

“A STUDY ON FACTOR AFFECTING PURCHASING DECISION OF RESIDENTIAL PROPERTY IN SURAT”

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Abstract : *The real estate market in India is rapidly growing as after the recent slump. This study will investigate the factors influencing Surat to purchase real estate. The study will examine the effect of attitude, subjective norm, perceived behaviour control, and finance on the intention to purchase real estate. There is a positively significant relationship between attitude, subjective norm and finance toward the intention to purchase real estate, while perceived behaviour control had no effect on the customer's intention to purchase real estate.*

IndexTerms – Real Estate Market, Trends, Literature Review, Research Methodology, Findings etc.

INTRODUCTION

Customer satisfaction is an important factor in the development of the construction process and customer relationship. As Construction Company's face-increasing competition, greater attention continues to be placed on customer relationships and satisfied customers. Customer satisfaction enables construction companies to differentiate themselves from their competitors and create sustainable advantage.

Real Estate Market In India

The real estate market in India is reportedly in the saddle after the recent slump. Industry insiders say that the market is poised for a quantum leap in the coming years. They attribute a host of reasons for the new trend. In the global market, India and China are expected to register a growth of 7-10 percent. As already observed, there is a new fillip in the real estate market in India now. This is mainly because middle income segment evinces more interest in buying residential units now than before.

Growth Of The Real Estate In India

Indian realty is growing at 30%, particularly in Tier II and Tier III cities. The \$15 b realty market is expected to reach \$ 90 b within the next 8 years. If an investor has proper information, he can profit from this bullish market. Prior to the investment in a home, a person should think carefully upon certain points like size of family, age of family members, budget, tax planning, lands etc..

Real Estate Trends In Surat

The western state of Gujarat is surrounded by Pakistan in the north and by the Arabian Sea in the west and southwest. The state is famous for its vastly rich culture. The state is home to some well-known cities like Ahmedabad, Vadodara, Gandhinagar, Surat, Jamnagar, Rajkot, Bhavnagar, Champaner, Mandvi etc. Surat is also popularly known as "Silk city" or "Diamond city".

Housing segment of Surat has grown in leap and bounds, particularly in the last couple of years. With establishment of more manufacturing industry in the city, people who have migrated out in search of good job prospects are coming back. This has brought a reason to smile for property developers in Surat.

The bungalows have for years been home to elite class of the city and are now wooing the Non Resident Gujarati (NRGs). Some locations in the city such as Mandvi area has independent residential bungalows with all basic facilities and are available for Rs. 15,00,000 – Rs. 25,00,000.

A one bedroom kitchen apartment in surat with a carpet area unit of 850 sq. ft. will cost around Rs 15, 00,000 to Rs 25, 00,000.

Literature Review

Saglik et al (2014): -

Conducted research on study “factors affecting purchasing decision of residential property”. The main objective of the research a survey questionnaire was used as the data collection technique and scale, which was developed to measure service quality in a college refectory. re The tools used for data analysis was ANOVA, t-test, and chart from this research Regression analysis. They performed 689 valid cases of survey data.

Singh et al (2013): -

Conducted research on study “factors affecting the decision of customers to buy residential apartments”. The main objective of the research identifies the key The most important factor while selecting an apartment followed by Financials, Connectivity, Layout, Proximity, and Recreational and Leisure factors. The data were conducted for carried out a 200 sample of salaried class persons was taken by using purposive sampling technique from tri-city i.e., Chandigarh, Mohali and Panchkula.

Akinluyi et al. (2012): -

Conducted research on study “A study definitely improves the overall standard of student’s residential satisfaction”. The main objective of the socio-economic characteristics of the students in the halls of residence. They carried a 215 were sampled and more male students were sampled at O.A.U. Students that resides in O.A.U ranges between the ages of 21-25 years. Functional, Aesthetic, Structural qualities and Satisfaction are important in the overall Students’ Housing for Obafemi Awolowo University”

Conducted a research on “A study was to know the satisfaction level of customer residing in various townships or cooperative societies”. The main objective of the research was expectations & need of the customers from the builder. Research they concluded is purchasing residential property depends upon quality and name of developer for this company should have strong goodwill in market.

Research Methodology

1) Need for research: -

The real estate market in India is rapidly growing as after the recent slump. This study will investigate the factors influencing Surat to purchase real estate. The study will examine the effect of attitude, subjective norm, perceived behaviour control, and finance on the intention to purchase real estate. There is a positively significant relationship between attitude, subjective norm and finance toward the intention to purchase real estate, while perceived behaviour control had no effect on the customer’s intention to purchase real estate.

2) Problem statement: -

“A Study on factor affecting purchasing decision of residential property in Surat.”

3) Research Objective: -

i. Primary objective: -

✓ To be aware about the factors affecting purchasing decision of residential property in Surat.

ii. Secondary Objective: -

✓ To determine which factor is the most important for consumers in buying decision of house.

✓ To identify the main source of information for consumer while making a decision of purchasing house.

4) Variable under study: -

The following variable have been considered for the study.

✓ Location

✓ Price

✓ Development

✓ Income or financial conditional customer

- ✓ Place
- ✓ Rising population

5) Research design: -

Research design will focus on the specification of methods and procedures like plan, structure and strategy of investigation for acquiring information needed.

a. Type of research design: -

- Exploratory research design: -
Exploratory research design will be conducted for systematic solutions of the problem which will allow a definite conclusion.

b. Data collection method: -

- **Primary data:** - The people who want to buy residential property will be surveyed using the questionnaire method. The questionnaire will consist of closed ended questions.
- **Secondary data:** - The secondary data will be collected through books, journals, internet etc.

c. Sampling design

I. Sampling unit: -

Information will be obtained including the factors affecting purchasing decision of house in the sampling unit.

i. Sampling period: -

The Sampling period will be from January to February 2017.

ii. Sample size: -

The sample size will be up to 300 questionnaires.

iii. Sampling technique: -

The research work will involve convenience sampling method during the study.

6) Tools used for Data Analysis: -

In this researcher will use tables, graphs and charts for the data analysis with the help of Microsoft excel?

7) Limitation: -

- ✓ The study will convey only educated and co-operative respondents.
- ✓ There is also the possibility of ambiguity on the meaning of replies altogether to certain questions, interpretation of meaning is difficult.

FINDINGS

From the above data analysis, the findings are as follow: -

- 52.6% people are staying in own house they want to buy residential property
- 28.67% people want to buy residential property 2-3 years. 24% people want to buy residential property within 1 year.
- 21.33% of people want to buy flat and pent house to buy residential property
- 21.33% people want to buy 3BHK. 32% people want to buy 2BHK house
- 37.33% people's budget less than 15 lakhs. for purchasing residential property.
- 42% people prefer to take loan purchase residential property.
- 246 people are highly likely to home cleaning, 122 people are likely to security, 104 people are moderate to laundry, 162 people are dislike to ironing, 88 people are highly dislike to gym. To use in residential property if the made available at a reasonable charge.
- 93.33% respondents are male and 6.67% of the respondents are female so clear that the majority of respondent are male.
- 38.67% respondents are under in category 31-40 years, 30% respondents are under in category 21-30 years, 26.67% respondents are under in category 41-50 years and 4.66% respondents are under in category 50 above year so it clear that majority respondents are under in the category 21-30 years.

- 36.67% respondent's income is 31000-40000, 23.33% respondent's income are 21000-30000, 23.33% respondent's income are more than 50000, 16.67% respondent's income are 41000-50000 people want to buy residential property.
- 60% respondents are business, 32% respondents are service, 2.67% respondents are retired and 5.33% respondents are other in people wants to buy residential property.
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CONCLUSION

After studying the residential property, it can be concluded that the Residential property is a very wide concept and it is highly affected by the factors like demographic, economic and social. The other important factor in the case of Residential property is location which affects the value and returns from the Residential property. So, in the end we can say that the purchasing decision in residential property in Surat is a very good investment opportunity. But one should be very careful while taking decision in this direction due to rising inflation and interest rates. Legal issues should also be kept in mind while choosing a property.

The recession has made property prices come down which has made residential units more affordable to middle-class people. Another factor is the competitive interest rates offered by banks and financial institutions. Again, the revised salary for the Central Government employees under the latest Pay Commission recommendations, higher pay scales in the private sector, NRI investment, etc.

In the past few years, the housing construction companies are selling Surat land and thus the housing segment has lavishly flourished. Bungalows, Villas, Flats and Houses are some spaces that are widely demanded and are also available at affordable rates suiting the budgets of the people. The investors are also investing in the residential property of Surat as sure return is assured for investments big or small. Moreover, the real estate sector in the Surat a City is experiencing growth at an accelerated pace.

Other benefits of purchasing residential property include: Property retains an inherent value; although prices may fluctuate it should always show long-term gain. It can be gifted easily. It is a low risk investment that balances the higher risk elements of an investment portfolio. Diversification provides investors with an alternative to equity-linked products, lump sum investments or savings plans while at the same time complimenting their existing portfolio.

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