ABSTRACT

There has been tremendous development in the Economy of India since last decade. Subsequently, the requirements of real estate – Housing, Commercial Offices and Retail Property increased remarkably since the year 2007. The main causes of such increased demand of real estate are rapid growth of urbanization, development of a market segment and increased liquidity in the hand of buyer in the real estate market. Real estate market during this development phase faced several issues which slow down the growth pace of the segment. The main factors of such influence to the growth of the real estate segment are uncertain movement of the real estate segment and lack of understanding pattern of investment by the real estate suppliers. Explaining further uncertain movement of real estate market directly affected to the investment in the real estate. Besides that, lack of understanding pattern of investment influenced the demand and supply of the real estate and it resulted in to the Mismatch between real estate demand and supply. Thus this study targeted to reveal the Trend in Real estate segment at macro level. Along with that study also intended to identify the pattern of investment of real estate buyer to further understand the demand of the real estate market.

Trend analysis was performed on real estate index and FDI in real estate segment to understand the movement in real estate prices and FDI investment. Also Time series analysis forecasted several relationships among the real estate market, Key economic indicators and Major Financial Market indices to investigate the influence of them on Housing Price Indices and FDI in real estate sector. Further the result of Trend analysis shows an upward movement in the real estate prices and FDI investment in the real estate segment since year 2007. GDP per capita and interest rates explained highest variation in the housing price index. In addition study highlighted several cointegrating relationship between the Housing Price index and economic variables & FDI in real estate segment and Major financial markets. The result of such cointegrating regressions provided several evidences of Long term association and relationship between these variables.

Apart from Trend analysis, Investment pattern also justify the significant influence in the real estate market. Study carried with several variables identified based on the review of literature which bearing the significant effect on investment pattern then influence the demand of real
real estate market. Such variables categorized as per their characters and features into different factors, like; Personal and Behavioural factors, Facility specific factors, Investment Specific factors, Market Specific factors, Economic and cost related factors and Legal Factors. Further these factors were rated by the buyer of the real estate, which further classified in three categories of the real estate buyer; real estate investor, real estate consumer and real estate market speculator. This categorization done based on the nature, intention and duration of the specific real estate investment. The analysis of 1251 complete and accurate responses of real estate market for the Investment pattern was carried. Out of which 72% responses are from the real estate consumer was the highest amongst the category of real estate respondent, further 58% responses received from housing segment. This reveals that majority of the buyer of real estate are real estate consumer and major demand for the housing segment in the real estate sector. Further the analysis of Investment pattern identified as a Facility factors are the most vital factors to consider which thereby influence the pattern of the investment (Concluded based on Factor analysis and Regression Analysis), further from the demographics of the respondents, it can be concluded that demographics like age of buyer, Income of the buyer, occupation of the Buyer, Family stage concludes the highest variation in the real estate investment pattern.

This research concludes that Trend and Investment Pattern are the two interlocking wheels of the real estate market. These wheels must be maintained well to understand the movement and pattern of the real estate market. Failure of any of the wheel can make real estate market unpredictable.

**Key Words:** Real estate Market, Trend in Real estate, Investment Pattern in Real estate, Linkages, Key Economic Variables, Major Market Indices, Factors, Interlocking Wheels, Real estate Investors, Real estate Consumer, Speculator in Real estate market