

PROJECT REPORT

ANALYSING HOUSING PRICES IN METROPOLITAN AREAS OF INDIA

INTRODUCTION:

1.1 Overview

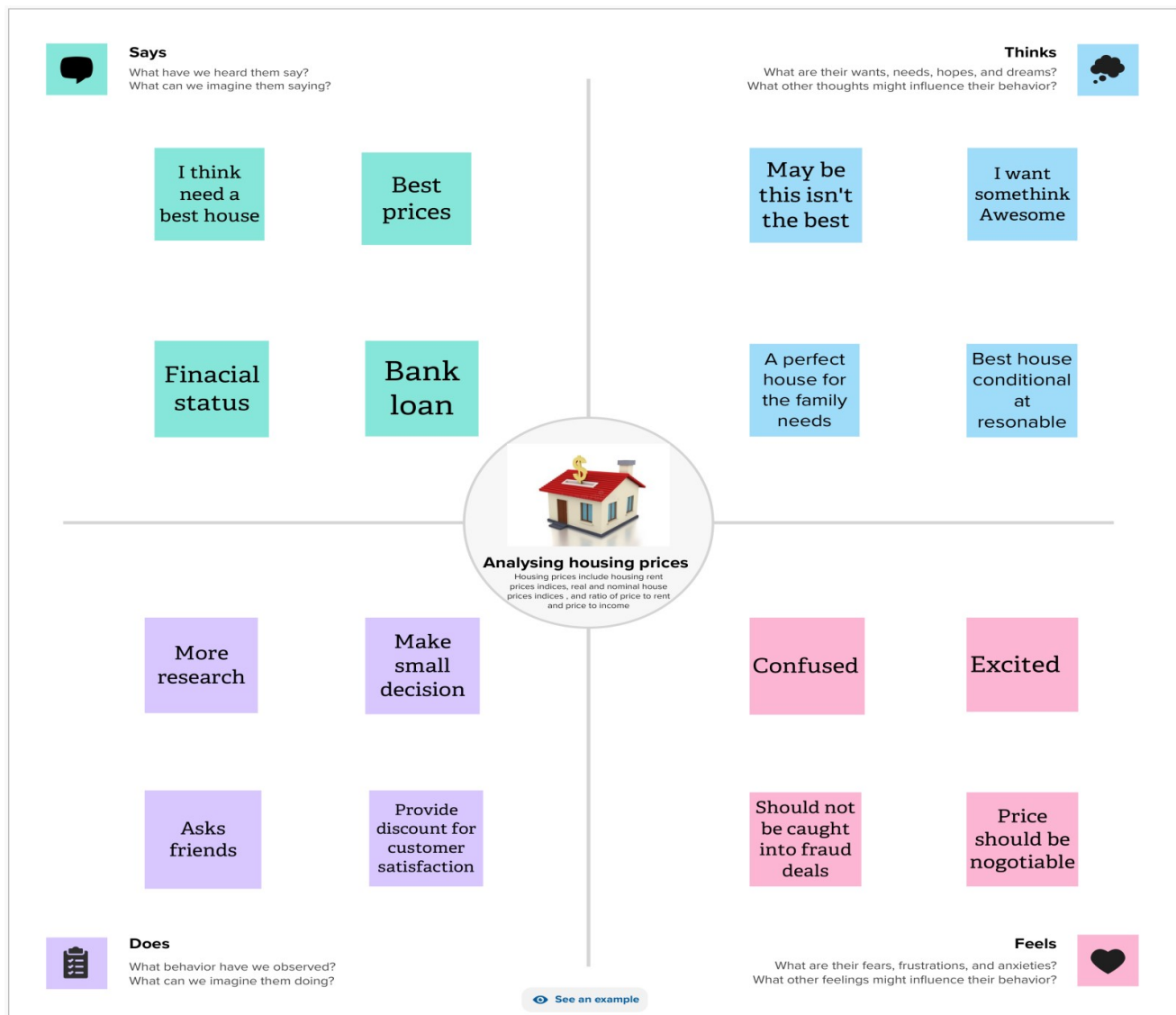
Since the inception of the theory and idea of development, the common feature that emerged in different point of time is the developmental gap that emerged in different parts of the world and also among various parts of a country in a particular time period .This disparity in development, like many other indicators, has also been reflected in India. Traditional development theories believed that agriculture, industrialization, urbanization, are significant ingredients of growth, and, ultimately important prerequisites for achieving development. Within the economy itself, the status of growth of a state can be judged through its performance in agricultural and industrial production, performance of service sector and urbanisation, and their impact through their contribution in income and employment generation at the national level. Thus, house price behavior may also reflect some short of developmental status of the households of a country. Keeping in view the above fact of rapid urbanization and regional disparities, it is not unexpected that it may lead to some sort of differences in regional house prices, where housing and real estate are considered as major sources of physical and financial asset. This also leads to the differences in the dynamics of house price determination. It simply means that there might be shift of house prices in cities from average, in the country, depending upon its economic status. For instance, average house prices in the poorer provinces might be lower than the national average. Similarly, for richer states, the urban house prices, on average might be higher than the national average.

1.2 Purpose

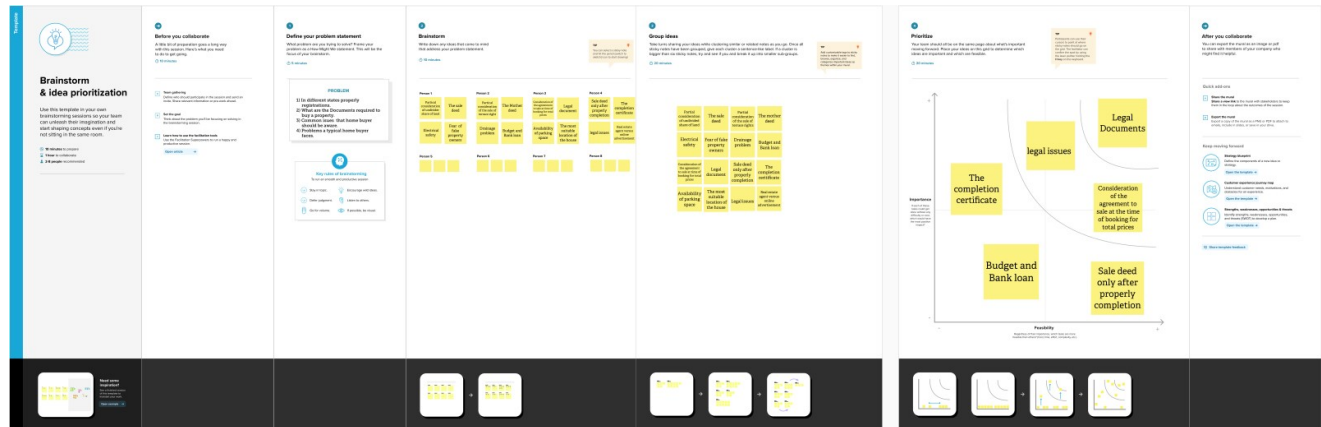
The standard price behavior of a good or its close substitute reveals the same price movements and they generally vary within a price range, when they are sold at markets located at different places .Two houses in two different locations are believed to be sold within the same market, if house prices in one location impose a competitive constraint on house prices in the other location. For example, whether a home owner is free to set the price of his house.

PROBLEM DEFINATION & DESIGN THINKING :

2.1 Empathy Map



2.2 Ideation & Brainstorming Map



RESULT :

CHENNAI

FIGURE 1.1

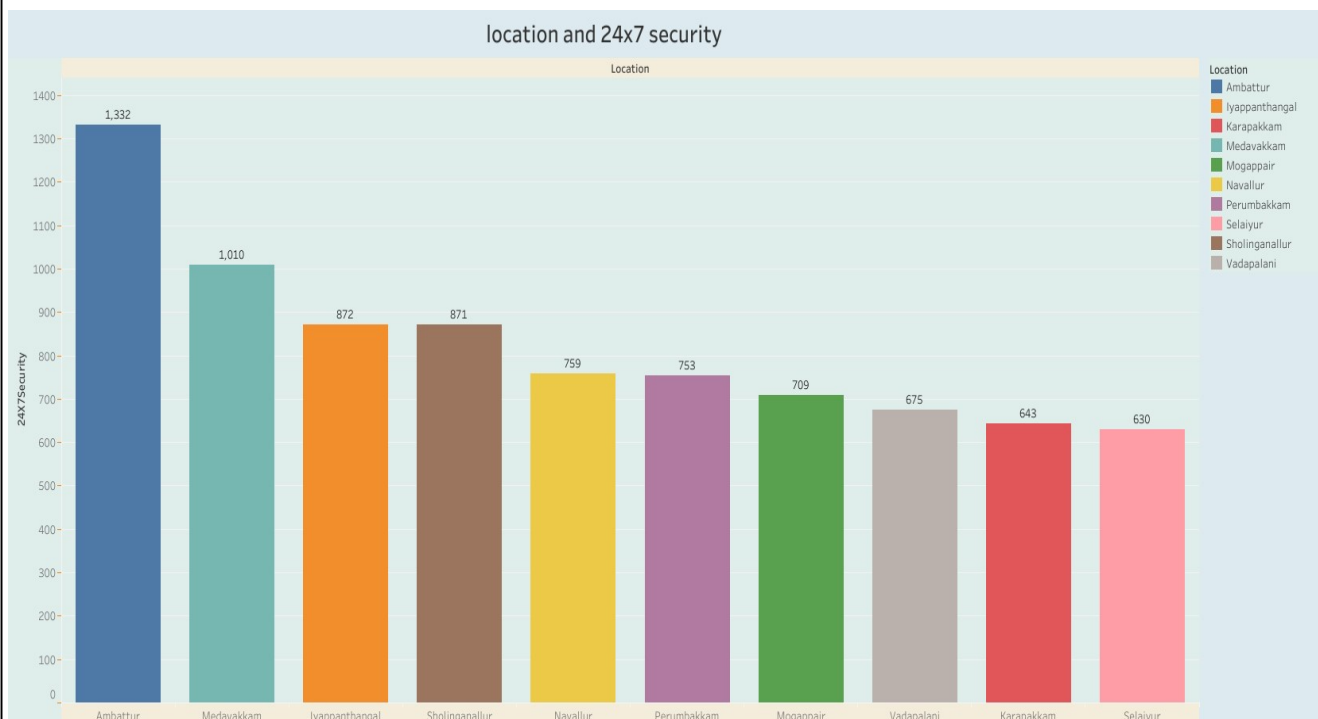


FIGURE 1.2



FIGURE 1.3

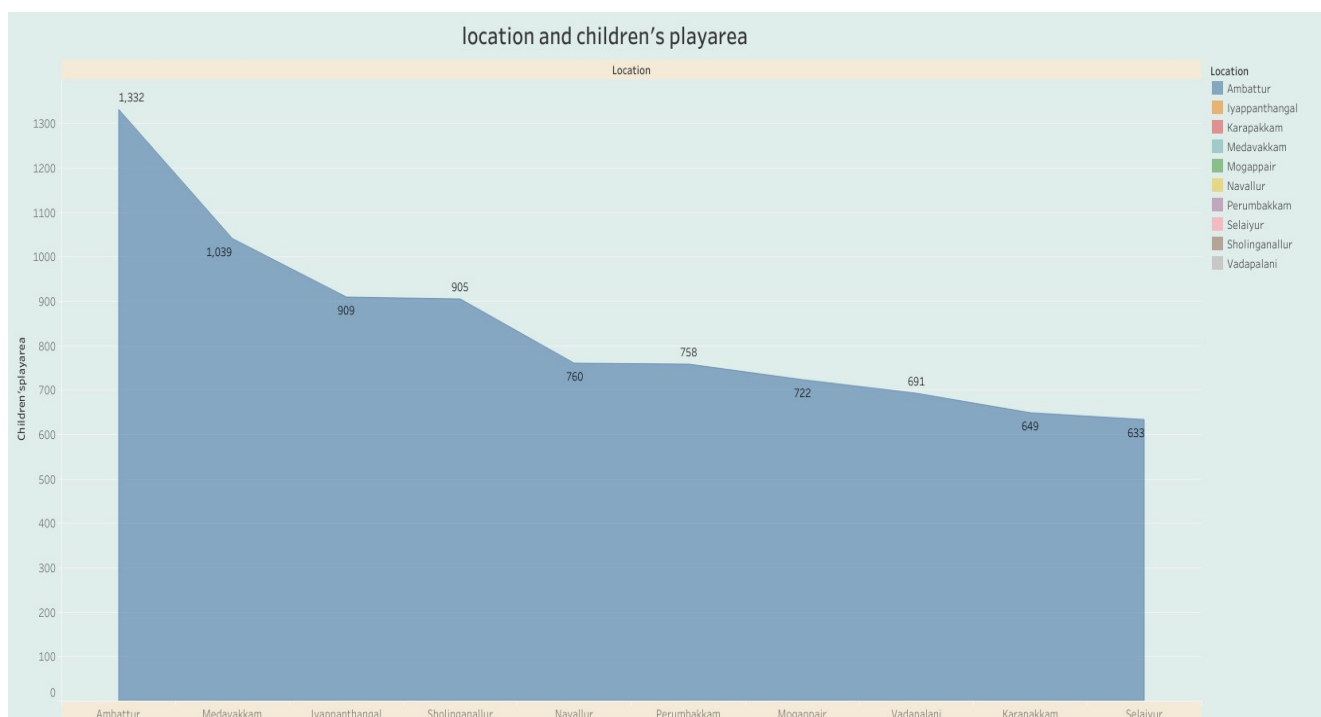


FIGURE 1.4

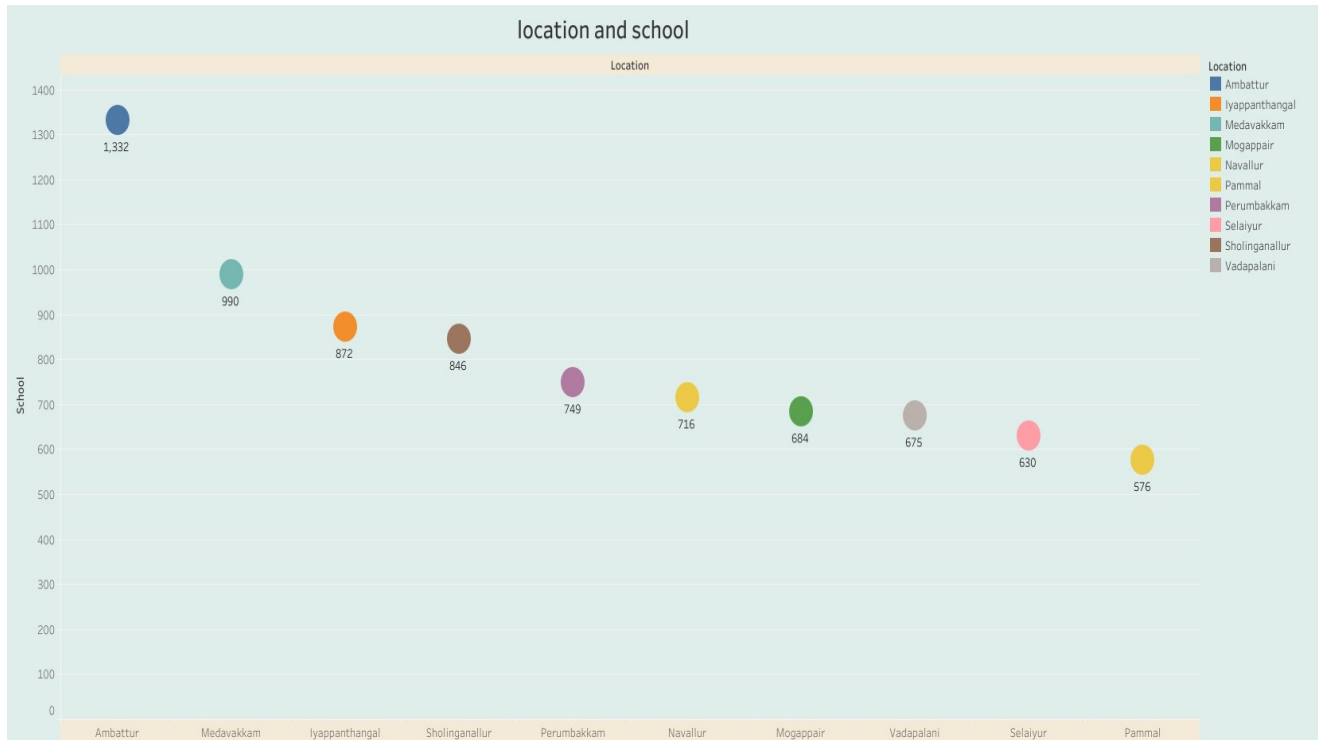


FIGURE 1.5

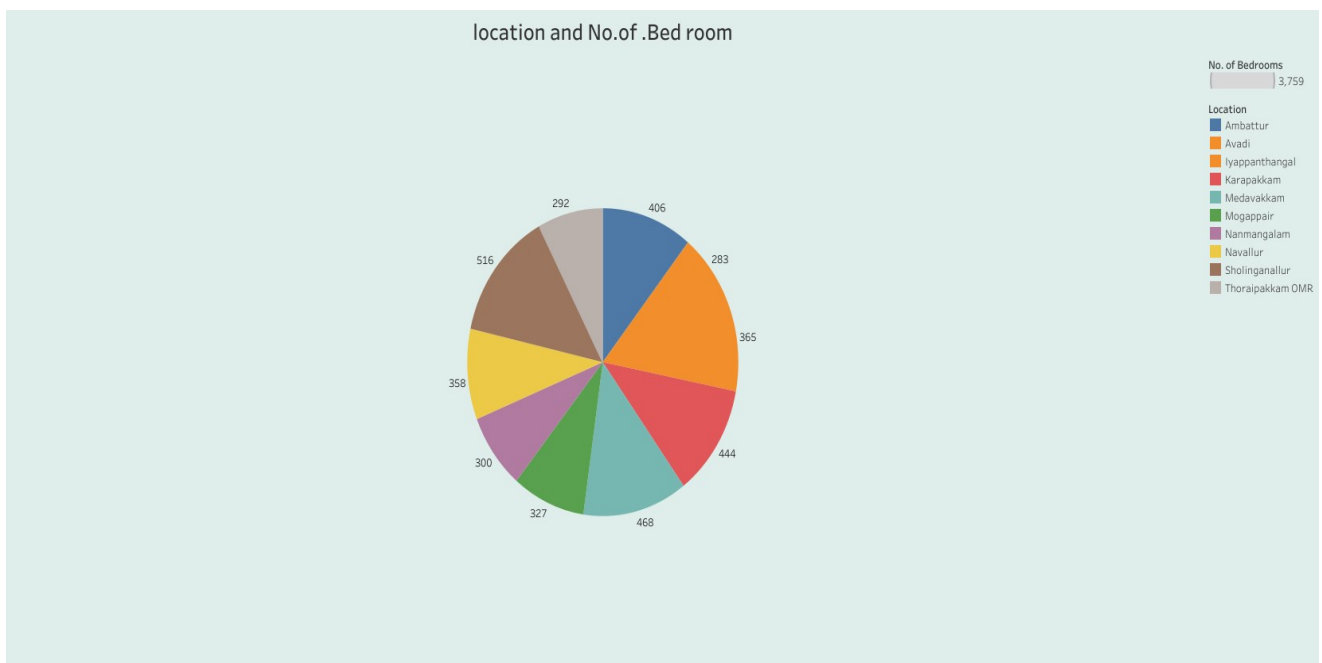


FIGURE 1.6



FIGURE 1.7



FIGURE 1.8



DASHBOARD

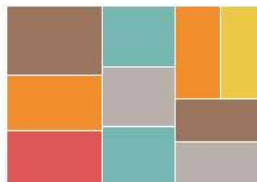
location and 24x7 security



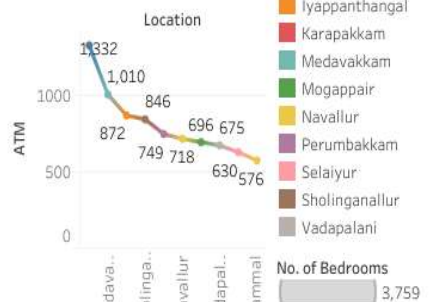
location and car parking



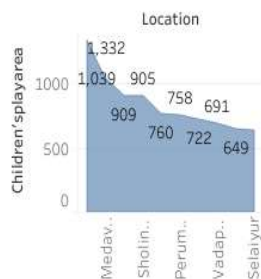
location and price



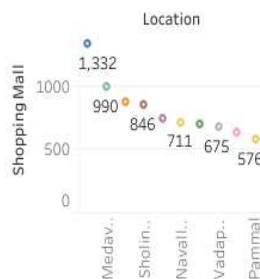
location and ATM



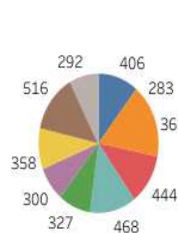
location and children's playarea



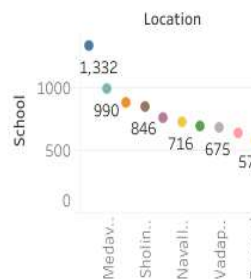
location and shopping mall



location and No. of .Bed room



location and school



BANGALORE

FIGURE 2.1



FIGURE 2.2

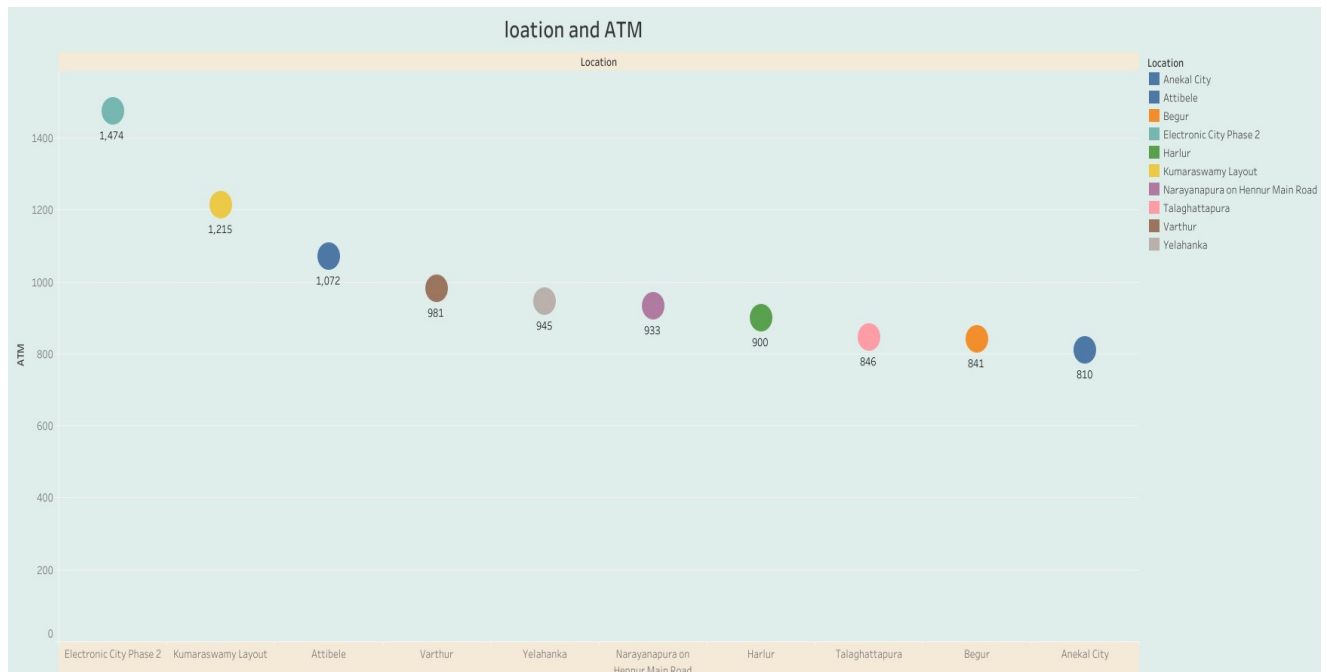


FIGURE 2.3

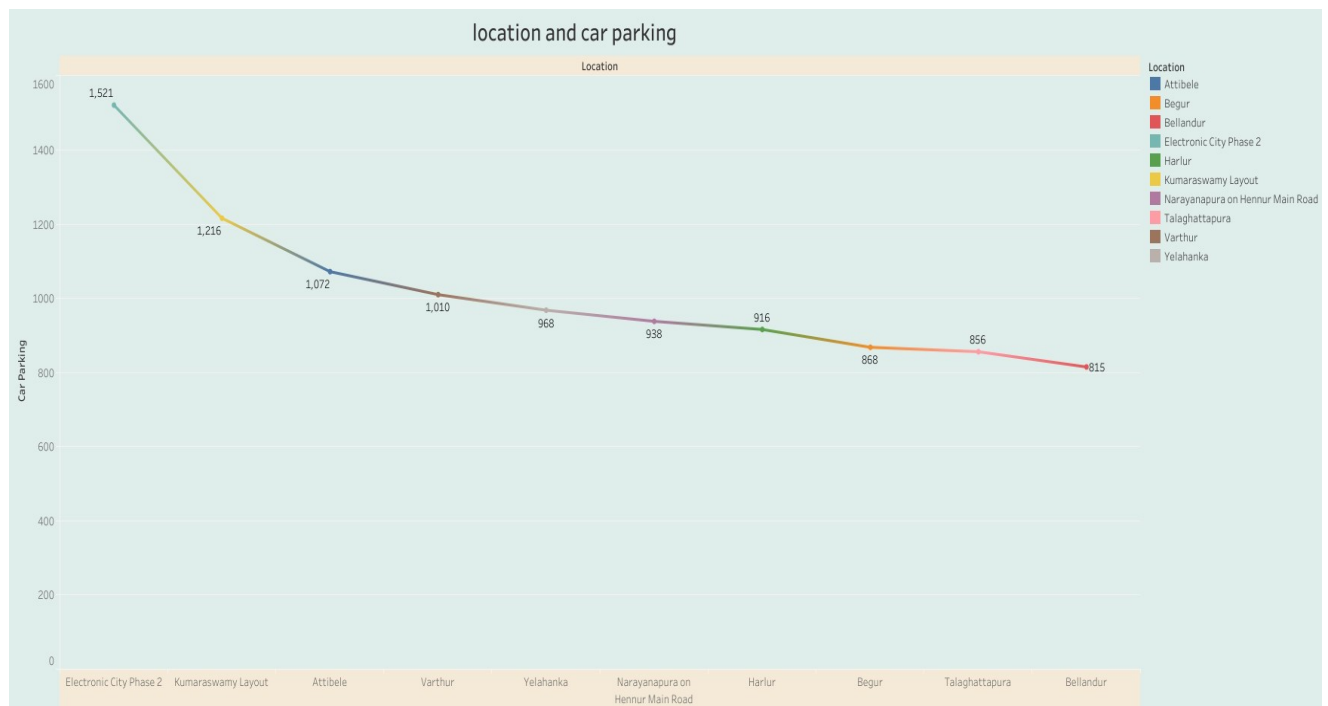


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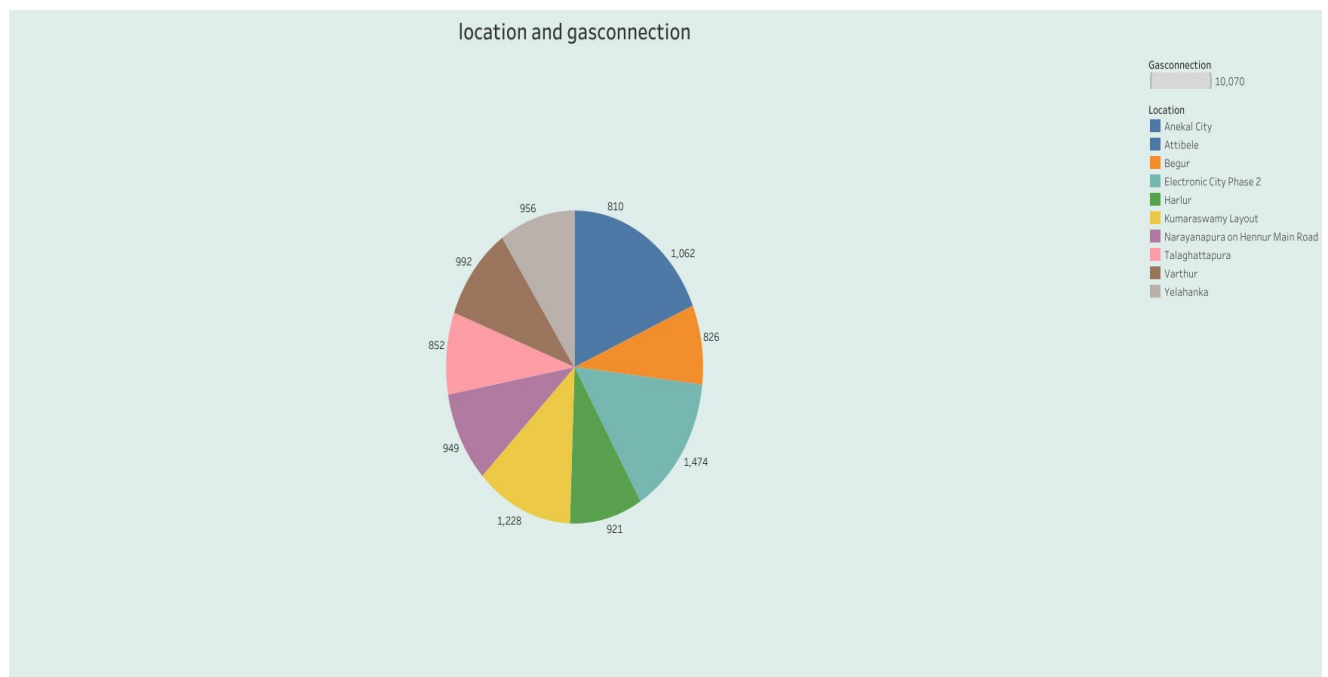


FIGURE 2.5



FIGURE 2.6



FIGURE 2.7

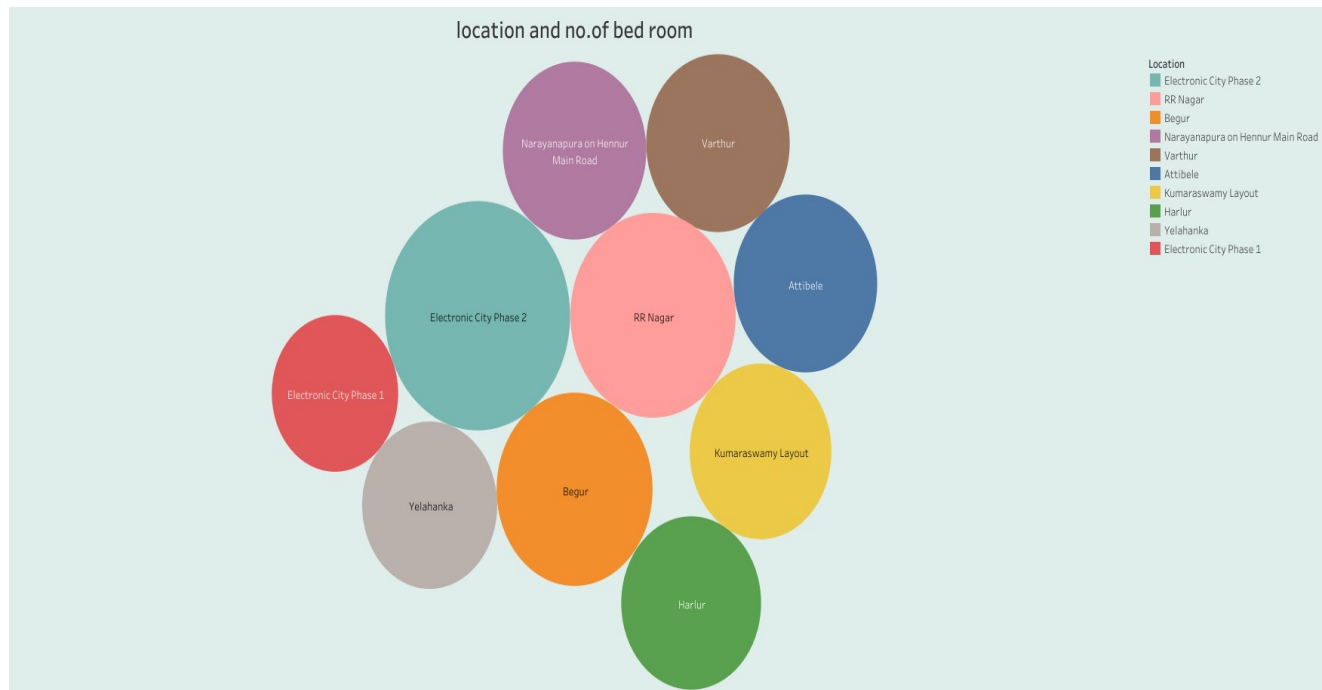
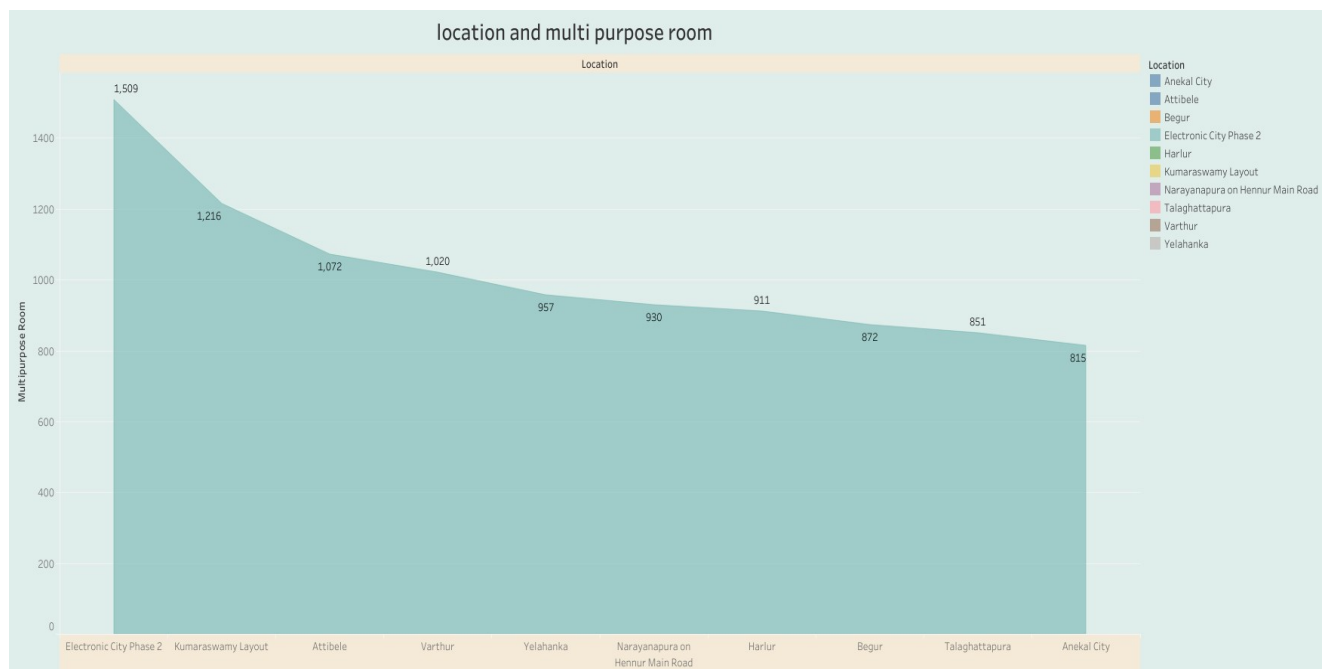
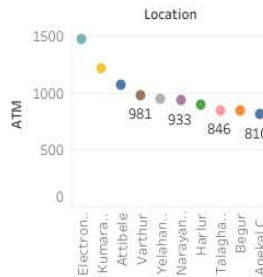


FIGURE 2.8



DASH BOARD

location and ATM



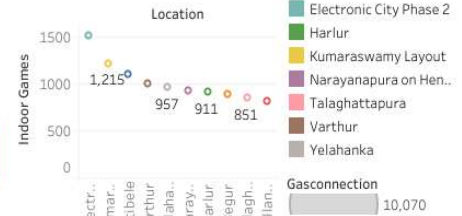
location and price



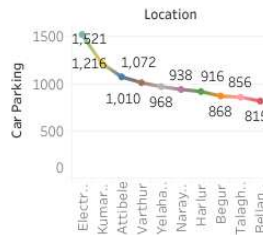
location and 24x7 security



location and indoor games



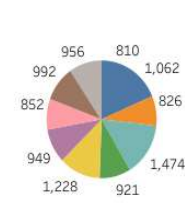
location and car parking



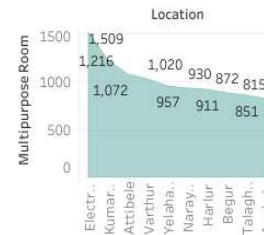
location and no.of bed room



location and gasconnection



location and multi purpose room



HYDERABAD

FIGURE 3.1

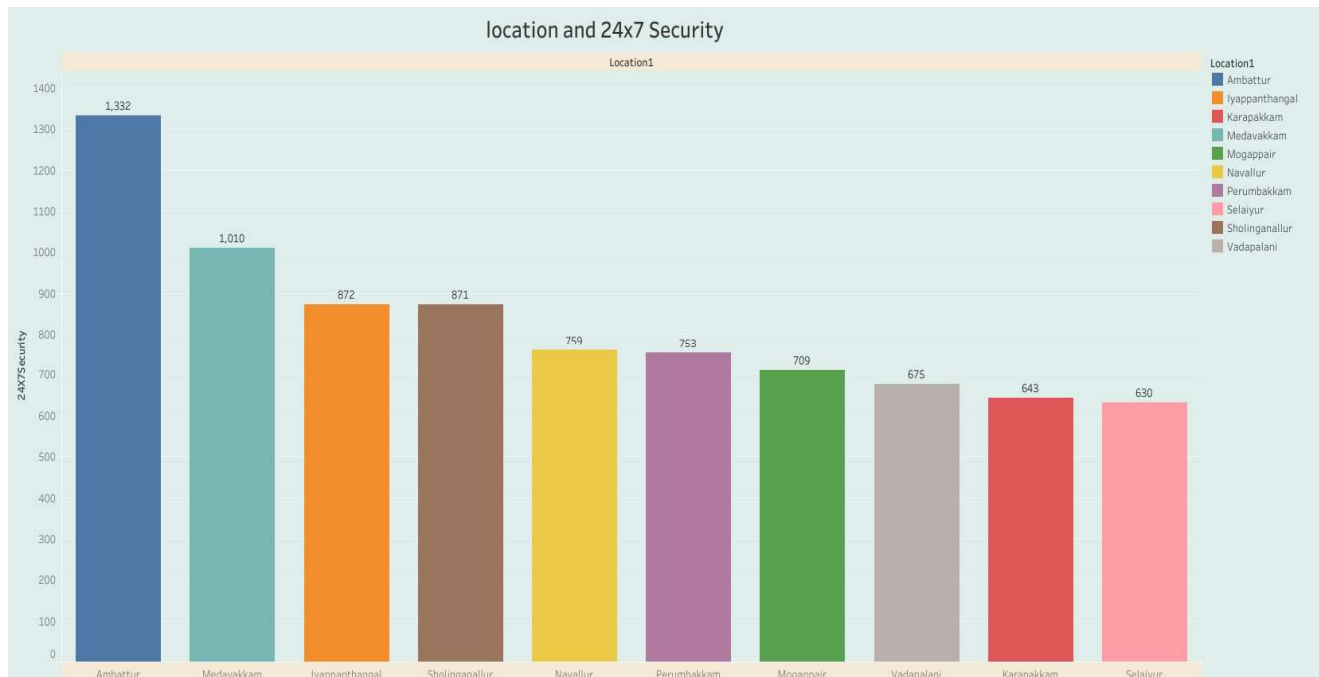


FIGURE 3.2

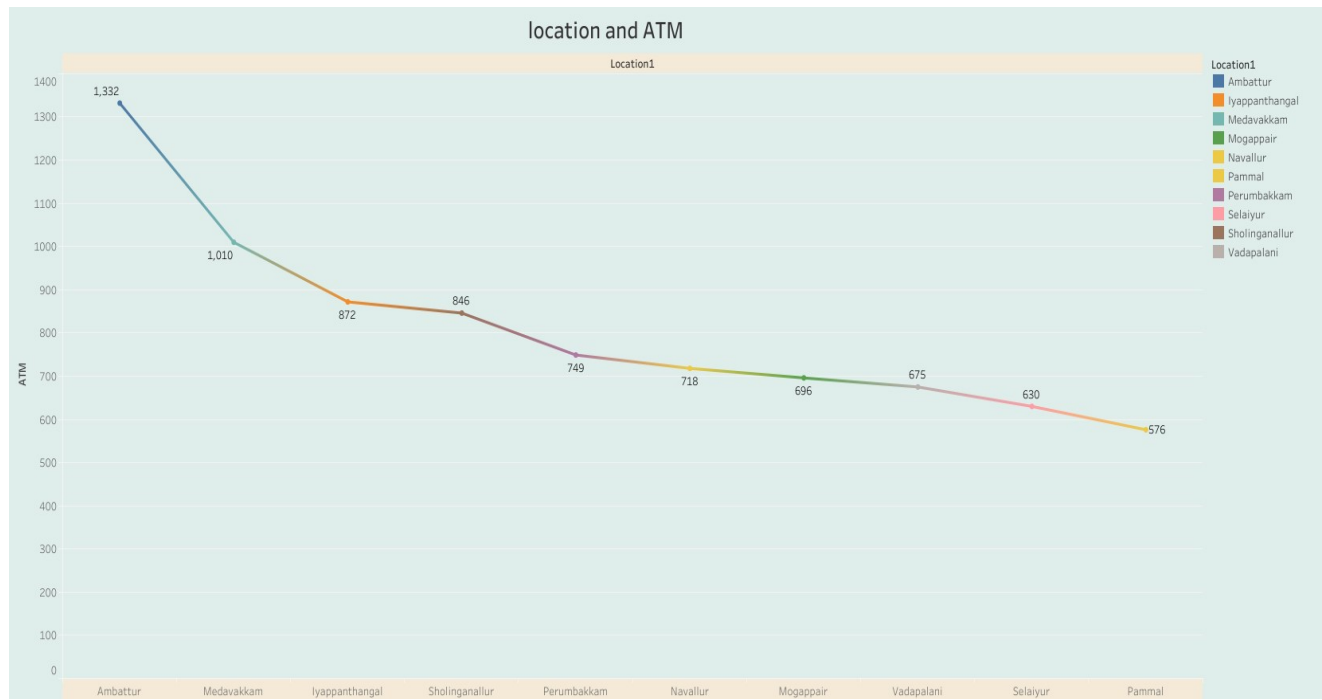


FIGURE 3.3

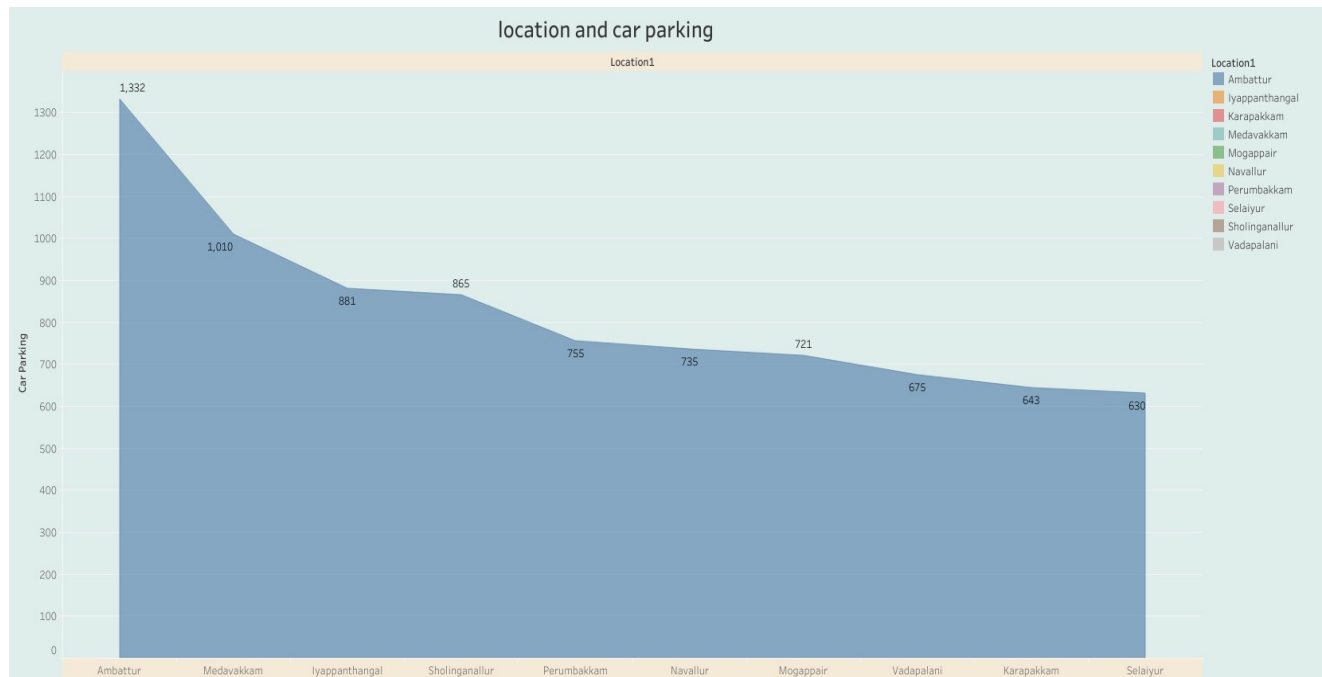


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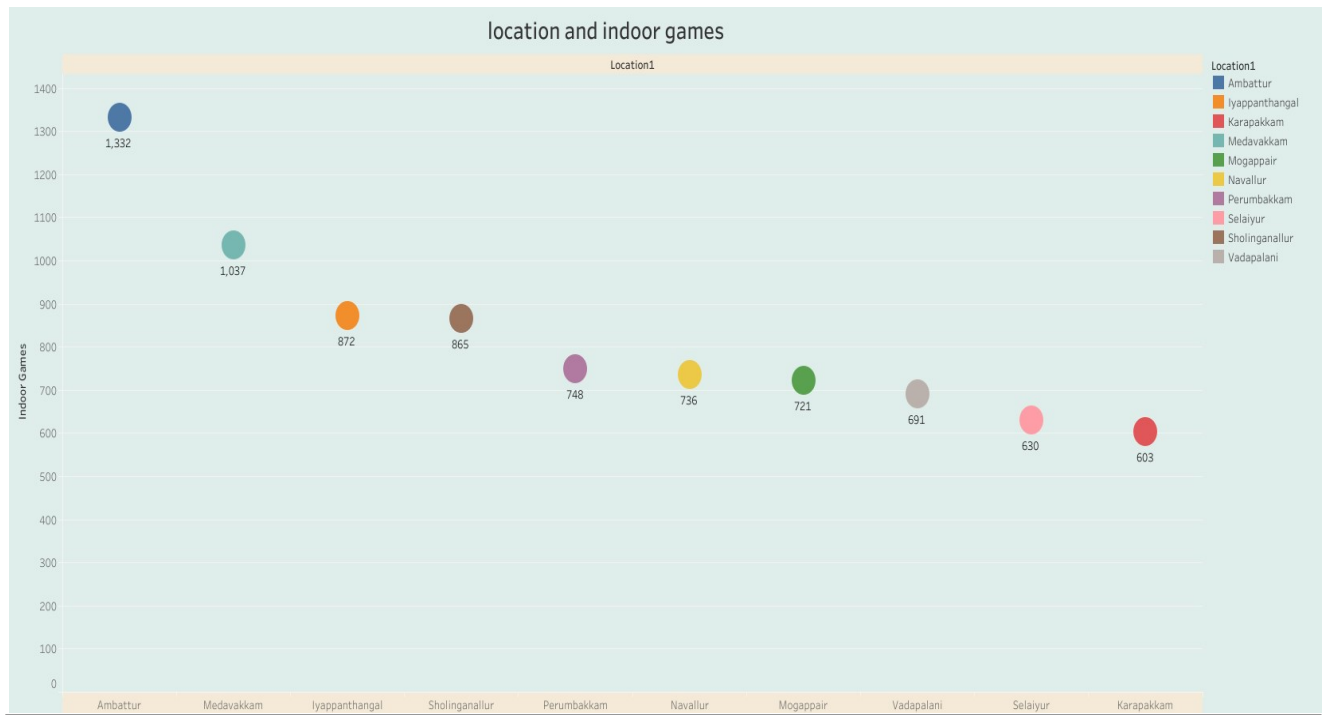


FIGURE 3.5



FIGURE 3.6

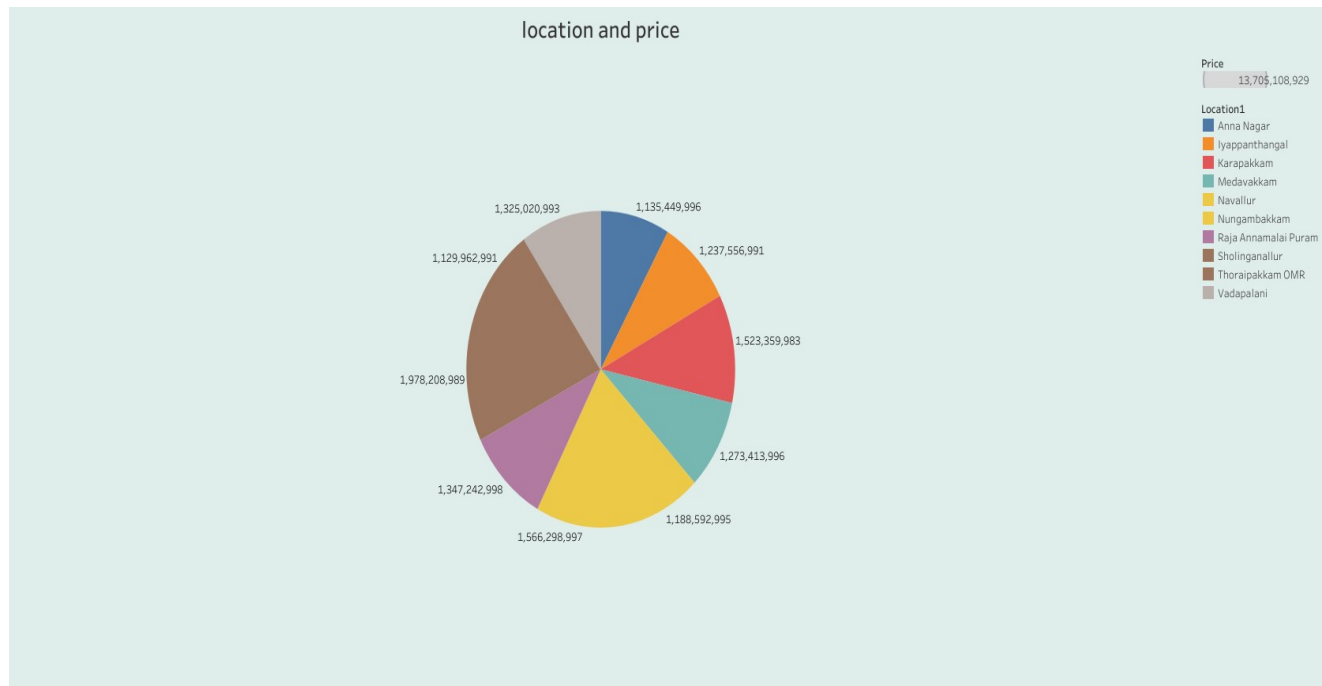


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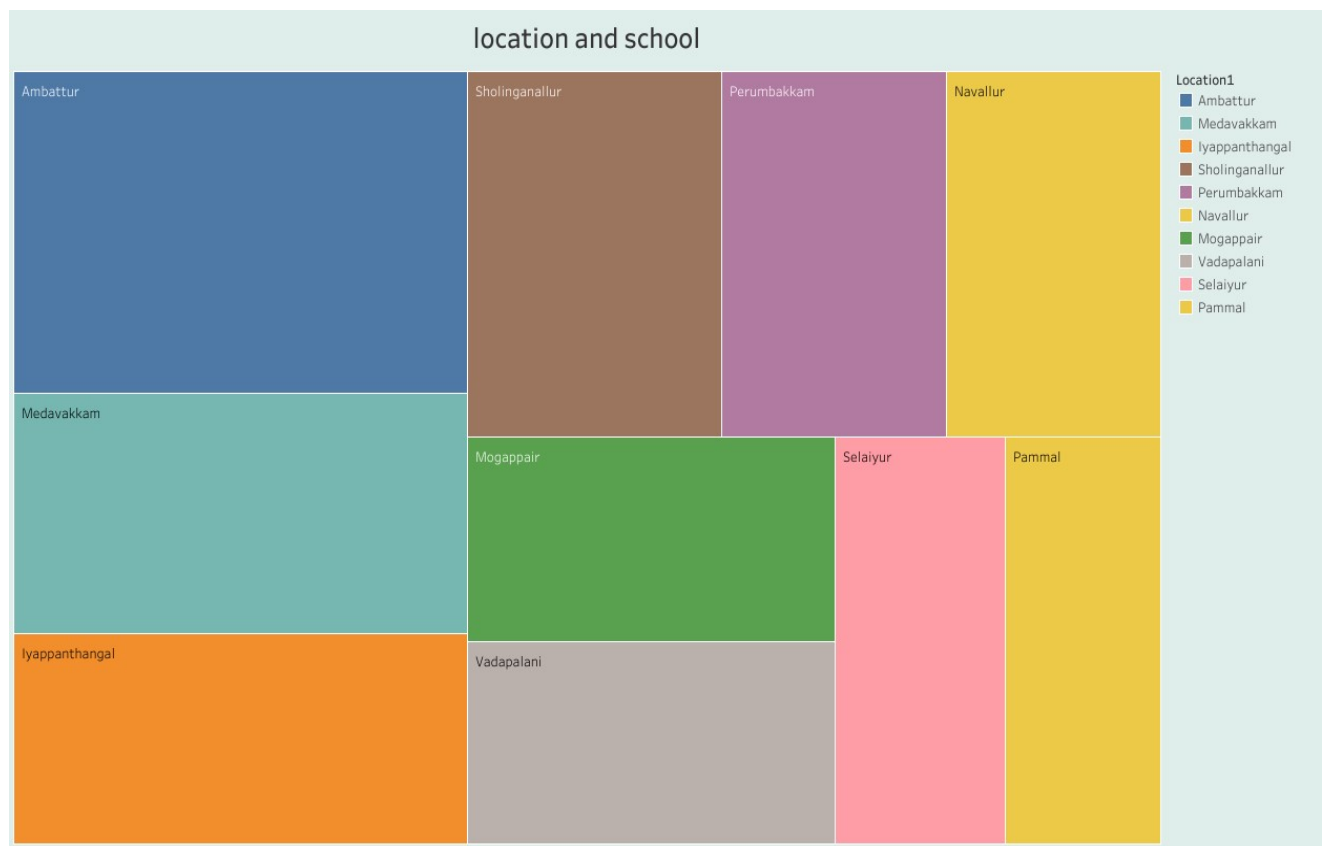
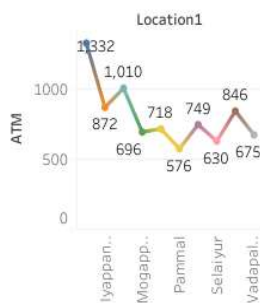


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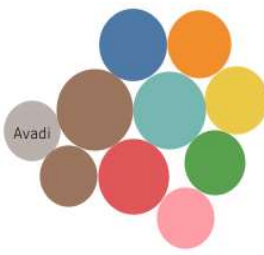


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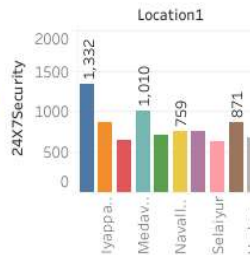
location and ATM



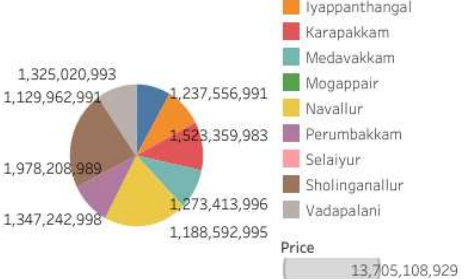
location and No. of bed room



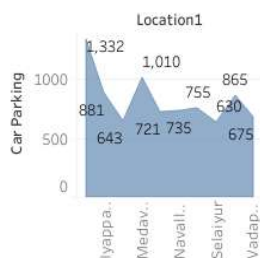
location and 24x7 Security



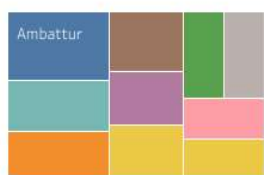
location and price



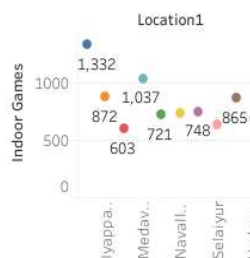
location and car parking



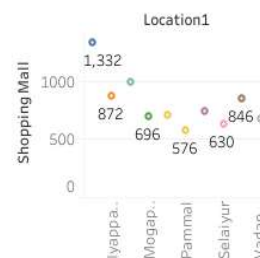
location and school



location and indoor games



location and shopping mall



MUMBAI

FIGURE 4.1

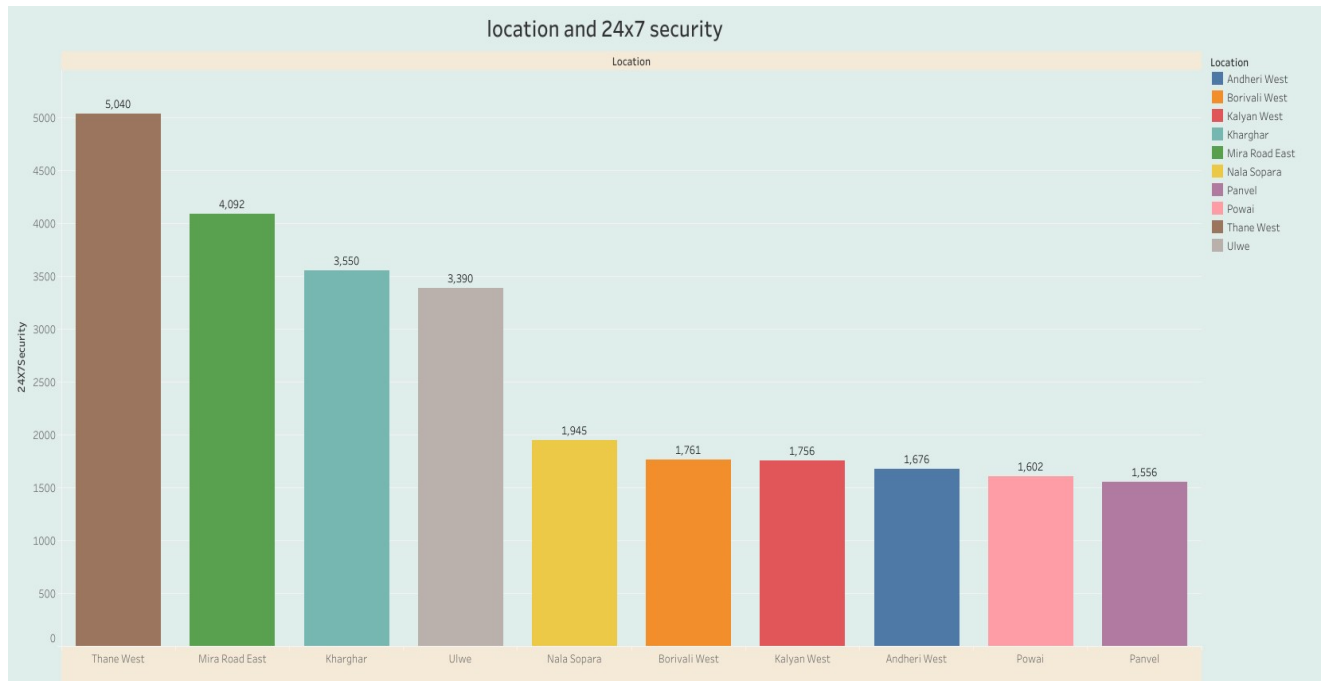


FIGURE 4.2

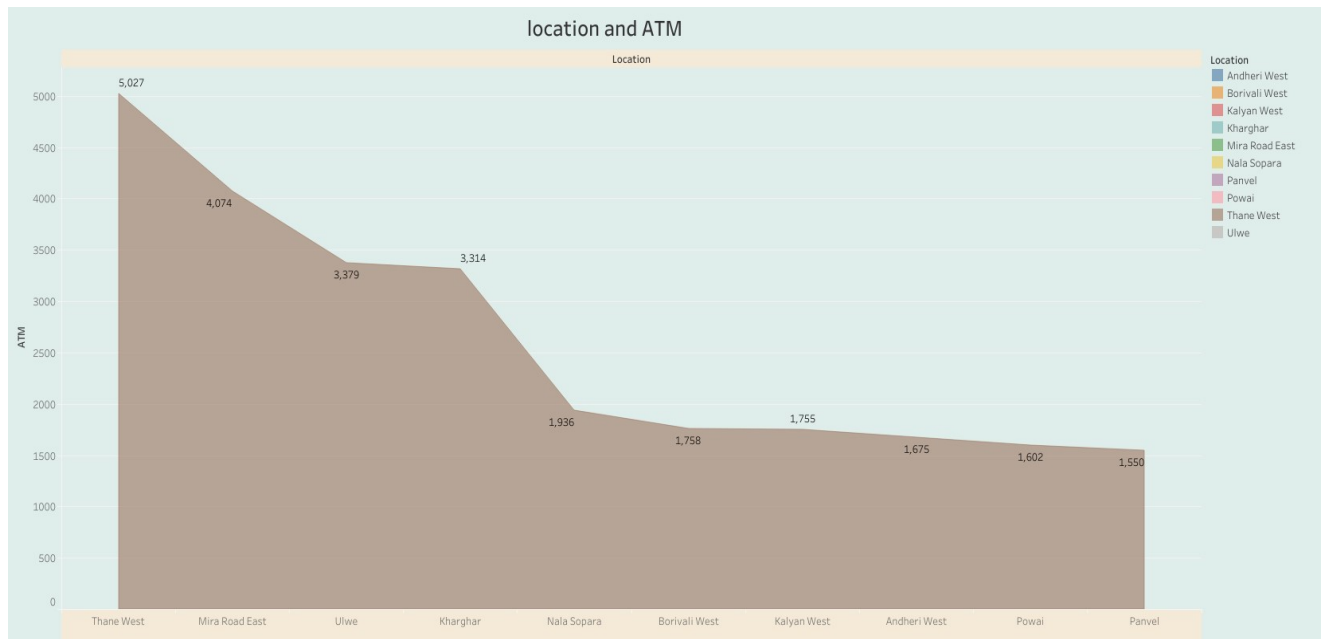


FIGURE 4.3

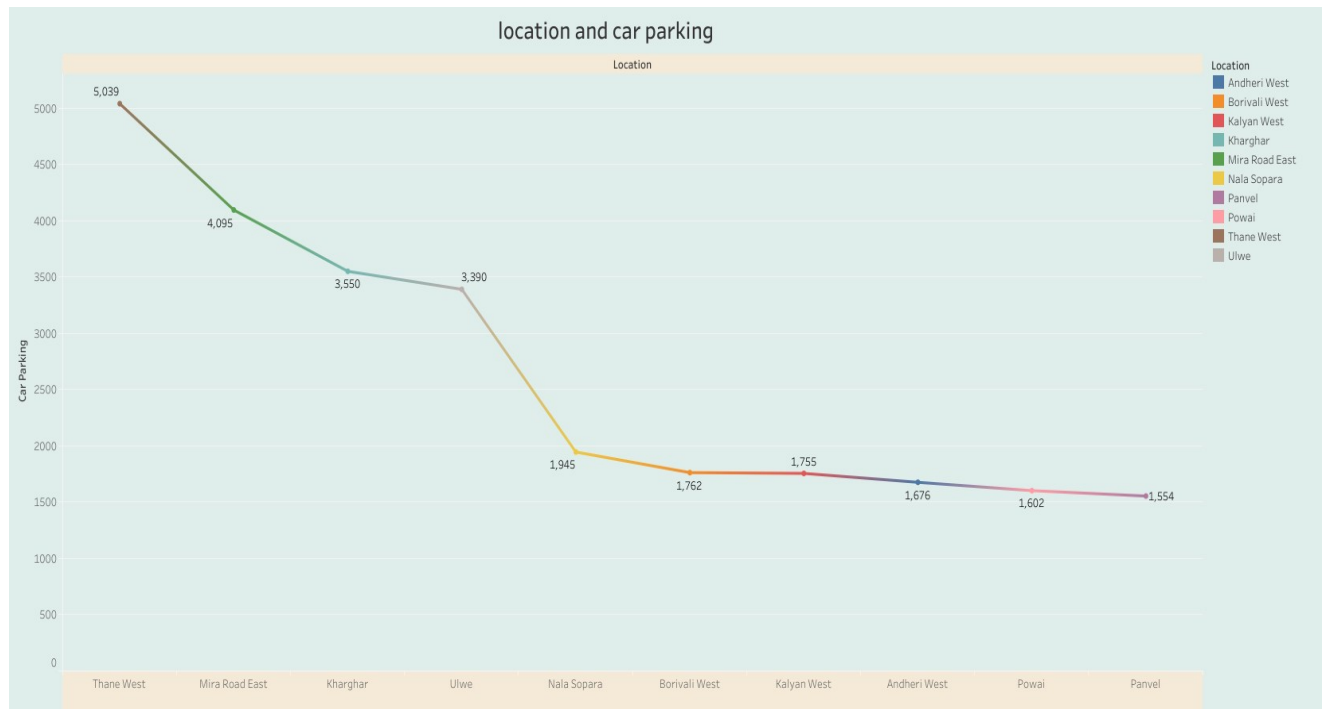


FIGURE 4.4

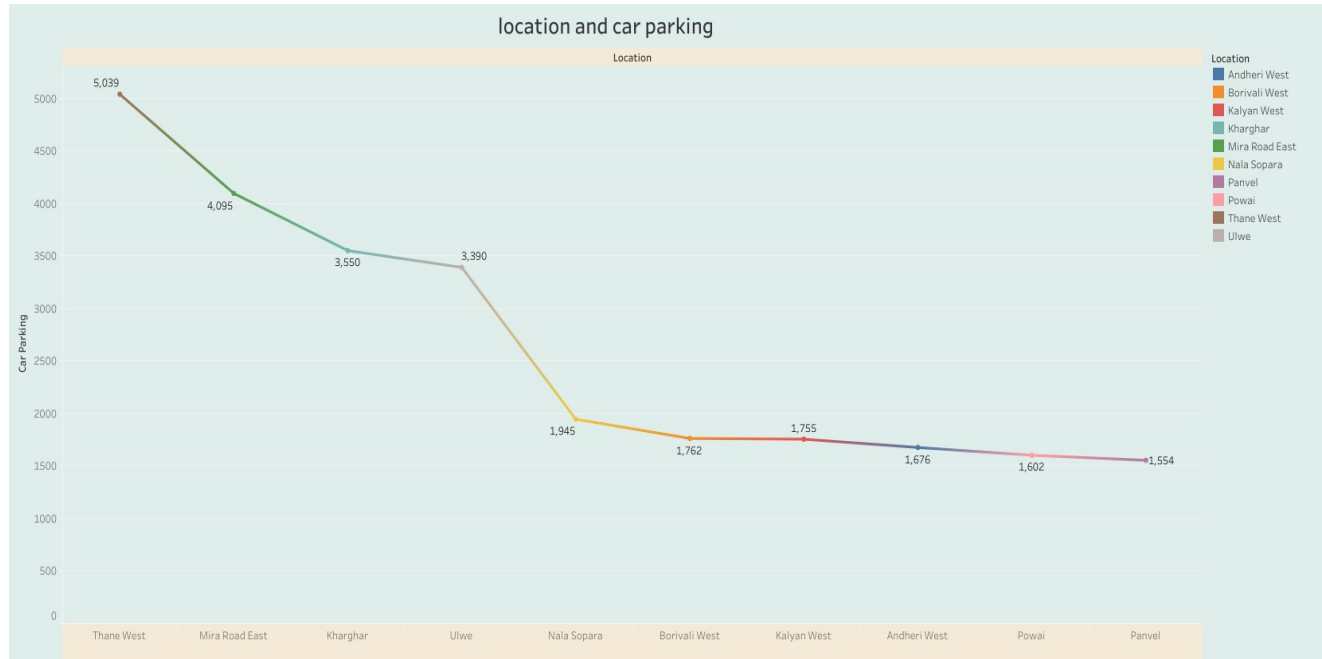


FIGURE 4.5

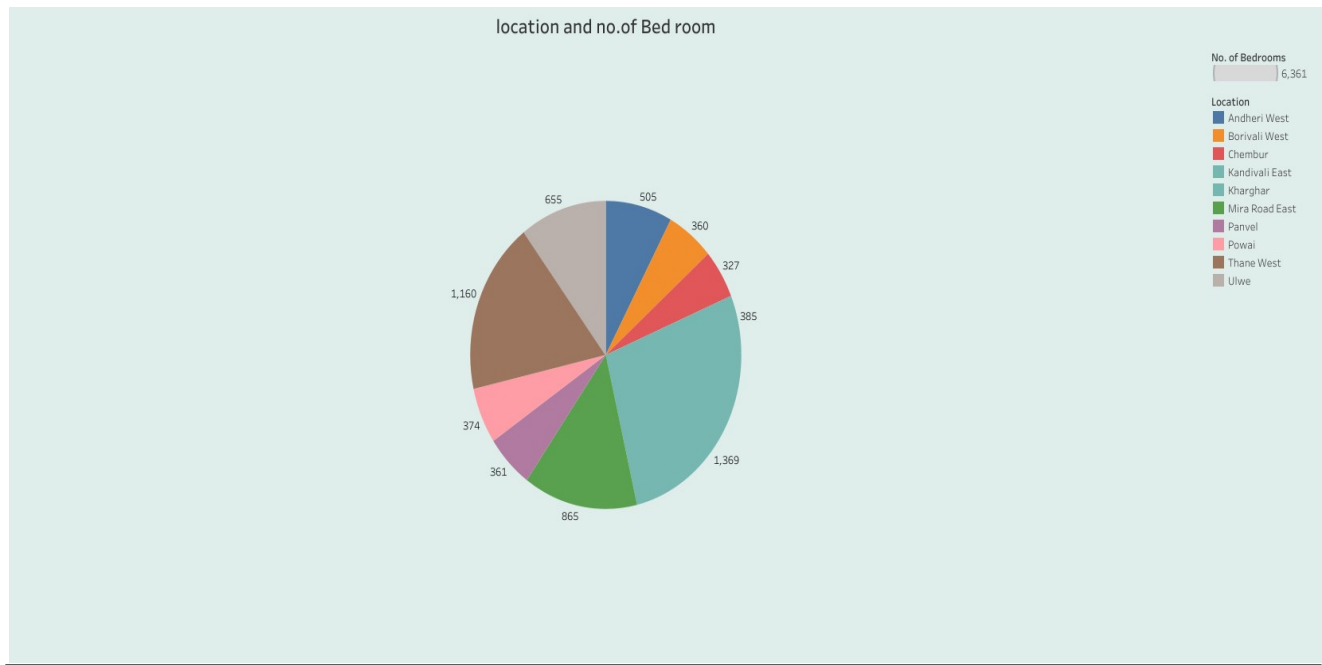


FIGURE 4.6



FIGURE 4.7

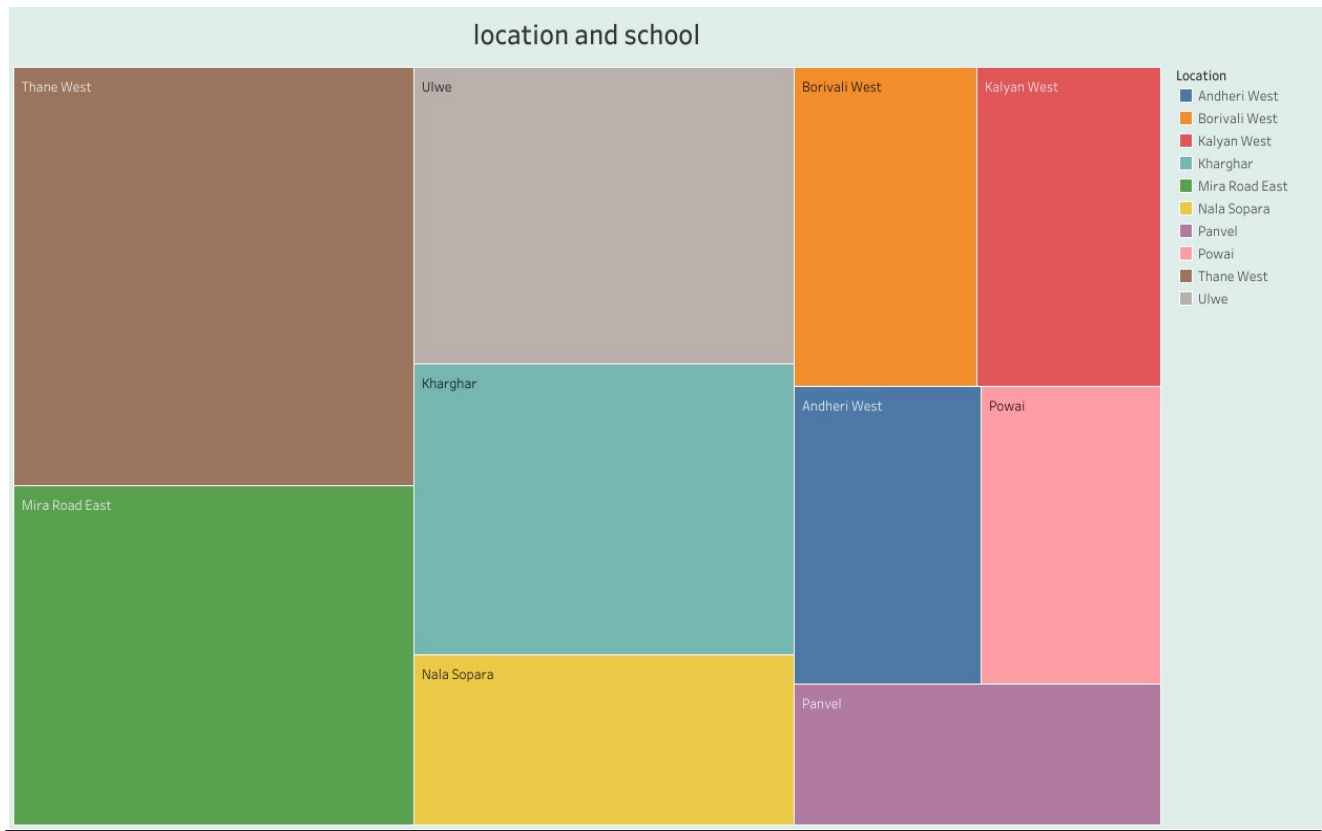
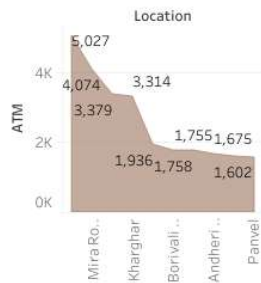


FIGURE 4.8

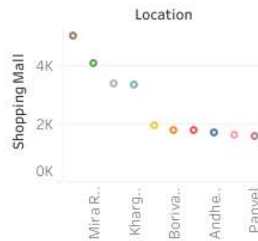


DASH BOARD

location and ATM



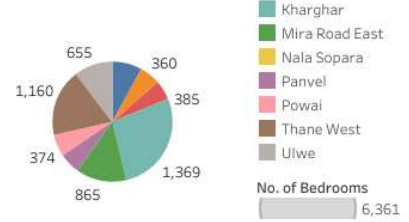
location and shopping mall



location and 24x7 security



location and No. of bedroom



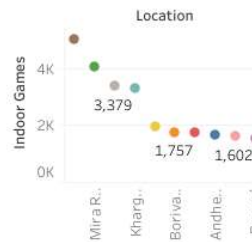
location and car parking



location and school



location and indoor games



location and price



DELHI

FIGURE 5.1

location and 24x7 security

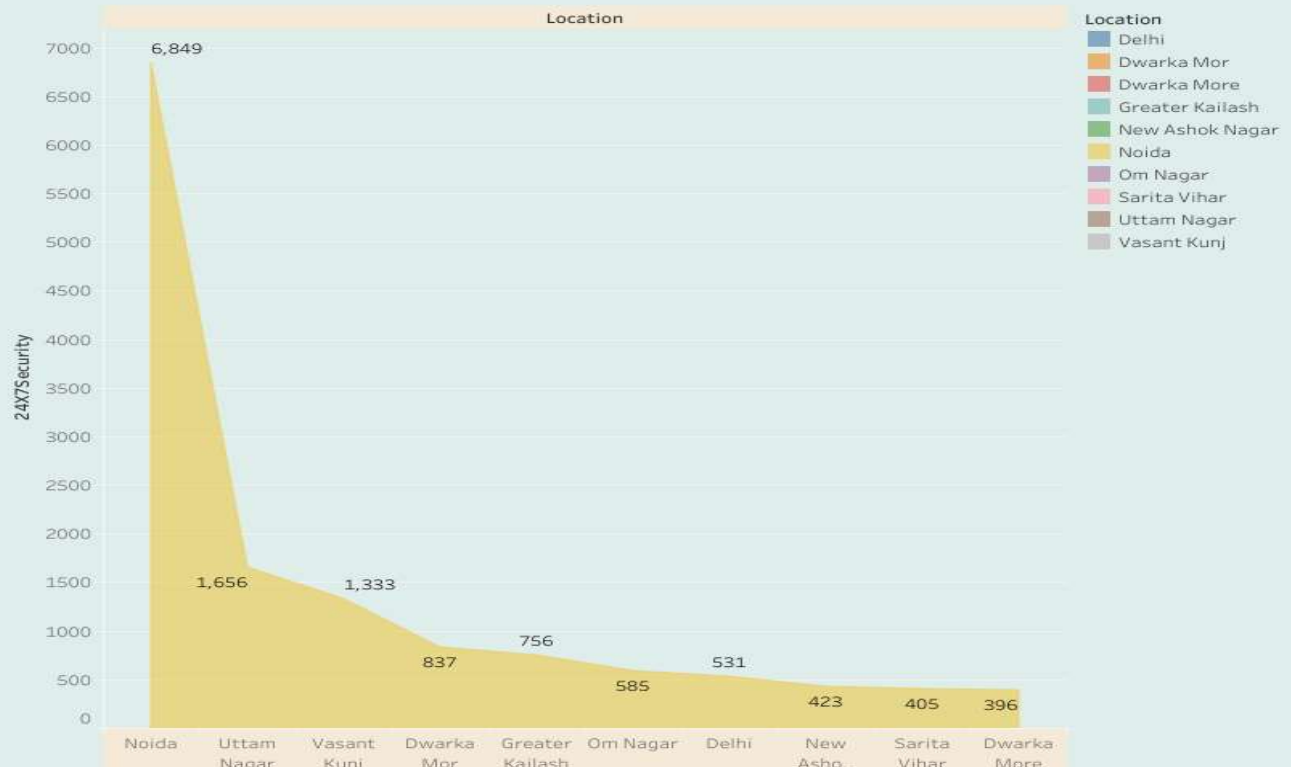


FIGURE 5.2

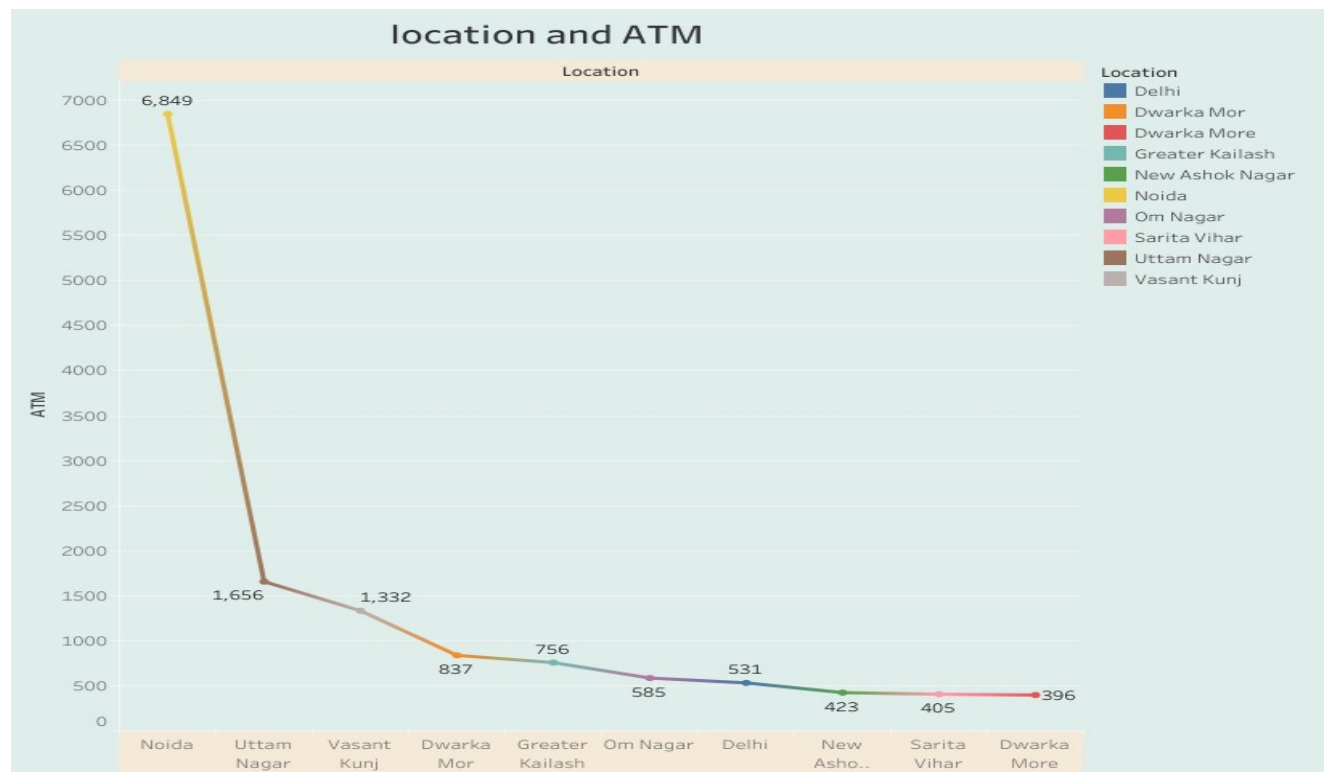


FIGURE 5.3

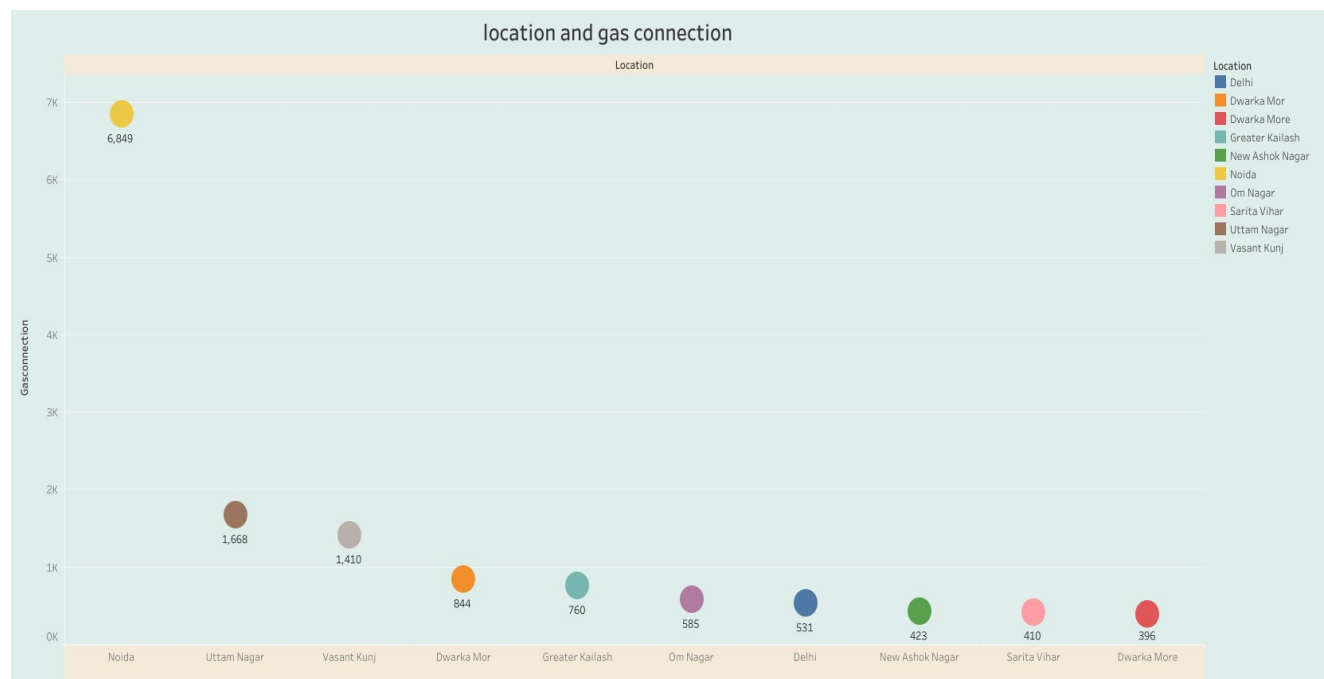


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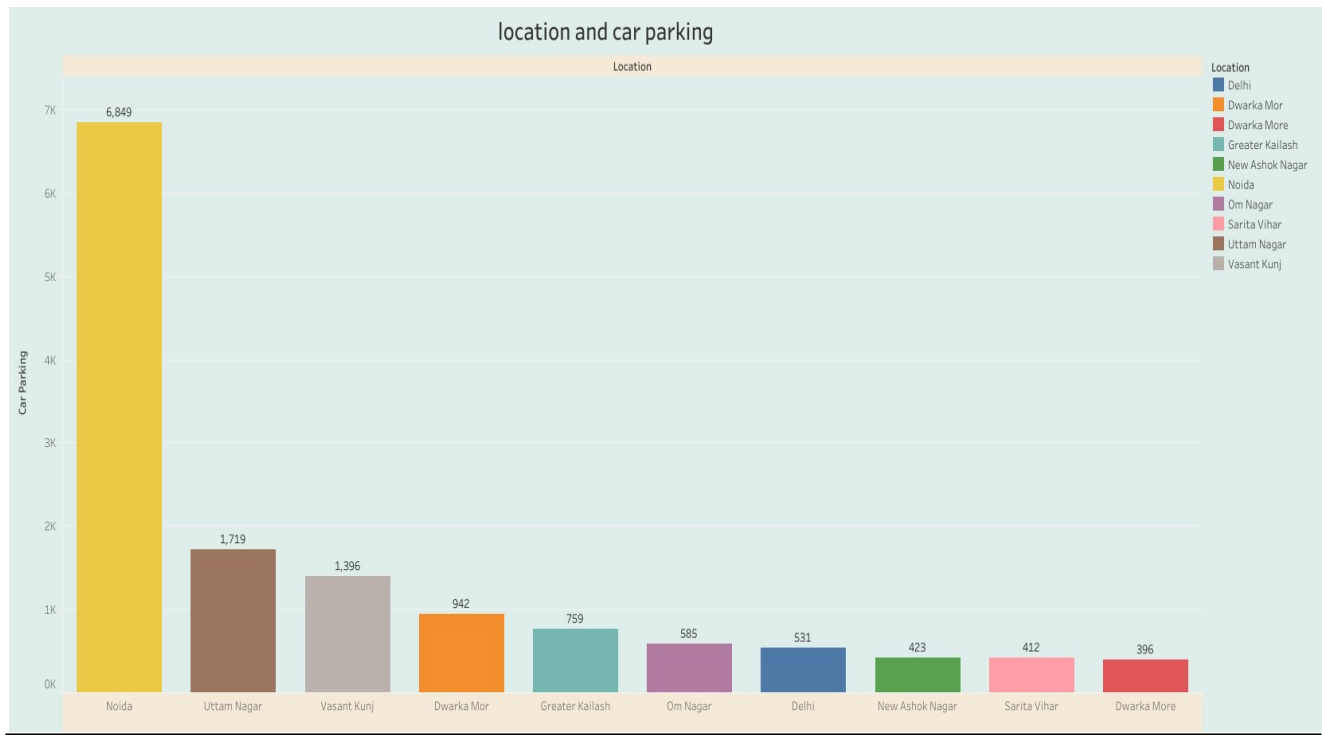


FIGURE 5.5

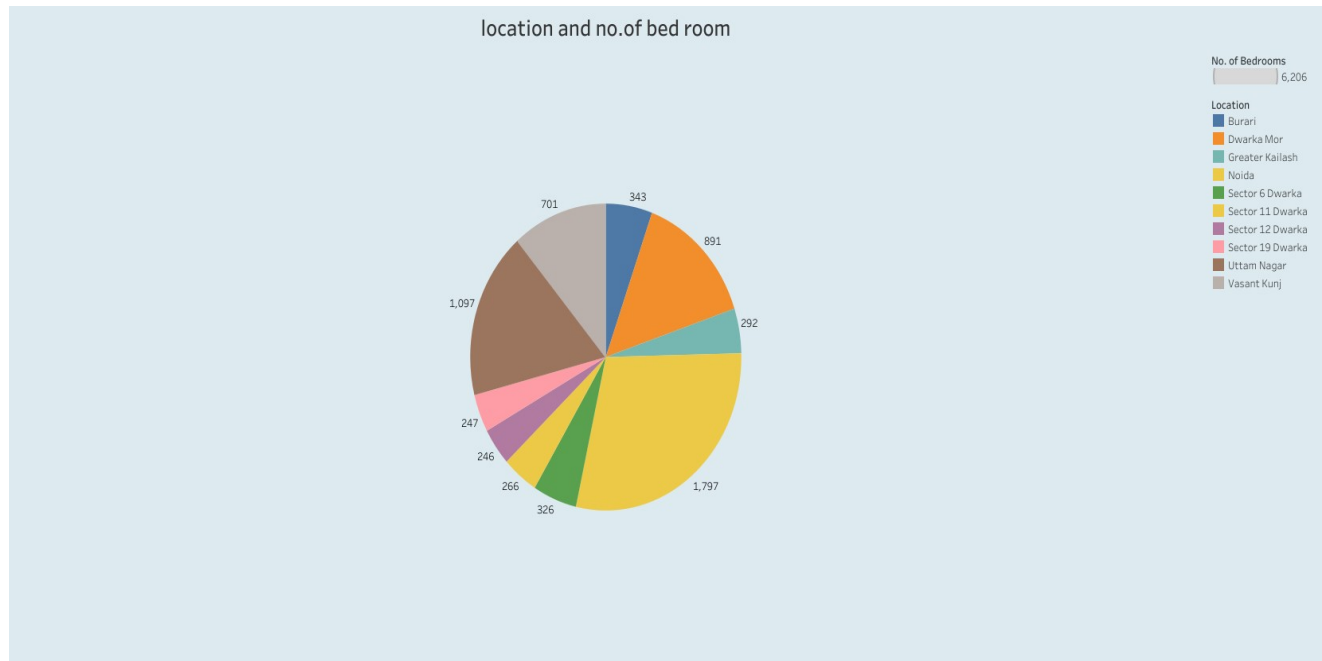


FIGURE 5.6

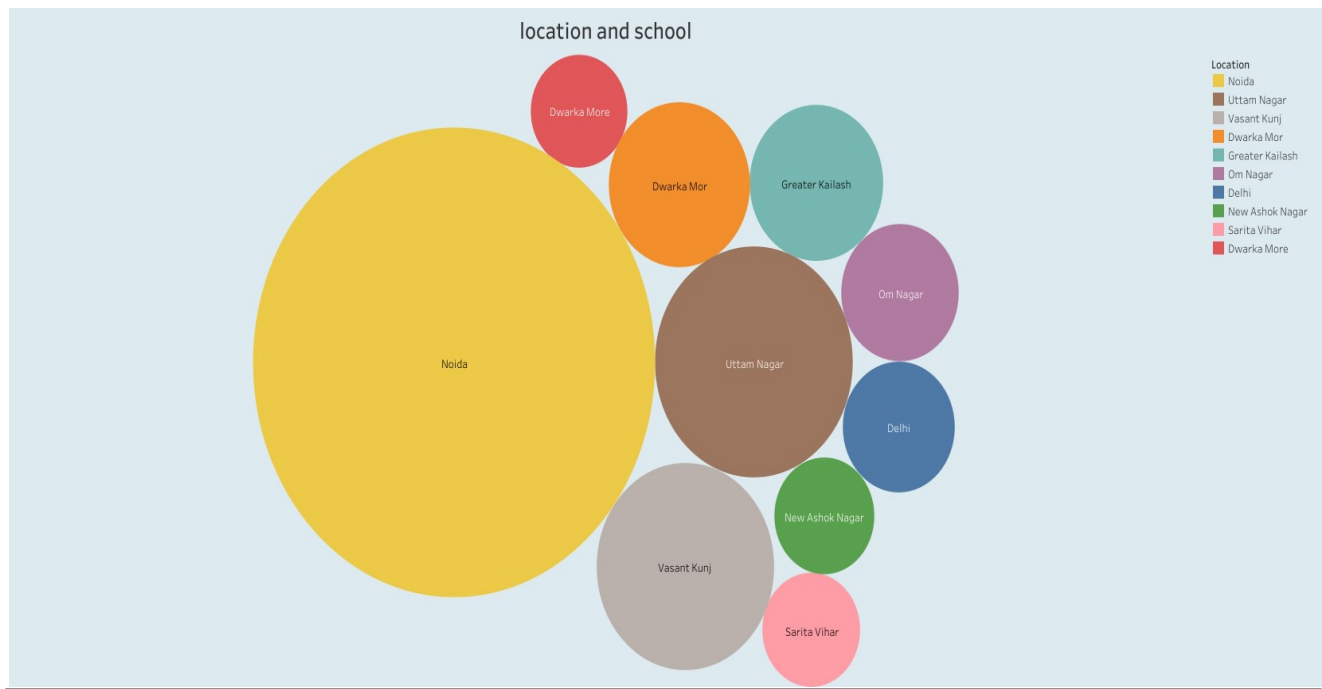


FIGURE 5.7

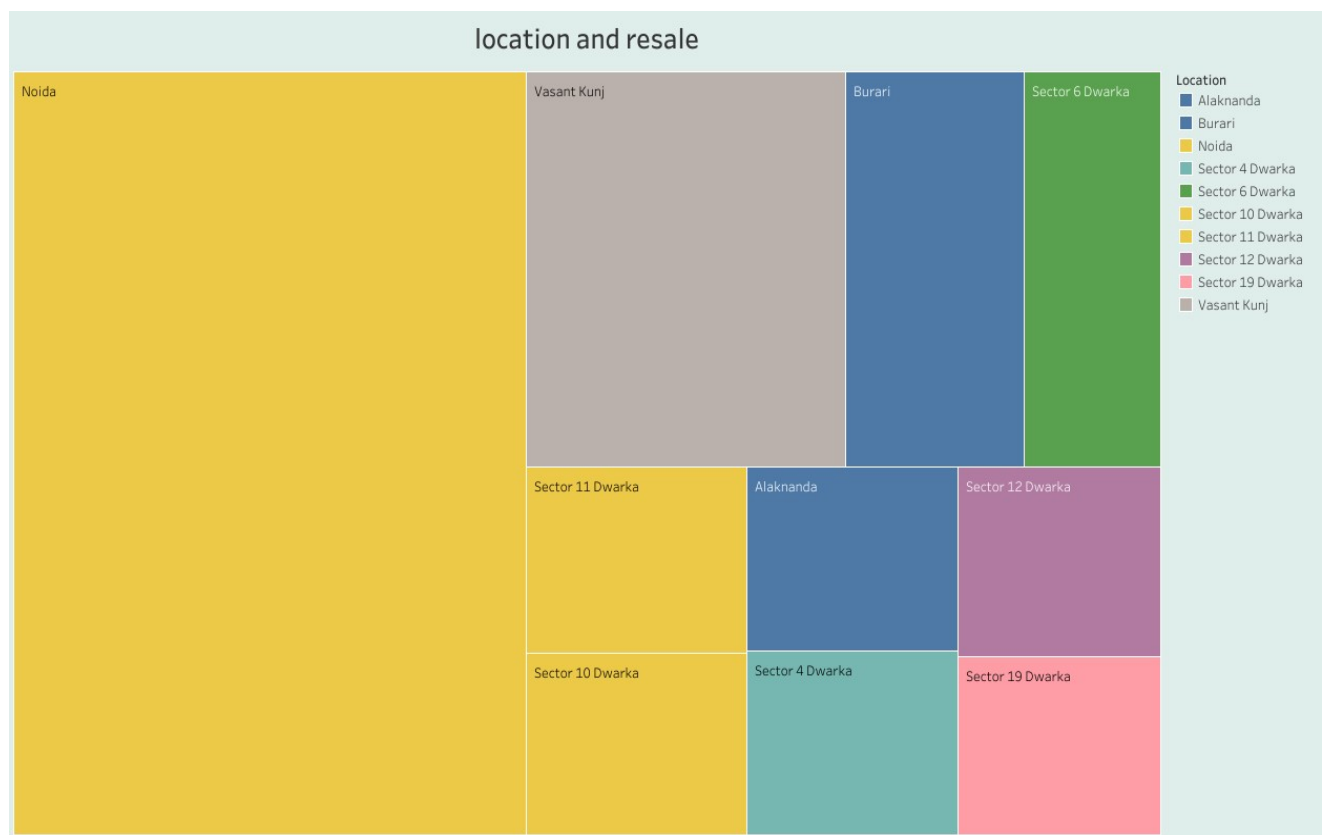
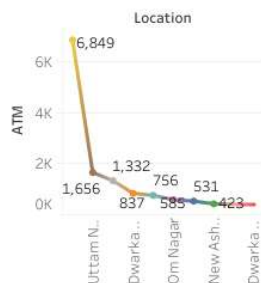


FIGURE 5.8

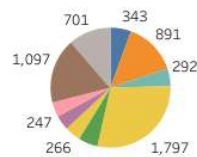


DASH BOARD

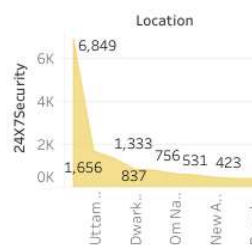
location and ATM



location and no.of bed room



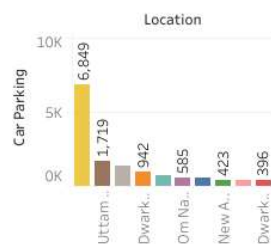
location and 24x7 security



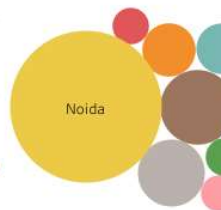
location and shopping mall



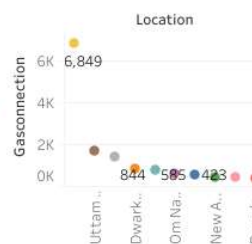
location and car parking



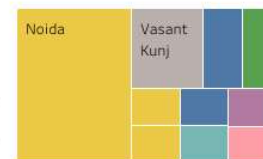
location and school



location and gas connection



location and resale



KOLKATA

FIGURE 6.1

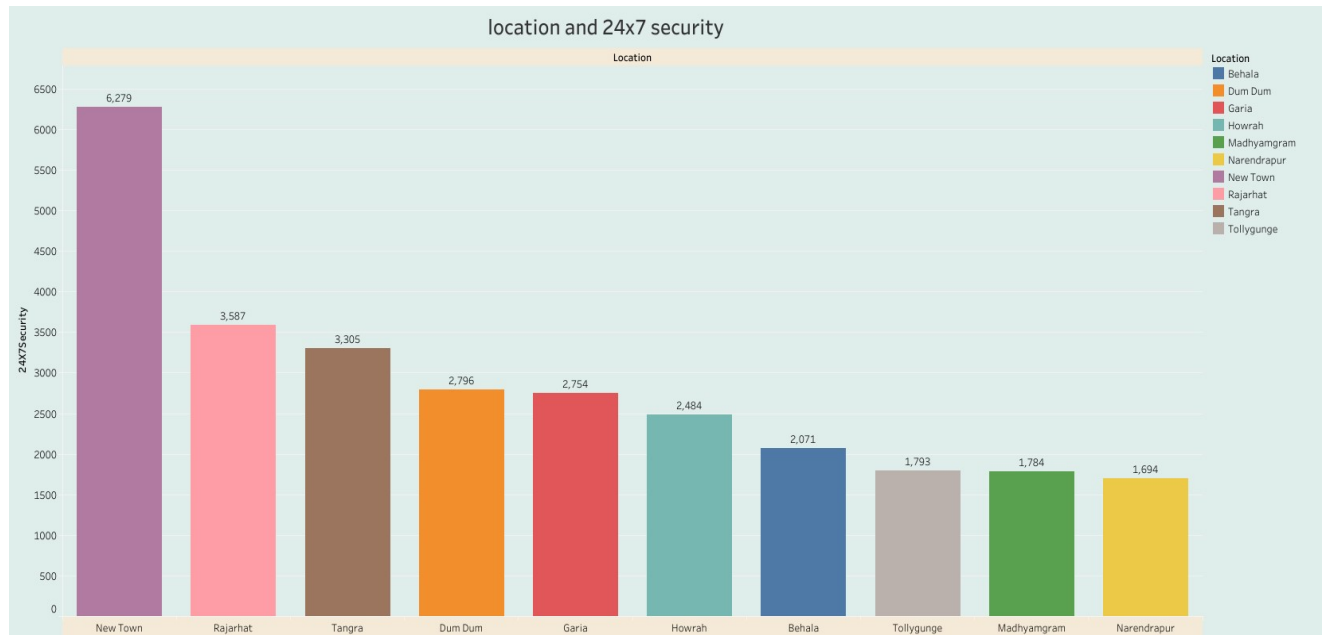


FIGURE 6.2



FIGURE 6.3

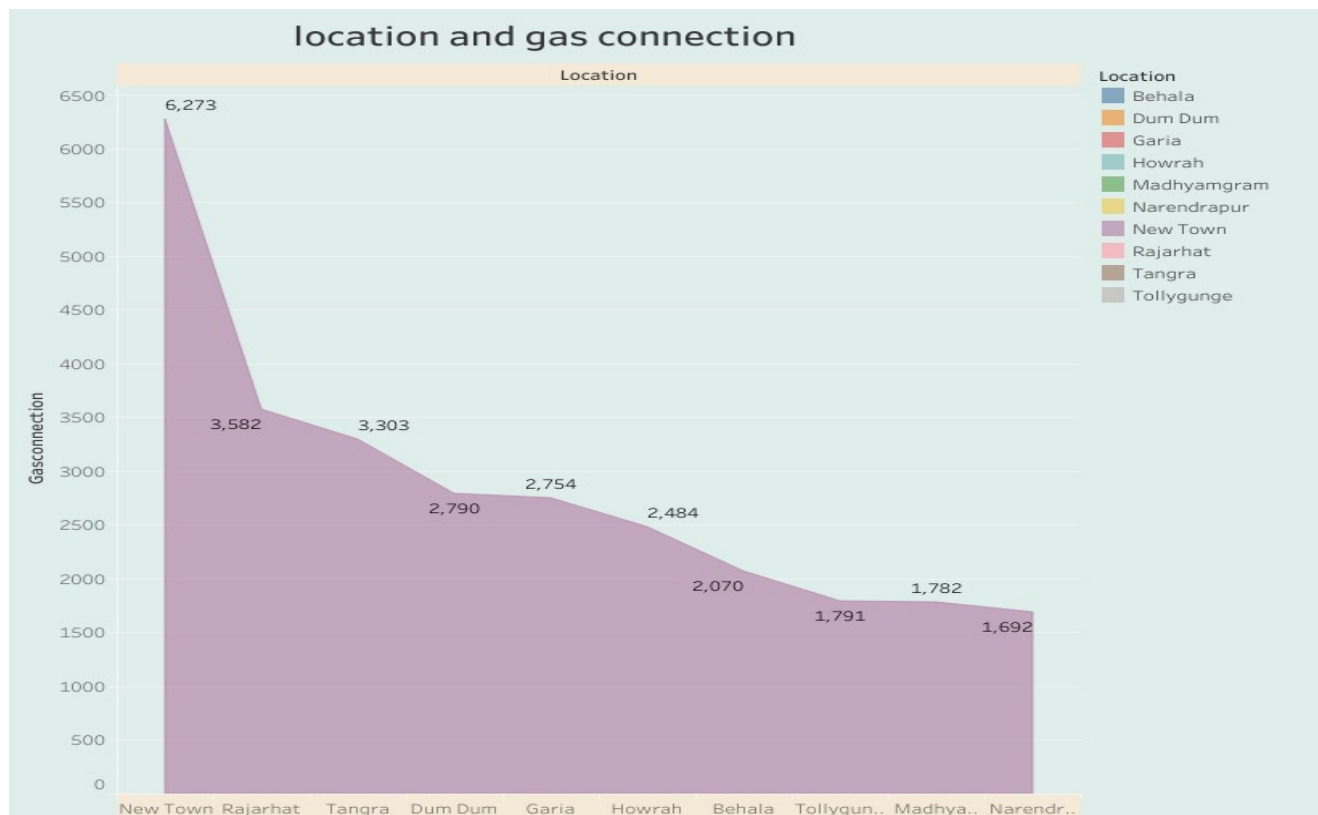


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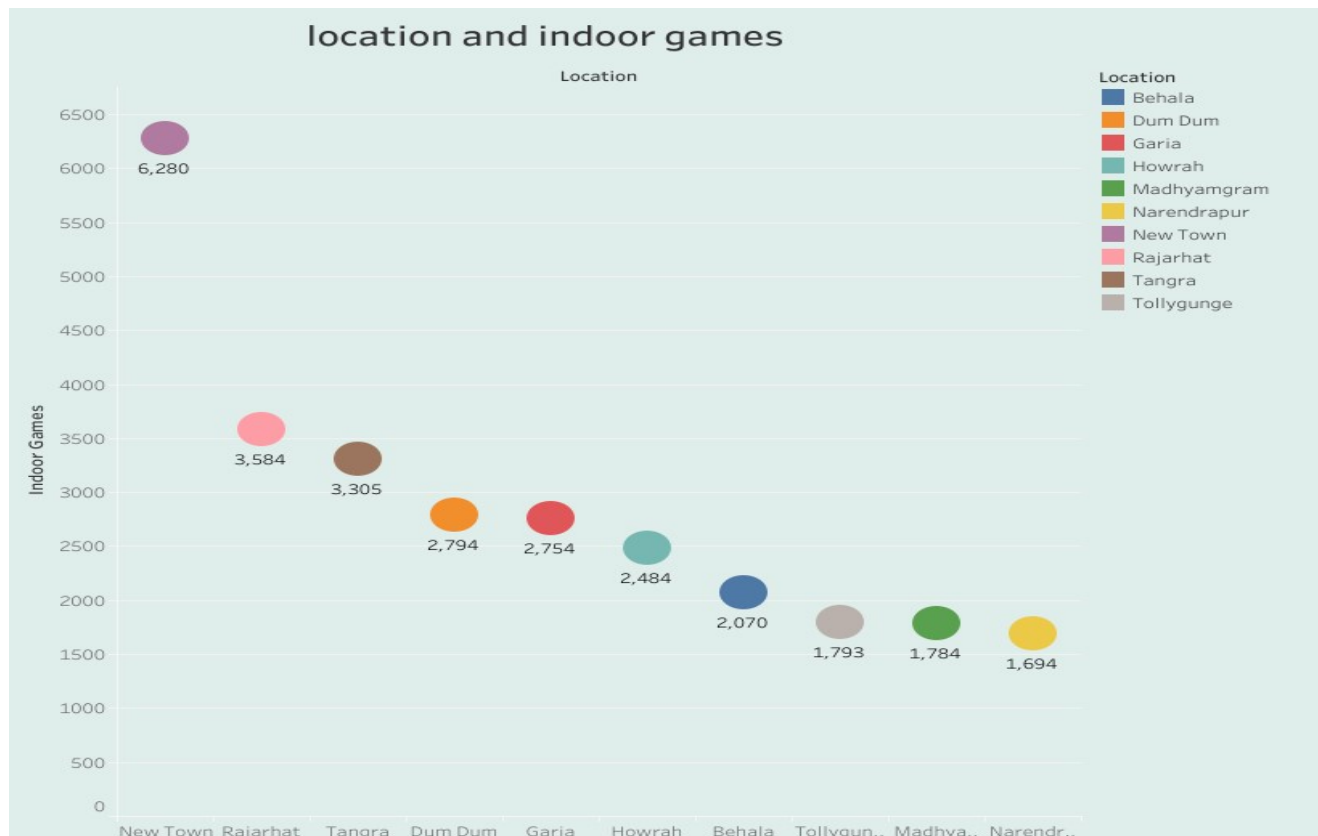


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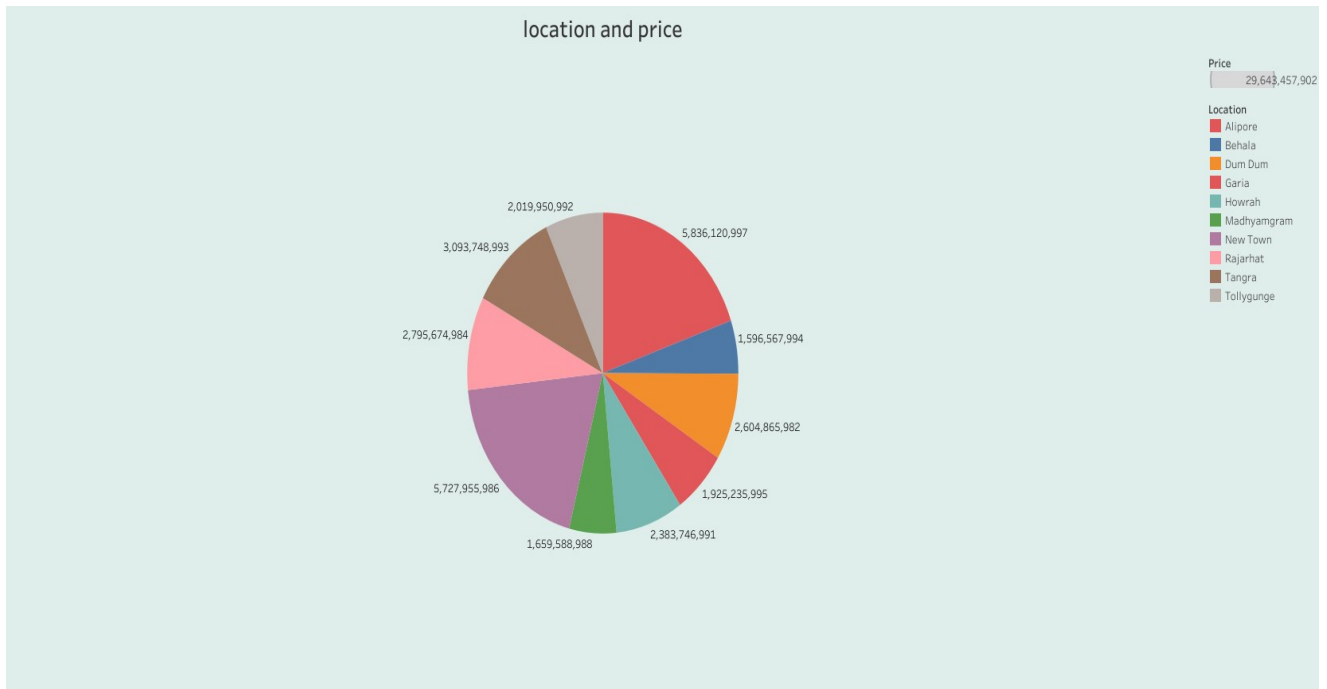


FIGURE 6.6

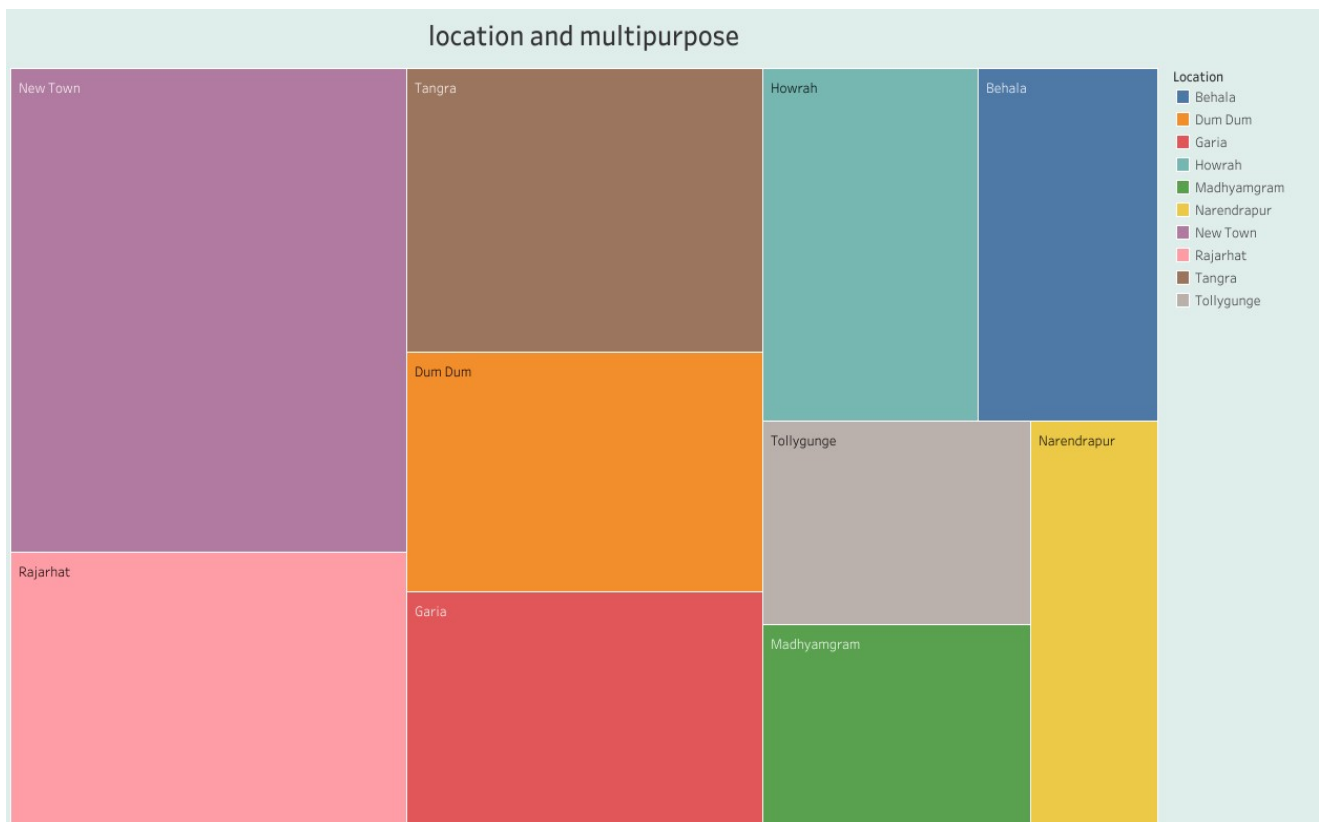


FIGURE 6.7

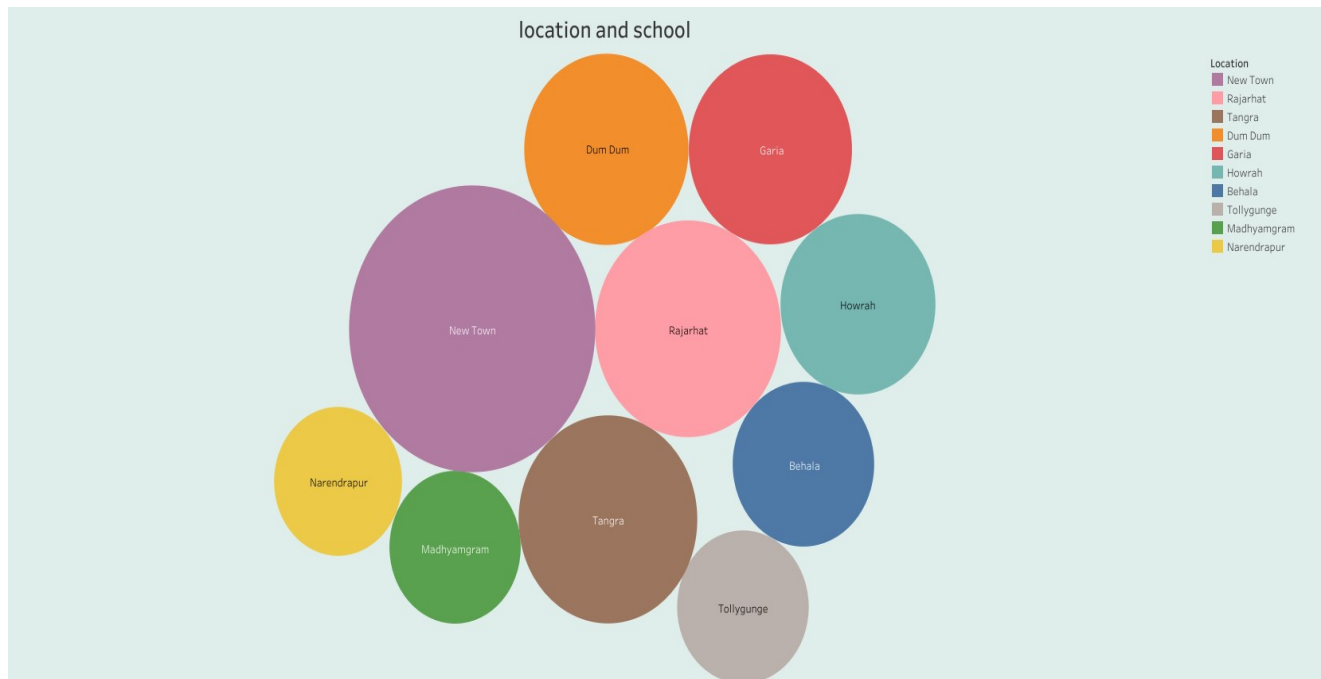
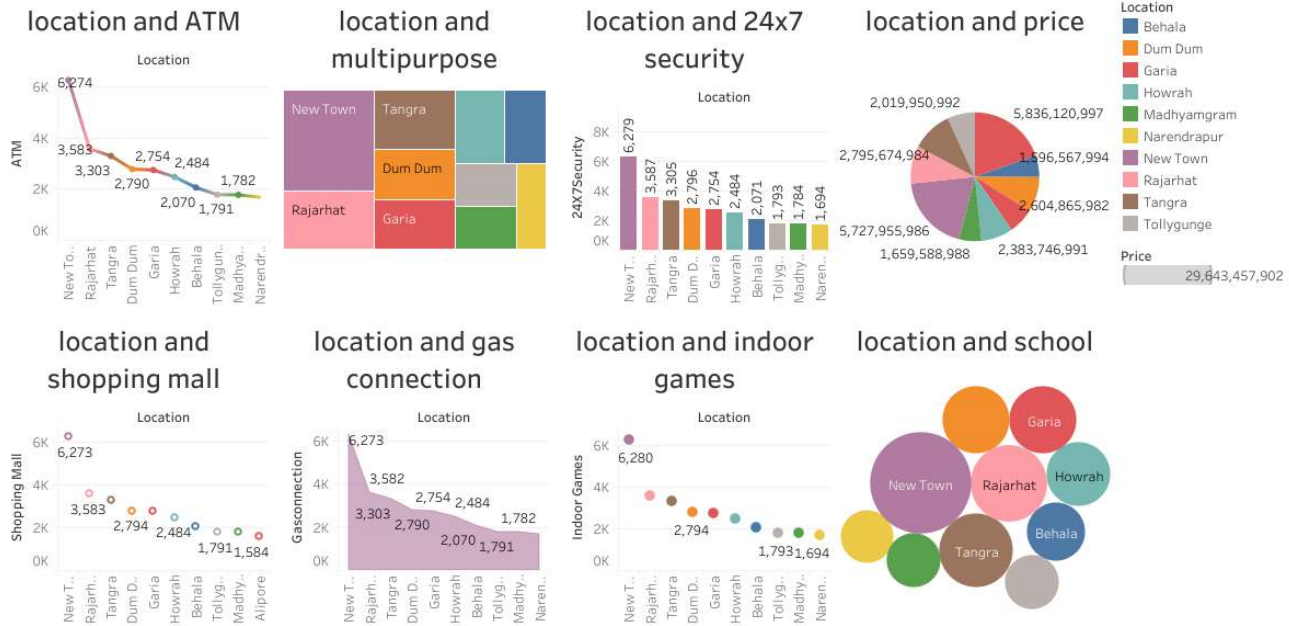


FIGURE 6.8



DASH BOARD



ADVANTAGES:

1. Investment opportunity:

Metropolitan areas often offer better appreciation potential for real estate investments, making it a lucrative option for investors.

2. Economic growth:

High housing demand indicates economic growth in these areas, potentially leading to job opportunities and improved infrastructure.

3. Rental Income :

Investors can generate rental income from properties in metropolitan areas due to high demand from urban professionals and migrants.

4. Amenities and Services:

These areas usually have better access to healthcare, education, transportation, and entertainment facilities.

5. Diverse property types:

Metropolitan areas offer a wide range of property types, catering to different budgets and preferences.

6. Urbanization and Migration:

Rising housing prices are often linked to urbanization and migration trends. Discussing these can help highlight the pull factors of cities and the impact on rural areas.

7. Social implications:

High housing costs can lead to issues like homelessness and inequality. you can delve into the social consequences of unaffordable housing and government policies aimed at addressing these issues.

8. policy considerations:

Governments often formulate housing policies to regulate prices and ensure affordable housing .evaluating the effectiveness of these policies and proposing potential improvement can be a focal point.

9. Global comparisons:

To comparing to the house prices in metropolitan area compare to other states.

10. Market research:

Businesses in real estate, construction, and related industries can use housing price data for market research and strategic planning.

11. Wealth creation :

Rising housing prices can contribute to the wealth creation of homeowners and stimulate economic activity in the region.

DISADVANTAGES:

1. Affordability:

Housing prices in many metropolitan areas are skyrocketing, making it difficult for the average person to afford a decent home . this can lead to housing inequality and overcrowding in lower –income neighborhoods.

2. Speculation:

Real estate speculation often drives up prices , creating bubbles that can burst, leaving homeowners with devalued properties and financial instability.

3. Urban Sprawl:

As cities expand, housing development often encroaches on agricultural land , causing environment and agricultural disadvantage.

4. Infrastructure strain:

Rapid urbanization strains existing infrastructure like roads, water supply, and sewage system, leading to issues like traffic congestion and water shortages.

5. Inadequate Housing:

Many people are forced to live in informal settlements with inadequate housing conditions, lacking basic amenities like sanitation and clean water.

6. Gentrification:

Disadvantaged communities often get displaced as wealthier residents move in, leading to social and cultural upheaval.

7. Transportation costs:

High housing prices in city centers can force people to live far from work, resulting in long commutes and increased transportation costs.

8. Economic Disparities:

Housing prices can exacerbate income inequalities, as those who own property benefit from rising prices while renters struggle to keep up.

9. Inaccessible home loans:

Many people, especially from disadvantaged backgrounds, find it hard to secure affordable home loans due to stringent lending criteria.

10. Legal challenges:

Land disputes, unclear property titles, and inefficient legal systems can make it difficult for people to buy and sell property, adding to the housing market's challenges.

11. High price:

The most significant disadvantage is the exorbitant cost of housing in metropolitan areas, making it unaffordable for many.

APPLICATION:

1. Real Estate investment:

Investors can use housing price data to identify areas with potential for high returns on investment and make informed decisions about buying or selling properties.

2. Policy development :

Government agencies can analyze housing price to formulate housing policies, such as affordable housing initiatives or property tax regulations.

3. Urban planning:

City planner can use housing price data to understand trends in urban development and plan infrastructure projects accordingly.

4. Risk Assessment :

Banks and financial institutions can assess the risk associated with leading for real estate transaction by considering the volatility in housing prices.

5. Market research:

Real estate developers and marketers can use housing price data to identify market trends, target demographics, and develop marketing strategies.

6. Housing Affordability:

Researchers and policymakers can analyze housing prices to assess affordability for different income groups and address housing affordability issues.

7. Forecasting:

Data analyzing can be used to forecast future housing price trends, helping individuals and businesses make long-term decisions.

8. Comparative analysis:

Homebuyers can compare housing prices in different areas to make informed decisions about where to purchase a property.

9. Property valuation :

Appraisers use housing price data to determine the value of a property for mortgage purpose or property tax assessments.

10. Economic indicators:

Housing prices can serve as an economic indicator, reflecting the overall health of the real estate market and, by extension, the economy.

CONCLUSION

This paper analyzes whether the Law of One Price (LOOP) holds in the housing market of fifteen metropolitan areas in India, namely Delhi, Mumbai, Bangalore, Kolkata, Chennai, Jaipur, Lucknow, Hyderabad, Pune, Surat, Ahmadabad, Patna, Faridabad, Kochi and Bhopal. We test the existence of LOOP using the I'm, Pesaranand Shin (2003) panel unit root test based on quarterly data on residential property prices covering the period of 2007Q1 to 2011Q4 of the Indian housing market. Based on the criterion of price convergence, house prices in the 15 metropolitan cities do not converge to the LOOP. This implies that the housing markets in the different areas operate as segmented independent local markets. Therefore, house prices in one location in India cannot impose a competitive constraint on house prices in other location, and as such a home owner can freely set the price of his house.

FUTURE SCOPE:

1. Urbanization:

Metropolitan areas tend to attract more people due to better job opportunities and amenities. This can drive up housing demand and prices.

2. Economic growth:

The overall economic growth of India and the specific metropolitan areas' economic performance play a significant role in housing price trends. Stronger economics can support higher property values.

3. Infrastructure development:

Investments in infrastructure, like transportation and connectivity, can influence housing prices. Areas with improved infrastructure may experience rising property values.

4. Government policies:

Policies related to real estate, taxation, and housing can impact prices. Keep an eye on changes in regulations that may affect the real estate market.

5. Demand and supply:

The balance between housing demand and supply is crucial. If demand outstrips supply, prices may rise. Conversely, an oversupply can lead to lower prices.

6. Interest rates:

Change in interest rates affects borrowing costs. Lower rates can stimulate demand and potentially drive up prices.

7. Market sentiment:

Public perception, investor sentiment, and external factors like global events can influence housing market dynamics.

APPENDIX

INTRODUCTION

<https://www.usc.es/economet/reviews/eers13111.pdf>

ADVANTAGES

https://www.google.com/url?sa=t&source=web&rct=j&opi=89978449&url=https://thesai.org/Downloads/Volume8No10/Paper_42-Modeling_House_Price_Prediction_using_Linear_Regression.pdf&ved=2ahUKEwiivWz1uuBAXWab94KHSR1BJcQFnoECA0QBQ&usg=A0vVaw1qZ82NeV1K_ylNX0MnXo_m

DISADVANTAGE

<https://www.quora.com/Why-are-property-rates-high-in-metro-cities-of-India-Is-there-any-chance-of-decrease-in-prices-in-next-5-10-years>

APPLICATION

<https://www.hindustantimes.com/real-estate/housing-prices-across-8-major-indian-cities-increased-by-7-per-cent-in-q2-2023-report-delhi-ncr-mumbai-101691570841399-amp.html>

CONCLUSION

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