineers and architects place a high premium on professional excellence and quality.
- Academics and researchers have a fairly balanced view between the various values, and the sudden variation between promise-keeping and accountability can be explained

by the small size of the sample, and also by the fact that looked at one way, the two values are two sides of the same coin.

Three notable remarks in the descriptive responses not reflected in the quantitative data need to be reported: Several lawyers (as well as some administrators and chartered accountants) spoke of the need for 'specificity' in detailing the rights and responsibilities of the stakeholders. An academician mentioned that 'sustainability in construction' needed to be incorporated in the code of ethics as an objective for developers, and a planner said that a commitment to planned development was important.

The data for the stakeholder associations, following the same method of analysis, i.e., assigning three points to each respondent, is shown in Table 4.

Table 4

Priorities Indicated by Stakeholder Associations

S. No.		Builder Associations (10)	Consumer Associations (3)	Agent Associations (3)
1	Transparency	4	3	2
2	Promise-keeping	1	3	2
3	Fairness	8	1	2
4	Integrity	4	2	1
5	Law abidance	-	-	2
6	Professional excellence	7	-	-
7	Accountability	6	-	-
TOTAL		30	9	9

Source: Primary survey conducted by Lead Author.

As already mentioned, a perusal of the descriptive responses indicates that each segment seems to view the same value from its own perspective, as described below:

- The highest priority for builders was fairness – but by this, they mean ‘even handedness’ between stakeholders, since they feel that the entire legal framework is tilted in favour of the consumer, and they look to a code to correct what they believe to be the imbalance by emphasising that consumers too have duties. Similarly, by accountability, they underscore that the consumer too should be held accountable for delayed payments and attempts at unduly pressurising builders.
- It is heartening that builders also place a high value on professional excellence and quality.
- Insofar as Consumer Associations are concerned, the quantitative data does not do justice to their responses. For example, even though law-abidance, professional excellence and accountability do not figure in their priority list, the manner in which the descriptive responses relating to transparency and promise-keeping have been presented, actually covers all of these quite emphatically.
- Agents have a perspective that is different from both the other stakeholder segments. On the one hand, they are very clear that they need the builder to keep his promises and deliver on time with all facilities as promised in the brochure, on the other hand, they want the code to be ‘fair’ to them, i.e., they do not want the consumer to hold them responsible for what they see as faults of the builder.
- Agent responses brought a special perspective to their category by saying that the code needs to stipulate inter-se behaviour between agents so that they do

not undercut each other. Apparently ‘client grabbing’ is a problem among agents.

- It is heartening that agent associations included in their understanding of transparency, avoidance of exaggerated claims to the customer while marketing, and landowners while preparing projects.
- Agents also wanted the fees payable to agents by developers as well as consumers to be standardised and incorporated into the code.

Conclusions and Recommendations:

The conclusions of our research can be summarised as follows:

- Although four out of the 103 respondents felt that a formal code of ethics was unnecessary, the overwhelming majority of respondents felt positive about such a proposal, manifested by them making valuable suggestions for priorities to be incorporated.
- The characteristics identified for incorporation, in order of priority, are transparency, promise-keeping, accountability, professional excellence, law-abidance, fairness and integrity.
- Though an order of priority is indicated, the actual difference between values is not that great, and all the identified characteristics are almost equally important.
- Some unique suggestions have also been thrown up for incorporation in a code of ethics, such as sustainability in construction, commitment to planned development, and specificity in the enumeration of rights and responsibilities of each stakeholder segment, as well as the enforceability of decisions.
- Agents have made a special suggestion for incorporating norms of inter-se behaviour among agents, avoidance of exaggerated

claims in JVs, marketing, and fixation of agent fees.

- The perspectives of industry associations vary, often the same characteristics being seen with a somewhat different nuance depending on which category of stakeholder one belonged to – e.g., fairness, accountability, and promise-keeping holding differing emphases for builders and consumers. For a common code of ethics to be acceptable to all segments, it would have to be properly strategised and carefully drafted with a balanced approach, reconciling these differing perspectives to the extent possible.

Kelly et al. (2020b) found that it was not enough for ethical considerations to merely enter the 'framework of real estate executives'; it was important that ethical vocabulary and ethical concepts asserted in that vocabulary enter the very mindset of stakeholders.

It is our view too that in the Indian context, this could more effectively happen if there exists a formalised ethical code to provide to the stakeholders 'the words and concepts needed', preferably with statutory backing. The ethical priorities expressed by stakeholders could be employed as useful inputs for drafting a model code of ethics that encompasses standards of behaviour and duties of all stakeholders in the real estate ecosystem.

Author's Contribution:

Anthony De Sa: Conceptualisation, data collection and drafting

Satya N. Mandal, Deepak Bajaj & N. Sridharan: Discussion of the concept, Advice on clarifying the topic, suggestions on data collection & vetting of the draft

Suggestions for Further Research

The framework devised for depicting the web of relationships between various stakeholders in the real estate ecosystem could be utilised as a springboard for further research into behavioural aspects of real estate stakeholder interaction, applying relevant principles of management and behavioural sciences to the analysis.

Since in some respects builders, consumers and agents have differing perspectives, another useful avenue for research could be on practical and appropriate strategies to bring about consensus between the various stakeholders, including rural landowners, (who are often ignored), towards the acceptability of a formal common code of ethics.

Kelly et al. (2020b) observed that ethics evolve over time, and that history is replete with examples of practices that at one time were considered to be ethically acceptable but are now viewed as ethically loathsome. This in itself opens avenues for ongoing research into evolving elements of real estate ethical codes.

The research was fine as part of my PhD research, and the other sympathies are my guide (Prof Mandal), and two Co-guides.

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