AN EXPLORATORY STUDY ON CONSUMER PREFERENCES AND PRIORITIES IN THE REAL ESTATE MARKET OF AHMEDABAD DISTRICT

Arindam Satpati

Junior Business Development Executive
Simform Solutions
arindam25aru@gmail.com

ABSTRACT
The Ahmedabad real estate market is fast increasing, and people's purchasing decisions are always shifting, based on criteria such as location, income level, pricing, and facilities. Basedon a sample size of 261 respondents collected via a Google form, the purpose of this study is to better understand the shifting trends and preferences in Ahmedabad's residential real estate market. According to the survey, location is the most important factor for Ahmedabad residentswhen looking for new home properties, emphasising the importance of accessibility and ease. This research can help real estate developers, investors, and policymakers promote thedevelopment of affordable housing options and long-term growth in Ahmedabad's real estate sector.

Keywords: Residential Real Estate, Growing Market, Ahmedabad, Shifting Trends

INTRODUCTION
Since the outbreak of the COVID-19 epidemic, the Indian residential real estate market has seen many changes. While the initial limitations slowed the market, there has been a gradual recovery in the residential real estate industry in the months following the limits werewithdrawn. Consumer preferences have shifted significantly in India's residential real estate sector since the outbreak. With more individuals working from home and spending more timeindoors, the desire for larger homes with greater room and amenities has skyrocketed. Many purchasers are seeking for residences with outdoor spaces, such as balconies or terraces, as well as proximity to facilities like parks, gyms, and swimming pools. The rising usage of technology is another trend in the post-pandemic residential real estate sector. With physical
viewings and meetings restricted, many developers and real estate salespeople have switched their businesses online. Property virtual tours and 3D drawings are becoming more frequent, allowing homebuyers to explore houses from afar.

Residential Real Estate Of Ahmedabad
Since the COVID-19 outbreak, the residential real estate market in Ahmedabad has been gradually recovering. According to PropTiger data, the volume of residential units sold in Ahmedabad surged by 45% year on year in Q3 2021. The demand for residential units in Ahmedabad has been fueled by a variety of causes, including low house loan interest rates, favourable government regulations, and the pandemic's growing emphasis on homeownership. According to the PropTiger study, the average residential property price in Ahmedabad climbed by 2% year on year in Q3 2021. As of Q3 2021, the average price per square foot fora residential property in Ahmedabad is INR 3,954. Bopal, Satellite, Vastrapur, South Bopal, and Prahlad Nagar are renowned residential real estate areas in Ahmedabad. These regions areattractive because they are close to business hubs, have decent connection, and have social infrastructure.

NEED OF THE STUDY
The real estate market in Ahmedabad, Gujarat is growing rapidly, but it faces hurdles in servingcustomers' needs. An exploratory study is needed to explore the elements that influence customer decision-making in the Gujarat real estate market, taking demographic parameters such as age, income, and family size into account. This study will

help developers, investors, and policymakers build and promote products that satisfy the different needs of customers, as well as encourage the development of affordable housing options and long-term growth in Ahmedabad's real estate sector.

OBJECTIVES OF THE STUDY

1. To determine consumers' willingness to spend on a new home.
2. To determine one's budget for a new home and the method of payment individuals preferwith the income they have.
3. Investigate the consumer's preferences in relation to the set budget.
4. To examine the factors that impact a buyer's decision to buy a home.
5. To identify any notable differences in real estate goals and preferences among variousdemographic groups.

RESEARCH METHODOLOGY

Research Design:
Descriptive research design has been carried out for this survey.

Sources:
The survey was based on the primary data collection that was done by me on the selected sample size and area.

Sample Size:
The sample size in this survey is of 261 respondents.

Sample Area:
The sample area that is selected for this survey is Ahmedabad.

Sampling Technique:
Structured questionnaire has been prepared and sent to the respondents with the use of googleform.

LITERATURE REVIEW

Shin, Y.-H., & Lee, H.-S. (2017): The study looks into potential homebuyers' preferences forvarious dwelling qualities in South Korea. The authors surveyed over 300 people usingconjoint analysis and discovered that location was the most essential criteria for homebuyers, followed by size, price, and design. The study's findings are important for politicians and real estate developers, who may use them to inform marketing and pricing tactics. The study adds to the current body of knowledge on consumer behaviour in the housing market and emphasisesthe need of employing rigorous research methodologies in order to better understand the elements that drive housing demand.

Felix, J. M., & Miller, N. G. (2017): The study surveyed over 1,000 potential homebuyers inthe US and found that consumers were willing to pay a premium for features such as energy- efficient appliances, solar panels, and LEED certification. This has implications for policymakers and real estate developers, who can use the information to design marketing

strategies and policies to promote green building practices. Ultimately, the study contributes to understanding consumer behaviour in the residential real estate market and emphasizes the importance of incorporating green building attributes into the design and construction of homes.

Costantini, V., & Copiello, S. (2019): This research surveyed over 300 potential homebuyersin Italy and found that energy performance was the most critical attribute for homebuyers, followed by location and home type. Homebuyers were willing to pay more for homes with higher energy performance ratings. This research has implications for policymakers and real estate developers who can use the findings to develop policies and marketing strategies to promote energy-efficient homes. It also highlights the importance of incorporating energy- efficient features in the design and construction of homes.

Niu, H., & Armitage, L. G. (2020): The study aimed to investigate the preferences of potentialhomebuyers in the UK

for sustainable homes. Surveying over 400 participants, the authors found that energy efficiency was the most important attribute for homebuyers, followed by indoor air quality, location, and water efficiency. Homebuyers were willing to pay a premiumfor sustainable homes with high energy efficiency and indoor air quality ratings. The findingshave implications for policymakers and real estate developers, who can use the results to betterunderstand the needs and preferences of potential homebuyers and design policies and marketing strategies to promote sustainable homes.

Cho, H., & Han, S.-H. (2021): This study aims to understand the preferences of potential homebuyers for smart home features by using a conjoint analysis approach. The authors surveyed more than 500 participants in South Korea and discovered that security and energy- saving features were the most crucial attributes for homebuyers, followed by entertainment andconvenience features. Additionally, potential homebuyers were willing to pay a premium for smart home features, particularly those related to security and energy savings. This research has important implications for policymakers and real estate developers, who can use these findings to design policies and marketing strategies to promote smart homes. Ultimately, this study contributes to the understanding of consumer behaviour in the residential real estate market and emphasizes the importance of integrating smart home features in home design andconstruction.

Kumar, K. N. S. (2017): The author conducted a survey of over 300 potential homebuyers andfound that location was the most important attribute for homebuyers, followed by price and

amenities. Homebuyers were willing to compromise on size to obtain their preferred location and amenities. The findings have implications for policymakers and real estate developers, whocan use the results to formulate policies and marketing tactics to encourage the construction ofhousing that satisfies the demands of the consumers. The research highlights the importance ofintegrating the preferences of potential homebuyers in the design and construction of housing.

Raghavendra, H., & Praveen, K. V. (2018): The authors conducted a survey of over 400 homebuyers and found that location, price, quality of construction, amenities, reputation of the developer, proximity to educational institutions, and availability of public transport were the most important factors in their decision-making processes. This study has implications for realestate developers and policymakers, as it provides insights into the needs and preferences of potential homebuyers and can guide the design of policies and marketing strategies to promote housing that meets consumer needs.

Saxena, S., & Singh, A. K. (2018): This study surveyed over 200 potential homebuyers in Mumbai, India, and found that affordability, location, and access to basic amenities were the most important influences on their choices. Homebuyers were willing to compromise on size and amenities to acquire affordable housing in their preferred location. This research has implications for real estate developers and policymakers, as it offers insights into the needs andpreferences of potential homebuyers.

Kumar, S., Kumar, D., & Singh, R. (2019): The study investigated the factors that influencethe decision-making of homebuyers in the Indian real estate market by using a structural equation modelling approach. The authors conducted a survey of over 350 homebuyers in Delhi-NCR and identified location, price, quality of construction, and builder's reputation as the most important factors influencing homebuyers' decisions. Additionally, amenities, availability of financing, and government policies were also significant factors. The findings of the study are significant for real estate developers and policymakers in the Indian market, asthey provide valuable insights into the factors that influence homebuyers' decisions, enabling them to develop marketing strategies and policies that align with the needs and preferences ofpotential homebuyers. Overall, the study adds to the understanding of consumer behaviour in the Indian real estate market and sheds light on the key factors that impact homebuyers' decision-making.

Sachdeva, S., & Kumar, A. (2020): The study aims to identify consumer preferences for sustainable features in the Indian real estate market by surveying over 300 potential

homebuyers in Delhi-NCR. The authors found that energy efficiency, water conservation, indoor air quality, and sustainable materials were the most important sustainable features. Consumers were willing to pay a premium for homes with sustainable features, indicating a growing awareness and demand for sustainable homes in the Indian real estate market. The research has important implications for developers and policymakers in the Indian real estate market, as it underscores the need to integrate sustainable features in their offerings to meet theevolving preferences of consumers. Overall, the study provides insights into the consumer preferences for sustainable features in the Indian real estate market and highlights the significance of sustainability in the real estate sector.

ANALYSIS

Reliability Statistics:

Reliability Statistics	
Cronbach's Alpha	N of Items
0.764	5

Source: SPSS Output

The Cronbach's Alpha value is 0.764 which is greater than 0.7 that states our data are reliable.

Normality Test:

Tests of Normality						
	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	Df	Sig.
Age	0.285	261	0.000	0.854	261	0.000
a. Lilliefors Significance Correction						

Source: SPSS Output

The statistic value in Kolmogorov-Smirnov is less than 0.5. This means our data is non- parametric.
Budget Of Purchasing Property:

What is your budget for purchasing a property?					
		Frequency	Percent	Valid Percent	CumulativePercent
Valid	Up to Rs. 50 lakhs	51	19.5	19.5	19.5
	Rs. 50 lakhs to Rs. 1crore	143	54.8	54.8	74.3
	Rs. 1 crore to Rs. 2crores	67	25.7	25.7	100.0
	Total	261	100.0	100.0	

Source: SPSS Output
From the above statistical frequency, it is seen that 54.8% respondents want to spend Rs 50 lakhs to Rs 1 crore for their house. Beyond this 19.5% respondents want to spend less than Rs50 lakhs for their house.
Chi-Square Test:

H0: There is no significance association between budget, family income and preferred mode of payment for purchasing home.
H1: There is significance association between different budget, family income and preferred mode of payment for purchasing home.

Test Statistics			
	What is your preferred mode of payment for purchasing a property?	What is your budget forpurchasing a property?	Family Income (Approx.)
Chi-Square	86.161[a]	55.540[a]	80.195[b]
df	2	2	3

Asymp. Sig.	.000	.000	.000
a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cellfrequency is 87.0.			
b. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cellfrequency is 65.3.			

Source: SPSS Output

Here all the p-values are less than 0.05 that means H0 is rejected. Thus, there is significance association between budget, family income and preferred mode of payment for purchasing home.

One-Sample Kolmogorov-Smirnov Test:

H0: There is no significance association between the consumer's preferences in relation to theset budget.
H1: There is significance association between the consumer's preferences in relation to the setbudget.

One-Sample Kolmogorov-Smirnov Test		Which of the following factors do you consider most important when making decisions about purchasing or renting a propertyin Gujarat?	What is yourbudget for purchasing aproperty?
N		261	261
Normal Parameters[a,b]	Mean	1.66	2.06
	Std. Deviation	.801	.671
Most Extreme Differences	Absolute	.304	.280
	Positive	.304	.280
	Negative	-.205	-.268
Test Statistic		.304	.280
Asymp. Sig. (2-tailed)		.000[c]	.000[c]
a. Test distribution is Normal.			
b. Calculated from data.			
c. Lilliefors Significance Correction.			

Source: SPSS Output

Here all the p-values are less than 0.05 that means H0 is rejected. Thus, there is significanceassociation between the consumer's preferences in relation to the set budget.

Factors That Impact A Buyer's Decision:

Descriptive Statistics	N	Minimum	Maximum	Mean	Std. Deviation
What factors are most important to you when purchasing a property? (Rank in order of importance, with 1 beingthe most important) - Location	261	1	5	1.74	.872
What factors are most important to you when purchasing a property? (Rank in order of importance, with 1 being the most important) - Price	261	1	5	2.08	1.096
What factors are most important to you when purchasing a property? (Rank in order of importance, with 1 beingthe most important) - Property Size	261	1	5	2.81	.928
What factors are most important to you when purchasing a property? (Rank in order of importance, with 1 being the most important) - Amenities	261	1	5	4.28	.862
What factors are most important to you when purchasing a property?	261	1	5	4.08	1.078

(Rank in order of importance, with 1 beingthe most important) - Security				
Valid N (listwise)	261			

Source: SPSS Output

Here from the mean shown in above table we can conclude that location stands rank 1 for respondents for the factor to buy home, price as rank 2, property size as rank 3, security as rank4 and amenities as rank 5.

Chi-Square Test:

H0: There is no significance association between real estate goals and preferences among various demographic groups like gender.
H1: There is significance association between real estate goals and preferences among variousdemographic groups like gender.

Test Statistics

	What is your preferred mode of payment for purchasing a property?	Gender
Chi-Square	86.161[a]	20.418[b]
df	2	1
Asymp. Sig.	.000	.000

a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequencyis 87.0.
b. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequencyis 130.5.

Source: SPSS Output

ere all the p-values are less than 0.05 that means H0 is rejected. Thus, there is significance association between real estate goals and preferences among various demographic groups likegender.
Chi-Square Test:

H0: There is no significance association between real estate goals and preferences among various demographic groups like age.
H1: There is significance association between real estate goals and preferences among variousdemographic groups like age.

Test Statistics

	What is your preferred mode of payment for purchasing aproperty?	Age
Chi-Square	86.161[a]	166.682[b]
df	2	4
Asymp. Sig.	.000	.000

a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cellfrequency is 87.0.
b. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cellfrequency is 52.2.

Source: SPSS Output

Here all the p-values are less than 0.05 that means H0 is rejected. Thus, there is significance association between real estate goals and preferences among various demographic groups likeage.

Chi-Square Test:

H0: There is no significance association between real estate goals and preferences among various demographic groups like age.
H1: There is significance association between real estate goals and preferences among variousdemographic groups like age.

Test Statistics		
	What is your preferred mode of payment for purchasing aproperty?	Family Income (Approx.)
Chi-Square	86.161[a]	80.195[b]
df	2	3
Asymp. Sig.	.000	.000
a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cellfrequency is 87.0.		
b. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cellfrequency is 65.3.		

Source: SPSS Output
Here all the p-values are less than 0.05 that means H0 is rejected. Thus, there is significance association between real estate goals and preferences among various demographic groups likeage.

FINDINGS
The budget that most Ahmedavadis prefer to pay for their new home in Ahmedabad is betweenRs 50 lakhs to 1 crore. The earnings the respondent have is positively correlated with the budget
they have for new home and also the best method they thought to pay for home. The preferencefor the house one have is significantly as per the budget of their house. Location is a top priorityfor the respondents while looking for the home. According to various demographic factors likeage, gender and income, the preference for the new home gets changed.

CONCLUSION
The budget one set for their new home differs as per there capabilities. As per my research themost preferred budget is between Rs 50 lakhs to 1 crore. This is the most preferrable cost for middle class family. So, the builders can make this point important for these projects coming in Ahmedabad. We always see that one spends as per they earn. In this research also we cameto the conclusion that the respondents have a budget for the new home as per the income theyhave and the mode of payment also suit that. So, the builders can this into consideration to prepare projects in Ahmedabad as the standard of living of Ahmedavadis. Every individual respondent has the preference like location, price, amenities and many more for purchasing new with the set standard f the new project. From my research I can conclude that it is positivelycorrelated. Every respondent is having the preference in mind that they look first while lookingfor new home. As per analysis I got from my research, I found that location is the major factorfor buying home. At next respondents look for price of the home. So, the builders should takecare of the pricing and location if the project at the most. Different demographic profiles havedifferent requirement in the new home. So as per the age, gender, and income the respondentshave various individual preference they thought for the new home.

REFERENCES
[1] Shin, Y.-H., & Lee, H.-S. (2017). Understanding Consumer Preferences for Housing Attributes: AConjoint Analysis Approach. Journal of Housing Economics, 38, 45-54.
[2] Felix, J. M., & Miller, N. G. (2017). Consumer Preferences for Green Building Attributes in theResidential Real Estate Market. Journal of Sustainable Real Estate, 9(1), 1-17.
[3] Costantini, V., & Copiello, S. (2019). Exploring Homebuyers' Preferences for Location, Home Type and Energy

Performance: A Conjoint Analysis Approach. Journal of Real Estate Research, 41(4), 457-488.

[4] Niu, H., & Armitage, L. G. (2020). Exploring Consumer Preferences for Sustainable Homes: Evidencefrom a Conjoint Analysis Study in the UK. Journal of Cleaner Production, 262, 121272.

[5] Cho, H., & Han, S.-H. (2021). Exploring Consumer Preferences and Willingness to Pay for Smart HomeFeatures: Evidence from a Conjoint Analysis Study. Journal of Real Estate Research, 43(1), 117-148.

[6] Kumar, K. N. S. (2017). Consumer Preference for Housing Attributes: A Study of Bangalore City. International Journal of Research in Marketing Management and Sales, 2(3), 1-6.

[7] Raghavendra, H., & Praveen, K. V. (2018). Factors Influencing Homebuyers' Choice in the Indian Real Estate Market: An Empirical Study. International Journal of Strategic Property Management, 22(2), 160-170.

[8] Saxena, S., & Singh, A. K. (2018). Exploring Homebuyers' Preferences for Affordable Housing: A Study of Mumbai. International Journal of Housing Markets and Analysis, 11(1), 43-58.

[9] Kumar, S., Kumar, D., & Singh, R. (2019). Factors Affecting Homebuyers' Decision-Making in Indian Real Estate Market: A Structural Equation Modeling Approach. International Journal of Housing Markets and Analysis, 12(3), 457-474.

[10] Sachdeva, S., & Kumar, A. (2020). Consumer Preferences for Sustainable Features in Real Estate: Evidence from India. Journal of Building Engineering, 29, 101174.