

# DEMAND POTENTIAL ANALYSIS FOR AFFORDABLE HOUSING IN THE CHENNAI REAL ESTATE INDUSTRY

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## INTRODUCTION

The next half of 2021 was full of hopeful surprises for India's real estate sector. Important measures like banks lowering interest rates, RBI offer incentive for infrastructure finance and establishment of real estate investment trusts (Reits) were one-of-its-kind proposal to real estate developers cheered during preceding year. And, the two most notable actions was endorsement of 'Make-in-India' encouragement and relaxation of FDI norm in construction zone have also brought in a bunch of joyfulness into the sector, which be the majority of the times riddle with controversies.

At the present, we have ushered into 2022, real estate developers also experts consider there may be even more attractive trends that would rule the real estate segment.

Let's scroll down to make out what's in store for the real estate sector in 2022.

- Residential Plots To Rule The Roost
- South India will gain a lot of grip and here's why
- Heritage cities be a next big thing
- Industrial corridors to increase infra growth in hinterland
- Affordable Housing will be the buzzword
- Regular versus luxurious amenities
- Small is beautiful
- 'Smart City' tag to boost realty prospects
- REITs: Game Changer for Commercial Realty
- Investors back on realty Map
- Resale Properties in abundance
- MMR: Eastern Suburbs Gaining Prominence

### Objectives of Study:-

Analysis of demand for affordable housing in Chennai real estate industry.

- To study the trends in regional housing markets.
- To study the growth phases of housing in Chennai.
- To understand the housing shortage in Chennai.
- To study the various housing market segments of Chennai City.
- To study the relationship between the income levels and the demand for various housing segments in Chennai.
- To study the factors impacting affordable housing segment in Chennai.

### Research Design:-

Research design is connection between what has been established and what is to be done in the conduct of the survey for the realization of the objective. The research design used in this study was descriptive research design.

### Sample Size:-

An important decision that has taken is adopting the sampling technique is about the size of the sample. Size of the sample means the number of sampling. The sample size selected for this study is 100.

$$\text{Sample Size} = [Z^2 \times P \times Q] / E^2$$

The sampling method adopted for this study was convenient sampling method. It was rounded off to 100.

### Data Collection:-

Primary data was collected through structured undisguised questionnaire. Secondary data was gathered from journals.

### Data Analysis & Interpretation

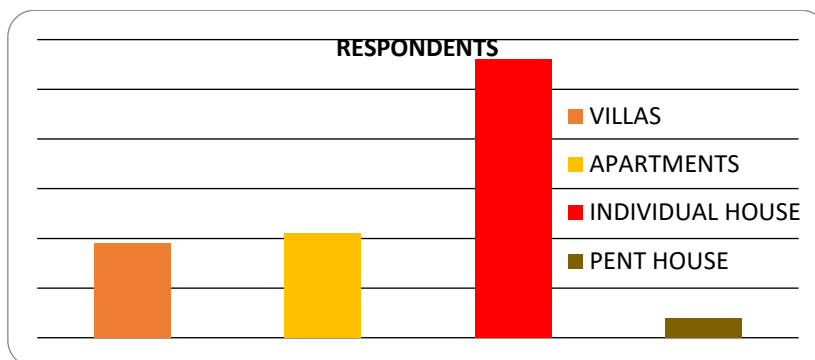
**Table No: 1 Table Showing Type of House Would You Prefer To Buy In Chennai**

S.NO	PARTICULARS	RESPONDENTS	PERCENTAGE
1	Villas	19	19%
2	Apartments	21	21%
3	Individual Houses	56	56%
4	Pent House	4	4%
	Total	100	100%

### Inference:

Nearly 56% of the buyers are buying individual houses, 21% of the buyers are buying apartments, 19% of the buyers are buying villas, and only 4% of the buyers are buying pent house.

**Chart No: 1 Chart Showing the Type of House Would You Prefer To Buy in Chennai**



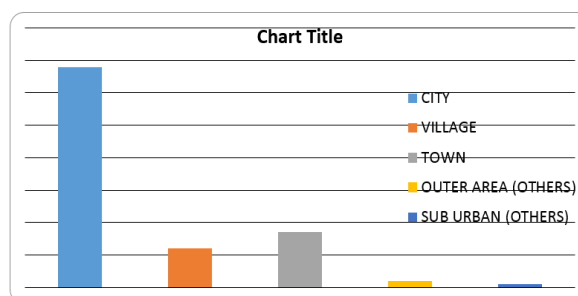
**Table No: 2 Table Showing People Prefer To Stay**

S.NO	PARTICULARS	RESPONDENTS	PERCENTAGE
1	City	68	68%
2	Village	12	12%
3	Town	17	17%
4	Outer Area (Others)	2	2%
5	Sub Urban (Others)	1	1%
	Total	100	100%

### Inference:

68% of the respondents are prefer to stay in city, 17% of the respondents are prefer to stay in town, 12% of the respondents are prefer to stay in village, 2% of the respondents are prefer to stay in outer area (Others), and only 1% of the respondent is prefer to stay in sub urban (Others).

**Chart No: 2 Chart Showing the People Prefer To Stay**



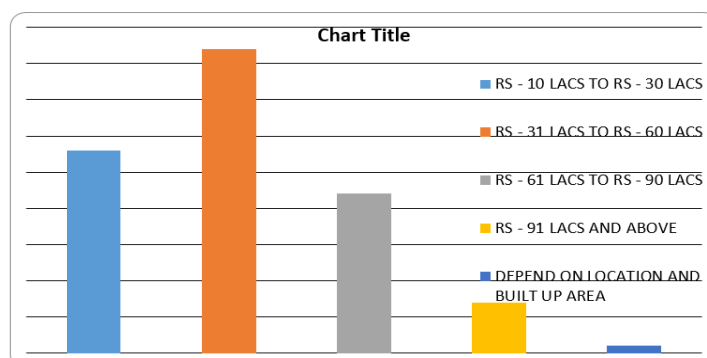
**Table no: 3 table showing budget for you to buy a house**

S. No	Particulars	Respondents	Percentage
1	Rs – 10 Lacs To Rs – 30 Lacs	28	28%
2	Rs – 31 Lacs To Rs – 60 Lacs	42	42%
3	Rs – 61 Lacs To Rs – 90 Lacs	22	22%
4	Rs – 91 Lacs And Above	7	7%
5	Depend on location and built up area	1	1%
	Total	100	100%

### Inference

The 42% of the buyers are prefer to buy a house between the price range from Rs – 31 Lacs to Rs – 60 Lacs, 28% of the buyers are prefer to buy a house between the price range from Rs – 10 Lacs to Rs – 30 Lacs, 22% of the buyers are prefer to buy a house between the price range from Rs – 61 Lacs to Rs – 90 Lacs, 7% of the buyers are prefer to buy a house between the price range from Rs – 91 Lacs and above, and only 1% of the buyer is prefer to buy a house for price which depend on location and built up area.

**Chart No: 3 Chart Showing the Budget for You to Buy a House**



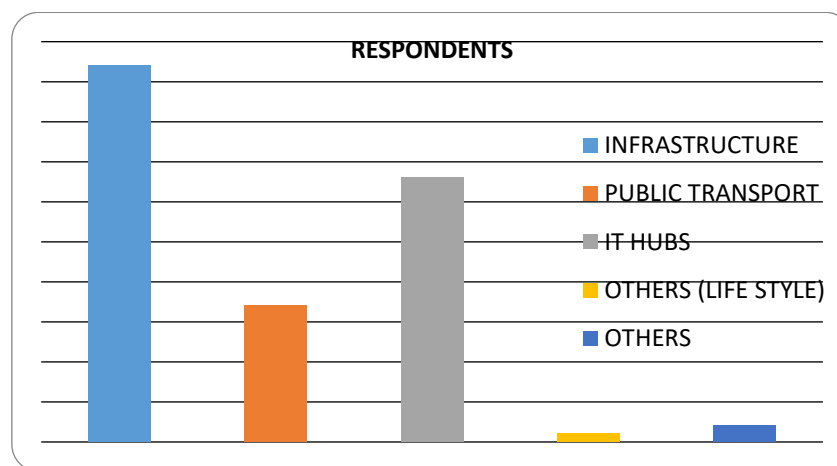
**Table No: 4 Table Showing the Most Influencing Factor That Has Impacted the Realty Growth Trend**

S. No	Particulars	Respondents	Percentage
1	Infrastructure	47	47%
2	Public Transport	17	17%
3	IT Hubs	33	33%
4	Others (Life Style)	1	1%
5	Others	2	2%
	Total	100	100%

## Inference

The 47% of the respondents said infrastructure is the most influencing factor that has impacted the realty growth trend, 33% of the respondents said IT hubs is the most influencing factor that has impacted the realty growth trend, 17% of the respondents said public transport is the most influencing factor that has impacted the realty growth trend, 2% of the respondents said others is the most influencing factor that has impacted the realty growth trend, and only 1% of the respondent said life style(others) is the most influencing factor that has impacted the realty growth trend.

**Chart No: 4 Chart Showing the Most Influencing Factor That Has Impacted the Realty Growth Trend**



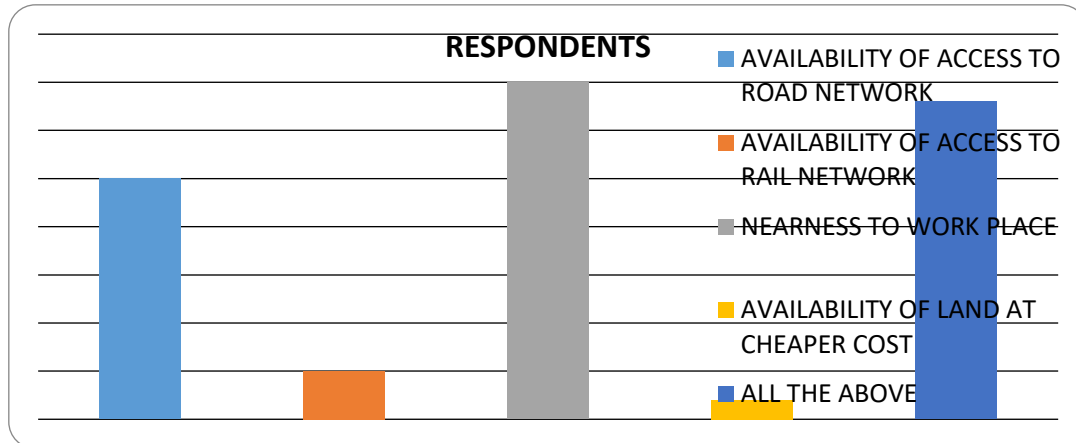
**Table No: 5 Table Showing the Reason behind the Growth Phase of Housing in Chennai**

S. No	Particulars	Respondents	Percentage
1	Availability of access to road network	25	25%
2	Availability of access to rail network	5	5%
3	Nearness to work place	35	35%
4	Availability of land at cheaper cost	2	2%
5	All the above	33	33%
	Total	100	100%

## Inference

35% of buyers said the reason behind the growth phase of housing in Chennai is nearness to work place, 33% of buyers said the reason behind the growth phase of housing in Chennai is all the above, 25% of buyers said the reason behind the growth phase of housing in Chennai is availability of access to road network, 5% of buyers said the reason behind the growth phase of housing in Chennai is availability of access to rail network, and only 2% of buyers said the reason behind the growth phase of housing in Chennai is availability of land at cheaper cost.

**Chart No: 5 Chart Showing the Reason behind the Growth Phase of Housing in Chennai**



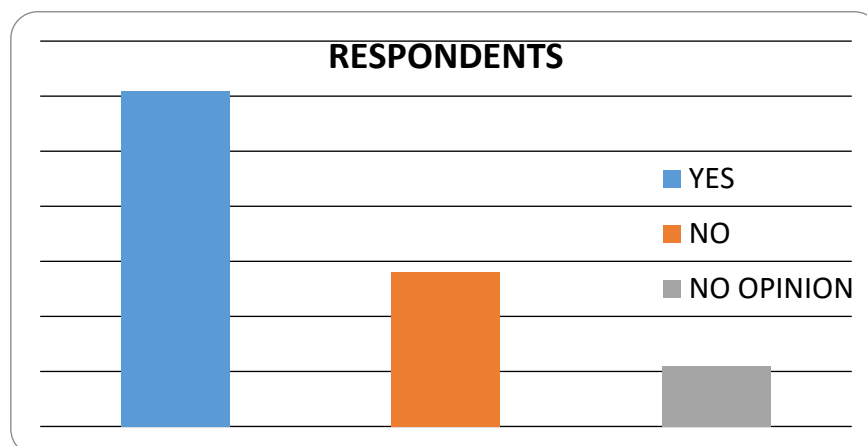
**Table No: 6 Table Showing People Like To Buy a House near A Hospital**

S. No	Particulars	Respondents	Percentage
1	Yes	61	61%
2	No	28	28%
3	No opinion	11	11%
	Total	100	100%

### Inference

The buying of house near a hospital was said yes by 61% of buyers, buying of house near a hospital was said no by 28% of buyers and buying of house near a hospital was said no opinion by 11% of buyers.

**Chart No: 6 Chart Showing the People like to buy a House near A Hospital**



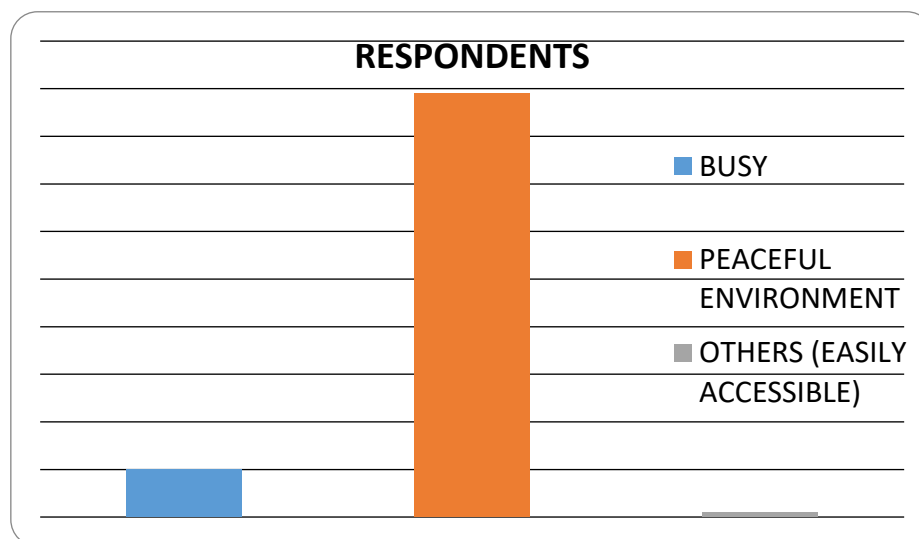
**Table No: 7 Table Showing Kind of Environment Would People Choose While Buying A House**

S. No	Particulars	Respondents	Percentage
1	Busy	10	10%
2	Peaceful environment	89	89%
3	Others (Easily accessible)	1	1%
	Total	100	100%

### Inference

89% of buyers said while buying a house they, choose peaceful environment, 10% of buyers said while buying a house, they choose busy environment, and only 1% of buyer said while buying a house, he/she choose easily accessible (others).

**Chart No: 7 Chart Showing the Kind of Environment Would People Choose While Buying a House**



### CONCLUSION

People are prefer to buy an individual houses in Chennai City. Maximum number of people are prefer to stay in City. The budget for buying the house for people is range varies from Rs- 31 Lacs to Rs – 60 Lacs. The most influencing factor that has impacted the realty growth trend was infrastructure. The main reason behind the growth phase of housing in Chennai city is availability of access to road network, availability of access to rail network, Nearness to work place, availability of land at cheaper cost. Most number of people are prefer to buy a house near hospital. People tend to choose a peaceful environment while buying a house. Most number of people are prefer to live with middle class neighbors.

Most of the buyers are prefer to spend 1% to 25% of the amount from their salary for the house or house rent. In order to remove the housing shortage in Chennai city, State Government

should take more involvement and steps. Rising Construction cost is the main reason for shortage of housing in Chennai city. Most of the people are expecting 26% to 51% of returns, if they intend to sell the property after 12 years. Maximum numbers of people are stating that the measurement written in the E.C is correct. Nearly many numbers of people prefer individual houses in Chennai. Most of the people are ranked budget as the most influencing factor for the property buying decision. People prefer to stay in own house. Most of the people said that the price of the construction product has a great impact on the housing segment.

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