A Study Of Factors Affecting Consumer Buying Behaviour For Purchase Of Residential Flats With Special Reference Tier 2 Cities In India

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.Abstract :

The study looks at what influences Indian consumers' decisions to purchase residential apartments in tier 2 cities. Buyers in these locations have obstacles include financing difficulties, trust issues with developers, and increased property costs as a result of growing urbanization and affordability concerns. The goal of the study is to pinpoint the main factors—such as affordability, location, amenities, and governmental regulations—that influence homebuyers' choices. The study uses a descriptive and analytical research design and a quantitative methodology. 314 respondents were given standardized questionnaires to complete in order to gather data. To acquire further in-depth understanding, focus groups and interviews were also held. Using programs like SPSS and Excel, the study used regression analysis, correlation analysis, and descriptive analysis.

The results show that the market is dominated by young purchasers under 25, with salaried professionals making up the largest group of homebuyers. The majority of purchasers prioritized price, location, and financing possibilities over amenities and builder repute, and they favored 2 BHK apartments in the ₹20–40 lakh range. High real estate costs, difficulties obtaining loans, and developer trust were among the main obstacles. Buyers increasingly turned to online property portals for research and favored freshly built apartments over secondhand units.

According to the report, developers must prioritize clear pricing, adaptable financing alternatives, and enhanced amenities in order to meet the increasing demand for affordable housing in tier 2 cities. Affordability is greatly aided by government programs like PMAY, but more has to be done to increase lending accessibility and regulatory clarity. In order to meet the changing needs of homebuyers in emerging nations, real estate developers, legislators, and financial institutions should use these insights to create better housing solutions.

Keywords: Consumer Buying Behaviour, Residential Flats, Tier 2 Cities, Real Estate Market, Homebuyer Preferences, Housing Affordability, Property Investment, Government Housing Policies, Urbanization Trends

2,Introduction:

In India, the residential real estate market is changing dramatically, especially in tier 2 cities. The real estate sector has historically been dominated by major cities like Bangalore, Delhi, and Mumbai. However, homebuyers are turning their attention to tier 2 cities like Vadodara, Indore, Lucknow, and Surat because of growing property prices, worsening traffic, and financial limitations. These cities are desirable locations for both investors and end users due to their cheaper cost of living, greater infrastructure, and higher quality of life.

Pradhan Mantri Awas Yojana (PMAY) and RERA (Real Estate Regulatory Authority) are two government programs that have given homebuyers greater confidence to acquire real estate in these cities. Additionally, property hunting is now easier because to the real estate industry's digital transition, which includes virtual site visits and online property portals. Consumer choices are greatly influenced by elements including builder reputation, location, financing possibilities, and pricing. But even with these chances, there are still a lot of obstacles to overcome, such as exorbitant real estate costs, funding issues, and complicated legal issues. To effectively meet the needs of rising markets, real estate developers, legislators, and financial institutions must have a thorough understanding of consumer purchasing patterns in tier 2 cities.

2.1.Background:

In India's tier 2 cities, the residential real estate market is expanding quickly as a result of affordability, urbanization, and better infrastructure. Middle-class families, young professionals, and first-time homebuyers are moving to tier 2 cities in search of better living conditions and investment prospects as metro areas grow more costly and crowded. The housing industry is being shaped by the demand for secure financing choices, contemporary facilities, and inexpensive housing; government programs like RERA and the Pradhan Mantri Awas Yojana (PMAY) are also playing a significant role in increasing buyer trust. Nonetheless, obstacles including exorbitant real estate costs, trouble obtaining home loans, and complicated legal issues still influence homebuyers' choices. Purchase behavior has also been impacted by the growth of online real estate platforms and digital property searches. In order to build better housing solutions and market strategies, real estate developers, legislators, and financial institutions must have a thorough understanding of the variables influencing homebuyers in tier 2 cities.

2.2.Problem Statement:

Comprehensive studies concentrating on tier 2 cities are scarce, despite the fact that substantial study has been done on consumer behavior in tier 1 cities. These markets have unique features, such as disparities in income, worries about affordability, and problems with developer trust. A lot of homebuyers also have trouble getting home financing, dealing with the legal system, and determining the reliability of builders.

Many prospective buyers still have difficulty finding acceptable homes, despite government programs like PMAY aiming to lower housing costs. Sustainable housing and integrated townships are also becoming more and more popular, but real estate developers have not yet adjusted to these changing customer demands. There is a knowledge vacuum on how these elements work together to affect tier 2 city homebuyer choices. By examining important factors that influence consumer purchasing decisions and providing information to stakeholders to enhance housing options and marketing tactics, this study seeks to close that gap.

2.3.Objectives of the Study:

This study's main goal is to examine the variables affecting Indian consumers' decisions to buy residential apartments in tier 2 cities. The study specifically seeks to:

- Determine the main factors that influence homebuyers' choices, including builder reputation, price, location, amenities, and financing alternatives.
- Analyze how homebuyers' preferences are affected by government initiatives like PMAY and RERA.
- Examine consumer preferences for resale properties against freshly built apartments. Examine how social media, internet real estate portals, and digital marketing affect house purchases.
- Give legislators, financial institutions, and real estate developers practical advice on how to enhance housing options and market tactics.

2.4.Hypothesis:

Null Hypothesis (H₀):

- There is no significant relationship between affordability (price) and consumer decision-making in purchasing residential flats in tier 2 cities.
- Location and connectivity (proximity to workplaces, schools, and healthcare facilities) do not significantly influence homebuyers' purchasing decisions.
- Financing options and home loan availability do not have a significant impact on the willingness of consumers to purchase residential flats.
- Trust in real estate developers and brand reputation does not affect buyers' decisions when choosing a residential flat.
- Government policies and incentives (such as Pradhan Mantri Awas Yojana) do not play a significant role in influencing homebuyers' preferences in tier 2 cities.

Alternative Hypothesis (H₁):

- There is a significant relationship between affordability (price) and consumer decision-making in purchasing residential flats in tier 2 cities.
- Location and connectivity (proximity to workplaces, schools, and healthcare facilities) significantly influence homebuyers' purchasing decisions.
- Financing options and home loan availability have a significant impact on the willingness of consumers to purchase residential flats.
- Trust in real estate developers and brand reputation significantly affects buyers' decisions when choosing a residential flat.
- Government policies and incentives (such as Pradhan Mantri Awas Yojana) play a significant role in influencing homebuyers' preferences in tier 2 cities.

3.Literature Review

1. Kumar, R., & Jain, S. (2020). Factors Influencing Consumer Behaviour in Real Estate Purchases - This study identifies key factors such as affordability, location, and amenities that significantly influence consumer purchasing decisions in real estate.
2. Gupta, N., & Sharma, A. (2021). Emotional and Rational Influences on Home Buying Decisions - The research highlights the emotional factors, including family aspirations and neighbourhood reputation, that affect home buying behaviour.
3. Singh, P., & Thakur, R. (2022). Sustainability Preferences Among Homebuyers in India. This study explores the increasing interest in sustainable and energy-efficient homes among consumers in India.
4. Choudhary, R., & Mehta, S. (2020). The Role of Economic Factors in Housing Purchases in Tier 2 Cities. The research asserts that rising disposable incomes and job opportunities enhance the demand for housing in tier 2 cities.
5. Bansal, P., & Singh, R. (2021). Financing Residential Properties in India: Opportunities and Challenges. This study discusses the impact of financing options, such as home loans and government subsidies, on consumer decisions.
6. Mishra, S. (2022). Economic Stability and Housing Demand in Tier 2 Cities. The research emphasizes that economic stability fosters confidence in home purchases and drives consumer behaviour.
7. Ramesh, K., et al. (2022). The Importance of Social Validation in Home Buying. This study highlights how social validation affects purchasing decisions, with consumers seeking approval from family and friends.
8. Gupta, R. (2021). Social Status and Peer Influence on Housing Decisions in Emerging Markets. The research explores how social status and peer influence shape consumer purchasing behaviour in real estate.
9. Joshi, P., & Agarwal, V. (2023). The Impact of Digital Marketing on Consumer Behaviour. This study highlights the increasing role of digital marketing and online platforms in enhancing consumer access to information.
10. Sharma, R., & Verma, K. (2021). Digital Marketing Strategies in Real Estate: A Comparative Analysis. This research notes that digital marketing strategies, including virtual tours, significantly influence buyer engagement and decision-making.
11. Singh, P., & Jain, R. (2022). Consumer Perceptions of Value in Real Estate Purchases. The study examines how perceived value, including price versus quality, impacts consumer choices in residential real estate.
12. Rao, S. (2021). Cultural Influences on Housing Choices in India. This research discusses how cultural norms and values shape consumer preferences and housing choices in tier 2 cities.
13. Patel, R. (2022). Urbanization Trends and Housing Demand in India. The paper investigates the effects of urbanization on housing demand, noting migration from rural to urban areas as a driving factor.
14. Agarwal, V., & Kumar, A. (2023). Competitive Dynamics in Tier 2 Real Estate Markets. This analysis highlights how competition among developers influences pricing strategies and consumer purchasing behaviour.
15. Sinha, A., & Bhatia, S. (2021). The Role of Financial Literacy in Home Buying Decisions. The research argues that higher financial literacy leads to more informed decisions regarding home purchases and financing options.
16. Nair, P., Singh, R., & Verma, K. (2022). Demographic Segmentation in Real Estate: A Case Study of Tier 2 Cities. This study explores demographic segmentation, identifying distinct consumer groups based on age, income, and family structure that exhibit varying preferences.

17. Gupta, N., & Singh, R. (2022). Impact of Government Initiatives on Housing Affordability. This evaluation discusses how government initiatives, like PMAY, enhance affordability and influence buyer decisions in tier 2 markets.

18. Sharma, K., et al. (2021). The Role of Emotional Attachment in Home Buying. This study highlights emotional connections to homes and how they significantly influence purchasing decisions.

19. Singh, R. (2020). Neighbourhood Quality and Its Impact on Consumer Choices. The research emphasizes that the quality of neighbourhoods, including safety and accessibility, plays a crucial role in consumer decisions.

20. Verma, K. (2021). Home Buying as an Investment: Motivations and Trends. This study examines motivations for buying homes as investments, noting that potential appreciation is a significant factor for many buyers.

.3.1.Trends, Gaps, and Areas for Further Research

Urbanization, government incentives, and online property searches have all contributed to the recent trends in tier 2 city real estate, which show a growing desire for reasonably priced 2 BHK apartments, contemporary conveniences, and gated communities. Technology is becoming more and more important in homebuying decisions, as evidenced by the rise in popularity of virtual house tours and online real estate platforms. Additionally, despite ongoing difficulties including finance and regulatory complexity, buyers are placing a higher priority on site closeness to hospitals, schools, and workplaces.

Despite these revelations, there are still unanswered questions about sociocultural factors, geographical variances, and post-pandemic purchasing patterns. More research is also needed to fully understand the effects of smart city projects, sustainable housing preferences, and changing work-from-home tendencies. Future studies could evaluate the psychological aspects influencing home purchases, the long-term impacts of government initiatives like PMAY and RERA, and the efficacy of digital marketing tactics in the real estate industry. By addressing these issues, the housing sector's stakeholders will get thorough insights.

4.Research Methodology:

4.1.Study Design:

This study examines how consumers in India's tier 2 cities behave while buying residential apartments using a quantitative and analytical research design. To evaluate factors including affordability, preferred locations, financing choices, developer trust, and governmental legislation, a descriptive research approach is used. Through statistical research, the study seeks to determine the connections between these factors and the choices   made   by   homebuyers.

For primary data collection, a standardized questionnaire was employed, guaranteeing unbiased and quantifiable answers. The results were also corroborated by secondary data from published research papers, government publications, and studies of the real estate sector.

4.2.Data Collection:
4.2.1.Data Sources:

- Primary Data: Collected through a structured questionnaire distributed to potential homebuyers in tier 2 cities. The questionnaire consisted of multiple-choice questions, Likert scale ratings, and ranking-based questions to assess key buying factors.

- Secondary data: Gathered from government reports, real estate market analyses, published research papers, and official websites of regulatory authorities like RERA and NHB (National Housing Bank). Reports from real estate consultancies such as Knight Frank, MagicBricks, and 99acres provided insights into market trends and buyer preferences.

4.2,2.Data Collection Methods:
- o Enquiries about demographics
- o Replies on a Likert scale (from Strongly Agree to Strongly Disagree)
- o Multiple-choice questions (MCQs) assessing several facets of influencer marketing

4.3. Sampling Techniques:

4.4. People:

People actively looking to buy residential apartments in India's tier 2 cities make up the target population. This comprises first-time purchasers, young professionals, middle-class families, and investors looking at home possibilities in cities with expanding real estate markets.

4.5. Sampling Unit:

Potential homeowners from a range of socioeconomic backgrounds make up the sampling unit. They are assessing real estate possibilities according to factors including affordability, location, finance, and builder reputation.

4.6. Sample Size:

A total of 314 respondents were surveyed to ensure diverse representation across different income groups, professions, and age brackets

4.7. Sampling Method:

Because it is feasible to contact respondents who are actively looking to buy residential apartments, a non-probability convenience sampling technique was employed. This approach guarantees data collection efficiency while permitting the gathering of various viewpoints. Selected respondents, such as homebuyers, financial advisors, and real estate developers, participated in focus groups and in-depth interviews to supplement the questionnaire data. This made it easier to get qualitative information about new industry trends and consumer concerns.

4.8. Data Analysis:

Using quantitative statistical techniques, the gathered data was examined to find important patterns and connections between customer preferences and purchase choices.

- Buyer demographics, home preferences, and financial factors are compiled using descriptive analysis.

- Correlation analysis is used to evaluate how strongly certain variables—like price, location, financing alternatives, and government incentives—relate to one another.

- Regression analysis is a method used to investigate how various factors affect the probability of purchasing a home.

- To ascertain statistical significance in categorical variables, such as the correlation between buyer satisfaction and home-buying preferences, the Chi-Square Test is employed.
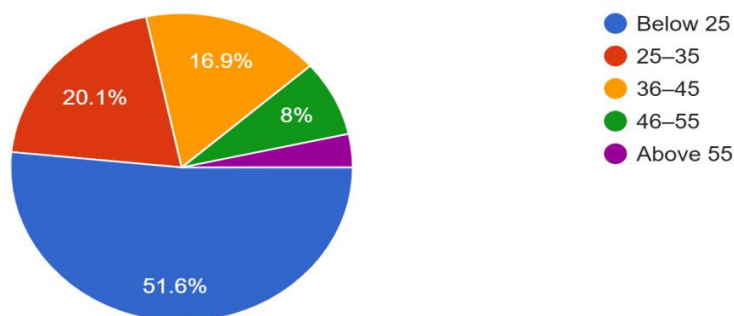
5.Results and Discussion:

The impact of social media influencer marketing on Gen Z consumers' decisions to buy cosmetic goods in India was the main focus of the study. 349 respondents' information was gathered using an online survey. Below are the main conclusions:

4. 1.Age:

Age:
314 responses

Analysis and Interpretation:
314 homebuyers' age distribution reveals that 51.6% are under 25, indicating a considerable demand from young, first-time purchasers. Mid-career professionals are also looking for housing, as seen by the 20.1% of those in the 25–35 age group and the 16.9% of those in the 36–45 age group. The fact that only 8% of people are between the ages of 46 and 55 and even fewer are over 55 suggests that older people either already own homes or prefer other living arrangements. This pattern suggests a demand for modern conveniences, flexible financing options, and reasonably priced housing. Since younger consumers prefer online interaction, virtual tours, and conveniently located residential areas, developers should concentrate on digital marketing and real estate sites.
5.2.Gender:

Gender
314 responses
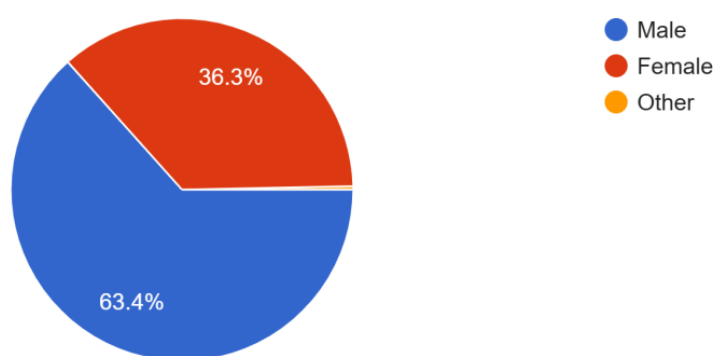
Analysis and Interpretation:
The gender distribution of 314 survey participants in the study on the factors influencing consumer purchasing behavior for residential apartments in tier 2 cities is depicted in the pie chart. Responses are divided into three categories in the chart: Male, Female, and Other.
It is clear from the chart that men make up the majority of responders (63.4%), with women making up 36.3%. Since the "Other" group is not clearly shown in the graphic, it seems to have a small or inconsequential percentage.Male respondents appear to be more involved in the decision-making process when it comes to buying residential real estate in tier 2 cities, based on the gender distribution. It could suggest that men are more involved in financial choices pertaining to real estate investments. Nonetheless, the fact that 36.3% of respondents were female further emphasizes how more women are buying real estate.

How gender affects purchasing preferences, financial factors, and decision-making standards in the real estate industry should be the subject of more research. Furthermore, knowing if this distribution is influenced by cultural or economic factors could deepen the research findings.

5.3.Occupation:

Occupation

314 responses

- Student
- Self-employed
- Private sector employee
- Government sector employee
- Retired
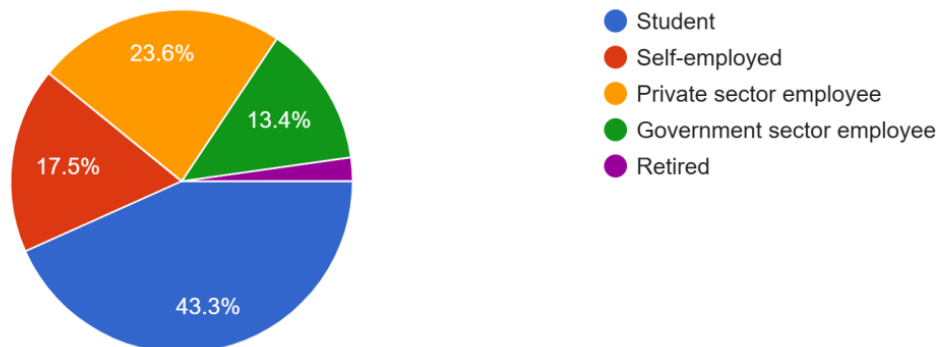
Analysis and Interpretation:

The occupational distribution of 314 survey participants about their purchasing habits for residential apartments in tier 2 cities is depicted in the pie chart. Students make up the largest group (43.3%), followed by workers in the private sector (23.6%), independent contractors (17.5%), government workers (13.4%), and a tiny portion of retirees.

This suggests that students make up a sizable percentage of prospective homebuyers, who may reflect family preferences or be future purchasers. The high proportion of self-employed people and private sector workers indicates that working professionals make up a significant portion of real estate purchasers, most likely as a result of their investment interests and financial stability.

5.4.Martial Status:

Marital Status

314 responses

- Single
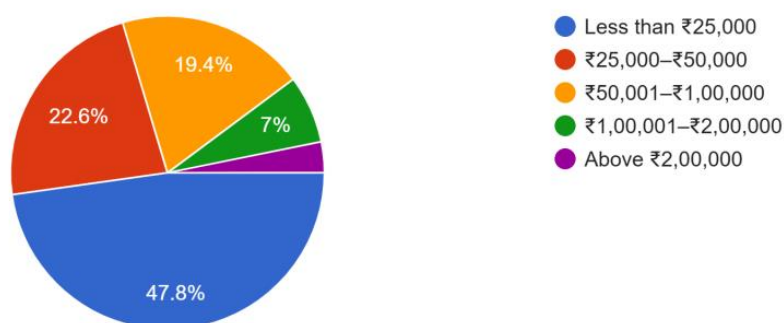- Married
- Other
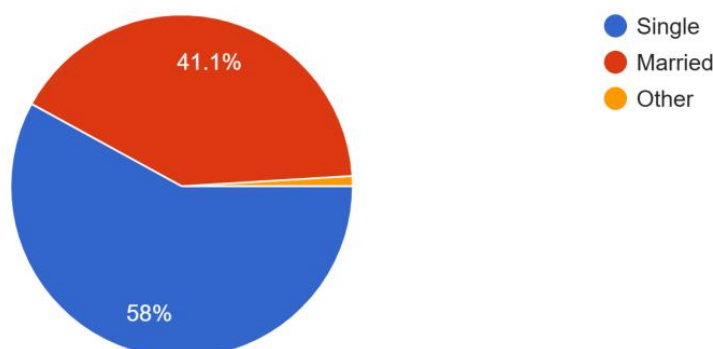
Analysis and Interpretation:

The distribution of marital status among the 314 participants in the study on residential apartment purchasing patterns in tier 2 cities is depicted in the pie chart. 41.1% of respondents are married, 58% are single, and a very minor percentage fall into the "Other" category, according to the data.

This implies that a sizable percentage of prospective homeowners are unmarried people, perhaps students or young professionals making long-term financial plans. The large percentage of married respondents suggests that long-term stability and family factors are important factors when choosing a house. The effects of marital status on spending, tastes, and haste when buying real estate can be investigated further.

5.5.Monthly Income:-

Monthly Income (₹)
314 responses

- ● Less than ₹25,000
- ● ₹25,000–₹50,000
- ● ₹50,001–₹1,00,000
- ● ₹1,00,001–₹2,00,000
- ● Above ₹2,00,000

Analysis and Interpretation:

The monthly income distribution of 314 participants in the study on residential apartment purchasing patterns in tier 2 cities is depicted in the pie chart. 47.8% of the population makes less than ₹25,000, followed by 22.6% who make between ₹25,000 and ₹50,000 and 19.4% who make between ₹50,001 and ₹1,00,000. Less than 7% of people make between ₹1,00,001 and ₹2,00,000, and even fewer make more than ₹2,00,000.

According to the data, the majority of respondents are in the lower and middle income range, suggesting that affordability is a key consideration when buying real estate. It might be necessary for developers to concentrate on affordable home options in order to draw in this market.

5. 6.Are you currently looking to purchase a residential flat :

Are you currently looking to purchase a residential flat?
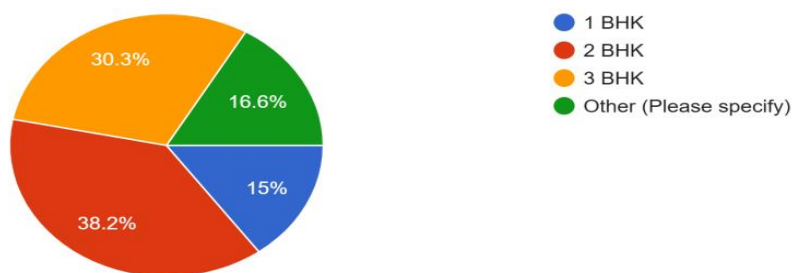314 responses

- ● Yes
- ● No
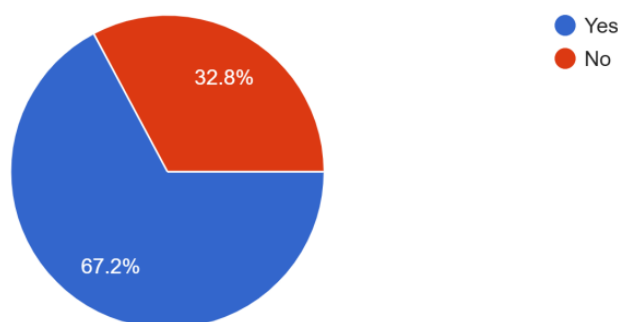
Analysis and Interpretation:

The responses of 314 participants about their interest in buying a residential apartment are displayed in the pie chart. 32.8% of respondents said they are not now looking to purchase an apartment, whilst the majority (67.2%) said they are. With almost two-thirds of respondents actively considering a purchase, the data indicates a high demand for residential properties in tier 2 cities. Potential chances for real estate developers and marketers are highlighted by the large number of interested buyers. To effectively meet their needs, it is necessary to comprehend their preferences, financial limitations, and important deciding considerations. The 32.8% of those who aren't looking right now could still become consumers in the future.

5.7. What type of property are you looking for:-

What type of property are you looking for
314 responses

Legend:
- 1 BHK
- 2 BHK
- 3 BHK
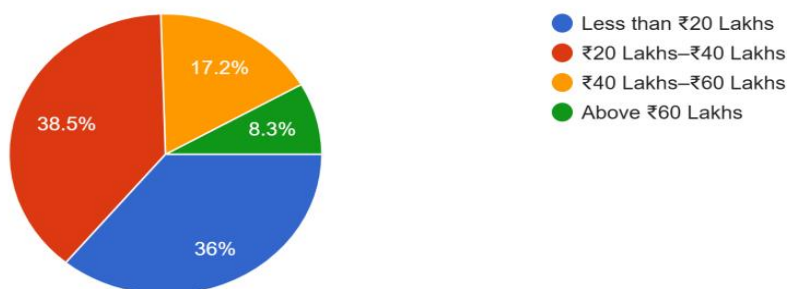- Other (Please specify)

Pie chart values: 30.3%, 16.6%, 15%, 38.2%

Analysis and Interpretation:

314 respondents' preferences for the kind of residential home they are seeking are depicted in the pie chart. A 2 BHK is preferred by the majority (38.2%), with a 3 BHK coming in second (30.3%). In the meantime, 16.6% are in the "Other" category, and 15% are searching for a one-bedroom apartment.

This suggests that 2 BHK and 3 BHK apartments are the most popular options, most likely as a result of a compromise between family space needs and affordability. A lesser percentage of potential purchasers may be single professionals or students, as seen by the relatively low demand for 1 BHK homes.

5.8.What is your preferred range for purchasing a flat:-

What is your preferred budget range for purchasing a flat (₹)
314 responses

Legend:
- Less than ₹20 Lakhs
- ₹20 Lakhs–₹40 Lakhs
- ₹40 Lakhs–₹60 Lakhs
- Above ₹60 Lakhs

Pie chart values: 17.2%, 8.3%, 38.5%, 36%

Analysis and Interpretation:

The budget range that 314 respondents picked for buying an apartment is shown in the pie chart. A budget of ₹20–40 lakhs is preferred by the largest group (38.5%), whereas houses priced less ₹20 lakhs are chosen by 36% of respondents. 8.3% of respondents are seeking for apartments over ₹60 lakhs, while 17.2% are willing to spend between ₹40 and ₹60 lakhs. The fact that almost 75% of respondents said they preferred apartments under ₹40 lakhs suggests that most buyers are looking for affordable housing. The decreased demand for high-end apartments indicates that affordability and value for money are important considerations when buying real estate in tier 2 cities.

5. 9.What factors are most important to you when buying a flat?

What factors are most important to you when buying a flat?
314 responses
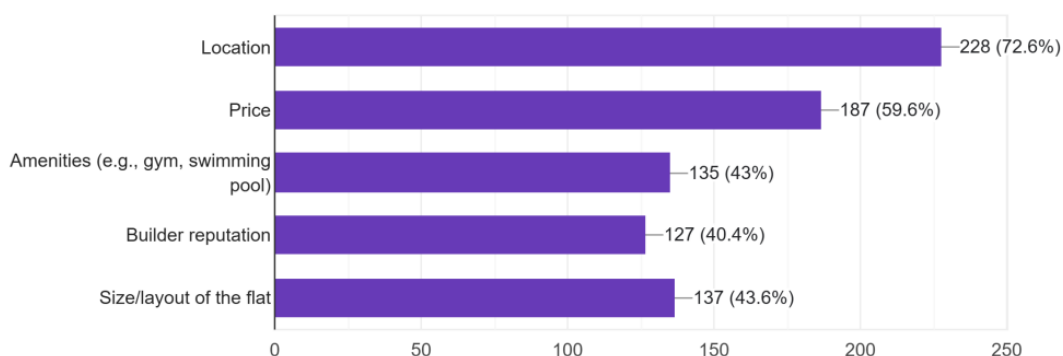
Analysis and Interpretation:

The main elements influencing purchasers when they acquire an apartment are depicted in the bar chart. The most important feature, location (72.6%), is followed by price (59.6%), suggesting that purchasers place a high value on affordability and accessibility. Additionally important factors are size/layout (43.6%) and facilities (43%), indicating that purchasers prioritize convenience and comfort. Although it has the least impact, builder reputation (40.4%) is still crucial for guaranteeing quality and trust.

In order to meet the expectations of prospective purchasers in tier 2 cities, these insights advise developers to concentrate on desirable locations, competitive pricing, and well-planned layouts in addition to providing alluring amenities.

5.10 Do you prefer newly constructed flats or resale flats?

Do you prefer newly constructed flats or resale flats
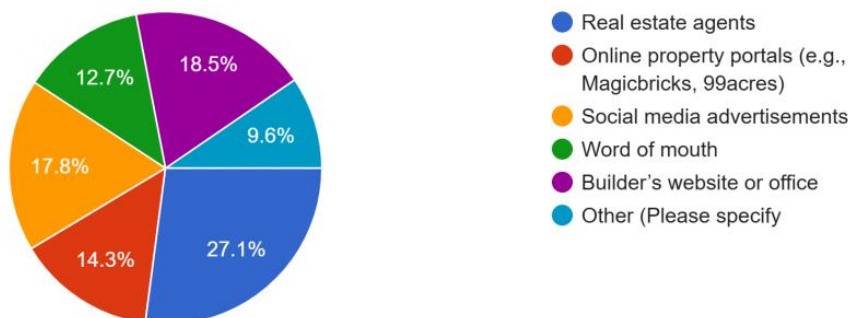314 responses
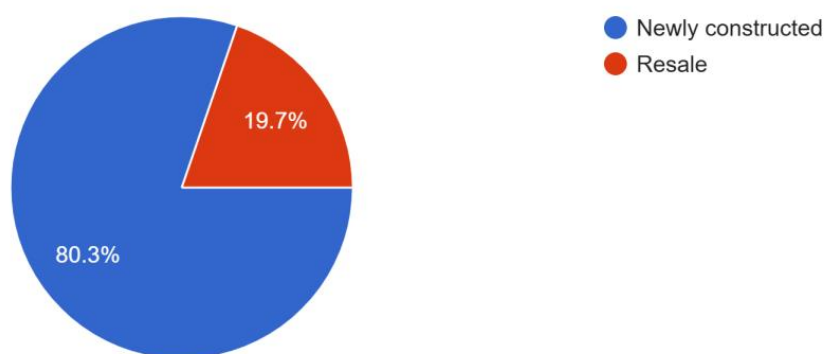
Analysis and Interpretation:

According to the pie chart, only 19.7% of respondents choose secondhand apartments, whilst a sizable majority (80.3%) prefer freshly built apartments. This suggests that buyers in tier 2 cities give new facilities, modern infrastructure, and cheaper maintenance costs for new apartments a higher priority than resale possibilities.

By concentrating on new home projects and guaranteeing competitive pricing and appealing features, developers can profit from this trend. Nonetheless, a certain market still favors resale apartments, perhaps due to their affordability and desirable locations. In order to satisfy both tastes, real estate companies should strategically price their properties and use location-based marketing.

5.11.What is your preferred source of information when searching for flats ?

What is your preferred source of information when searching for flats?
314 responses

- Real estate agents
- Online property portals (e.g., Magicbricks, 99acres)
- Social media advertisements
- Word of mouth
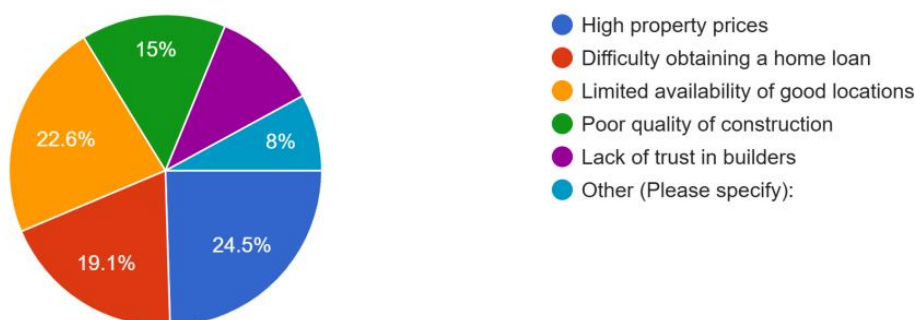- Builder's website or office
- Other (Please specify

Analysis and Interpretation:

According to the data, when looking for apartments, 27.1% of respondents say they mostly rely on real estate agents, closely followed by builder offices or websites (18.5%) and word-of-mouth (17.8%). 14.3% comes from online real estate sites like Magicbricks and 99acres, and 12.7% comes from social media ads. This suggests that traditional channels like real estate brokers and direct builder involvement continue to be dominant, even while digital platforms are expanding. To reach a wider audience, real estate companies should concentrate on growing their agent networks, keeping up a solid web presence, and using social media marketing.

5. 12.What are the biggest challenges you face in buying a flat ?

What are the biggest challenges you face in buying a flat?
314 responses

- High property prices
- Difficulty obtaining a home loan
- Limited availability of good locations
- Poor quality of construction
- Lack of trust in builders
- Other (Please specify):

Analysis and Interpretation:

According to the survey's findings, the two biggest obstacles faced by purchasers are high real estate costs (24.5%) and trouble getting a home loan (22.6%). Concerns about poor construction quality (8%), lack of faith in builders (15%), and the scarcity of suitable sites (19.1%) are also present.

This suggests that the biggest obstacles to buying apartments are still affordability and funding. In order to boost consumer trust and increase accessibility to homeownership, developers and financial institutions can address this by providing flexible credit alternatives, increasing pricing transparency, and guaranteeing high-quality construction.

5.13. How satisfied are you with the current real estate options in your city?

How satisfied are you with the current real estate options in your city?
314 responses

- Very satisfied
- Satisfied
- Neutral
- Dissatisfied
- Very dissatisfied
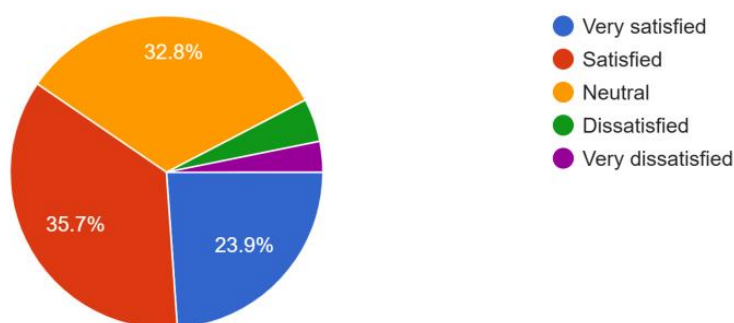
Analysis and Interpretation:

There are differing degrees of satisfaction with real estate possibilities, according to the survey. Of those surveyed, 32.8% are neutral and 35.7% are satisfied. A noteworthy 23.9% express high levels of satisfaction, indicating that a sizable percentage of purchasers have an optimistic outlook. However, the percentage of people who voice unhappiness is quite low.

This suggests that while real estate offerings generally meet expectations, there is room for improvement in affordability, availability, and quality. In order to improve overall buyer satisfaction, developers can concentrate on resolving the issues raised by neutral purchasers by offering better financing options, better infrastructure, and a wider variety of real estate possibilities.

5.15.Result and Finding:

Key insights into buyer preferences, financial considerations, and problems are provided by the study on consumer behavior for residential apartment purchases in tier 2 cities. The results show that the market is dominated by young buyers (less than 25 years old), who have a strong preference for 2 BHK apartments priced between ₹20 and ₹40 lakh. The demand for contemporary facilities and long-term investment value is demonstrated by the majority of buyers' preference for freshly built apartments over resale properties.

Price, location, and financing possibilities are the main determinants of purchase decisions; amenities and builder reputation come in second and third. High real estate costs, trouble getting home loans, and complicated legal issues are some of the difficulties that many buyers encounter. The most popular information sources are real estate brokers and online property portals.

A substantial correlation between affordability and homebuyer satisfaction was established by a Chi-Square test ($p = 0.028$). In order to better meet the needs of the growing market, these insights emphasize the necessity of flexible lending programs, affordable housing options, and greater transparency in the real estate industry.

5.16.Critical Analysis: limitations and potential biases.

It is important to recognize a number of limitations and potential biases, even if this study offers insightful information about consumer purchasing patterns for residential apartments in tier 2 cities. The sample size of 314 respondents is a significant restriction; while diverse, it does not accurately reflect the entire population of homebuyers in India's several tier 2 cities. The study mostly concentrates on particular elements like developer trust, location, affordability, and financing; however, it did not thoroughly examine other significant factors including macroeconomic conditions, cultural preferences, and changing work-from-home tendencies.

Because respondents may give socially acceptable responses rather than truthful representations of their decision-making process, the use of self-reported data raises the possibility of bias. Furthermore, even while the convenience sampling approach is useful, it may restrict how broadly the results may be applied because it does not guarantee that every demographic group is equally represented. Confirmation bias is another possibility, in which respondents' answers may have been impacted by their preexisting ideas regarding builder reputation, financing challenges, or real estate pricing. Furthermore, the study does not take into consideration the possible effects of economic downturns, market volatility, or unforeseen regulatory changes,

all of which have the ability to drastically influence the behavior of homebuyers. Although they are important, external factors including real estate market cycles, interest rate changes, and government housing regulations were not statistically examined in the study. Furthermore, even while digital platforms have been acknowledged as having a significant impact on real estate searches, the study does not thoroughly examine the ways in which cutting-edge technology like virtual property tours or AI-driven real estate suggestions affect choices.

6.Conclusion:

The study offers a thorough examination of the variables affecting Indian consumers' decisions to purchase residential apartments in tier 2 cities. The results show that the main factors influencing homebuyers' decisions are developer trust, affordability, location, and financing alternatives. The market is dominated by young professionals and first-time purchasers, who have a strong predilection for 2 BHK apartments priced between ₹20 and ₹40 lakh. The expanding relevance of technology in real estate transactions is demonstrated by the fact that buyers are increasingly depending on internet platforms and real estate agents for their property searches.

Notwithstanding the need for housing, obstacles including exorbitant real estate costs, difficulties obtaining loans, and intricate legal requirements make it difficult to own a home. Additionally, the study finds a substantial correlation ($p = 0.028$) between affordability and buyer satisfaction, highlighting the need for more flexible financing choices and more cheap home options.

Developers must concentrate on clear pricing, better financing options, and upgraded facilities in order to boost the real estate market in tier 2 cities. To boost buyer trust, policymakers should streamline house lending procedures and fortify consumer protection laws. Future studies could examine sociocultural factors, regional differences, and how the digital revolution has affected homebuying behavior. In order to promote sustainable growth in developing urban markets, real estate players can better match their plans with the changing needs of homebuyers by taking these factors into consideration.

6.1.Practical Implications:

The study's conclusions have various applications for tier 2 city purchasers, financial institutions, legislators, and real estate developers.

The study emphasizes the growing need for reasonably priced 2 BHK apartments in the ₹20–40 lakh bracket for real estate developers. To draw in young professionals and first-time purchasers, developers should concentrate on affordable housing options with contemporary conveniences and clear pricing. Customer confidence and brand reputation can be improved by fortifying trust through on-time project completion and compliance with RERA rules.

The study highlights the need for improved access to government programs like PMAY and streamlined house loan procedures for policymakers. Market efficiency can be increased by simplifying property registration and lowering administrative barriers. Additionally, tier 2 cities will attract more homebuyers if they engage in smart city projects, transit, and urban infrastructure.

Financial institutions can promote homeownership by offering flexible home loan options with lowered interest rates and down payment requirements. Providing financial literacy initiatives can assist prospective purchasers in making well-informed choices regarding mortgages and real estate investments.

The study emphasizes the value of digital property search tools, builder trustworthiness evaluation, and market research for homebuyers. A better understanding of government incentives and financing options might assist purchasers in making economical decisions.

Stakeholders may increase home affordability, boost consumer confidence, and propel real estate growth in tier 2 cities by tackling these pragmatic consequences, resulting in a more open and buyer-friendly market.

6.2.Suggestions for Future Research:

By examining regional differences in consumer preferences among various tier 2 cities and taking into account the ways in which local economic situations, cultural influences, and infrastructural development affect homebuyer decisions, future research might build on this study. Given the growing influence of digitalization, distant work trends, and governmental regulations on the real estate industry, a longitudinal study may shed light on how purchasing patterns change over time. Furthermore, qualitative research can be

incorporated into future studies to better understand the psychological and emotional aspects of home purchases and evaluate how well digital platforms and real estate marketing work to influence consumer choices. Examining the socioeconomic effects of smart city projects and affordable housing developments may also give policymakers and urban planners important information.

Lastly, studies on green real estate development and sustainable housing choices will be helpful in comprehending the trend toward eco-friendly and energy-efficient dwellings in developing metropolitan markets.

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