Socio-Economic Determinants of Housing Tenure: An Analysis of Mumbai Suburbs.

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Abstract:

This study investigates the socio-economic determinants of housing tenure among residents in the Mumbai Metropolitan Region (MMR) & Kalyan-Dombivli-Badlapur-Ambernath belt (Affordable Segment), in enabling home ownership, focusing on the relationship between educational attainment, occupational stability, and residential longevity. Using a quantitative approach, data were collected from a sample of 52 respondents. The findings reveal a predominant trend toward homeownership, with 90.4% of participants owning their residences & about 59.6% of whom possess debt-free ownership. A significant majority of the cohort (80.8%) reported living in the region for over 10 years, suggesting that long-term residency is a primary factor in achieving financial freedom from housing loans. Furthermore, 63.5% of respondents reside in the extended suburbs, such as the Kalyan-Dombivli-Badlapur-Ambernath belt, indicating that suburban affordability plays a crucial role in enabling homeownership. The demographic is characterised by high educational levels, with 88.4% holding a graduation or post-graduation degree, and a stable professional background, as 65.4% are employed in salaried service. These results suggest that the combination of high academic qualifications, steady employment, and extended residential tenure facilitates a transition from rental or mortgage-based housing to outright ownership in the suburban Mumbai landscape.

Keywords: Housing Tenure, Homeownership, MMR, Socio-Economic Factors, Affordability.

❖   **INTRODUCTION:**

Mumbai's real estate market is often viewed through the lens of high costs and limited affordability, particularly in the city's core areas. However, this perspective overlooks the housing opportunities available in the extended suburbs of the Mumbai Metropolitan Region. In these areas, educated and salaried professionals, supported by stable employment and long term residence, have been able to achieve debt free homeownership.

Homeownership among salaried professionals is shaped by changing financial approaches and residential choices. This study examines the growing shift in attitudes toward buying property, with increasing preference for debt-free ownership rather than reliance on traditional housing loans. It explores how the length of time individuals live in a city affects their social and economic integration and, in turn, their housing stability. The research also analyses the role of educational level and professional status in influencing decisions between renting and owning, particularly in suburban areas. Finally, the study argues that geographic location, especially the difference between city centres and peripheral suburbs, plays a key role in enabling homeownership by linking educational background with local socio-economic conditions.

Despite this emerging pattern, existing research offers limited insight into how residential tenure, educational attainment, and professional stability interact to shape housing outcomes in suburban locations. This study addresses this gap by examining suburban housing trajectories and reframing the discussion from affordability constraints to pathways of financial resilience and middle class asset creation.

❖ REVIEW OF LITERATURE

(Antrop, 2000) Studied the multifaceted nature of urbanisation, its effects on rural landscapes, and the need for more holistic approaches that incorporate ecological insights into urban planning practices. The study pointed out the significant gap in urban planning: the field of ecological landscape is often overlooked. It also emphasised the necessity for integrating landscape ecology into urban planning. Understanding the ecological aspects of urbanisation can lead to better management and planning strategies that consider human and environmental needs. The study also addresses the challenges posed by urbanisation, including the loss of landscape diversity and the emergence of uniform landscapes.

Aslam, Hussian, & Sattar (2025) explore urbanisation as a multifaceted process shaped by historical, economic, social, and environmental forces. The study examines the evolution of urbanisation from early settlements to modern cities, emphasising the role of industrialisation and economic opportunities in driving rural–urban migration. It analyses key push and pull factors such as poverty, land scarcity, employment prospects, and access to education and healthcare. The paper studies the socio-economic impacts of urbanisation, including changes in population structure, class divisions, and labour specialisation. It highlights environmental challenges associated with rapid urban growth, particularly urban heat islands and pressure on natural resources. The authors also **investigate** health and social consequences, noting rising inequalities and increased disease prevalence in urban slums. Further, the study discusses patterns such as suburbanization, gentrification, and urban sprawl. Finally, it emphasises the need for sustainable and inclusive urban policies to balance regional development and mitigate the adverse effects of urbanisation.

Balemi, Füss, & Weigand (2021) examined the impact of the COVID-19 pandemic on real estate markets through a comprehensive review of recent academic literature. The paper explores how the pandemic, as an exogenous shock, disrupted residential, commercial, and mortgage markets via lockdowns, mobility restrictions, and heightened economic uncertainty. It highlights that commercial real estate, particularly retail, hospitality, and office segments, was most severely affected due to reduced physical activity and rising vacancy rates. In contrast, residential housing markets showed relative price stability despite sharp declines in transaction volumes. The authors also discuss how expansionary monetary policy and government interventions helped stabilise mortgage markets. The review emphasises sector-wise heterogeneity in impact and notes that financial constraints and risk perceptions played a key role in valuation changes. Overall, the study provides evidence that COVID-19 led to uneven and structural shifts within real estate markets with possible long-term implications.

Rizetto et al. (2007) studied inclusionary Zoning policies, Community Land trusts, employer-assisted housing Programs, federal subsidy sources, and Layered financing, which are the methods used, and these methods reflect a comprehensive strategy to address the challenges, particularly in the context of rising housing costs that outpace income growth. The paper emphasises the importance of these methods in creating sustainable and accessible housing solutions for local and moderate-income families. The results indicate an increasing recognition among municipalities, both in small towns and large cities, of the need to enhance the supply of affordable housing.

Ren (2015) investigates the role of urbanisation as a significant driver of climate change in urban environments, emphasising how land use and land cover changes intensify local climate phenomena such as the urban heat island (UHI) effect, reduce diurnal temperature ranges, and alter precipitation and wind patterns. The study aims to quantify urbanisation-induced climate change (UICC) and its contribution to broader urban climate change (UCC), distinguishing it from global and regional climatic influences. The study identifies urbanisation signals by differentiating urban, suburban, and rural station records using meteorological station data, satellite observations, and comparative statistical methods.

Parma, (2023). The research emphasises the importance of integrating diverse data sources to create a cohesive, innovative urban environment. This integration allows for collecting and analysing data from various sectors, enhancing the overall functionality of the intelligent city system. Further paper outlines the usage of intelligent digital systems that facilitate the management of urban services. The systems are designed to process information efficiently and provide high-level service to citizens and municipal authorities. The approach used in the study ensures that services provided meet the citizens' needs and expectations.

❖   **RESEARCH GAP:**

Although a large body of research highlights the high cost of Mumbai's real estate, limited attention has been given to housing patterns in the extended suburbs. Existing studies do not adequately explain how long term residence and professional stability support a shift from mortgage based housing to debt free ownership. This study responds to these gaps by examining the ownership outcomes of suburban professionals and by questioning the dominant narrative of Mumbai as an entirely unaffordable metropolis.

❖   **RATIONALE BEHIND STUDY**

The rationale for this study stems from the need to move beyond the traditional   'unaffordability' narrative of Mumbai's real estate. While the city centre remains inaccessible for many, the extended suburbs offer a pathway to debt-free homeownership for educated, salaried professionals. By investigating the specific intersection of residential longevity, educational attainment, and suburban choice, this research fills a geographic and thematic gap in urban housing studies, providing a clearer picture of middle-class asset accumulation in the MMR.

❖   **RESEARCH QUESTIONS:**

1.   To what extent does residential tenure (years lived in the city) influence the transition from mortgage-based housing to debt-free ownership?

2.   How do educational attainment and professional status impact the choice between renting and owning a home in the suburban landscape?

3.   What role does geographic location (extended suburbs vs. city centre) play in facilitating homeownership for salaried professionals?

❖   **PROBLEM STATEMENT:**

While the Mumbai Metropolitan Region (MMR) is characterised by high real estate prices and an increasing cost of living, there is a lack of localised research into how specific socio-economic factors enable residents to achieve long-term housing stability. Specifically, it remains unclear how the intersection of higher educational attainment, salaried professional status, and residential longevity contributes to the transition from mortgage-based housing to debt-free homeownership in the extended suburbs. This study addresses the need to understand these patterns to provide insights into the financial resilience and urban settlement trends of suburban professionals.

❖   **OBJECTIVES OF THE STUDY:**

1.   To examine the association between the length of residence in the Mumbai Metropolitan Region (MMR) and debt-free home ownership.
2.   To investigate the relationship between educational attainment and housing ownership status.
3.   To analyse the influence of the area of residence on the type of housing tenure.
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❖   **HYPOTHESES OF THE STUDY:**

Hypothesis 01
(H_0): There is no significant relationship between the number of years lived in Mumbai and the likelihood of owning a home without a loan
(H_1): There is a significant relationship between the number of years lived in Mumbai and the likelihood of owning a home without a loan.
Hypothesis 02
(H_0): There is no significant relationship between educational attainment and housing ownership status.
(H_1): There is a significant relationship between educational attainment and housing ownership status.
Hypothesis 03
(H_0): The area of residence has no significant influence on the type of housing tenure.
(H_1): The area of residence has a significant influence on the type of housing tenure

This section outlines the systematic approach used to investigate the socio-economic factors influencing housing patterns in the Mumbai Metropolitan Region & its suburbs.

❖ **SIGNIFICANCE OF THE STUDY: (150 WORDS)**

Academically, this study is significant as it extends urban housing research beyond the dominant affordability framework associated with Mumbai's core areas. By examining the interaction between residential tenure, educational attainment, and professional stability in the extended suburbs, it provides empirical insight into pathways of debt free homeownership among the middle class. The study contributes to the literature on housing tenure and asset formation and offers a context specific understanding of how suburban locations within the Mumbai Metropolitan Region support long term financial stability.

❖ **RESEARCH METHODOLOGY:**

1. Research Design
This study employs a quantitative research design using descriptive and analytical methods. The primary goal is to identify patterns between a resident's professional background and their housing status.

2. Participants and Sampling
The study consists of a sample size of n = 52 respondents, and the geographic focus is the Mumbai Metropolitan Region (MMR), with a specific concentration in the extended suburbs like Kalyan, Dombivli, Badlapur, and Ambernath. The study is empirical in nature. Secondary data is collected from different published papers, theses and articles.
Participants were selected by using non-probability Purposive Sampling with the criteria of residential status and willingness to provide socio-economic data.

3. Data Collection Instrument
Data was gathered through a structured online survey. The questionnaire was divided into four key sections:
a)   Demographics & Location: To identify the area of residence.
b)   Residential Tenure: To measure the number of years lived in Mumbai.
c)   Socio-Economic Profile: To record highest education levels and current occupation.
d)   Housing Status: To determine ownership & debt status

4. Definition of variables

Variable	Type	Description
Housing Type	Dependent	The outcome measured (Owner without loan, Owner with loan, or Renter).
Highest Education	Independent	Educational attainment ranging from Schooling to a PhD.
Occupation	Independent	Employment status is primarily focused on Salaried Service.
Years in Mumbai	Independent	Measurement of residential stability and longevity.
Area of Residence	Independent	The geographic location within the MMR.

❖ **DATA ANALYSIS & RESULT DISCUSSION:**
Table 1- Demographic Profile

Variable	Category	Frequency (n)	Percentage (%)
Age Group	18–24 years	14	26.9
	25–34 years	21	40.4
	34–41 years	8	15.4
	45–54 years	6	11.5

	55 years and above	3	5.8
Total		**52**	**100**
Gender	Male	21	40.4
	Female	31	59.6
Total		**52**	**100**
Highest Educational Qualification	School up to 10th/12th	2	3.8
	Graduate	19	36.5
	Post-graduate	27	51.9
	CA	2	3.8
	PhD	1	1.9
	Ph.D.	1	1.9
Total		**52**	**100**
Occupation	Business /Self-employed	8	15.4
	Salaried Service	34	65.4
	Student	5	9.6
	Retired	3	5.8
	Unemployed	1	1.9
	Other	1	1.9
Total		**52**	**100**

Source- Primary Data

Table 2- Area of Residence and Years Living in Mumbai and Extended Suburbs

Area of Residence	<1 Year	1–5 Years	6–10 Years	>10 Years	Total
Mumbai City	1	1	0	5	**7**
Western Suburbs	0	2	0	1	**3**
Eastern Suburbs	0	1	1	0	**2**
Thane	0	0	1	4	**5**
Navi Mumbai	0	0	0	1	**1**
Mira–Bhayandar	0	0	0	1	**1**
Kaylan–Dombivli–Badlapur–Ambernath	0	2	1	30	**33**
Total	1	6	3	42	**52**

Source- Primary Data (Cross- Tabulation)

Results & Hypotheses Testing: This study employed frequency distribution and cross-tabulation analysis to evaluate the relationship between socio-economic variables and housing patterns. The following are the results of the hypothesis testing based on the data collected from 52 respondents.

Hypothesis 1: Residential Tenure and Debt-Free Ownership

✓   H₀: There is no significant relationship between the number of years lived in Mumbai and the likelihood of owning a home without a loan

✓ H1: There is a significant relationship between the number of years lived in Mumbai and the likelihood of owning a home without a loan.

✓ Result: Null Hypothesis Rejected; Alternate Hypothesis Accepted.

✓ Justification: The data reveal that **80.8%** of respondents have lived in the region for over 10 years, which strongly correlates with the **59.6%** who reported debt-free homeownership. This suggests that residential longevity is a critical factor in the completion of mortgage cycles and the attainment of full asset equity.

Hypothesis 2: Educational Attainment and Housing Ownership

✓ H0: There is no significant relationship between educational attainment and housing ownership status.

✓ H1: There is a significant relationship between educational attainment and housing ownership status.

✓ Result: Null Hypothesis Rejected; Alternate Hypothesis Accepted

✓ Justification: The findings show a high concentration of graduates and post-graduates (88.4%) within the sample, alongside an overwhelming homeownership rate of 90.4%. This indicates that higher education levels facilitate entry into stable professional roles (65.4% salaried service), providing the financial stability necessary for property acquisition.

Hypothesis 3: Area of Residence and Housing Tenure

✓ H0: The area of residence has no significant influence on the type of housing tenure.

✓ H1: The area of residence has a significant influence on the type of housing tenure.

✓ Result: Null Hypothesis Rejected; Alternate Hypothesis Accepted.

✓ Justification: A significant majority of the sample (63.5%) resides in the extended suburbs (Kalyan-Dombivli-Badlapur-Ambernath), where the highest concentration of homeowners was observed. The low rental rate of 9.6% is primarily scattered across higher-cost urban zones, suggesting that the geographic choice of the extended suburbs is a deliberate strategy to achieve ownership through affordability.

❖ **Analysis of Findings:**

This section presents the analysis of the data collected from 52 respondents, focusing on the relationship between their socio-economic profiles and housing outcomes.

1. Demographic and Socio-Economic Profile

The respondent group represents a highly educated and professionally stable segment of the population.

● **Educational Attainment:** A significant majority of the sample (88.4%) holds at least a university degree, with 51.9% being post-graduates and 36.5% being graduates.

● **Occupational Stability:** Two-thirds of the respondents (65.4%) are engaged in "Salaried Service," indicating a steady income stream, which is often a prerequisite for homeownership.

● **Residential Longevity:** The cohort exhibits high residential stability, with 80.8% having lived in the Mumbai Metropolitan Region for more than 10 years.

2. Patterns of Housing Tenure

The data reveal an overwhelming trend toward homeownership over renting.

● **Dominant Ownership:** Total homeownership stands at 90.4% (combined "Owner (No loan)" and "Owner (with loan)").

● **Debt Status:** A notable finding is that 59.6% of the total sample (31 individuals) own their homes outright without any outstanding loans, while only 30.8% are currently servicing a mortgage.

● **Low Rental Reliance:** Only 9.6% of respondents reside in rented accommodations, suggesting that for this demographic, renting is a temporary or less preferred state.

3. Correlation and Contextual Analysis

A. Impact of Tenure on Debt-Free Ownership

There appears to be a strong correlation between the length of residence and the absence of housing debt. Since 80.8% of the sample has lived in the region for over a decade, this longevity aligns with the 59.6% who have successfully achieved loan-free ownership. This suggests that as residents mature within the region, they transition from "Owners with loans" to "Owners without loans."

B. Geographic Influence on Homeownership

The geographic distribution shows that 63.5% of respondents live in the extended suburbs (Kalyan, Dombivli, Badlapur, and Ambernath).

● These areas are known for greater real estate affordability compared to Mumbai City (where only 13.5% of respondents reside).
● The high ownership rate (90.4%) is likely a result of this suburban choice, where property prices allow salaried professionals (65.4% of the group) to purchase homes.

C. Education as a Driver for Stability

The high concentration of post-graduates (51.9%) and graduates (36.5%) correlates with the high percentage of salaried professionals. This educational background provides the financial capacity required to maintain the observed housing stability and minimise the need for rental housing.

❖ **SIGNIFICANT FINDINGS OF THE STUDY:**

The significance of this study lies in its ability to provide a localised outlook on housing stability within one of the world's most complex real estate markets. It offers valuable insights for several stakeholders:

1. For Urban Planners and Policymakers: This research highlights the critical role of the extended suburbs (such as Kalyan-Dombivli and Ambernath) in providing a "safety valve" for the Mumbai Metropolitan Region.

2. For Financial Institutions and Banks the data reveals a significant "Debt-Free" segment (59.6%). For banks, this identifies a demographic that has high equity and low debt-service obligations, making them an ideal target for other financial products like investment schemes, insurance, or secondary property loans.

3. For Real Estate Developers: The findings show a clear preference for ownership over renting (90.4% vs. 9.6%). This indicates that even in a high-cost economy, the "ownership dream" remains the primary driver. Developers can use this study to justify projects in extended suburbs that target educated, mid-career professionals looking for permanent settlement rather than transient rental spaces.

4. For Academic Research and Sociology: It serves as a foundation for future longitudinal studies on urban wealth accumulation.

❖ **LIMITATIONS OF THE STUDY**

▪ This study is restricted to only 52 respondents from the MMR area in Mumbai.
▪ The respondents are from selected suburban towns only
▪ The study is cross-sectional as data is collected at a point in time.

❖ RECOMMENDATIONS

Based on the analysis, the following recommendations are proposed:

1. **Infrastructure Development:** Given that the majority of homeowners are settling in the extended suburbs, urban planning should prioritise "last-mile" connectivity and high-speed transit in these zones to support this stable, tax-paying demographic.

2. **Financial Product Diversification:** Banks and financial institutions should design "mid-to-late career" financial products for this group. Since nearly 60% are debt-free, they represent a prime market for home improvement loans, secondary investments, or retirement-focused wealth management.

3. **Affordable Housing Policy:** Policymakers should use the "suburban model" observed in this study as a blueprint. Encouraging the development of independent satellite towns can reduce the housing pressure on Mumbai City while encouraging a sense of community and financial security among professionals.

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