



**RESEARCH PAPER**

**Statecraft and Real Estate Public Policy in Pakistan: Governance, Regulations, and Public Interests**

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**ABSTRACT**

The objective of this study is to analyze the implications of statecraft on real estate public policy in Pakistan. This analysis considers the economic significance, regulatory challenges, and socio-political dynamics of the country. The real estate sector in Pakistan is of great importance to the economy, however, it is confronted with regulatory complexity, corruption, and challenges related to urbanization. These issues are influenced by historical and political factors. The methodology employed in this study involved conducting a thematic analysis on literature review articles. The analysis specifically focused on examining the economic impact, regulatory issues, corruption, and government initiatives within the real estate sector. The results of the analysis indicate significant economic contributions, regulatory complexities, and challenges associated with corruption and urbanization. Government initiatives demonstrate potential but necessitate efficient implementation. To address issues and promote sustainable growth in Pakistan's real estate sector, officials prioritize inclusive policies, smart urban planning, improved enforcement mechanisms, infrastructure development, and reforms to the country's land administration.

**KEYWORDS** Housing Scheme, Pakistan, Real State, Statecraft, Urbanization

**Introduction**

Land ownership in Pakistan has exerted a substantial influence over social and political power. Large landowners, sometimes known as "feudal," wielded an enormous amount of power over rural inhabitants due to the country's agrarian economy when it gained its independence. According to (Khan, 2015), these landowners frequently wield influence over both local and national politics, employing their control over land as a means to garner votes and preserve their position of political preeminence. Inequalities have been allowed to persist and substantial land reforms have been hampered as a result of the nexus between land ownership and political power, which has resulted in policies that frequently promote the particular interests of these elites. Many cities in Pakistan, including Karachi, Lahore, and Islamabad, are seeing tremendous population expansion as a result of the rapid acceleration of urbanization in the country. Rapid urbanization has resulted in an increase in the demand for residential and commercial properties, which has placed a strain on the infrastructure and services that are already in place. Urban real estate policy has had a difficult time keeping up with this increase, which has frequently resulted to development that is haphazard and housing that is not sufficient for the growing population in urban areas (Mustafa, 2018)(Qureshi, 2010).As part of the government's efforts to solve these difficulties, the Naya Pakistan Housing Program has been established with the objective of providing low- and middle-income groups with housing that is within their financial means. The success of such programs, on the other hand, is frequently hampered by bureaucratic inefficiency, corruption, and a lack of coordination between the various government agencies and the private sector(Siddiqui, 2020)(Hasan, 2020). A large portion of Pakistan's gross domestic product (GDP) is contributed by the real estate business, which also offers employment opportunities in a variety of industries that are closely tied to the sector.

Constructing new buildings, constructing new infrastructure, and providing supplementary services are all ways that real estate development can increase economic activity (Munir et al., 2022). According to (Ahmed, 2020)(Naqvi, 2017) the industry is confronted with a multitude of obstacles, some of which include inconsistent regulatory enforcement, speculative investments, and the presence of informal transactions. When it comes to Pakistan's real estate industry, another crucial factor is foreign investment, and the Pakistani diaspora plays a vital role in this regard. Although diaspora investments are driven by the desire for attractive returns on investment and emotional ties to the homeland, there are major impediments in the form of regulatory challenges and the possibility of fraud. By implementing legislative reforms and offering incentives, the government has made an effort to establish an environment that is favorable for foreign investment. However, it is still difficult to strike a balance between stimulating investment and ensuring that regulatory compliance is met (Hussain, 2019)(Zaidi, 2017). In Pakistan's real estate industry, corruption is a very widespread problem. In addition to undermining legal frameworks, illegal land grabbing, which frequently involves influential economic entities and powerful political leaders, also erodes public trust. Urban planning and development initiatives are made more difficult by land mafias, who take advantage of gaps and inadequacies in land administration in order to acquire land illegally (Yasmeen, 2021)(Rehman, 2021).

In Pakistan, statecraft, including foreign policy and diplomacy, is crucial to the country's growth. However, an important relationship appears to be missing: the one between strategic foreign policy and domestic real estate initiatives (Ali, 2023). This gap leads to multiple missed opportunities.

First, Pakistan might potentially attract more foreign investment in real estate developments if the government actively pushed specific sectors or locations. Consider a scenario in which foreign policy aims to attract investment in green energy. By deliberately promoting areas with significant potential through different channels, Pakistan could encourage foreign investors to create real estate projects that promote this purpose (Razavi, 2019). This would not only attract international capital, but would also ensure the country's long-term viability. Second, a strategic approach that incorporates security considerations into real estate development could yield favorable results. Investment in infrastructure and real estate developments in perceived vulnerable areas could rejuvenate them while also improving overall stability (Government of Pakistan, 2006). Finally, a better relationship between statecraft and real estate policy should ensure that infrastructure developments like roads and bridges have a greater impact on property value growth in attractive regions (World Bank., 2020). Consider strategically designed infrastructure projects that link significant economic zones to large cities. Pakistan can open up new avenues for economic growth, security enhancement, and strategic development by bridging the gap between statecraft and real estate policies. This comprehensive strategy indicates a viable road to a more affluent and stable future.

## **Literature Review**

In Pakistan, the real estate business is an important pillar of the national economy, both in terms of its contribution to the gross domestic product and its contribution to employment. On the other hand, the industry is defined by a complex interaction of historical, political, economic, and regulatory variables that influence its development and functioning. One of these factors is the government.

## **Economic Significance**

According to Ahmed (2020), the real estate sector is a key contributor to Pakistan's economy. It is responsible for around 2% of the country's gross domestic product (GDP) directly, and it contributes much more when considering its connections with other

industries such as construction, cement, and steel. The industry is responsible for the employment of millions of people and provides a significant contribution to the expansion of economic activity through the construction of housing and infrastructure projects. Approximately ten percent of the gross domestic product is contributed by the construction and real estate sectors combined, as stated by the Pakistan Bureau of Statistics (SBP, 2019)(PBS (Pakistan Bureau of Statistics), 2021).

**Table 1**  
**Key facts about Real Estate Industry of Pakistan**

Category	Details
Real Estate Sector Value (USD)	300-400 billion
Contribution to National Wealth	60-70%
Number of Related Industries	400+
Employment Ranking	Second largest after agriculture
Overseas Investment Traffic	30% of traffic on Zameen.com from overseas Pakistanis
Global Real Estate Investment Ranking	120th out of 129 countries
Investment Risk Score	3.9/10
Overseas Remittances (2019-20)	USD 21.84 billion
Primary Sector for Overseas Investment	Real Estate
Impact of Over-Regulation	Reduced overseas investment, decline in remittances
Preferred Alternative Investment Destinations	UAE, UK
Government Development Budget Utilization	Underutilized, leading to contraction of sector activities

### Urbanization and Demand for Housing

The urban regions of Pakistan are expanding at a rate of 3% per year, which is one of the highest rates in South Asia (Mustafa, 2018). Pakistan is witnessing unprecedented levels of urbanization. The fast growth of major cities such as Karachi, Lahore, and Islamabad has resulted in a surge in the demand for residential and commercial real estate. The growing urban population has resulted in a shortage of housing, which is expected to be somewhere around 10 million units. This shortage has made the issues associated with urban planning and the development of infrastructure even more difficult to manage (Siddiqui, 2020).

**Table 2**  
**Year wise Housing Price Index Cumulative Return (%) and KSE-100 Index Cumulative Return (%) of Pakistan**

Year	Housing Price Index Cumulative Return (%)	KSE-100 Index Cumulative Return (%)
2012	10	12
2013	25	45
2014	40	70
2015	55	110
2016	70	160
2017	90	200
2018	120	220
2019	147	230

### Policy and Regulatory Environment

Real estate in Pakistan is subject to a regulatory system that is not only complicated but also sometimes inconsistent. The industry is governed by a combination of federal, provincial, and local rules, which results in policies that are typically fragmented and occasionally overlap with one another. Some of the obstacles that the sector faces include inconsistencies in the implementation of zoning rules, insufficient land records, and opaque property registration procedures (Rehman, 2021)Some of these issues are also contributing factors. In addition, a study conducted by the Pakistan Institute of Development Economics (PIDE) emphasizes the importance of implementing comprehensive land administration reforms in order to successfully solve these regulatory challenges (PIDE (Pakistan Institute

of Development Economics), 2018). According to (Naqvi, 2017), the regulatory landscape is further complicated by the predominance of informal transactions and speculative investments.

### **Corruption and the Acquisition of Land**

The real estate industry in Pakistan is plagued by widespread corruption, which has an effect on both urban and rural aspects of the country. It is not uncommon for important persons and entities to engage in illegal land grabbing, which undermines legal frameworks and erodes public trust in the functioning of the system. These operations frequently entail coordination between corrupt officials and land mafias, who take advantage of deficiencies in land administration in order to acquire land in an unlawful manner (Yasmeen, 2021). In addition to posing considerable problems to urban development, such behaviors make it more difficult to conduct real estate transactions in a fair and transparent manner (Gayer, 2014). Transparency International Pakistan has, on multiple occasions, brought attention to the fact that the real estate industry needs more stringent anti-corruption in order to put a stop to these unethical acts (TIP, 2020).

According to Hussain (2019) and Zaidi (2017), the government has made an effort to solve these challenges by implementing regulatory reforms and offering incentives with the intention of establishing an environment that is more favorable for foreign investment. Additionally, the Overseas Investors Chamber of Commerce and Industry (OICCI) has emphasized the significance of enhancing regulatory frameworks in order to boost investor confidence (OICCI, 2021).

### **Statecraft in Pakistan**

Pakistan's political history since the country's independence in 1947 has been distinguished by periods of military control, civilian governments, and shifting democratic procedures. Some of these periods have occurred simultaneously. The history of colonial control left behind a complicated administrative framework as well as social divisions that are deeply rooted. According to Jalal (1990), the establishment of early land reforms and the consolidation of power were both inspired by the necessity of consolidating the newly constituted state and managing the issues posed by partition. According to Lieven (2011), the character of administration and policy-making in Pakistan has been molded by the dominance of feudal lords and the military in the political structure of the country. Statecraft in Pakistan comprises a diverse approach to government and diplomacy with the goal of furthering the nation's national interests both within Pakistan and on the international stage. The cautious management of geopolitical problems, worries about security, and economic imperatives are all important aspects of this endeavor. According to (Sattar, 2007), Pakistan's foreign policy is influenced by its strategic location and the historical environment in which it has been developed. The country places a particular emphasis on issues such as Kashmir, Afghanistan, and the non-proliferation of nuclear weapons. The government frequently engages in diplomatic efforts to resolve problems and create relationships that are mutually advantageous in order to achieve its goal of maintaining a balance in its ties with major world powers and countries that are geographically adjacent to it. The practice of statecraft in Pakistan includes, in addition to the conduct of foreign policy, the resolution of issues pertaining to the country's internal security and the promotion of socioeconomic development. These policies and initiatives contribute to the expansion of the economy, the reduction of poverty, and the improvement of the quality of life for the residents of the country. When it comes to policy execution in Pakistan, political instability and frequent changes in government are frequently obstacles that stand in the way. This instability has a particularly significant impact on policies that pertain to land, urban development, and real estate. It is necessary to coordinate efforts across several levels of government and to align the interests of numerous stakeholders in order to successfully implement policies such as land reforms, housing programs, and urban planning projects

(Hasan, 2010). Efforts to attain long-term developmental goals are made much more difficult by the inconsistent application of regulations and legislation. Pakistan's real estate policy is intricately intertwined with the more general aspects of statecraft of the country. The ownership of land and the growth of metropolitan areas are, in addition to being economic matters, also highly political issues. Within the real estate industry, the influence of big landowners, the obstacles posed by bureaucracy, and the corruption that exists are all reflections of the larger issues that the country has in terms of governance and statecraft. Therefore, in order to achieve effective statecraft in this environment, it would be necessary to address these long-standing problems by implementing thorough reforms and transparent governance procedures.

## **Real Estate Policy in Pakistan**

### **Digitization of Land Records**

Projects such as the Punjab Land Records Management and Information Systems (LRMIS) are working toward the goal of digitizing land records in order to increase transparency and decrease the number of conflicts that arise about land ownership (World Bank, 2018).

### **Naya Pakistan Housing Program (NPHP)**

Naya Pakistan Housing Program(NPHP), which was initiated by the present administration, has the objective of constructing five million more affordable housing units for families with low and intermediate incomes. According to (Siddiqui, 2020), the initiative provides financial assistance and other incentives to prospective builders in order to encourage the construction of affordable housing.

### **Punjab Private Housing Schemes Rules 2022**

These regulations were established by the governor of Punjab in accordance with the authority granted to him by section 202 of the Punjab Local Government Act 2022. The regulations grant the authority to the local government to authorize housing schemes for housing activities. Rule 5 stipulates that the local government may approve housing schemes in areas designated as residential areas in the site development zone, structure plan, master plan, defined development plan, or peri-urban structure plan. Rule 2(n) specifies Housing schemes include cooperative housing schemes, farm housing schemes, private housing schemes, and any other form of housing plan. Sponsors of housing schemes are required to submit an application for approval to the relevant local government under rule 6. Approval requires a certified title document establishing land ownership, such as a registered sale deed, mutation, or fard-e-malkiyat. Rule 6 specifies only the bare minimum requirements that must be met prior to approval; the local government shall not consider any application that is unfinished. Local government was obligated by Rule 7.3 (b) to ensure that housing societies did not have landlocked conditions and had access to roads with a minimum width of 40 feet (Zafar, Z. I., & Waheed, 2022).

### **The National Housing Policy 2001**

All levels of the Pakistani government, including the federal, provincial, and local, are guided by this significant policy. Its primary objectives are to resolve the backlog of 4.30 million housing units, address the issue of slums, ghettos, and squatter communities, and provide housing for all. The objective of the policy is to broaden and fortify endeavors that guarantee suitable housing for every citizen of Pakistan. In an effort to ensure that all citizens have access to suitable housing, the proposed policy seeks to enhance Pakistan's housing policy measures, which are currently behind by 4.30 million units. This policy acknowledges on page 25 that colonies are home to over fifty percent of the population of

Pakistan. Assisting Member States in the development and execution of housing policies, including shanty prevention and improvement, is a primary objective of UN-Habitat. The annual production target of the policy is 500,000 housing units, with an emphasis on moderate-income and impoverished housing. The primary goals encompass expediting housing initiatives, generating employment opportunities for both skilled and menial workers, facilitating the regulation of slums, and combating corruption (Norris, M., & Winston, 2003)

### **The Registration Act 1908**

The Registration Act of 1908 is an essential piece of legislation that delineates the procedures for registering documents that convey rights, titles, or interests in immovable property with a value of at least 100 Pakistani rupees. As a result of the Act's expensive registration fees, however, the general public and housing developers frequently opt for alternative methods such as the file system rather than complying with it. Redistribution of land is difficult in the absence of registration, and housing businesses are hampered by property record frauds, especially in metropolitan areas. Banks exhibit a reluctance to extend loans for productive endeavors, including housing development, on account of substandard land record systems and insufficient title documentation (Gates, 1968).

### **Significant laws relating to housing activity**

#### **The Land Acquisition Act of 1894**

A key statute in the housing industry of Pakistan is the Land Acquisition Act of 1894, which promotes both the public and private sectors to purchase property for public use. Nevertheless, the Act as it stands currently dissuades investment and fails to promote progress in the housing industry. The lack of land acquisition by the majority of housing societies in Pakistan represents an incongruity between their stated intentions and their actual implementation (Gates, 1968).

#### **Real Estate Regulatory Authority (RERA):**

The Real Estate Regulatory Authority (RERA) wants to regulate and promote the real estate sector by providing transparency, preserving consumer rights, and standardizing business standards (Hasan, 2020). This is a proposal that is being considered for establishment in a number of provinces

**Table 3**  
**Major Real Estate Projects in Pakistan**

<b>Project Name</b>	<b>Location</b>	<b>Objective</b>
Naya Pakistan Housing Program (NPHP)	Nationwide	Provide affordable housing to low and middle-income families
Bahria Town	Karachi, Lahore, Islamabad, Rawalpindi	Develop modern, planned urban communities
DHA (Defence Housing Authority)	Nationwide	Provide high-quality residential and commercial properties to military and civilian populations
Capital Smart City	Islamabad	Develop a smart, sustainable city
Gwadar Smart Port City Master Plan	Gwadar	Transform Gwadar into an international port city
Lahore Smart City	Lahore	Develop a sustainable and smart urban environment
Park View City	Islamabad	Provide a modern, high-quality living environment
Peshawar Enclave	Peshawar	Develop a planned residential and commercial area
Green Palms	Gwadar	Develop a modern urban community in Gwadar

## **Relationship between Statecraft and real estate policy in Pakistan**

Statecraft in Pakistan is intricately connected with the country's real estate policies, which are a reflection of the larger sociopolitical and economic dynamics of the country. Land allotments and urban development projects have been utilized by succeeding administrations as a means of securing political loyalty and financing their activities. Real estate development has frequently been used as a weapon for political patronage. The result of this is that there is now a complex interaction between the state, the military, and commercial developers. In this relationship, the interests of powerful elites frequently influence policy decisions rather than the requirements of the general population. There have been allegations that the real estate industry in Pakistan is a contributor to the economic disparity and social fragmentation that exists in the country. Large developers and investors have frequently benefited from government policies that have favored them through tax advantages and regulatory relaxations. This has resulted in an increase in the number of luxury housing and commercial projects, which has come at the expense of affordable housing. A concentration on high-end real estate contributes to the worsening of the housing crisis for those in the lower and middle classes, as well as to the intensification of urban sprawl, which puts a burden on both public services and infrastructure. Land grabbing and speculative investments have been made easier as a result of the absence of transparent land ownership records and the lax implementation of legislation, which has undermined the concept of sustainable urban development and fair growth (Ishfaq & Irfan, 2024).

The China-Pakistan Economic Corridor (CPEC), which aims to establish a connection between China and the Gwadar Port in Pakistan. To entice international investment, the government has designated special economic zones (SEZs) throughout the corridor. These zones offer tax benefits and simplified development procedures in order to attract foreign investment. Because of this, not only does the economy benefit, but there is also a rise in the demand for commercial and industrial real estate in these regions. Creating a better ordered urban landscape is the goal of Karachi's Master Plan 2020, which outlines zoning laws for specified commercial, residential, and industrial sectors (Government of Sindh, 2023). A further benefit of slum restoration programs is that they improve living conditions in informal settlements, hence lowering the likelihood of criminal activity. In contrast, growth limitations are frequently imposed in the vicinity of the border with Afghanistan due to worries regarding the country's security. Moreover, (Pakistan's CPEC Authority., 2022) statecraft is influenced by real estate. A large portion of the government's revenue comes from the collection of taxes and levies related to development of real estate. Effective regulations regarding real estate can guarantee a consistent flow of cash, which can be used to finance social programs and the development of infrastructure (Revenue, 2022). The Naya Pakistan Housing Program addresses the issue of unequal access to cheap housing, which has the potential to be a source of social discontent. Families with low incomes are eligible for subsidized housing loans through the program. In some cities, rent control measures are implemented in an effort to provide renters with protection and to manage rent rises (Naya Pakistan Housing Programme, 2022). One of the most influential lobbying groups that can have an effect on governmental decision-making is the real estate industry. It is necessary for the government to successfully manage this influence in order to guarantee that policies prioritize the interests of the general public in addition to those of developers.

## **Material and Methods**

This study aims to utilize a qualitative literature review to investigate the possible relationship between statecraft and real estate policy in Pakistan. The research will primarily utilize existing published material, including academic journals, government

reports, and policy think tank publications. The selection of sources over the last ten to fifteen years will be based on their dependability and pertinence to the study's objectives. We will examine the gathered literature through a thematic analysis. In order to do this, recurrent themes and patterns pertaining to statecraft, real estate policy, and their possible synergies in advancing national development goals must be identified. The study will use the evaluated sources to provide evidence-based arguments in order to illustrate viable approaches and best practices for improving Pakistan's alignment of these two policy domains. Although the analysis may not fully encompass the intricacies of real-world implementation, it will offer valuable insights derived from the current knowledge base.

## Result and Analysis

**Table 4**  
**Themes, and Categories:**

Category	Theme	Codes
Economic Impact	Economic Contribution	GDP contribution, employment generation, linkage with construction, cement, steel, economic growth
	Government Budget Utilization	Underutilized budgets, development expenditure, economic potential vs. actual outcomes
Urbanization	Housing Demand	Urban growth rates, housing shortage, demand for residential/commercial real estate, infrastructure needs
Regulatory Challenges	Complex Regulatory Environment	Federal/provincial/local regulations, fragmented policies, overlapping regulations, zoning laws
	Land Administration Reforms	Land record management, property registration issues, need for reforms
Corruption Issues	Land Acquisition and Corruption	Illegal land grabbing, corruption, land mafias, public trust erosion, need for anti-corruption measures
	Government Initiatives	Policy Reforms and Initiatives
Political Influence	Affordable Housing Development	NPHP, incentives for builders, financial assistance, housing for low/middle-income families
	Political History and Statecraft	Military rule, feudal systems, political instability, patronage, elite influence
Socioeconomic Issues	Political Patronage	Land allotments, urban development projects, political leverage
	Socioeconomic Disparities	Luxury housing projects, affordable housing shortage, urban sprawl, public service burden
Foreign Investment	Social Fragmentation	Economic inequality, housing crisis, impact on lower/middle-income populations
	Economic Corridors	CPEC, SEZs, foreign investment, demand for commercial/industrial real estate
Policy Influence	Lobbying and Policy Making	Real estate sector lobbying, policy influence, need for balanced governance
	Investor Confidence	Regulatory reforms, investment incentives, economic zones, foreign investment strategies

## Economic Impact and Significance

Research has highlighted the significant economic impact of the real estate sector on Pakistan's GDP and employment. Real estate and construction play a crucial role in driving economic growth, generating employment opportunities, and fostering urban development. The relationship between the real estate sector and its associated industries, such as construction, cement, and steel, serves to enhance its economic significance. Nevertheless, the existing literature also emphasizes the presence of underutilized government development budgets, which suggests a discrepancy between the potential and actual economic benefits.

## Urbanization and Housing Demand

Rapid urbanization is a significant focus of research, with Pakistan being one of the countries in South Asia that has experienced one of the highest rates of urban growth.



According to research, there is currently a significant demand for housing, resulting in an estimated shortage of approximately 10 million units. According to existing research, urbanization is a key factor that necessitates the implementation of comprehensive urban planning and infrastructure development. However, it has been observed that the current initiatives in this regard are not adequate to address the housing requirements.

### **Regulatory Challenges**

The complexity and inconsistency of regulatory frameworks governing real estate in Pakistan are prominent themes that have been observed and studied by researchers. The existing body of literature highlights the presence of fragmented policies, overlapping regulations at the federal, provincial, and local levels, as well as difficulties encountered in the implementation of zoning laws and property registration processes. It is important to highlight the necessity of implementing comprehensive land administration reforms in order to effectively address these regulatory inefficiencies.

### **Corruption and Land Acquisition Issues**

Corruption and illegal land grabbing pose significant challenges in the real estate sector. The literature highlights the ways in which corrupt practices, frequently characterized by collusion between officials and land mafias, have a detrimental impact on legal systems and erode public trust. These activities present challenges for transparent and fair real estate transactions, emphasizing the importance of implementing strict anti-corruption measures.

### **Government Initiatives and Policy Reforms**

Various government initiatives are being implemented to tackle the challenges in the real estate sector. These include the digitization of land records through the Land Records Management and Information System (LRMIS), the Naya Pakistan Housing Program (NPHP), and the introduction of new regulations like the Punjab Private Housing Schemes Rules 2022. The initiatives mentioned suggest a clear intention to enhance transparency, minimize conflicts, and promote the development of affordable housing. Nevertheless, the effectiveness of the subject under discussion is still a matter of debate among researchers.

### **Impact of Political History and Statecraft**

This study examines the historical and political context of statecraft in Pakistan, with a specific focus on the influence of military rule, feudal systems, and political instability on real estate policies. The literature provides a comprehensive review of these factors and their impact on the development and implementation of real estate policies in the country. The study emphasizes the role of political patronage and elite influence in land allotments and urban development projects, indicating that real estate development is frequently employed as a means of political manipulation rather than as a means of addressing public needs.

### **Socioeconomic Disparities**

One can observe a recurring theme of socioeconomic inequality, as government policies frequently show a preference for large developers and investors. This preference leads to a rise in luxury projects, which in turn comes at the cost of affordable housing. Due to urban development, overcrowding on public services, and infrastructure, this inequality makes the housing issue for lower- and middle-class people worse.

## **Foreign Investment and Economic Corridors**

The role of foreign investment, particularly through initiatives such as the China-Pakistan Economic Corridor (CPEC), is an important topic of research. The establishment of special economic zones (SEZs) by the government to attract foreign investment has resulted in an increased demand for commercial and industrial real estate. This demonstrates the interdependence of real estate policies with wider economic and strategic goals.

## **Influence of Lobbying and Policy Making**

The critical theme of my research is the influence of powerful lobbying groups within the real estate sector on government policy. According to existing research, it is important to effectively manage this influence in order to prioritize public interest over the interests of developers. The significant lobbying power of the real estate sector can influence policy decisions, highlighting the importance of balanced and transparent governance.

The real estate sector in Pakistan is of great importance to the national economy, making significant contributions to GDP and employment. Nevertheless, the underutilization of the government's development budget indicates potential inefficiencies in the allocation of resources. As urbanization continues to increase, major cities are experiencing a significant rise in housing demand, leading to a shortage of around 10 million units (Yasmeen, 2021). This emphasizes the need for thorough urban planning and infrastructure development in order to accommodate the increasing population. However, it is important to note that the regulatory framework surrounding the real estate industry continues to be intricate and lacking uniformity, as policies vary across different levels of administration. Insufficient land records and unclear property registration procedures worsen these challenges, highlighting the need for comprehensive land administration reforms to improve sector efficiency and transparency. Corruption and illegal land grabbing are significant challenges that hinder fair and transparent real estate transactions in Pakistan. The coordination between corrupt officials and land mafias has been found to undermine legal frameworks and erode public trust, according to research findings. As a researcher, it is important to note that Transparency International Pakistan has advocated for stricter anti-corruption measures to address these unethical practices. As a researcher, it is worth noting that the government has implemented several reforms in response to the situation. One of these reforms includes the digitization of land records, which is being carried out through projects like the Punjab Land Records Management and Information Systems (LRMIS) (Ishfaq & Irfan, 2024). The initiatives being discussed here have the objective of enhancing transparency, minimizing conflicts, and promoting the development of affordable housing. However, their effectiveness is dependent on the presence of strong enforcement mechanisms and consistent political determination (Siddiqui, 2020). The real estate policies and governance in Pakistan are significantly shaped by statecraft, which is influenced by historical legacies and political dynamics. Political patronage and elite influence frequently play a significant role in determining land allotments and urban development projects. This dynamic often results in socioeconomic disparities and further exacerbates the existing housing crisis. Efforts have been made to attract foreign investment through initiatives such as the China-Pakistan Economic Corridor (CPEC) (Pakistan's CPEC Authority, 2022). However, challenges remain in effectively balancing the interests of developers and the general public. Effective statecraft in the real estate sector necessitates transparent governance, comprehensive reforms, and equitable policies that prioritize the needs of all citizens over the interests of the elite (Rehman, 2021).

## **Conclusion**

The relationship between real estate policy and statecraft in Pakistan highlights the criticality of strategic congruence in fostering economic expansion and sustainable development. Land ownership has historically served as a mechanism for political

patronage as opposed to promoting equitable urbanization. In order to tackle this issue, it is critical to establish a stronger correlation between domestic real estate initiatives and foreign policy objectives. Through the strategic utilization of foreign investment and the facilitation of public-private partnerships, Pakistan has the potential to establish a connection between its real estate policy and statecraft, thereby granting avenues for inclusive development and growth. In order to accomplish this, Pakistan ought to give precedence to strategic foreign policy goals that are in line with its domestic development objectives, with a specific focus on environmentally sustainable urban development and green energy. This has the potential to incentivize foreign direct investment in real estate ventures that foster sustained economic expansion. Furthermore, the promotion of public-private partnerships has the potential to stimulate private sector investment in real estate development while also bridging the funding imbalance for critical infrastructure projects. Additionally, legislative reforms, transparency, and accountability should be prioritized in the real estate industry. Zoning restrictions must be enforced, land records must be digitized, and property registration processes must be streamlined; these are essential measures for fostering a more transparent and efficient real estate market. Pakistan can establish a more prosperous and sustainable future by successfully reconciling the divide between statecraft and real estate policy through the implementation of the aforementioned recommendations.

### **Recommendations**

Policymakers in Pakistan should prioritize a number of important proposals in order to overcome the difficulties that are existing in the real estate market. In the first place, comprehensive land administration reforms ought to be enacted in order to simplify regulatory procedures, improve transparency, and cut down on corruption. Two, there is an urgent requirement for strategic urban planning measures to be implemented in order to manage the housing scarcity and accommodate the rapid urbanization that is occurring. With regard to the third point, the government must to increase enforcement procedures in order to combat illicit land grabbing and to guarantee that real estate transactions are fair and transparent. Regarding the fourth point, in order to encourage sustainable urban development, it is necessary to make consistent efforts to improve the infrastructure and access to fundamental services in urban areas. Last but not least, politicians should make inclusive policies a priority. These policies should prioritize affordable housing for all segments of society, while simultaneously fostering an atmosphere that is conducive to economic growth and foreign investment.

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