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Shelter is one of the three basic necessities of a human being, the other two being food and clothing. Every individual strives to secure a roof for himself and his family, small or big, depending upon his financial resources. Buying a house/Flat through a housing loan, repayable over a period of years from a housing finance institution is a way of raising finance, most preferred by the working class people who do not have funds in adequate means for a outright purchases.

Shelter as a basic human need is closely linked to the over all socio-economic development of the country. Recognising the importance of shelter, the General assembly of UNO declared 1987, as "International year of Homeless". Much water has flowed since 1987, but the problem has only deteriorated. In developing countries like India, the housing issue is a part of the general economic backwardness. Under this background, the South Asian Association for Regional Co-operation declared 1991 as "Year of Homeless". The Housing problem in India is enormous in addition to lack of funds complicated by the economic backwardness, rocketing prices, rising cost of real estate and constructions and larger scale migration from rural areas. In India, housing is a state subject. The role of the state in solving the housing problem has not been successful. First of all the funds allotted by the Government are inadequate to construct houses, secondly since majority of the backward sections are living in state of poverty, whatever funds obtained by
them are being utilized for consumption and other unproductive purposes.

THOUGHTS ON HOUSING

"Long time I chorich a desire Not for wealth, nor fame, But a tiny house, tucked away in a corner of the earth, Where I could be alone with my thoughts."

This was how poet Tagore once portrayed his desire for a tiny house reflecting, perhaps, the dreams of millions.

If a tiny house one's own was a distant dream even in Tagore's days, it is indeed a million times more so now.

NATIONAL HOUSING POLICY

The preamble to the National Housing Policy placed before the parliament in May 1988 did recognize Shelter as a basic Human need. It considered housing not only as consumption but also as a productive investment promoting economic activities and creating the base for attaining several National Policy goals, viz

1. Providing shelter (at affordable costs) and raising the quality of life.

2. Stimulating economic activity and creating substantial additional employment opportunities.
3. Increasing Productivity

4. Activity as a strong motivating force to generate voluntary saving and

5. Creating conditions conclusive to the achievement of crucial goals in the area of health, sanitation and education.

The words" Shelter to the Homeless at affordable costs" are exceedingly important. Very often the housing agencies are found knowingly or unknowingly to deviate from their main objective and divert their energies and efforts with the main aim of spending the financial allocations and achieve financial targets. Financial institutions should function units as facilitators, their role being facilitating housing as is rightly emphasized in the National Housing Policy. Their assistance to the beneficiaries should include not only finance, but also various other aspects like promotion of appropriate technology, encouragement to innovative building materials and construction of techniques, procurement and development of land etc. The housing scarcity in India is estimated to be 30-40 million units a staggering figure indeed. Among the people who need housing, the majority belong to economically weaker sections, who cannot ever dream of a modest house with basic facilities, with in their emphasizes costs. The National Housing Policy emphasizes this aspect of affordable houses to the poor and the needy.

The weaker sections constitute 50-60% of the houseless households. This underscores the importance of building houses cheap but strong and durable for the poor and the disadvantaged. Kerala which is a pioneer in shelter activities has proved the possibility of building cheaper houses without sacrificing strength and durability.
Financial institutions of the housing sector are to be realized they should go to the grass root level and study the nature of the problem of the common man, the ordinary worker and the peasant and help them to fulfill their ambitions and aspirations.

Barring HUDCO and perhaps a few other housing agencies in the country, most institution have not given sufficient thought to this important aspect. They are yet to gear their activities through the right channels and achieve the desired goals. It is up to all the Housing Finance Agencies to re-orient their policies, programs and strategies and achieve the real goal of providing a roof over the head of every man, at least by now.

It is also important to train the personnel engaged in the housing sector. The selection of officers, their basic discipline and the team guiding their activities require to be carefully done. The process of constructing houses involves not only technical details, but also relates to sociological, socio-economic, climatic, geographic and a variety of other discipline. The major reward for a housing activity is the self-satisfaction of providing houses to the houseless especially to the underprivileged. Housing means not only shelter, but also it extends in providing a clean and congenial environment condition.

**Indian Property Trends**

Real estate is the hottest investment sector in India owing to mass structural developments witnessed by the country. The large scale growth of IT sector and the massive increase in migration of people has aroused the need for better housing and commercial facilities. This enormous demand has stimulated real estate builders to shape up more and more buildings across all realty sectors, be it residential, commercial or retail.
It has been realized by leading realty experts and consultants that the Indian real estate holds immense potential for growth. There has been tremendous hike in property prices excited by the upcoming developments across the cities of India. The exponential growth in property rates is conspicuous not only in metro cities but also in tier-II and tier-III cities. The onset of boom in real estate had propelled up the prices and they have been skyrocketing since then. In spite of the global economic meltdown, real estate industry is back on track and blossoming in full swing. Though, recession had affected the nonchalant behavior of realty market all over the country, it has been able to gradually switch back to the path of progress. During the industry boom, realty prices not merely doubled but trebled thus, becoming one of the fastest growing sectors. In last five years, both property prices and rental values have seen a considerable rise in almost all big and small cities and towns. A rise of at least 25-30% is recorded in metros in both commercial and residential sectors. Residential sector seems to be a favorite with both property developers and property investors. Undeniably, after the recession blows, everyone wishes to play safe and is thus, engaged in tapping the foolproof potential of housing sector. According to real estate analysts, housing sector is bound to grow manifold in the coming years. The demand for flats, apartments, villas, houses, etc. can never really die down in wake of future developments and projects expected in India. Realty players also add that residential property holds sure shot potential for reaping high profits in future. Property developers are being wary by investing higher amounts in residential spaces than commercial and retail as rental values of latter has been falling since the occurrence of recession. India is blessed with one of the fastest growing real estate markets in the world. It is not only attracting domestic developers but also the foreign investors particularly, the NRI investments. The housing construction industry is poised for double-digit growth in the backdrop of large population base and rapid urbanization in search of employment. More the housing construction industry is expected to grow in terms of contribution to GDP growth in the next
few years. Presently, the affordable housing, basically targeted at economically weaker class and low income groups, constitute! of the Indian housing industry, both terms of value and volume. However, medium and luxury housing is expected significant growth in coming years as this market segment is comparatively small and has huge potential developments. As far as super luxury housing segment is concerned, latest industry trends and developments are skewed the segment. MNCs have again began hiring expat employees who are provided with the luxury housing benefits. Add net worth NRIs are also propelling demand for luxury housing in the country. Both these factors are expected to encourage of luxury housing segment in long run.

STATEMENT OF THE PROBLEM

Chennai is known as the commercial hub of south india. Real estate sector has a fortunate growth in Chennai. As commercial sector is growing a large percentage of people migrate to Chennai which in turn is creating demand for rental space and apartments. A huge amount is being generated in Chennai as foreign investors have opted to invest in Chennai. It is rightly said that Real Estate as a business in Chennai is on a upswing resulting to capital maximization for the city. Cost of living in Chennai is far lower as compared to other metros, Delhi, Mumbai etc., hence a huge chunk of the population intends to invest herein. Chennai further known for substantial growth in commercial realty sector as many multinationals come to Chennai to set up their subsidiaries. Industries like IT,BPO and corporate houses looking for commercial properties have changed the face of real estate market in Chennai. Residential market is growing parallel with the commercial sector. IT sector is also growing in Chennai. Residential prices have grown in Chennai in the last 4-5 years approximately by 40%. Land for investment purpose have gained advantage over the years. Flats in Chennai vary between Rs.4500/- to 15000/- (per sq. feet) depending on the area and locality.
Chennai is currently witnessing a stunning growth in the Real Estate market. Chennai has a diversified economic base. The main industries are software services, hardware, manufacturing, automobile and financial services. Chennai has emerged as the top candidate for 'Location Ranking Survey' among the other three Indian metros- Delhi, Mumbai and Kolkata. Chennai is experiencing a major real estate boom. The primary cause of this is the rapid development of the Information Technology and realty based softwares. This has attracted professionals in real estate sector with minimal investments in business automation technology to ease their work and forward better and quick services to their customers. The consume rist culture has also encouraged the growth of organized retailing. In order to compete in the ever-booming Chennai real estate market and to attract business travellers, several up-market hotels and 5-star luxury homes are designed by builders in Chennai in the last few years.

The prospective property buyer in Chennai is highly fragmented; the majority work in the I.T sector followed by Financial Services. There is also another segment- the NRI's or the Non Resident Indians who usually buy big value 'cream' properties in Chennai. Land prices in Chennai has showed an upward trend in the last few years; this has led to very active demand for flats or apartments. For the rich there is the choice of purchasing independent houses like villas and semi detached cottages. These high value properties usually come with other 'frills' like swimming pools, walking track, school, shops, gymnasium, ATM, security, club house, piped cooking gas, children activity area, business centre, browsing centre, party hall, indoor games, open air theatre, elders park, yoga and mediation centre.
Population is exploding in geometric proportion and the availability of resources are increasing in arithmetic progression. So lot of people are competing to get self sufficiency with respect to education, income and occupation etc.

In India the Government is planning to provide house to everyone. This concept of Government cannot be materialized without proper planning for space. The space constraint to build houses to everyone can be solved by flat promotional activities. This is latest industry arouse in the economy of India drifting towards development and prominent position. This industry is not independent but depending on several other industries like banking, cement and steel industries etc. Similarly it has several constraints like tax to the customers, government encouragement and investment procedures. This study explores all the external factors affecting the flat promotion industry. So this study has got its own fascination to answer research questions in realty sector and fill the research gaps found in the earlier studies. It aims at providing useful information to the prospective apartment buyers, builders housing financial institutions and policy makes in Government.

**Objective of the Study**

The study is conducted with the following objectives:

1. To observe the Indian real estate industry.
2. To analyse the role of Government and financial institutions in the flat promotion.
3. To study customer preferences in selecting apartments.
4. To provide suggestion to encourage and develop housing industry.
Hypothesis

The study is based on proving or disproving the following hypothesis.

Null Hypothesis 1: There is no significant impact of financial facilities to the customers of flat on the elements of flat promotion.

Alternative Hypothesis 1: These is a significant impact of financial facilities to the customers of flat on the elements of flat promotion.

Null Hypothesis 2: There is no significant impact of tax concession and government encouragement on Flat promotion.

Alternative Hypothesis 2: There is a significant impact of tax concession and government encouragement on Flat promotion.

Null Hypothesis 3: There is no significant influence of demographic variables on elements of flat promotion, financial facilities, tax concession, government encouragement and customer satisfaction.

Alternative Hypothesis 3: There is a significant influence of demographic variables on elements of flat promotion, financial facilities, tax concession, government encouragement and customer satisfaction.

Research Methodology

This study is based on both primary data and secondary data. The secondary data is obtained from annual reports, websites, brochures and pamphlets of flat promoters, public sector, private sector and foreign banks. Primary data is obtained through the responses of residential customers in Chennai city with a properly framed questionnaire. The questionnaire consists of six parts. The first part deals with demographic details of customers, second part deals with elements of flat promotion and the remaining parts from third
to sixth deal with financial facilities, tax concessions, government encouragement and customer satisfaction respectively.

The demographic details are obtained through suitable options in the questionnaire. The second part to sixth part comprising the statements with 5-point scale. These scales are categorized as follows:

5- Strongly Agree
4- Agree
3- Neutral
2- Disagree
1- Strongly disagree

Customers are requested to enter the suitable mark against each statement and those are converted into scores for each customer and subjected to statistical treatment to obtain the results needed for the study.

Sampling

Sample collection is done by the rational and simple random sampling method covering all the three regions-North, South and Central Chennai. A sample size of 400 customers of flats in the three regions on Chennai city are sort to express their opinion about flat promotion through the questionnaire

Statistical Tools Used

1. Factor analysis by principal component analysis method with varimax rotation is used to reduce the number of variables into major factors.

2. Cluster analysis by K-means cluster analysis method is used to group the samples.
3. Linear multiple regression analysis is brought to bear on finding the impact of independent variables on dependent variables.

4. T-test for significant tests between arithmetic means is used to identify the weight age of the variables.

5. Karl Pearson’s co-efficient of correlation is used establish the relationship between the variables.

6. One way analysis of variables is used to find the significant variance among the variables of study.

7. Weighted average score to find out customer preferences.

Chapter Arrangement

Chapter 1 deals with introduction, objective of the study, hypothesis, methodology, statistical tools used, Chapter arrangement and limitation of the study.

Chapter 2 gives a detailed account on review of related literature regarding housing and flat promotion.

Chapter 3 elaborates about the industry profile of flat promotion and housing financial institutions.

Chapter 4 deals with details about flat promotion and influence of financial institution industry.

Chapter 5 is on Government policies and it’s impact on housing.

Chapter 6 clearly expresses about customer preference and satisfaction in flat promotion.
Chapter 7 deals with summary of findings, suggestions and conclusions of the study.

Limitations of Study

This study is based on the flat promotion industry in the narrow geographical base of metropolitan city of Chennai and also based on responses of 400 customers of flats.

This study is limited to certain flat promoters and limited number of private sector, public sector and foreign banks in Chennai city. So any result and conclusion obtained in the study cannot be generalized to any other metropolitan city in India. The statistical tools used and the statements included in the questionnaire are limited to certain extent. Any further extension and modification in this regard can give various results and also change the direction of the research.

Besides these limitations the responses from customers are obtained in a rational and exact manner so that these samples considered for the study can entirely predict the characteristic features of the population of flat customers. The other information about Government policies, Tax concessions, Banking Industry are obtained from authenticated official sources to reach maximum perfection and reliability for the study.

Concluding comments:

This chapter explains the flat promotional activities, the different aspects related to housing, methodology and objective of the study in a lucid and concise manner. The next chapter elaborately explains the related literature of housing which inspires to venture into the new research.