



ORIGINAL RESEARCH PAPER

Commerce

CONSUMER INVESTMENT IN REAL ESTATE IN SIVAGANGA DISTRICT, TAMIL NADU, INDIA

KEY WORDS: Real Estate, Consumer Expectations

Mrs. S. Anitha

Ph.D. Research Scholar in Commerce, Near Railway Station, Karaikudi, Sivaganga, Tamil Nadu

Dr. A. Abbas Manthiri

Principal, Dr. Zakir Hussain College, Ilayangudi – 630 702 Sivaganga, Tamil Nadu

ABSTRACT

The real estate industry's growth is linked to the developments in the retail, hospitality and entertainment industries (like hotels, resorts and cinema theatres), economic services (like hospitals, schools, etc.) and information technology (IT)-enabled services like call centers, etc. The Indian real estate sector has traditionally been dominated by a number of small regional players as brokers with relatively low levels of expertise and financial resources. Historically, this sector has not benefited from the institutional capital; instead, it has traditionally tapped high net-worth individuals and other informal sources of financing, which has led to the low levels of transparency. This scenario underwent a change in line with the sector's growth, and as of today, the real estate industry's dynamics reflect consumers' expectations of higher quality with India's increasing integration with global economy.

INTRODUCTION

The term "Real Estate" is known as the land, including the air above it and the earth below it and any buildings or structures on it such as anything permanently fixed to it. Although the "real estate market" often refers from the perspective of residential living, real estate can be grouped into three broad categories based on its use: residential, commercial and industrial. The examples of real estate include undeveloped land, houses, office buildings, town homes, retail store buildings, factories and condos (condominiums). At present, the real estate and construction sectors are playing a vital role in the overall development of core infrastructure in India.

Real Estate sector in India is one of the most important revenue generating sectors. As every asset is having depreciation in value, investment in property is believed to be the smartest move as chances of loss is negligible. The growth and appreciation in this sector directly influences the economy of the country. Also, it is the most profitable investment in India. The growth graph of the Real Estate sector is observed to be rising day by day regularly.

Concept of Real Estate Market in India

The Indian real estate has seen an unprecedented boom in the last few years. This was ignited and fuelled by two main forces. First, the expanding industrial sector has created a surge in the demand for office buildings and residences. Second, the liberalization policies of Govt. have decreased the need for permission and licenses before taking up large construction projects. Opening the doors to foreign institutional investments is a further step in these directions.

All these developments over the last decade have fuelled a lot of churn in the real estate industry. While developers, builders, material manufacturers, finance companies and others have scaled up their operations to match global standards in terms of quality and delivery, the real estate valuation sector has remained largely orthodox, disorganized and out of date with modern practices and globalized standards. With the development of the private property ownership, real estate has become a major area of lucrative business in India. Purchasing a real estate requires a significant investment and each piece of land has its unique characteristics, so real estate industry has evolved into several distinct fields. Real estate can be divided into three categories: They are

- Commercial
- Residential
- Agricultural

Objectives of the study

- To find out the type of real estate property preferred by the

public.

- To know about the factors considered by the people before selecting a real estate property.
- To know about the problems faced with real estate dealers.

Sample of the study

The sample for the present study was collected from the general public aged between 35 and 50 years in Sivaganga District, Tamil Nadu, through interview method. The sample size was 100 respondents. The convenience sampling method was used.

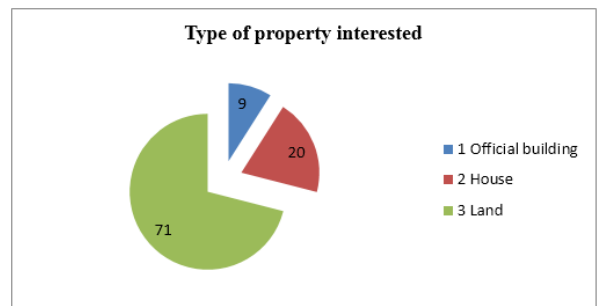
Table - 1 PREFERRED SOURCE OF INFORMATION

S.No	Source	No. of respondents
1	Print Media	7
2	T.V, Radio & Outdoor advertisements	6
3	Internet	4
4	Personal Reference	64
5	Brokers	19
	Total	100

Source: Primary Data

Table - 1 reveals that a majority of 64 per cent of the respondents rely on the words of their friends and relatives while purchasing or even searching a suitable real estate property followed by other sources of information like brokers (19%), print media (7%) like newspaper advertisements, pamphlets, etc., other media advertisements (6%) and internet (4%).

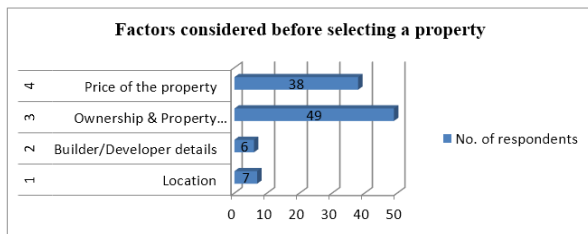
Chart No.1



Source: Primary Data

In Sivagangadistrict, Tamilnadu, out of 100 respondents 71 % of respondents are interested to purchase a land and construct a home on it as per their tastes and needs, 20 % are interested to purchase a well-constructed home and only 9 % prefer real estate property for official use.

Chart No. 2



Source: Primary Data

Before selecting or purchasing a real estate property, people were keen on the ownership of the property and property documents followed by the price of the property, its location and the details about the builders and developers.

Table - 2 PROBLEMS FACED WITH REAL ESTATE DEALERS

S. No	Problems with dealers	No. of respondents
1	Delayed transactions	37
2	Unnecessary boosting of price of the property	45
3	Fraudulent Advertisements	13
4	No Government intervention	5
	Total	100

Source: Primary Data

It is clear from the above table that 45% of the respondents have faced the problem of unnecessary boosting of price of the real estate property by the dealers, 37% of the respondents said that they are able to get their booked homes after the agreed dates, 13% of the respondents responded that they are cheated by false advertisements and 5% said that there is no government intervention.

SUGGESTIONS

- The real estate builders and developers should follow the fair and justified trade practices and should not unnecessarily boost the prices of real estate properties.
- The home buyers should be cautious before purchasing a real estate property. The people should consider all the related factors while constructing or purchasing a property.
- The people should fix a budget before purchasing or constructing a real estate property.
- The home buyers should get ideas from the experienced persons other than getting information from media and internet.

CONCLUSION

India is one of the fastest growing real-estate markets in the world, which not only attracts domestic real-estate developers, but also the foreign investors to invest in multi-dimensional projects including residential and commercial. Moreover, the real-estate industry in India is addressing the demand for built-up space, from a variety of property segments like housing units, offices, shopping malls, hospitality industry, manufacturing sector and logistics parks, out of which housing sector is undergoing a remarkable growth.

In the past one year itself, there have been few positive and potentially long-lasting changes in the Indian real estate sector. The passing of RERA (Real Estate Regulation and Development Act 2016), the Benami Transactions Act and the demonetization move will ensure that going forward the sector will lose much of its historic taint and become more transparent to the consumers.

Only players who conduct their business with integrity and honesty will survive. The end-users, who will be aware of their rights, have the assurance of not being exploited and will no longer need to contend with the constantly rising prices of real estate properties. They will be able to buy properties of their choice at reasonable prices, in projects which will assuredly be delivered on time, without any delay.

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