Attributes influencing the purchase decision of residential property in Bengaluru

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Abstract – This study contains the attributes influencing the purchase decision of residential property in Bengaluru.

Location is a crucial factor in determining the purchase decision of residential property in Bengaluru.

Proximity to commercial hubs, employment centers, educational institutions, and transport facilities like airports and metro stations, all contribute to the demand for properties in certain areas. Similarly, the quality of the neighborhood, availability of basic amenities like water, electricity, and sanitation, and the crime rate also play a significant role in the purchase decision.

The type of property, such as apartment or villa, also influences the purchase decision. The amenities offered by the property, such as swimming pool, gym, and playground, are also important factors. The quality of construction and maintenance of the property are also critical factors in the decision-making process.

Infrastructure such as roads, public transport, and healthcare facilities are also essential factors that influence the purchase decision. Lastly, the affordability of the property, including the price, payment options, and financing options, is a critical factor that affects the purchase decision of residential property in Bengaluru.

*Key Words***:** Location, residential property, infrastructure, type of property, purchase decision, construction quality, proximity.

1.INTRODUCTION

Consumer behavior theory explains how individuals make decisions based on their preferences, needs and available information. It provides a framework to study the factors that influence the purchase decision of residential property in Bengaluru.

According to the theory, individuals have unique preferences, which guide their purchase decisions. These preferences can be influenced by various factors, including personal, social, and cultural factors. In the context of residential property, these factors can include location, property type, amenities, infrastructure, and affordability.

Real estate economics, on the other hand, examines the factors that affect the demand and supply of property in the market. It provides a framework for analyzing the supply and demand dynamics of the property market, including the impact of factors like population growth, urbanization, and government policies.

Real estate economics helps to understand how the market forces of supply and demand determine property prices and how changes in these forces can affect the market.

In the context of residential property in Bengaluru, the combination of consumer behavior theory and real estate economics provides a theoretical foundation for studying the attributes that influence the purchase decision. For instance, consumer behavior theory helps to understand the preferences and needs of potential buyers and how these factors guide their decisions. Real estate economics helps to analyze the impact of factors like population growth, urbanization, and government policies on the supply and demand of property in the market.

By applying this theoretical background, researchers can identify the key attributes that influence the purchase decision of residential property in Bengaluru and develop effective strategies to attract potential buyers. For instance, developers and real estate agents can use the information obtained from the study to identify the most desirable locations, property types, amenities, infrastructure, and affordability options for potential buyers. Overall, the theoretical background of the study on attributes influencing the purchase decision of residential property in Bengaluru provides a foundation for understanding the behavior of buyers in the market and developing effective strategies to attract them.

2.1 STATEMENT OF THE PROBLEM

The residential areas are the key locations for the families to sustain longer in an urban city.

Location is the first most thing while purchasing a property. It should be near to the city.

Availability of resources, transport facilities and essentials along with the sewage treatment.

Property size and type:
The size of the property, including the number of bedrooms, bathrooms, and the type of property (apartment, villa or independent house) are also important considerations.

Amenities and facilities:

The quality and availability of amenities and facilities such as a gym, swimming pool, and park, can also play a role.

2.2 REVIEW OF LITERATURE

The effect of environmental amenities on residential property values" by Rosen, S :

This paper examines the impact of environmental amenities, such as proximity to parks or water bodies, on residential property values. The author concludes that these amenities have a positive effect on housing prices.

"The impact of transportation infrastructure on property values" by Baum-Snow, N., & Kahn, M. E.

This study investigates the relationship between transportation infrastructure, such as highways and public transit, and property values. The authors found that proximity to transportation infrastructure is positively associated with housing prices.

"Factors influencing residential property prices in Bengaluru city" by Dr. R. Nagaraja

This study examines the factors that influence residential property prices in Bengaluru city. The author found that location, infrastructure, and availability of amenities are the primary drivers of housing prices in the city.

"Impact of transport infrastructure on residential property prices in Bengaluru" by Dr. R. C. Jaganathan

This study investigates the impact of transport infrastructure, such as metro lines and highways, on residential property prices in Bengaluru. The author found that proximity to transport infrastructure is positively associated with housing prices.

"The impact of green spaces on residential property prices in Bengaluru" by Dr. Manjunath T. C. and Dr. B. Ramesh

This paper examines the effect of green spaces, such as parks and gardens, on residential property prices in Bengaluru. The authors found that proximity to green spaces has a positive impact on housing prices in the city.

"Factors affecting residential property prices in Bengaluru: A comparative analysis" by Dr. T. V. Ramakrishna

This study compares the factors that influence residential property prices in different areas of Bengaluru city. The author found that location, infrastructure, and availability of amenities are the most significant drivers of housing prices, with variations depending on the area of the city.

2.3 RESEARCH GAP:

Despite the growing importance of the real estate market in Bengaluru, there is a research gap on the attributes influencing the purchase decision of residential property in the city.

While some studies have explored the factors that affect real estate demand and property prices in

Bengaluru, few studies have focused specifically on the attributes that influence the purchase decision of buyers.

One potential research gap is the lack of studies that examine the role of marketing and sales strategies in influencing the buying decision of buyers.

2.4 OBJECTIVES OF THE STUDY:

i.   To identify the key factors that influence the decision-making process of potential buyers when purchasing residential property in Bengaluru.
ii. To analyze the preferences of potential buyers in terms of the type of residential property (apartment, villa, independent house, etc.) they prefer.
iii. To examine the importance of location, proximity to essential amenities such as schools, hospitals, public transportation, shopping centers, etc. in the decision-making process of buyers.
iv. To understand the role of price, payment plans, and financing options in the decision-making process of buyers.
v.   To investigate the significance of property size, layout, and design features in influencing buyers' decision

2.5 SCOPE OF THE STUDY:

Identification of key demographic and psychographic characteristics of buyers in Bengaluru.

Exploration of the factors that influence the location preferences of buyers, such as proximity to amenities, transportation, and employment centers.

Analysis of the role of property attributes, such as size, layout, and design, in the purchase decision of buyers.

Examination of the influence of external factors, such as economic conditions, government policies, and market trends, on the buying decision of buyers.

Investigation of the role of marketing and sales strategies, such as advertising, promotions, and pricing, in attracting and retaining buyers.

2.6 RESEARCH METHEDOLOGY AND DATA COLLECTION:

Through the help of questionnaire (Google Forms).

Data collection will be by the help of google forms which is circulated to the customers for gaining responses.

50-100 customers have been interviewed and their responses have been analyzed through google forms in the form of pie charts and bar graphs.

Primary data – Questionnaire

Secondary Data- The already published information that are used by for better understanding from the company websites, Google scholar and the companies reports

Sample Design- By the help of questionnaire filled by the customer at the site

Sample size: 71

Sampling unit: Population which actively participates in real estate purchases

Sampling Method: Simple Random Technique

Tools for Data analysis- Tables, Bar graphs and pie charts.

2.7 LIMITATIONS OF THE STUDY:

The study may be limited by the sample size and representativeness of the sample. If the sample is not representative of the target population, the findings may not be generalizable to the entire population.

The study may be limited by the availability and quality of data. Some data sources may be incomplete or unreliable, and the study may not be able to capture all relevant variables that influence the purchase decision of buyers.

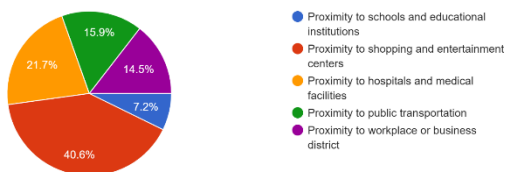**2.8 TITLE OF THE TABLE:** What type of location do you prefer for your residential property?

TABLE NO. 1 shows the location you would prefer for your residential property

Opinions	No of respondent	Percentage
Proximity to schools and educational institutions	5	15.9
Proximity to shopping and entertainment centers	28	40.6
Proximity to hospitals and medical facilities	15	21.7
Proximity to public transportation	11	7.2
Proximity to workplace or business district	10	14.5
Total	69	100

ANALYSIS: from the above table 28 respondents consider Proximity to shopping and entertainment centers, 15 respondents Proximity to hospitals and medical facilities, 11 respondents Proximity to public transportation, 10 Proximity to workplace or business district and rest 5 respondents Proximity to schools and educational institutions.

GRAPH NO. 1 shows that majority of respondents choose proximity to shopping and entertainment centers.

INTERPRETATION: From the above chart is observed that majority of the respondents consider Proximity to shopping and entertainment centers.

TITLE OF THE TABLE: How much of a role does the reputation of the neighbourhood play in your decision-making process when it comes to buying a residential property in Bengaluru?
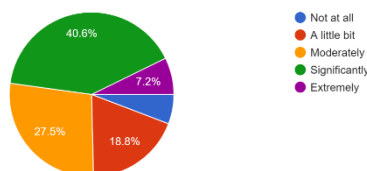
TABLE NO. 2 shows how does the reputation of the neighbourhood play in your decision-making process when it comes to buying a residential property

Opinions	No of respondents	Percentage
Not at all	4	5.8
A little bit	13	18.8
Moderately	19	27.2
Significantly	28	40.6
Extremely	5	7.2
Total	69	100

ANALYSIS: from the above table 28 respondents choose significantly, 19 respondents choose moderately, 13 respondents choose a little bit, 5 respondents choose extremely

GRAPH NO. 2 shows that majority of respondents with 40.6% choose significantly

INTERPRETATION: in the above chart majority of the respondents with 40.6% choose significantly.

TITLE OF THE TABLE: Which of the following amenities and facilities do you consider essential when purchasing a residential property in Bengaluru?

TABLE NO. 3 shows amenities and facilities do you consider essential when purchasing a residential property

Opinions	No of respondents	Percentage
Swimming pool	9	12.7
Parking facilities	14	19.7
Kids play area	13	18.7
Public transportation access	22	31
Educational Institutions/ School	19	26.8
Gym/ fitness center	21	29.6
Hospital/ Medical facilities	15	21.1
Shopping centers/ malls	12	16.9
Total	71	100

ANALYSIS: from the above table 22 respondents choose public transportation access, 21 respondents choose Gym/ fitness center, 19 respondents choose educational institutions/ schools, 15 respondents choose hospital/ medical facilities, 14 respondents choose parking facilities, 13 respondents kids play area, 12 respondents choose shopping centers/ malls and 9 respondents choose swimming pool.

GRAPH NO. 3 shows that majority of respondents choose public transport access.

22. Which of the following amenities and facilities do you consider essential when purchasing a residential property in Bengaluru?
71 responses

INTERPRETATION: From the above chart is observed that majority of the respondents with 31% choose public transportation access.

3.1 SUMMARY:

In terms of location, buyers consider factors such as proximity to schools, hospitals, shopping centers, public transportation, and workplace or business district, as well as safety and security.

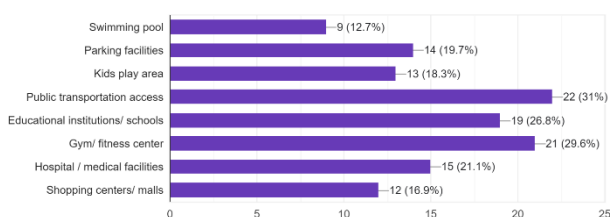Some buyers prefer a central city location, while others prefer suburban or rural locations.

Price is also an important factor, with buyers having different budget ranges and willingness to negotiate or consider flexible payment plans. Value for money is another consideration, with buyers looking for properties that offer good quality at a reasonable price.

Amenities such as parks, fitness centers and swimming pools are also important for some buyers, as are the size and layout of the property, with some preferring larger homes with open floor plans.

Finally, the quality of construction is also a key consideration, with buyers looking for well-built properties that are durable and require minimal maintenance. Overall, these factors together influence the purchase decision of residential property in Bengaluru.

3.2 FINDINGS:

1. Location:

Buyers in Bengaluru consider location to be a critical factor in their purchase decision, with proximity to workplaces, educational institutions, healthcare facilities, and shopping centres being the most important considerations.

2. Price:

While price is a key consideration for buyers, affordability is not the only factor. Buyers also consider the resale value, future development prospects, and quality of construction when evaluating a property's price.

3. Amenities:

Amenities like green spaces, gyms, swimming pools, and parking facilities are important to buyers in Bengaluru. They value having a mix of indoor and outdoor amenities that allow them to relax and unwind after a long day.

4. Size and layout:

Buyers are also particular about the size and layout of the property. In Bengaluru, buyers prefer spacious homes with ample natural light and ventilation. Open floor plans that allow for flexibility in interior design are also popular.

5. Quality of construction:

Quality of construction is a critical factor in the purchase decision for buyers in Bengaluru. Buyers look for well-built properties that are structurally sound, use high-quality materials, and have good finishing.

6. Reputation of the builder:

The reputation of the builder is also a crucial factor in the purchase decision. Buyers in Bengaluru tend to prefer established and reputable builders who have a track record of delivering quality projects.

3.3 CONCLUSION:

Based on the research conducted on the attributes that influence the purchase decision of residential property in Bengaluru, it can be concluded that location is the most important factor for buyers, followed by price, quality of construction, amenities, reputation of the builder, size and layout, security, and potential resale value.

Bengaluru buyers are highly focused on properties that are located in well-connected areas with good infrastructure, such as proximity to schools, hospitals, shopping centers, and public transportation.

They are also willing to pay a premium for high-quality construction, modern amenities, and spacious layouts. Builders with a good reputation for completing projects on time and delivering high-quality construction are also preferred.

Overall, properties that meet these requirements are likely to be in high demand in Bengaluru's real estate market.

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•   This research paper explores the various factors that influence consumers' decision-making process when purchasing residential properties in Bengaluru.

2. "Determinants of Residential Property Prices in Bengaluru" by Swati Mehta and Jyoti Chaudhary (International Journal of Latest Technology in Engineering, Management & Applied Science, 2018)

•   The study analyzes the determinants of residential property prices in Bengaluru and provides insights into the factors that affect consumers' purchase decisions.

3. "A Study on Factors Affecting Homebuyer's Decision: A Case Study in Bengaluru" by N. Chithra and S. Gomathi (International Journal of Engineering Research & Technology, 2018)

•   This research paper investigates the factors that influence homebuyers' decision-making process in Bengaluru, considering aspects such as location, price, amenities, and infrastructure.

4. "An Empirical Study on Factors Influencing Homebuyer's Decision in Bengaluru" by J. Rajkumar and Dr. V. Rajesh (International Journal of Scientific Research and Management, 2015)

•   The study examines the factors influencing homebuyers' decisions in Bengaluru, focusing on aspects

such as location, price, size, amenities, and reputation of the developer.

5.   "Determinants of Residential Property Purchase: A Study on Homebuyers' Preferences in Bengaluru" by Dr. Harini Nagendra (International Journal of Innovative Research in Science, Engineering and Technology, 2016)

•   This research paper explores the determinants of residential property purchase in Bengaluru, including factors such as location, price, proximity to amenities, and quality of construction.