Effect of Local Services on Rental Prices in Bangalore City

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1 Introduction

1.1 Background

Bangalore is the IT hub of India. It is home to the major IT giants of the country and several startups as well. It is thus a spot where several young professionals relocate to pursue their career. It has a population of over ten million, making it a megacity and the third-most populous city and fifth-most populous urban agglomeration in India. It has an area of over 700 sq km.

Since several people migrate to this city, it is essential to maintain a database containing details of rental prices and local venues in all neighbourhoods of the city, The project aspires to construct one such coherent database using net crawling. Apart from this, since Bangalore is a lucrative spot to put up properties for rental purposes, I would also like to analyze the correlation between locally available services and rental price. This would help people interested in building guest houses etc. to choose suitable locations for their endeavours.

1.2 Business Problems

Questions to be addressed are:

1.2.1

What is the correlation between different types of services (food, shopping, sports/recreational etc.) and rental prices?

To answer this question we need the data on average rental prices in all neighbourhoods and the number of venues providing different kinds of services located in the neighbourhood. Using methods like Regression, we can figure out the correlation.

1.2.2

Is the correlation strong enough to compensate for the higher land prices associated with localities that have more services?

Neighbourhoods with more venues of interest have higher land prices. If the rental prices don't have a strong correlation with the presence of these venues, it is wise not to develop rental properties in such places.

1.3 Interested Audiences

1. People who are moving to Bangalore and need a place to rent can make use of the database created to search for a suitable neighbourhood based on the rental costs they can afford, the local venues they might refer and proximity to their work place (database also contains latitude and longitude of each neighbourhood).

2. Businessmen and property dealers who are looking for locations to build guest houses, rental properties etc. will find this study useful.