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Blockchain Technology in the Real Estate Sector at Karnataka: Awareness and Application

Shreya Jakati

PGDM23042 Student Dayananda Sagar Business School, Kumaraswamy Layout, Bengaluru, 560111,

shreya@dsbs.edu.in

Yeshwanth T N

PGDM23059 Student Dayananda Sagar Business School, Kumaraswamy Layout, Bengaluru, 560111,

yeshwanth5206@gmail.com

Dr. Parul Tandan

Associate Professor Dayananda Sagar Business School, Kumaraswamy Layout, Bengaluru, 560111,

parul@dsbs.edu.in

Abstract:

This study investigates the awareness and application of blockchain technology in Karnataka's real estate sector. Real estate in India is often plagued by inefficiencies, fraud, lack of transparency, and manual documentation. Blockchain technology, known for its decentralized, secure, and tamper-proof system, offers solutions for these problems. The research collected primary data from 150 respondents across Karnataka comprising real estate developers, agents, brokers, and buyers. Results showed varying levels of awareness and understanding, perceived benefits such as improved title verification and transaction transparency, and key barriers like regulatory uncertainty and technical limitations. The paper recommends collaborative action between government, tech companies, and real estate stakeholders to implement blockchain effectively.

Keywords: Blockchain, Real Estate, Karnataka, Title Verification, Smart Contracts, Fraud Prevention, Land Records

Introduction

Blockchain technology, originally known for powering cryptocurrencies, has emerged as a transformational tool across various sectors. It offers a decentralized, tamper-proof, and transparent digital ledger system. In the real estate sector, these features are especially valuable in managing property records, reducing fraud, enhancing transparency, and simplifying transactions. In India, particularly Karnataka, real estate suffers from fragmented documentation, title disputes, and regulatory bottlenecks. As cities like Bengaluru continue to urbanize, adopting blockchain can significantly improve real estate processes by digitizing and securing property-related information. This paper assesses the current level of awareness and potential adoption of blockchain technology in Karnataka's real estate industry.

Research Problem

- What is the level of awareness of blockchain technology among real estate stakeholders in Karnataka?
- How do stakeholders perceive the relevance and applicability of blockchain in real estate?

- What are the potential benefits and challenges to blockchain adoption?
- Are real estate professionals ready to implement blockchain-based solutions?

Objectives

- To assess current awareness levels of blockchain technology in Karnataka's real estate sector.
- To identify perceived benefits of blockchain such as improved title management, transparency, and fraud prevention.
- To explore major challenges hindering the adoption of blockchain in real estate.
- To evaluate the readiness of real estate stakeholders to implement blockchain-based solutions.

Significance of the Study

The real estate sector is vital to Karnataka's economy but is hindered by issues like title fraud, inefficient record management, and delays in transactions. Blockchain can address these problems by offering secure, transparent, and immutable records. This study contributes to understanding how blockchain can reform the sector by analyzing awareness, perceptions, and barriers. Its findings will aid developers, investors, policymakers, and technology providers in taking informed steps toward blockchain adoption in the state.

Literature Review

- **Umrao, L. S. (2022),** *Blockchain for Reliable Land Registry Systems*, International Journal of Technology Diffusion (IJTD).This paper outlines a blockchain-based framework designed to enhance the reliability of land registry systems. The authors emphasize blockchain's role in creating a secure and tamper-proof environment for recording ownership transfers. The study also discusses the need for government involvement in promoting blockchain adoption.
- **Green, M. (2021),***Blockchain Technology in Real Estate: The Future of Transactions*, Journal of Real Estate Technology, Harvard University**.** This article investigates how blockchain technology is revolutionizing real estate transactions, focusing on smart contracts and decentralized property exchanges. The authors argue that blockchain can reduce fraud, streamline transaction processes, and increase transparency in property deals.
- **Patel, V. (2023)**, *Adoption of Blockchain in the Real Estate Sector: Challenges and Opportunities***,** International Journal of Emerging Technologies in Real Estate**.** The study explores the various challenges and opportunities that come with adopting blockchain technology in the real estate sector. It highlights technical barriers, regulatory concerns, and the potential benefits of increased efficiency and transparency.
- **Zhang, L. (2020)**, *Blockchain and Its Role in Property Rights Management***,** Journal of Property Research, University of Hong Kong**.** This paper focuses on how blockchain can be used to manage property rights, ensuring better

access to property records and reducing disputes related to ownership. The authors present a case study in China to illustrate the potential impact of blockchain in real estate management.

- **Anderson, C. (2021),** *Smart Contracts in Blockchain for Real Estate Transactions***,** Journal of Blockchain and Digital Economy, MIT**.** This paper examines the role of smart contracts in blockchain-based real estate transactions. It outlines how smart contracts can automate and secure transactions, eliminating the need for intermediaries and thus reducing costs and time involved in property deals.

- **Patel, M. (2022),** *Blockchain in Real Estate: Implications for Transaction Security***,** International Journal of Blockchain Research**.** This article discusses the implications of blockchain for enhancing transaction security in the real estate sector. The authors focus on reducing fraud and ensuring the integrity of property ownership records, presenting case studies from both developed and developing countries.

- **Moore, T. (2021),** *Blockchain and Real Estate: A Technological Revolution***,** Real Estate Technology Review, Stanford University**.** This paper highlights the technological revolution driven by blockchain in the real estate sector. The authors explore blockchain's potential to decentralize real estate ownership, offering more transparency and efficiency in property transactions.

- **Lee, J. (2021)**, *The Role of Blockchain in Ensuring Transparency in Real Estate Markets,* Journal of Digital Real Estate, University of Seoul. This study analyses how blockchain can ensure transparency in real estate markets by offering secure and immutable transaction records. The authors examine global trends and highlight blockchain's ability to mitigate corruption and fraud in property markets.

- **Singh, A. (2020)**, *Implementing Blockchain for Transparent Land Ownership Systems*, Global Journal of Real Estate Innovation**.** This paper discusses the implementation of blockchain technology for creating transparent and tamper-proof land ownership systems. The authors propose a model that could be used by government agencies to manage land records in a more secure and efficient manner.

- **Thomas, E. (2022),** *Blockchain as a Disruptive Technology in the Real Estate Industry,* Journal of Business and Technology, University of Toronto. This paper explores blockchain as a disruptive technology in the real estate industry, focusing on its ability to reduce administrative costs and improve the speed of property transactions. The authors provide an in-depth analysis of blockchain's potential for changing the way properties are bought and sold.

- **Li, X. (2023)**, *Blockchain and Property Rights: A New Approach,* Blockchain and Law Journal, University of Melbourne**.** This article examines how blockchain technology can be applied to protect property rights, reducing fraud and enhancing legal certainty in real estate transactions. The authors propose a framework that integrates blockchain with existing legal systems to streamline property rights enforcement.

- **Miller, R. (2020)**, *Challenges in Blockchain Adoption for Real Estate Transactions,* Journal of Real Estate Economics, University of Oxford. This study addresses the barriers to adopting blockchain for real estate transactions. The authors highlight regulatory issues, technical challenges, and the need for industry-wide standards to ensure successful implementation.

- **Roberts, P. (2022),** *Decentralized Real Estate Marketplaces: Blockchain's Role in Shaping the Future*, Real

Estate Digital Journal, University of California, Los Angeles. This paper discusses decentralized real estate marketplaces powered by blockchain technology. The authors argue that blockchain can democratize property ownership by reducing the role of intermediaries, offering more equitable access to real estate investments.

- **Clarke, A. (2021)**, *Blockchain for Smart Cities: Real Estate Applications*, Smart Cities Journal, University of Melbourne. This article explores the intersection of blockchain and smart cities, focusing on how blockchain can improve urban real estate management. The authors discuss the potential of blockchain to integrate property records, enhance transparency, and enable efficient city planning.

- **Foster, T. (2022)**, *Blockchain Technology in Real Estate: Security, Privacy, and Legal Considerations*, Real Estate Law Review, University of Chicago**.** This paper investigates the security, privacy, and legal challenges of implementing blockchain technology in real estate transactions. The authors discuss the implications of data privacy, the potential for smart contracts to enforce legal agreements, and the role of government regulation.

Research Design and Methodology

The research employs a descriptive and exploratory design to investigate the level of blockchain awareness and its potential application in Karnataka's real estate sector. The study uses both primary and secondary data sources.

Data Collection Method:

- Primary Data: Structured questionnaires distributed to real estate stakeholders including developers, agents, brokers, and buyers.
- Secondary Data: Review of academic literature, government reports, case studies, and online publications.

Sample Details:

- Sample Size: 150 respondents
- Sampling Technique: Stratified random sampling ensuring representation from urban, semi- urban, and rural stakeholders across Karnataka.
- Target Groups: Real estate developers, property buyers, brokers, and investors with varying levels of blockchain exposure.

Research Instrument: A structured questionnaire was designed to gather quantitative and qualitative data covering:

- Awareness and understanding of blockchain
- Perceptions of benefits and challenges
- Readiness to adopt the technology
- Demographic information

Data Analysis Techniques:

- Descriptive statistics (mean, percentage, frequency)
- Chi-square test
- One-way ANOVA
- Logistic regression
- One-sample t-test

Results and Interpretation

1. Sources of Awareness

- Social Media: 28.7%
- Seminars/Workshops: 23%
- News Articles: 20.7%
- Professional Networks: 19.5%
- Other Sources: 8%

Interpretation: Social media and seminars/workshops are the most influential sources of information. This indicates a growing role of digital and educational platforms in blockchain awareness.

2. Understanding Level of Blockchain

- Very High: 21 respondents
- High: 19 respondents
- Moderate: 22 respondents
- Low: 13 respondents
- Very Low: 12 respondents

Interpretation: The majority of stakeholders possess moderate to high understanding, but a significant segment remains unaware, highlighting the need for targeted awareness programs.

3. Belief in Blockchain Application in Real Estate

- Yes: 46%
- Not Sure: 28.7%
- No: 25.3%

Interpretation: Nearly half the respondents believe blockchain can be effectively used in real estate, but more than a

quarter remain uncertain. This suggests mixed levels of confidence in practical adoption.

4. Perceived Benefits

- Title Verification
- Greater Transparency
- Reduced Fraud
- Faster Transactions
- Lower Operational Costs

Interpretation: Stakeholders appreciate the security and efficiency that blockchain can offer, particularly in documentation and fraud mitigation.

5. Challenges to Adoption

- Resistance to Change
- Lack of Technical Skills
- High Implementation Costs
- Legal and Regulatory Barriers
- Data Privacy Concerns

Interpretation: Resistance to new technology and lack of expertise are major hurdles. Cost and regulatory ambiguity are significant constraints as well.

6. Support Required for Adoption

- Government Policy Support: 18.4%
- Collaboration with Tech Firms: 20.7%
- Public Awareness Campaigns: 13.8%
- Education and Training: 17.2%
- Infrastructure Development: 16.1%

Interpretation: Collaborative efforts between government, tech partners, and the public sector are vital to enabling successful adoption.

Hypothesis Testing

Hypothesis 1: Awareness of blockchain technology among real estate stakeholders in Karnataka is high.

- **Test Applied:** Chi-Square Test of Independence
- **Result:** $\chi^2 = 2.184$, df = 5, p = 0.823

- **Interpretation:** Since the p-value is greater than 0.05, we fail to reject the null hypothesis. This means there is no statistically significant difference in awareness levels across stakeholder groups.

Hypothesis 2: Blockchain applications are perceived to provide significant benefits in real estate.

- **Test Applied:** One-Way ANOVA
- **F-value:** 0.257
- **p-value:** 0.934
- **Interpretation:** The p-value exceeds the 0.05 significance level, indicating that stakeholders across different roles do not significantly differ in how beneficial they perceive blockchain applications to be.

Hypothesis 3: Cost and lack of technical expertise are major barriers to blockchain adoption.

- **Test Applied:** Logistic Regression
- **Key Variable Result:** Resistance to Change ($p = 0.056$) is marginally significant
- **Interpretation:** Resistance to change shows a borderline significant impact on the belief that blockchain is applicable to real estate. However, other variables like high cost and lack of technical expertise were not statistically significant.

Hypothesis 4: Real estate stakeholders in Karnataka are ready to adopt blockchain technology.

- **Test Applied:** One-Sample T-Test
- **Mean Readiness Score:** 2.47
- **Hypothesized Mean:** 2.5 (Neutral Point)
- **t-statistic:** -0.225
- **p-value:** 0.822
- **Interpretation:** The p-value indicates no significant difference from the neutral mean, suggesting stakeholders are neither clearly ready nor resistant to adoption—they remain neutral overall.

Discussion

The findings of this study highlight a cautious optimism toward blockchain technology in the real estate sector of Karnataka. While moderate levels of awareness and understanding exist, the application of blockchain is still in its nascent stage. The belief in its benefits—especially in areas such as title verification and fraud prevention—reflects an alignment with global literature. However, practical readiness lags behind, hindered by structural and educational barriers. One of the key insights is the gap between theoretical acknowledgment of blockchain's usefulness and the willingness or ability to implement it, suggesting the presence of institutional inertia and systemic challenges common during the early phases of technology adoption. The borderline statistical significance for resistance to change further confirms that while there is no overt rejection, there is an underlying reluctance to move away from traditional systems.

Additionally, the neutral readiness score indicates that most stakeholders remain undecided, implying that blockchain's acceptance will require strong demonstration projects, supportive policies, and clear guidelines for integration with existing property laws. Efforts must also be made to decentralize this awareness and readiness across both urban and rural areas of Karnataka.

Conclusion

Blockchain holds transformative potential for Karnataka's real estate sector, with its core features— immutability, transparency, and decentralized record-keeping—offering strong solutions to persistent issues such as title fraud, inefficiency, and lack of trust. This study finds that while awareness of blockchain technology is moderate, its practical implementation is hindered by challenges including resistance to change, limited expertise, high costs, and a lack of legal clarity. Stakeholders show a neutral level of readiness, reflecting neither strong opposition nor active preparedness for adoption. To fully realize blockchain's potential, a coordinated ecosystem-wide effort is needed—driven by supportive government policies, robust technological infrastructure, educational programs, and widespread awareness initiatives. If implemented effectively, blockchain could usher in a new era of secure, efficient, and transparent real estate practices in Karnataka.

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