

NAAN MUTHALVAN

PROJECT TITLE

Analysis Housing Prices In Metropolitan Areas Of India

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1. Introduction:

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, industrialisation, urbanisation, 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 behaviour may also reflect some short of developmental status of the households of a country. Keeping in view the above fact of rapid urbanisation 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.

1.1 Overview:

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 May 11-27.

In the upcoming 2-3 years, India is expected to have a 40 per cent market share and deliver 46 million square feet in 2022. By 2025 the real estate demand would increase by 15-18 million. The Gross leasing volume for the first quarter of 2022, of India's top seven leading office markets, was 11.55 million square feet.

1.2 Purpose:

Prediction house prices are expected to help people who plan to buy a house so they can know the price range in the future, then they can plan their finance well

In addition, house price predictions are also beneficial for property investors to know the trend of housing prices in a certain location.

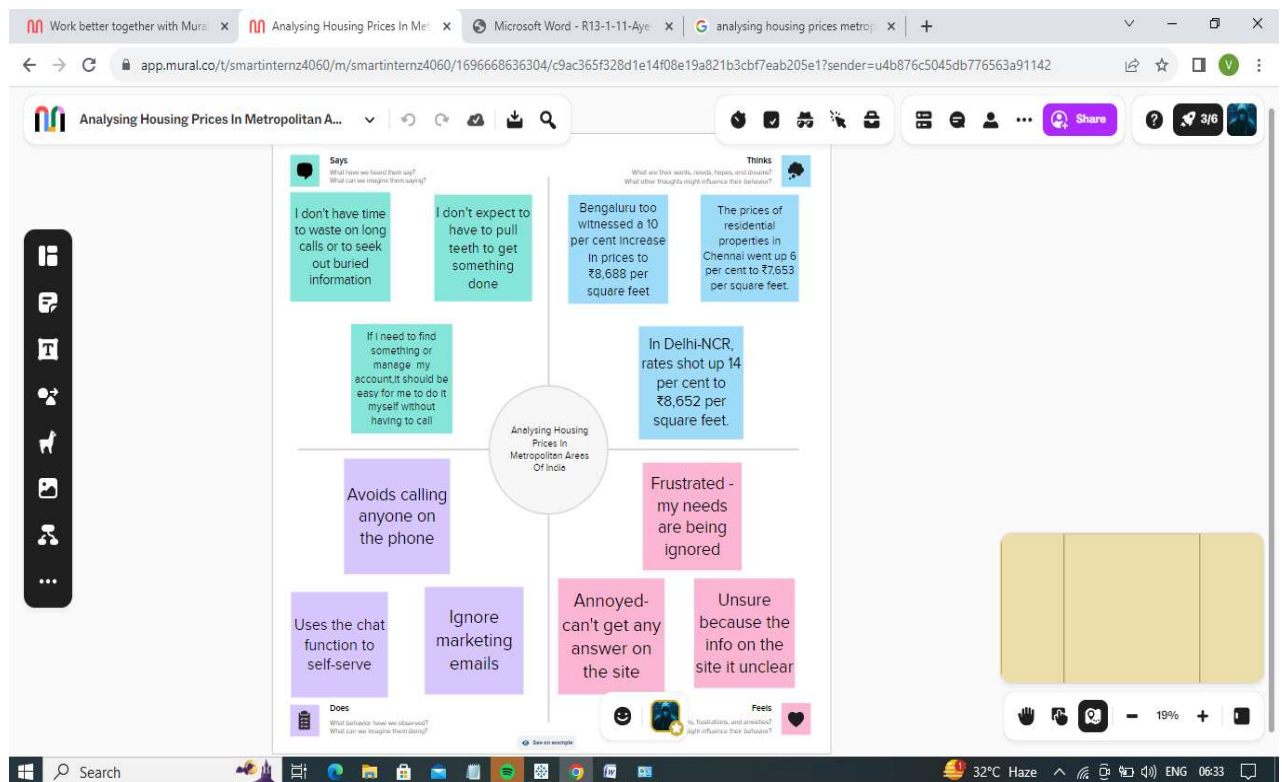
The Real Estate Industry In India is estimated at USD 265.18

billion in 2023, and is expected to reach USD 828.75 billion by 2028, growing at a CAGR of 25.60% during the forecast period (2023-2028).

2.Problem statement & design thinking:

India house prices grew 2.7% YoY in Jun 2023, following an increase of 1.8% YoY in the previous quarter. YoY growth data is updated quarterly, available from Mar 2011 to Jun 2023, with an average growth rate of 5.0%

2.1Empathy map:



2.2 Ideation and brainstorming map:

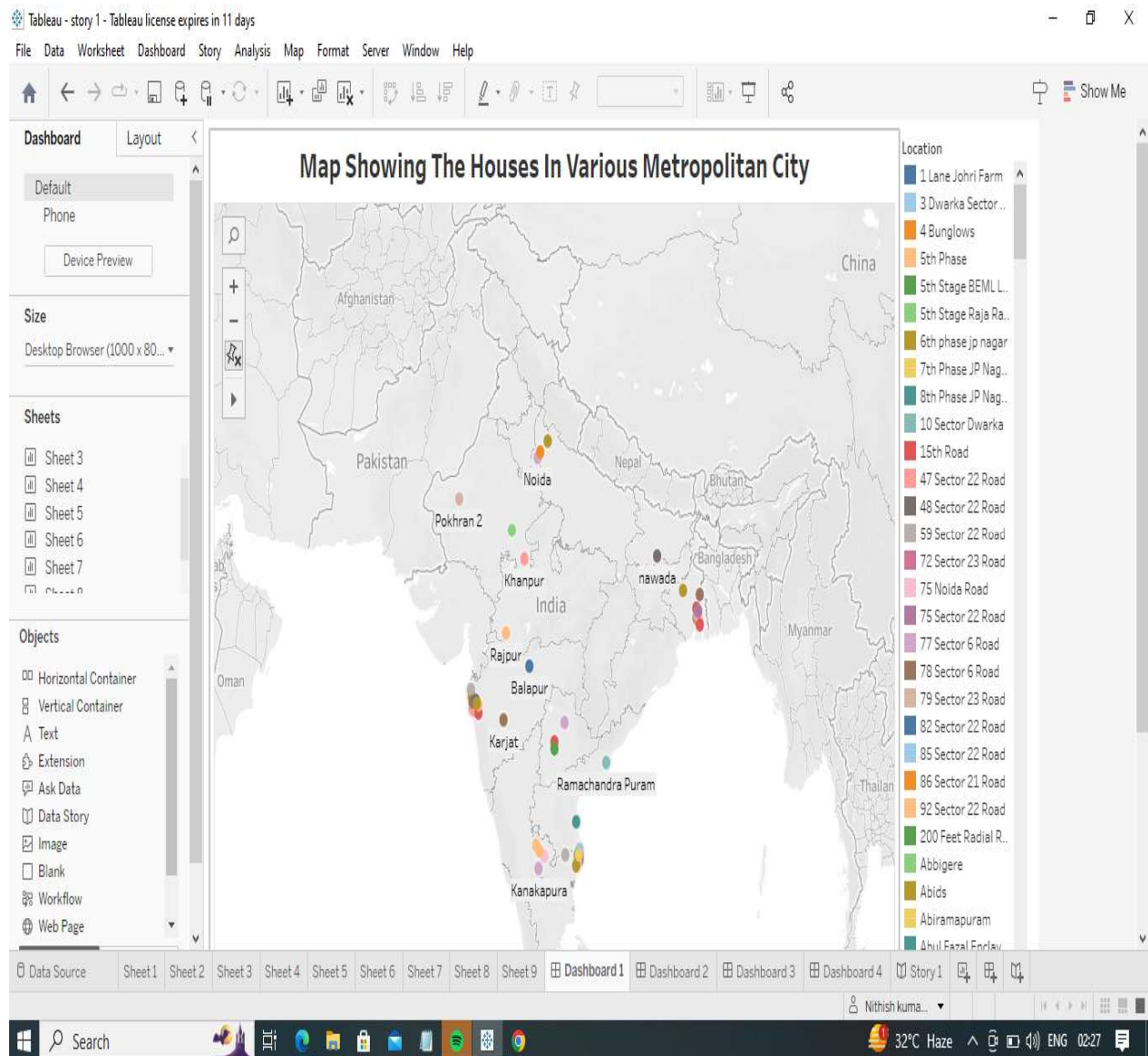
The screenshot displays the Empathy 2 web application interface, which is a collaborative ideation and brainstorming tool. The interface is divided into several sections:

- Header:** Includes the Empathy 2 logo, navigation icons, and a share button.
- Left Sidebar:** Contains a vertical toolbar with icons for various tools like text, shapes, and eraser.
- Main Canvas:** The central workspace where the ideation map is created. It features a grid of sticky notes and a large diagram on the right side. The sticky notes contain text related to a business problem, such as "Define your problem statement", "Brainstorm", "Group ideas", and "Prioritize". The diagram on the right is a flowchart showing the process of ideation and brainstorming.
- Bottom Bar:** Includes a search bar, a zoom slider (set to 8%), and a status bar showing the current date and time.

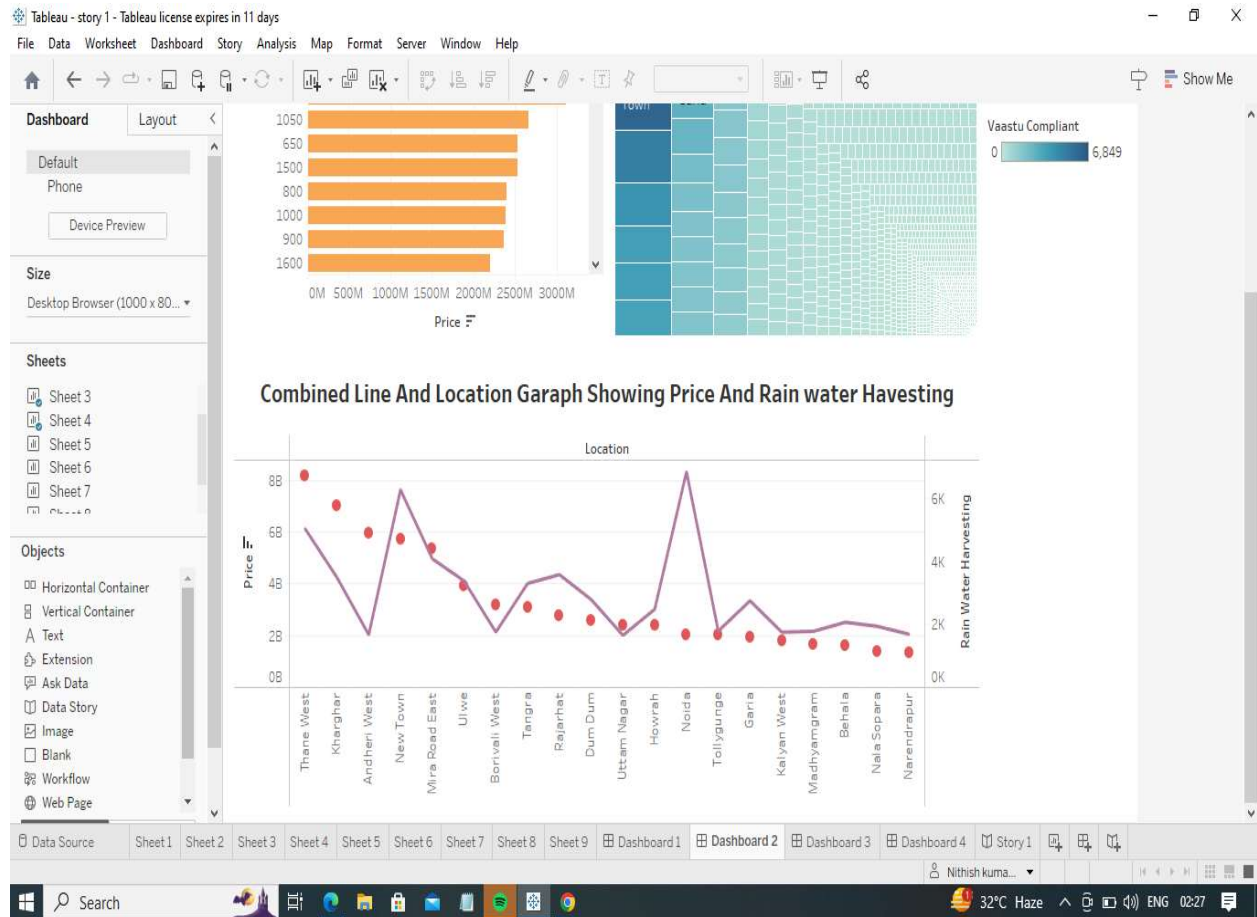
The sticky notes and diagram illustrate a structured approach to ideation and brainstorming, starting from defining the problem statement and moving through brainstorming, grouping ideas, and prioritizing them.

3.Result:

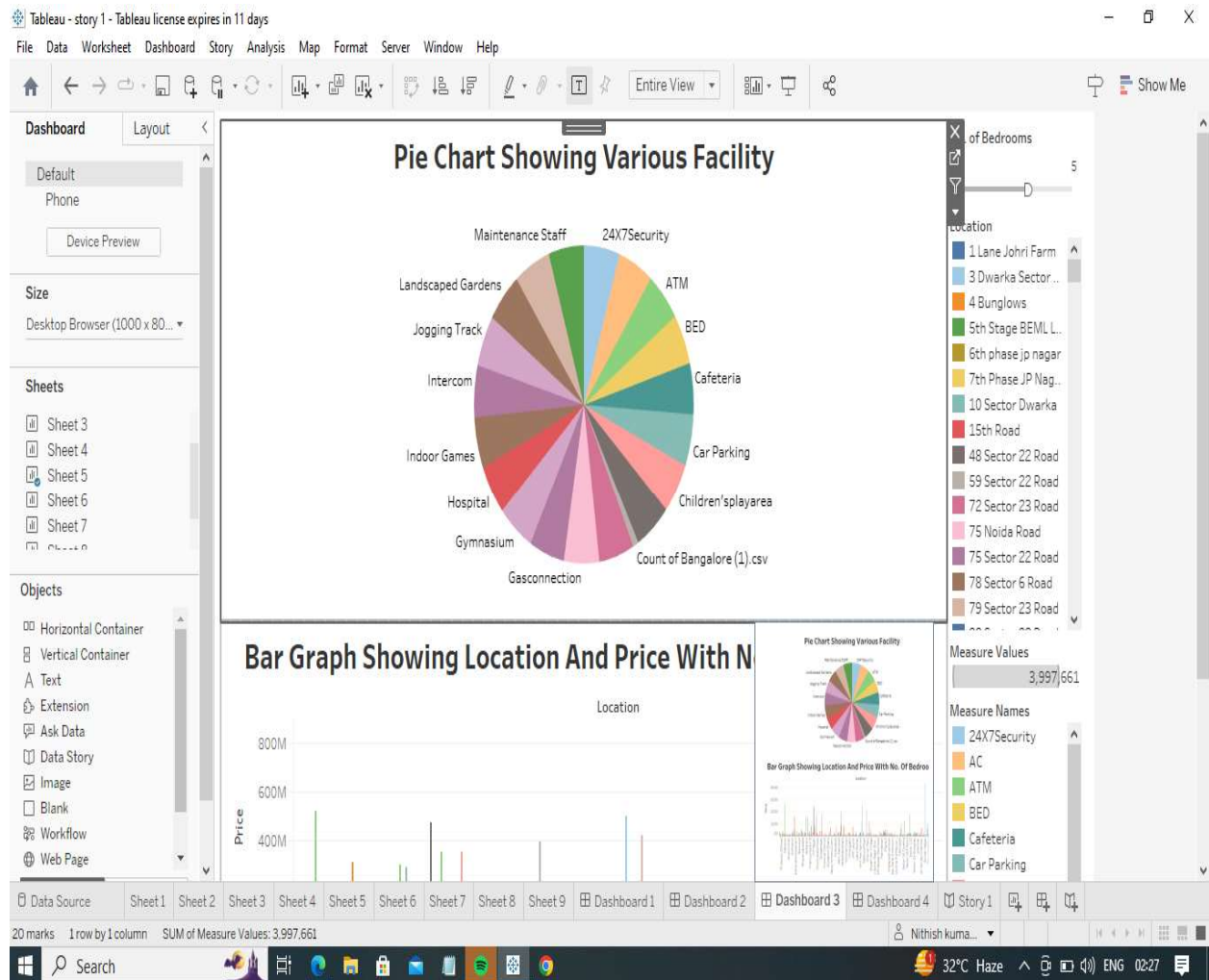
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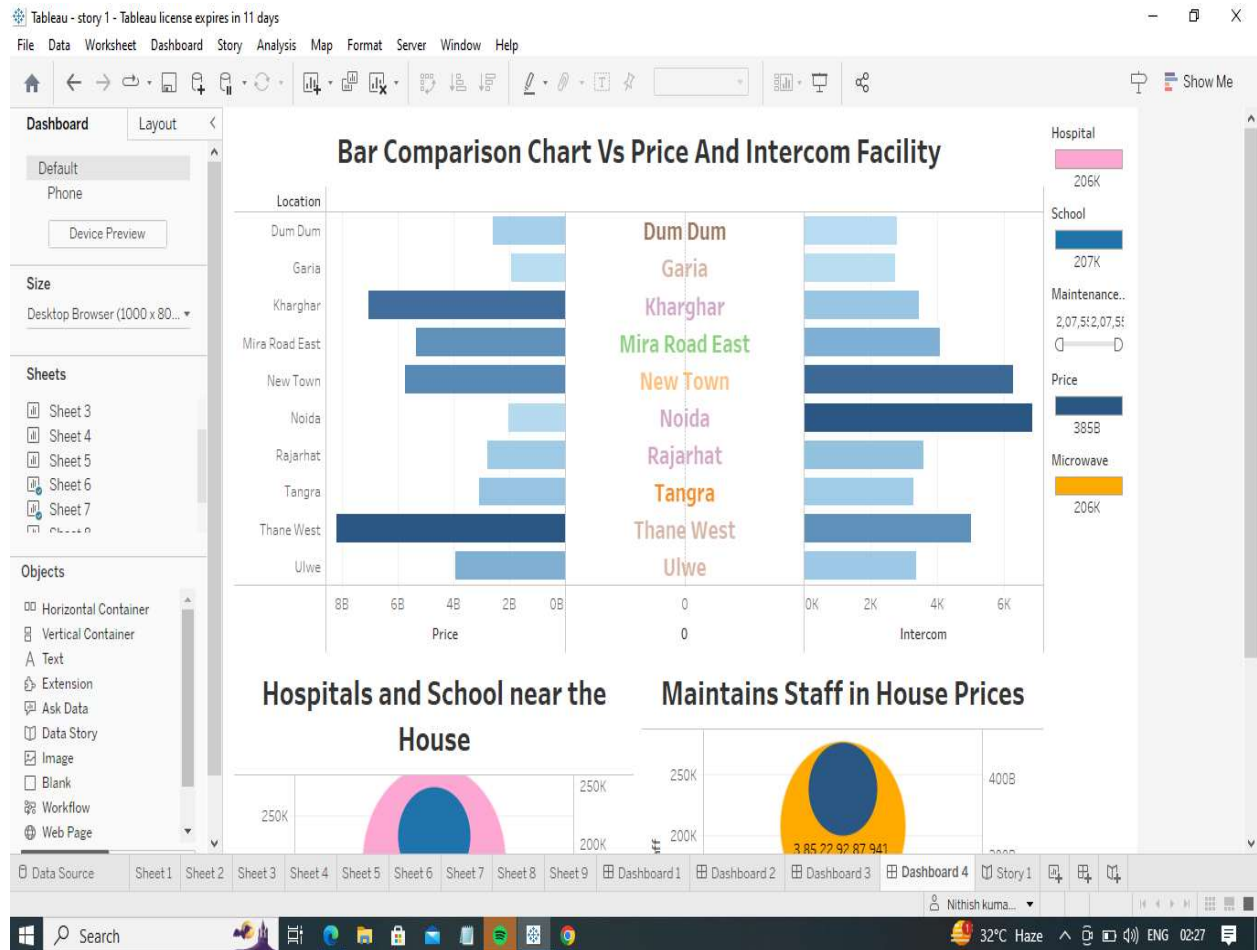
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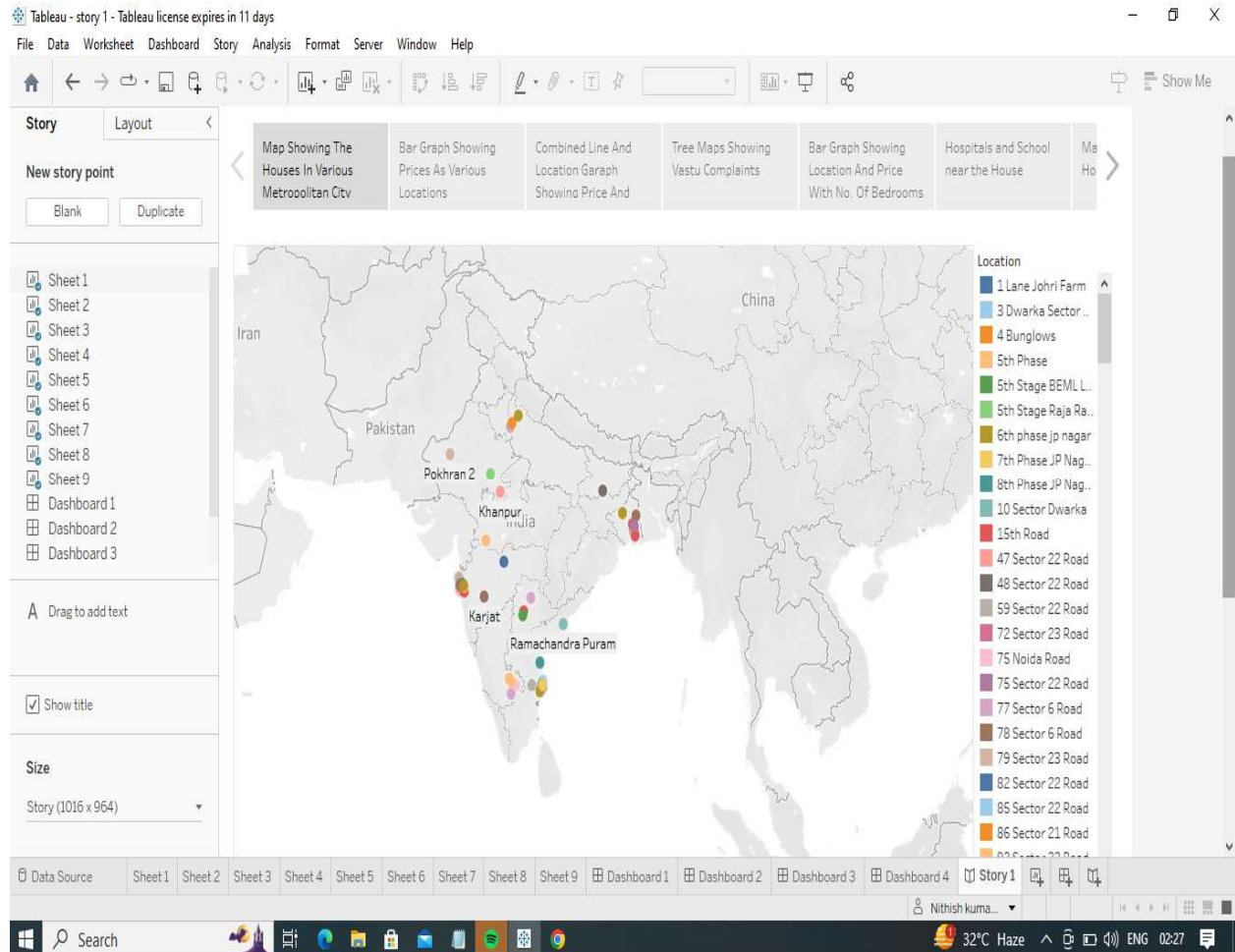
Dashbored 3:



Dashbored 4:



Story:



4. Advantages & disadvantages:

Advantages:

1. **Appreciation Potential:** House prices in metropolitan areas often have a higher potential for long-term appreciation due to population growth, economic development, and urbanization.
2. **Rental Income:** Investing in metropolitan areas can provide a steady stream of rental income, as there is generally a higher demand for rental properties in cities.
3. **Amenities and Infrastructure:** Metropolitan areas offer better amenities, infrastructure, and services, making them attractive to residents and tenants.
4. **Employment Opportunities:** Major cities are economic hubs with diverse employment opportunities, which can lead to higher demand for housing. It is the most important advantage to buy a home in Metropolitan City.
5. **Education and Healthcare:** Access to quality education and healthcare facilities is typically better in metropolitan areas, making them desirable for families.

Disadvantages:

1. **High Property Prices:** One of the most significant disadvantages is the high cost of real estate in metropolitan areas. This can be a barrier to entry for many investors and homebuyers.
2. **Competition:** Due to high demand, there can be intense competition for properties, leading to bidding wars and inflated prices.
3. **Traffic and Congestion:** Many metropolitan areas face issues of traffic congestion and limited parking, which can negatively impact the quality of life for residents.
4. **Pollution:** Pollution levels are often higher in cities, affecting air and water quality and overall health.
5. **Limited Green Spaces:** Metropolitan areas may have limited green spaces and recreational areas, making it challenging for residents to find open and natural spaces for relaxation.

5.Application:

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.

The Real Estate Industry In India is estimated at USD 265.18 billion in 2023, and is expected to reach USD 828.75 billion by 2028, growing at a CAGR of 25.60% during the forecast period (2023-2028). The country's real estate market was affected by the COVID-19 pandemic.

6.Conclusion:

Prediction house prices are expected to help people who plan to buy a house so they can know the price range in the future, then they can plan their finance well. In addition, house price predictions are also beneficial for property investors to know the trend of housing prices in a certain location.

The report cited the “**225 bps repo rate hike and consequent increase in home loan rates along with higher residential prices**” as reasons behind the decline in the EMI-to-income ratio. “**2022 also marks the first year since 2011 for affordability decline in year-on-year terms.**”

7.Future scope

Property prices in India are likely to increase over the coming years, mirroring the country's economic growth. However, increased cost of buying houses could hit the affordable segment.

While interest rates may come down in the future, **property prices will still rise**. The increased value of the acquired property will compensate for a marginal percentage hike. Also, most Indians don't want to buy just any house. In most cases, they have already shortlisted the most desirable options.