

ANALYSING HOUSING PRICES IN METROPOLITAN AREAS OF INDIA

INTRODUCTION

1.1 OVERVIEW

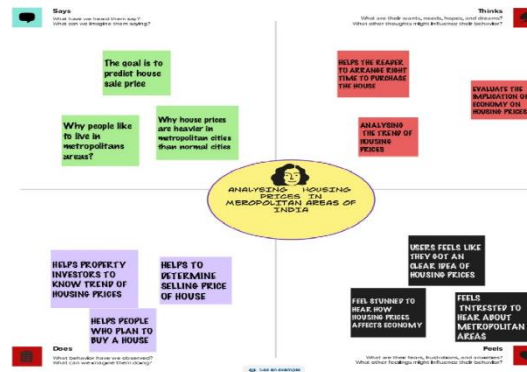
The Times of India (2012) report indicates that housing prices in India witnessed the steepest rise in the world in the last 10 years since 2001. "House prices in India have increased by 284% in real terms, after allowing for inflation — equivalent to an average annual rise of 14%. The upward movement could be due, significantly, to, rapid urbanisation, increase in population, migration from rural areas as a result of unsatisfactory performance in agriculture and expectation for better livelihood, in terms of greater earning possibilities in urban areas. Only couple of cities registered price decline in the last quarter of 2011. Hence, this paper focuses upon residential property prices in metropolitan cities in India, more specifically, on the study of fifteen metropolitan cities located at different parts of the country consisting Delhi, Mumbai, Bengaluru, Kolkata, Chennai, Jaipur, Lucknow, Hyderabad, Pune, Surat, Ahmedabad, Patna, Faridabad, Kochi and Bhopal. Due to their locations, the cities are having regional characteristics. Against this background, the basic question that arises is whether these fifteen metropolitan cities act as a single market or they work separately as segmented independent metropolitan housing markets within the country. In other words, does the Law of One Price (LOOP) hold true in the housing market of the fifteen metropolitan cities of India? Although a number of studies have been conducted for some countries to determine the convergence of house prices in the respective regions⁴ to the best of our knowledge, no such study has been conducted for India.

1.2 PURPOSE

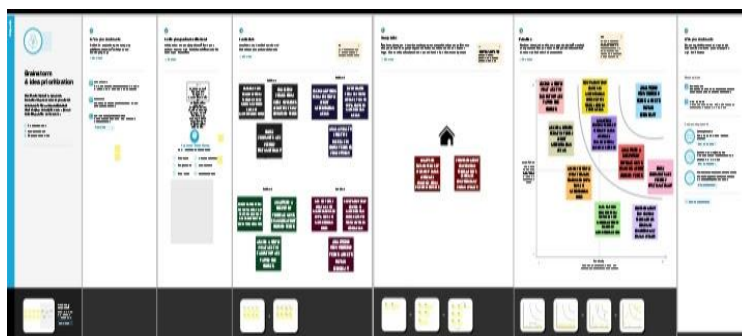
The Standard Price Behavior Of A Good Or Its Close Substitute Reveals The Same Price Movements And They ,Generally Vary Within A Price Range,When They Are Sold At Markets Located At Different Places(Shepherd,1997;Lipczynski Et Al.,2005).Two Houses In Two Different Locations Are Believed To Be Sold Within The Same Market,If House Prices In One Location Impose A Competitive Constraint On House Prices In The Other Location.

2. PROBLEM DEFINITION & DESIGN THINKING

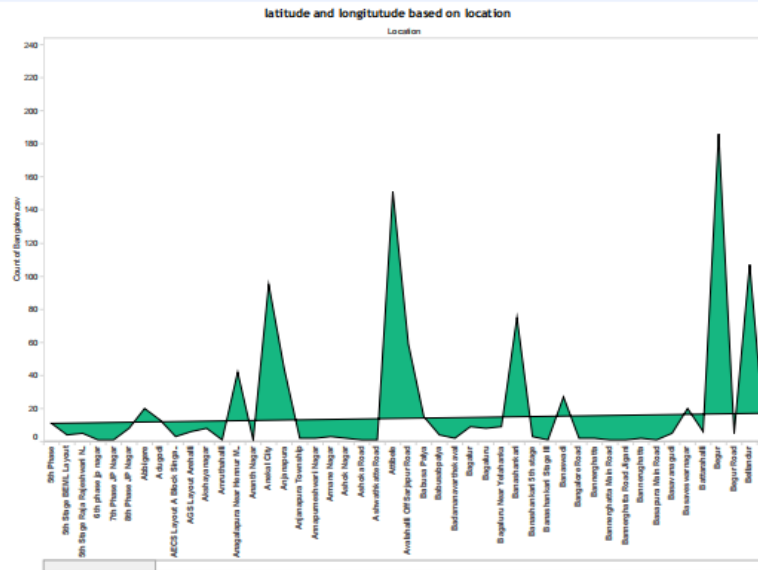
2.1 EMPATHY MAP



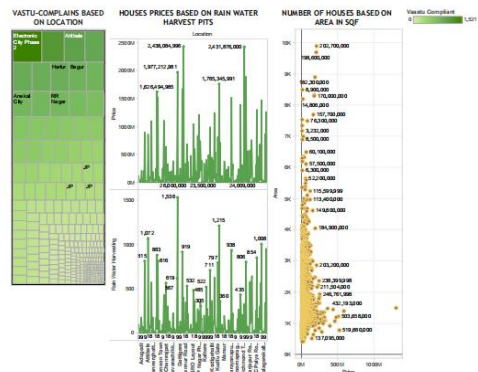
2.2 ideation & brain storming map



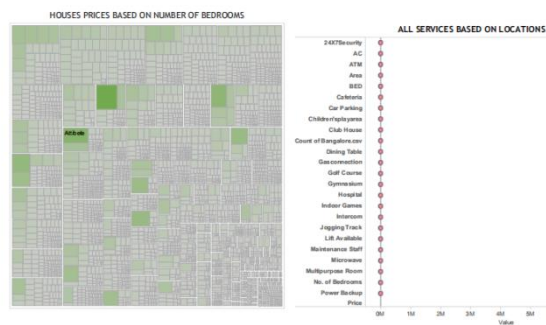
DASHBOARD 1



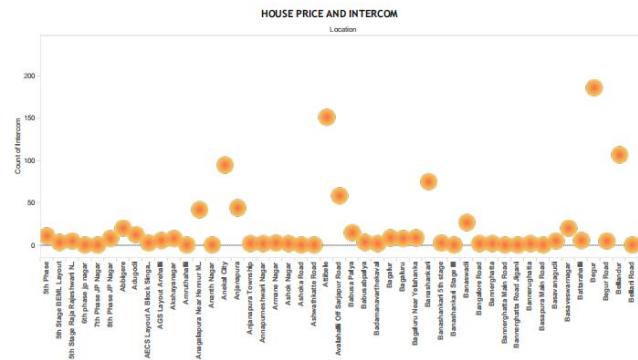
DASHBOARD 2



DASHBOARD 3

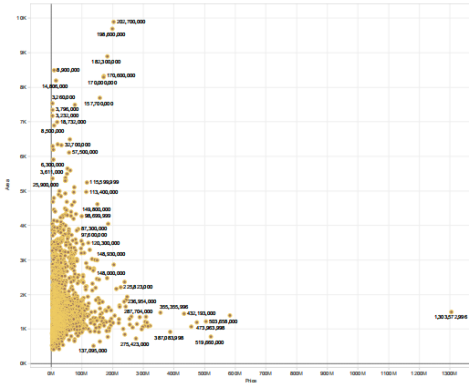


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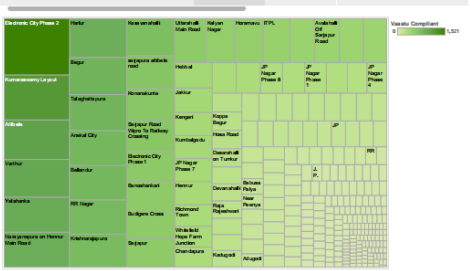


STORY

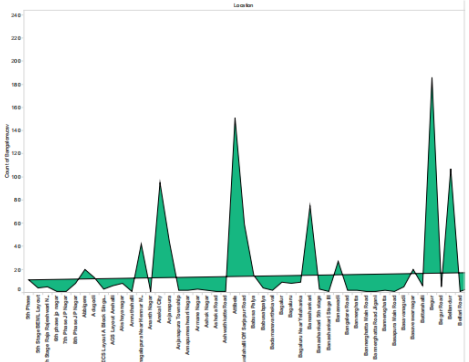
Story 1



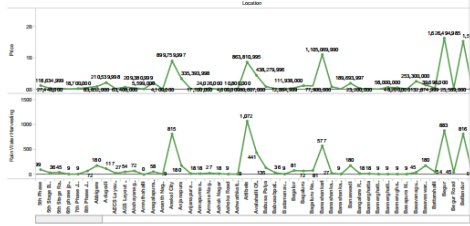
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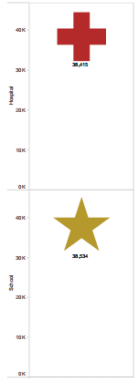
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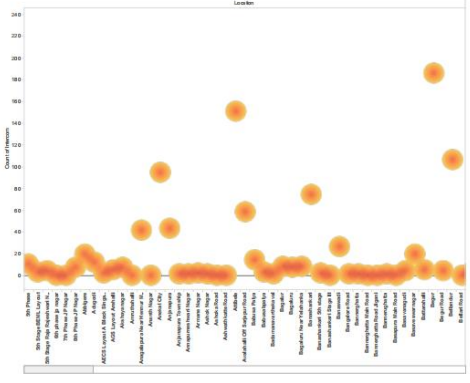
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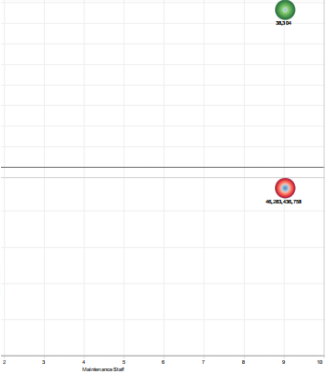
Story 1



Story 1



Story 1



ADVANTAGES

Properties in urban cities tend to appreciate in value over time, which can lead to a significant return on investment. Additionally, rental demand is typically strong in urban cities, providing investors with passive income.

DISADVANTAGES

High cost of living

Urban cities often have a higher cost of living, including higher prices for housing, food, utilities, and other essentials. This can make it more difficult to afford basic necessities and may also make it harder to save money.

APPLICATION

1. House price prediction can help the developer determine the selling price of a house and can help the customer to arrange the right time to purchase a house. There are three factors that influence the price of a house which include physical conditions, concept and location.
2. shelter is essential for filling subsequent needs. Without shelter (and other things like food, oxygen, and drink), it is difficult, bordering on impossible, to fill the needs stacked higher to the top of the pyramid, such as: Health. Personal security.

CONCLUTION

This paper analyzes whether the Law of One Price (LOOP) holds in the housing market of fifteen metropolitan India, namely Delhi, Mumbai, Bengaluru, Kolkata, Chennai, Jaipur, Lucknow, Hyderabad, Pune, Surat, Ahmedabad, Patna, Faridabad, Kochi and Bhopal. We test the existence of LOOP using the Im, Pesaran and 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

Property prices in India are expected to increase 7.5% on a pan-India basis this year, the fastest growth in five years, according to a Reuters poll of property analysts. Average house prices were forecast to rise 6% next year and in 2024. The poll of 13 property analysts were held during May11-27.³¹