Chapter 10
Summary Conclusions and Recommendations
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The previous chapter, (Chapter 9), presented in detail the analysed data, findings and results of the quantitative survey that was conducted on the real estate owners/developers and the marketing executives of development firms. In this chapter, which is the final chapter of the thesis, the summary and conclusions are presented. Also, the implications and recommendations of this thesis to academics, government, owners and managers are covered. This chapter ends with the limitations of the research and offers directions and scope for future research.

10.1 Summary

The thesis has been structured in the following manner. Chapter 1 offers an overview of the real estate business and its macroeconomic linkages. Chapter 2 describes the research design, structure, methodology and hypotheses. Chapter 3 deals with the extensive survey of literature and review of secondary data on real estate as well as related knowledge repositories from housing, commercial real estate. Chapter 4 looks at how the Indian government’s housing emphasis throughout the Five Year Plans and the National Housing and Habitat Policy, 1998 provisions. Chapter 5 deals with the marketing strategies used globally in the areas of market development, product development, CRM and Customer Loyalty. Chapter 6 offers recent trends in construction and housing supply in India. Chapter 7 throws light on the market demand conditions of the housing and real property industry. Chapter 8 describes the role of housing and construction industry in the total national economy, especially during recession. The next chapter, i.e. Chapter 9 presents the research observations with findings and the results of testing the hypotheses for the case studies and survey of marketing executives. Chapter 10 offers conclusions, recommendations, and directions for future research. The thesis ends with appendices and bibliography.
10.2 Based on the primary and secondary data researched the following **conclusions** can be arrived at -

10.2.1 Implications for Industry

1) The real estate industry in India is undergoing a period of rapid change. This has been driven largely due to government policies favouring the growth of the industry particularly after the Ninth and Tenth Five Year Plan (1998 onwards).

2) Old and archaic laws such as Urban Land Ceiling (& Regulation) Act and the Rent Control Act have been scrapped by the Central Government. Also reduction in the Stamp Duties has helped the industry to grow.

3) Supply side strategies are affected most by government intervention in the areas of legal and regulatory environment, land use planning, monetary policy and taxation

10.2.2 Implications for Government

4) Globally, real estate interventions are a matter of close monitoring by governments because of the linkages of real estate with the capital market of the economy. USA, Singapore, China, UK, Finland use active policies to boost real estate penetration.

5) Demand side strategies are mainly driven by the consumers’ willingness and ability to purchase property. Since 1999 interest rates on housing came down drastically fuelling a huge demand for property purchase.

6) Supply side strategies used by the developers are highly sensitive to and dependent upon government policies and are directly linked to the growth of the industry. Thus government’s degree of proactiveness determines the direction of the industry’s growth.

7) Foreign companies are keen on entering the Indian real estate market due to high and sustained growth promise of the Indian market.

10.2.3 Implications for Pune’s Real estate industry

8) Effective firm level strategies are necessary to favourably affect the supply and demand for real estate
9) At the micro level market study conducted for Pune, it was found that buyers have become more amenities conscious; proved from the extent of amenities provided in relatively small budget homes. In case of commercial real estate, fibre optic cables, internet & broadband and extra car park are the most preferred amenities.

10) Developers who have a good reputation and market standing are educated and/or possess professional qualifications.

11) Customer demographics are undergoing change with the Double Income No Kids (DINKS) and Double Income with Kids (DEWKS), comprising the largest segment.

12) Due to the rapid changes in the real estate market, the firm structures of these developers have undergone a change and are now private limited entities, partnerships or joint enterprises. However a small of percentage of the firms continue to remain private proprietorships. Firms must change their structures in order to scale up faster and continue to grow even when 'boom' conditions taper off.

13) Majority of the firms do make use of marketing strategy to improve sales and market share as admitted by the marketing executives. In case of the case studies it was found that either they were unwilling or they were genuinely unaware of the planned use of ‘marketing strategy’. In case of the latter it could be attributed to the limited extent of qualified and dedicated marketing/brand management staff employed by the firms.

14) Companies are not very savvy users of strategy as they do not employ the use of specialized strategists to improve sales and market share.

15) Companies did not have the problem of ‘unsolds’ and all the property was selling within 2 months of project completion. Thus the ‘boom’ market conditions prevail in the Pune market.

16) Brand management is yet in its nascent stages as companies are still not completely aware of using brand management strategies.

17) Major problems faced by developers is the governmental interference, unclear land titles, and delays in plan passing

18) Future trends indicate that more lounge bars will be established in Pune. There will be a boom and competition in malls business, and a marked improvement in the quality of construction.
19) Developers have suggested governmental machinery changes. This is required to usher in more transparency and reduction of black money in the business.

10.2.4 Implications for Academics
20) Real estate as a subject of interest for research remains largely unexplored in India. Greater degree of interest in this subject is necessary from multidisciplinary viewpoints.
21) The thesis has helped us to understand the demographic characteristics of the consumers that affect their product choices.
22) It has proved the close and direct relationship between government policies with the market development of the real estate industry.
23) The thesis has helped to understand the macro-linkages between economic cycles and real estate investment. It has shown how governments use real estate interventions to come out of recessionary periods.

10.3 Recommendations
Based on the research, following recommendations are offered by the researcher-
1) At the macro-level real estate industry growth should be closely monitored by the central government to ensure healthy growth of the economy.
2) Governmental legal and regulatory environment requires being more transparent to improve the supply of land. As land is used as 'raw material' its adequate supply ensures rationality in the real estate prices.
3) Passing of City Development Plans in a timely manner would ensure planned development of Pune city and improve market knowledge of the citizens before investing in different parts of the city.
4) Firms need to use market research tools to choose locations as well as understand demographic and psychographic preferences of their customers. This would help them to make proactive decisions and reduce project risk.
5) Firms need to invest in research and development with respect to new materials, technology and processes.
6) Increase transparency and improve risk management strategies.
7) Need to move from traditional firm structures and go public. This would enable them to attract vast pools of professional talent while improving credibility with lending institutions.

8) Companies must adopt transparency in order to gain consumer and investor confidence.

9) Pune’s real estate firms must expand into newer markets for business.

10) Pune’s real estate firms must adopt corporate culture for expansion,

10.4 Scope for future research
This research is pioneering and therefore opens several possibilities of future research in the areas of macro level market factors affecting micro-level real estate firm management. This research focussed extensively on housing (residential real estate) and commercial property to some extent. Within the real estate arena there is further scope to work in other types of real estate such as office property, retail, softech parks, tech parks, SEZs, agricultural property etc.

The study concentrated on understanding the effects of government policies on the industry and the changing consumer demography particularly since the year 1999. Further research can be done in understanding closely the effects of real estate on the capital markets; the impact of supply and demand volatility on real estate cycles; predicting real estate cycles for India; in depth studies on the consumer perception, behaviour and preferences of consumers at local, urban and suburban markets need to be researched.